

STRATEGY & OUTLOOK

- 41 Group CEO Review
- 51 Strategy Review
- 59 Financial Review
- 70 Corporate Compliance Review
- 78 Legal & Insurance Review
- 82 People Review
- 96 Business Review – Offshore Production
- 105 Business Review – Renewables
- 111 Business Review – Green Technologies
- 116 Business Review – Offshore Marine & Malaysia Operations



GROUP CEO REVIEW

Commentary by Lim Chern Yuan, Group Chief Executive Officer



2021 was a year of rediscovery, recovery and renewal globally, as the world emerged from the worst of the pandemic to find its feet in the new normal. Our theme for this Report, 'Purpose Driven', reflects how we remained focused in FYE 2022. Under the banner of our Vision, Mission and Core Values, we continued to be driven by a firm sustainability mindset, a deep desire to create sustainable value for all our stakeholders and a strong resolve to be an industry leader in the global fight against climate change.

GLOBAL OVERVIEW

Looking back at 2021, resilience was everywhere. Despite the widespread rollout of vaccines, the Covid-19 virus continued to spread and mutate throughout the year, particularly affecting communities that faced vaccine inequity. Climate change caused more extreme weather events, from floods and dust storms in Henan, cyclones in Indonesia and Fiji, winter storms in the United States and heat waves in the Pacific Northwest. Closer to home, Malaysia experienced one of its most extreme flooding events in recent history, with over 70,000 residents displaced. Governments, communities and businesses everywhere responded with strength and solidarity, reminding us that everyone needs to play their part in order to overcome the world's biggest challenges today.

After a volatile 2021, Brent Crude Oil price steadily rose and breached USD100 per barrel in February 2022. The final surge was unfortunately due to the Russian invasion on Ukraine. I echo Benjamin Franklin's words, 'There was never a good war or a bad peace'. Our thoughts and prayers go out to those affected by the war and we hope peace will prevail soon.

The global economy is recovering rapidly from last year's Covid-induced recession, however that recovery has been uneven, causing strains on the global energy supply chain, particularly in developing economies. The World Energy Outlook ("WEO") by the International Energy Agency ("IEA") noted sharp increases in natural gas, coal and electricity prices in 2021, with coal and oil use rebounding. Although great advancements were made in electric mobility and renewables, the WEO reports that progress towards universal energy access has stalled, especially in sub-Saharan Africa.

As a global energy solutions provider, access to energy is an issue that is close to our heart. Looking at these global trends alongside our unique potential to capitalise on the opportunities they bring, we believe that we are about to enter into one of the most exciting chapters of Yinson's growth story. We have taken two bold steps to unlock greater value via a strategic review of our FPSO business, announced on 1 March 2022; and a Group Strategy Review ("GSR"). I encourage you to read my colleague Daniel's Strategy Review for further details.



Strategy Review, pg 51

CLIMATE ACTION: NO LONGER A LUXURY BUT A NECESSITY

The 26th UN Climate Change Conference of the Parties ("COP26") in Glasgow, UK, in late 2021 concluded with the Glasgow Climate Pact, where nearly 200 countries reaffirmed the long-term global goal to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The COP26 recognised that rapid, deep and sustained reduction in global greenhouse gas ("GHG") emissions, including reducing global carbon dioxide emissions by 45% by 2030 relative to 2010 levels, is required to significantly reduce the risks and impacts of climate change. Alarming, the climate pledges made to date cover less than 20% of the gap in emissions reductions that needs to be closed by 2030 to keep a 1.5°C path within reach.


The WEO further reports that the energy sector has been responsible for almost three-quarters of the emissions that have already pushed global average temperatures up by

GROUP CEO REVIEW

1.1°C since pre-industrial times. Yinson is aligned with experts all over the world who believe that energy must be at the heart of the solution to climate change.

We have made climate change one of the central decision-making considerations at Yinson. We believe that taking a leadership position within our industry in the fight against climate change not only allows us to effectively play our part in lowering global emissions but also a core business strategy that is critical to the sustainability of our business.

Our 2021 materiality assessment, in which we engaged with representatives from all our key stakeholder groups, confirms that Climate Change and GHG emissions should sit at the very top of our action list. It is our most material matter, as well as the topic where we have the strongest opportunity and ability to lead.


 *Materiality matters, pg 129; Climate change & the energy transition, pg 132; Climate change & greenhouse gas emissions, pg 161*

From the aspect of governance, GHG emissions will be increasingly scrutinised and regulated. The development and adherence to climate policies and action plans are now part and parcel of stakeholder expectations for businesses. ESG performance screenings, ESG ratings and inclusion into sustainability indexes are becoming stricter, cutting off business opportunities for companies that don't meet their increasingly stringent standards. These ESG performance metrics are commonly now pre-requisites for all companies to gain access to funding and secure business partnerships.

From a fiscal point of view, carbon emissions are costly, and not only because of the potential exposure to carbon tax. Failure to assess and reduce our vulnerability to climate-related factors can lead to a slew of potential losses, including penalties for environmental violations, inability to secure funding due to a drop in investor confidence, getting left out of major global supply chains and losing out on project awards in an environment where ESG performance becomes more central to bid evaluations.

Since announcing our Climate Goals to be carbon neutral by 2030 and net zero by 2050 mid last year, we followed up with the launch of our SLF Framework in September 2021 and Climate Goals Roadmap in October 2021. The Roadmap provides a forward-looking trajectory of Yinson's carbon profile up to 2050, highlighting specific action plans that are aligned to international standards and frameworks, while the SLF Framework sets the Sustainability Performance Targets ("SPT") which our SLFs will be structured against. Two months later, we released our inaugural Climate Report, aligned to TCFD, which discloses our management of climate-related issues, risks and opportunities. This sustainability journey is one where we are committed towards continuous improvement.


Every department at Yinson is involved in the realisation of our Climate Goals, with our business divisions spearheading the operationalisation of the various climate initiatives according to their respective emissions profile. I encourage you to read the Business Reviews from my colleagues Flemming, David, Eirik and CW within this Report, where they highlight how our divisions aim to contribute towards the achievement of the Climate Goals, as well as their progress towards said goals. The Zero Emissions FPSO concept, which Flemming explains in the Offshore Production Review, is one of the key ways we plan to lower the emissions of our operating fleet. We will continuously invest in such concepts by starting to maximise energy efficiency on the FPSOs immediately, with a view of developing a zero emission FPSO in future.

 *Business Review - Offshore Production, pg 96; Business Review - Renewables, pg 105; Business Review - Green Technologies, pg 111; Business Review - Offshore Marine & Malaysia Operations, pg 116*

Collectively as a Group, we are tracking our progress against our SPTs, using our 2021 performance as a baseline. It is early days yet, but we are working hard to meet these targets. As global and industry standards on climate disclosures evolve, we are committed to updating our climate action plans accordingly in order to best reflect our responsible management of this important issue.

Our leadership position on climate action has brought exciting new opportunities, one of which is in the area of green financing.

Financial institutions and investors may intuitively feel hesitant to invest in the oil & gas industry due to the perception of our environmental risk. However, there is also a realisation that there are growing opportunities that could arise from supporting emissions-intensive companies who are committed to lowering their emissions, and who are well-positioned to deliver on those commitments. Sustainability-linked financial instruments, such as green bonds and sustainability-linked loans, are becoming increasingly widespread. Our consistent demonstration of our industry-leading climate efforts puts us as a forerunner amongst our peers when we are evaluated against the instruments' eligibility criteria. In 2021, we issued a RM1.0 billion Sustainability-Linked Sukuk Wakalah – a first for Malaysia and a fantastic achievement for us. Further details on this issuance can be found in my colleague Daniel's commentary on our capital strategy. I also encourage you to read our Sustainability Statement section in this Report for further details on the actions and achievements on this front.

 *Sustainable financing highlight, pg 55; Climate change & the energy transition, pg 132; Financial Capital, pg 137; Climate change & greenhouse gas emissions, pg 161*



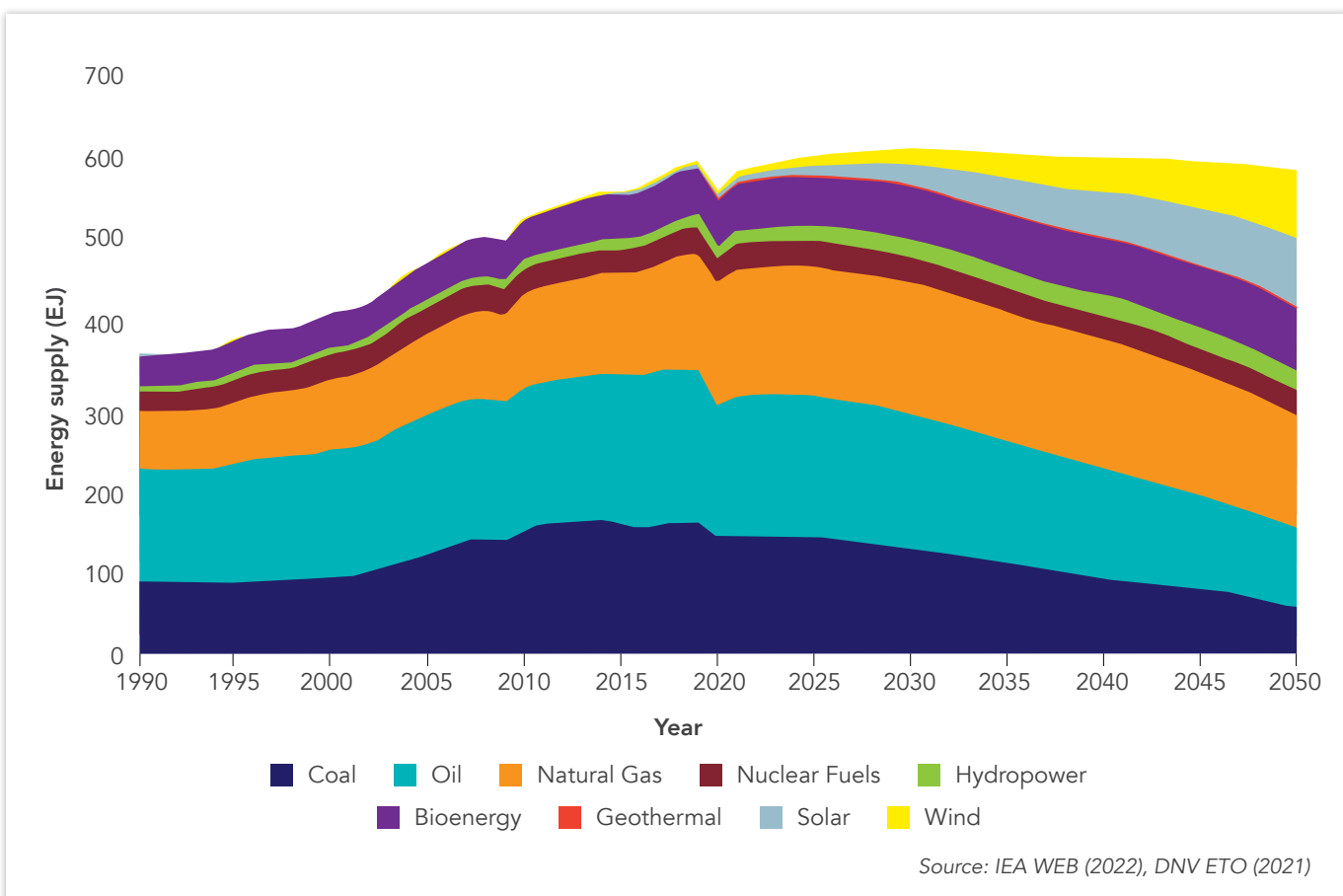
Scan this QR code to find out more about our Climate Goals, Climate Goals Roadmap and Climate Report

EMBRACING THE ENERGY TRANSITION

In general, forecasts show that the growth of energy demand locksteps with the growth of gross domestic product (“GDP”) and the global population rise, however its overall rise is moderated by efficiency improvements. Despite the rapid growth in consumption of energy services in the coming decade, driven mainly by the growing global middle class and higher digital literacy and adoption, studies show that global energy demand will start to plateau around the 2030s and remain relatively flat through to mid-century, with an annual growth rate of 0.5% to 2050.

Further, forecasts show that the energy demand will not develop uniformly across sectors and economies. Advanced economies will have a lower energy demand, while many emerging markets and developing economies having a higher energy demand in the coming decades. Oil & gas will continue to play an essential role in the global energy mix, as we steadily transition to various renewable energy sources.

GLOBAL TOTAL ENERGY SUPPLY BY SOURCE (1990 – 2050)



GROUP CEO REVIEW

We believe that how we embrace the energy transition, manage its risks and capitalise on its opportunities are crucial to our continued ability to maintain our growth trajectory and remain relevant to the needs of the global energy supply chain and the communities around us.

Modern energy is inseparable from human livelihoods and it is directly linked to wellbeing, prosperity and development. This is because energy supports economic and social progress – manufacturing, trade, modern agriculture, transportation, communication, services – especially in developing countries, where reliable, affordable energy infrastructure is needed to help people escape poverty and create better lives.

Yinson's aim is to help manage the stability of the energy transition for the broader community, so that as many people as possible, have access to as stable as possible an energy supply, for as cheap as possible. We believe that embracing the energy transition doesn't mean that we rush the departure of fossil fuels from the energy mix. After all, it is currently still the dominant form of energy supply, and therefore the most affordable and viably accessible. Transitioning away from fossil fuels too fast when alternative solutions have yet to be scaled up to reach critical mass or establish themselves accordingly in the supply chain could potentially drive all energy prices up – something that will affect everyone and developing communities more severely than developed ones.

Yinson's diversification into renewables and green technologies is an important prong of how we aim to embrace the energy transition. Through Yinson Renewables, we invest into the entire renewables value chain, with a current focus on onshore wind and solar. When we increase the energy output from the renewables sector, we contribute to the strengthening of market mechanisms that bring this energy to the masses, which lowers costs for the end user, ultimately enabling it to become a larger contributor to the energy mix. Through Yinson GreenTech's investments into the electrification of the marine, mobility and battery segments, we aim to create an ecosystem that runs on cleaner energy. By building physical infrastructure and assets that run on electricity, we are able to create a higher demand for clean energy sources, which directly also encourages alternative energies' higher contribution to the energy mix. We aim to scale up on these investments significantly in the coming years, in line with our strategy for embracing the energy transition.

The second prong is through the responsible management of our offshore production business. Given our excellent project and operations performance track record, and our leadership position in ESG within the industry, we believe that we should continue to play our part in the energy supply chain for as long as oil & gas is still needed in the energy mix – which is for many decades to come. Yinson Production continues



to be Yinson's strongest cash flow pillar, and we believe we should continue investing into its continual development in order to unlock its value. The cash flows from this division allows us to exponentially scale up our renewables and green technologies businesses, whilst also achieving Yinson Production's goals of delivering reliable, affordable energy globally. As a Group that has sustainability at our core and that has set the lowering of our fleet's emissions as a non-compromisable key performance indicator ("KPI"), we believe we bring the extra edge when it comes to executing FPSO projects in line with the evolving trends of the energy transition. We will continue to carefully select projects which we execute by carefully selecting our clients and projects that meets our climate goals as well.

We envision a day where we can provide reliable, affordable and clean solutions to the energy supply in countries that we work.

INVESTING IN EMERGING TECHNOLOGIES AND DIGITALISATION

Ongoing technological advancement is one of the biggest forces shaping the modern business landscape. We believe that in order to keep our edge as a leader in our fields, we need to capitalise on emerging technologies and innovative digital tools that can be enablers for the cutting-edge growth of our business divisions. Our investments are guided by a thoughtful strategy that considers how the technology impacts productivity, asset lifecycles, scale-up potential and long-term business sustainability.

As an example, I invite you to read a technology highlight from our ALM team.

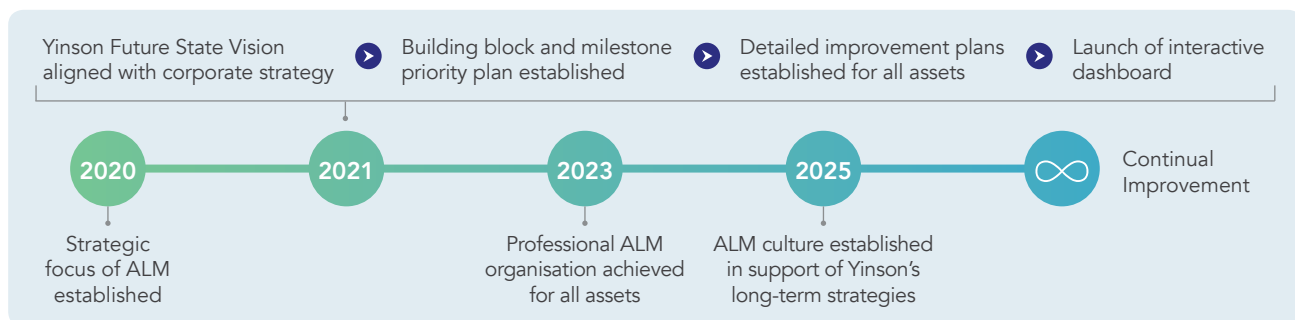
TECHNOLOGY HIGHLIGHT

Asset Lifecycle Management at Yinson

In Yinson, we recognise that we need to embrace change by optimising data and technology utilisation in harmony with a continuously developing organisation. We have adopted ALM to safeguard the integrity of our assets through a foundational strategic framework, ensuring our assets utilisation is being optimised for its intended use from a lifecycle perspective.

FYE 2022 has been a year of substantial development in Yinson. Through an enhanced data governance, data collection and management platforms, data visualisation and intelligence, data structure and quality, and digitised solutions for sharing and learning, our own lifecycle efficiency models have been developed, which looks at environmental cost in parallel with our monetary models. Forming partnerships and collaborations to drive technology and industry development puts us on track to meet our goal of becoming a best practice ALM organisation by 2026.

YINSON'S ALM JOURNEY AND GOALS



Data collection & digital twin representation



Concept illustration of an FPSO digital twin

During the lifecycle of an asset, creating a digital representation of a physical object or a system can be time consuming, involves high costs and there is a high tendency for marginal errors during data collection. Strategising and evaluating the benefits for which objects and systems to replicate digitally is key to optimise its intended use and utilise it as a tool for maximising return on investment. Using data science to integrate digital twins with IoT, Artificial Intelligence, Machine Learning and data analytics becomes a powerful tool for bridging the digital and physical world enhancing asset optimisation, predictive capabilities and informed data-driven decision making.

Current deployment

Yinson has established systems together with industry leading companies that ensure processes for collection and presentation of both real-time data and static data (1D, 2D, 3D), data management, data quality assurance and data structuring for both existing and future assets.

Presently, Yinson has established real-time data collection and digital twin representation onshore for all our operating vessels. Structuring and combining available data together with cutting edge technology provides visual representation of our assets on several platforms, including full 3D representation and virtual reality visitation.

Advantages

- Direct access to data for support functions.
- Optimising operations reporting by replacing manual processes with fully automated processes.
- Foundation for optimisation of operational performance.
- Performance feedback to business development and engineering for design optimisation of new projects and assets.
- Active performance and reliability monitoring as foundation for future predictive modelling and analysis.

GROUP CEO REVIEW

Drone-assisted technology for unmanned asset inspection



Collection of high-quality data for ensuring structural integrity in confined spaces is considered an area of high risk to our workers' health and safety.

Introducing drone-assisted technology for performing close-up inspections and collecting high quality data reduces the need for crew to physically enter hazardous areas such as confined spaces. Combining technology and competence development of offshore personnel will provide more flexibility of data capturing while reducing carbon footprint and cost.

Current deployment

Upon successfully partnering a start-up company in utilising drone-assisted technology, we are working together towards a more safe, efficient, and sustainable way of performing enclosed space inspections offshore to collect high resolution quality data. Yinson has successfully deployed our first two asset-owned drones onboard FPSO Anna Nery, which will play a crucial role in optimising the asset's lifecycle.

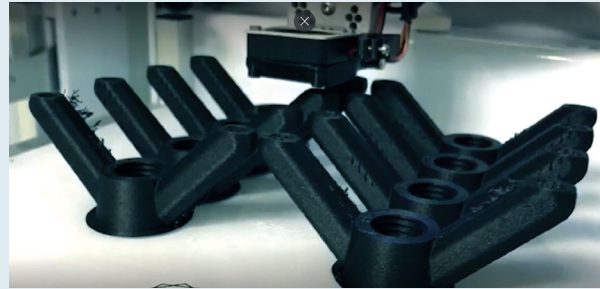
Advantages

- Reduced exposure and risk related to health and safety of personnel.
- Improved efficiency and flexibility to perform enclosed space inspections.
- Reduction of carbon footprint.
- Reduced downtime requirements for enclosed space inspections.
- Reduced cost by avoiding scaffolding, climbers and rescue teams.
- Upskilling offshore personnel to pilot the drones.
- Ability to collect high resolution quality data and situational awareness in data capturing.
- Improved asset integrity control.



Scan this QR code to watch a video on the Yinson-Scout DI collaboration

3D printing to improve our supply chain process



Traditional manufacturing processes of spare parts for our assets are becoming unsustainable due to high emissions and energy consumption as well as obsolescence risk, long lead time and logistics challenges, which introduces larger warehouse requirements and up-front spare part investments.

3D printing introduces a more sustainable way of manufacturing, which enables on-demand production with a low carbon footprint. The technology closes the gaps in our supply chain processes, providing us immediate access to obsolete spare parts, reduction of lead-time and improving parts performance.

Current deployment

Yinson has established 3D printing as part of our supply chain processes, where already categorised and standardised available parts have been included in the supply chain system, and 3D printing on demand enables access to obsolete spare parts. On demand printing of parts in collaboration with forward leaning original equipment manufacturers has been incorporated through an established 3D printing ecosystem.

Along with other parties, Yinson has, as an end-user in an established ecosystem, embarked on a project where upcycled metal material from out-of-service spare parts are broken down to produce raw materials and manufactured into functional 3D printed valves. Yinson's role in the project is to set up the application requirements, inspection and testing requirements as well as acceptance criteria. The circular economy is leading the way for the maritime and offshore industry.

Advantages

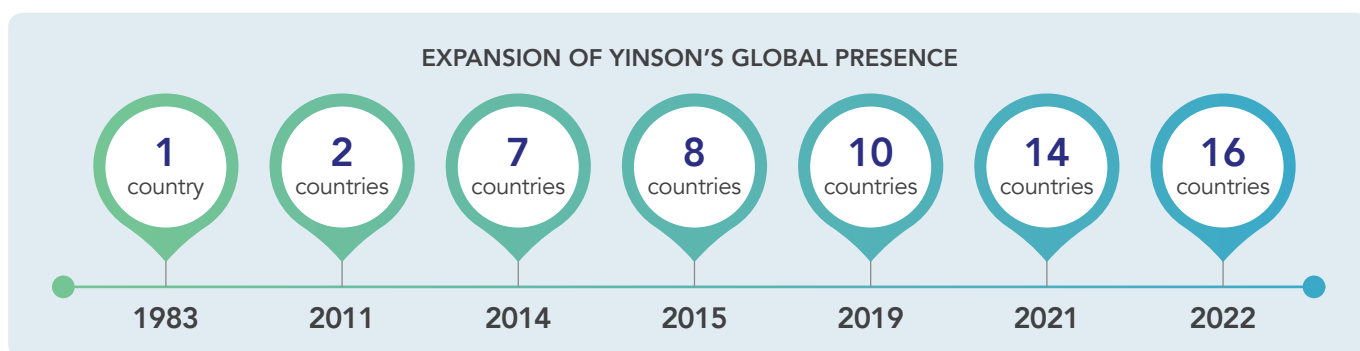
- Reduced lead time with access to on-demand 3D printing.
- Reduced carbon footprint where parts can be printed locally.
- Reduced need for warehouse capacity and upfront spare parts investment.
- Recycling and reusing of spare materials for upcycling as part of the circular economy.
- Improved parts performance.




Scan this QR code to watch a video on the Yinson's collaboration with Wilhelmssen on 3D printing spare parts

DRIVING LOCAL IMPACT

Yinson’s global presence has expanded over the past decade. We are now a multinational company with a presence across 16 countries, and we believe this number will continue to grow in time to come.



A key consideration that we take when shaping our plans and strategies are the impacts that we can have in the local communities where we operate. We strongly believe that our performance as a responsible and conscientious stakeholder is important because it gives us the social license to operate, enabling us to continue growing and delivering on our promises.


 *Stakeholder engagement, pg 124; Community engagement, pg 159*

Our contribution to the stability, accessibility and affordability of the local energy supply chain is one important way we support the local economy. In FYE 2022, our operating assets produced more than 55 million barrels of oil equivalent (“BOE”), contributing directly to the energy supply in the developing nations of Ghana, Malaysia, Nigeria and Vietnam. FPSO John Agyekum Kufuor (“FPSO JAK”) in Ghana, for example, is an integral part of the infrastructure in the Ghana Sankofa Gas Project, and produces approximately 210 million cubic feet of gas and 58,000 barrels of oil every 24 hours – enough to power approximately 7.1 million Ghanaian households. When our three Brazil assets come into operation, we expect that they will help to produce up to 331.4 million cubic feet of gas and 220,000 barrels of oil per day for Brazil. In the next 3 to 5 years, we anticipate that a sizeable portion of our 5 GW renewables pipeline will have developed into operational plants, contributing to economies in Latin America, Asia Pacific and Europe. We are indeed honoured by the trust that all our host countries have placed in us, and are determined to make good on our commitments to them.

Another important way we help to generate local prosperity is by creating job opportunities. As far as possible, we aim to hire locals to fill the positions in our country offices, and

invest in training and development to upskill them and progress their careers at Yinson. We believe that increasing the skilled workforce in the country contributes back to the development of the energy industry and local economy as a whole, and this is an important way to ensure the surrounding environment remains conducive for the sustainable running of our businesses. A major benefit of aiming to hire locals is the ability to tap on a much more global talent pool which we can eventually channel to our global projects.

We have made some significant investments into Learning & Development last year, implementing a Group-wide Learning Management System (“LMS”) with access to top tier learning modules and actively advocating a learning culture in the Group.

 *Learning Management System, pg 90; Local workforce, pg 88; Human capital development, pg 151*



GROUP CEO REVIEW

LOCAL WORKFORCE HIGHLIGHT

Meet Judith Okonta, Managing Director of our Nigeria office



Judith Okonta’s trail blazing career has been nothing short of inspiring since she first joined Fred. Olsen Production ASA in 1999 and by extension – Yinson in 2014. Recently celebrating 22 years in Yinson, she has worked in various roles, starting as the Head of Finance & Administration to Business Administration Manager, Business Administration Director, Acting Managing Director and currently Managing Director, since 2018, for Yinson in Nigeria. She oversees the operations in-country which today is made up of our two FPSO’s – FPSO Adoon and FPSO Abigail-Joseph.

With and through her leadership, Yinson Nigeria has developed to be not only one of the most engaged teams in the organisation but developed a culture of giving and impacting communities where they operate with particular emphasis on impacting the youth through the provision

of employment, certification trainings, scholarships for higher education and provision of school furniture and equipment for primary and secondary schools. Yinson Nigeria also focuses on providing business opportunities for entrepreneurs from its host communities. We believe that the combined effect of education, employment and business opportunities is a powerful driver for sustainable development in those communities.

“By resisting the temptation of tokenism in community development initiatives and focusing instead on finding ways to directly impact the people – particularly the young, we believe that we can contribute, albeit slowly, to the true and sustainable development of the communities where we operate,” says Judith.

In some countries of operation, meeting a certain percentage of local content is mandatory, however our aim is to always go over and beyond the mandatory requirements. As we have long-term commitments in the countries where we operate, strengthening our local supply chain makes it increasingly sustainable for the future. A stronger supply chain translates to cost and time efficiency savings, which not only makes good business sense, but is also an important risk mitigation strategy to ensure that we are able to keep strong operational and safety uptimes.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS

COUNTRY	EXPENDITURE ON SUPPLIERS (%)		NUMBER OF SUPPLIERS (%)	
	Local	International	Local	International
Ghana	54.1	45.9	84.3	15.7
Nigeria	62	38	53.4	46.6
Malaysia	91.6	8.4	87.6	12.4

GROUP CEO REVIEW

Strategically, we direct our Corporate Social Responsibility (“CSR”) efforts to where we believe it can have the strongest impact for the communities in alignment with the Group’s overall mission and vision. As our heart is to drive sustainable change, we focus our efforts on education initiatives which have a long-term positive impact on the community’s ability to contribute back to the local economy.

EDUCATION-FOCUSED CSR ACTIVITIES IN FYE 2022

5 kW off-grid solar system

In March 2021, we built a 5 kW off-grid solar system for the Pretea Municipal Assembly Basic School in Ahanta West, providing uninterrupted power for lighting, a television set, fans, a refrigerator and laptops. The school’s need for a solar supply came to light in 2019 when Yinson was looking for schools in the local area to which the Group could donate laptops. When we realised that the school did not even have a power supply, we shifted our focus towards helping with this essential need instead.

Yinson Scholars Programme

In March 2021, we selected the second batch of students in Ghana for the Yinson Scholars Programme. Students were from six different schools around Yinson Ghana’s operations base in Kejebriil, near Takoradi. The students, who come from low-income households, are provided with financial support throughout their three-year Senior High School education which comprises of a trunk, chop box, pillow, mattress, school bag, shoes, calculator, textbooks, exercise books, provisions and a monthly stipend.

Donation of laptops to teachers & students

Yinson Ghana donated laptops to Information Communication Technology (“ICT”) teachers from seven schools in the Ahanta West Municipality to help the ICT teachers deliver quality education to the young students in the communities.

In response to our Covid-19 post recovery efforts, Yinson Malaysia and Yinson Singapore collectively donated 59 refurbished laptops to families, especially from the lower income group, who do not have laptops or computers for their children to attend online classes due to the restrictions brought about by the pandemic.

Teacher training in Ghana

Yinson Ghana conducted a quarterly ICT training programme for ICT teachers in 2021. The programme trains teachers to enhance their teaching skills and to equip them with the knowledge to assist their students in adopting essential ICT skills – helping them to excel on the global playing field.

We also facilitated a week-long phonics training in April 2022 for ten primary school teachers from four schools in the Apowa, Kejebriil and Pretea communities. The training aims to equip teachers with the skills to help their students to read and enjoy reading.

Renovation of classroom block & library

In November 2021, Yinson Ghana renovated a classroom block and collaborated with the Ghana Library Authority to provide a library for its host communities at the Kejebriil Basic Schools. The block serves around 2,000 students in Kejebriil and surrounding communities. In April 2022, we also donated 830 books to the library, covering subjects such as Fiction, Mathematics, Science, English and Information Technology. In the spirit of encouraging a love for learning in the community, Yinson will continue to invest into the library by developing new programmes.

Sponsorship of two Teach For Malaysia Fellows

As a corporate sponsor for three years, Yinson continued to sponsor two inspiring TFM Fellows who have committed two years of their lives to fighting against education inequity in Malaysia.

Several Yinsonites, including Group CEO Lim Chern Yuan, participated in TFM Week where we taught alongside TFM Fellows in special co-teaching sessions. TFM Week is an annual event which welcomes leaders from the public, private and social sector into classrooms to experience the challenge of education inequity, and to inspire students by sharing their own education and success stories.

GROUP CEO REVIEW

Education programme partnership with Dream Learn Work

Yinson donated USD8,000 to Dream Learn Work’s student employment programme which covers the cost of the course, transportation and meal assistance for six students. Throughout the programme, Yinson employees will be mentoring the students who are pursuing a technical degree to occupy entry level positions offshore and onshore. Excelling upon graduation, the students will be offered permanent positions at Yinson Brazil.

Donation to National Cancer Centre Singapore

Yinson has made a pledge to contribute a total of SGD1.5 million over the next 10 years to the National Cancer Centre Singapore to support its efforts to advance the progress of lung cancer research, equip the next generation of lung cancer specialists in Asia and improve treatment outcomes amongst lung cancer patients, beginning with Singapore and eventually Southeast Asia. We are currently in the second year of our pledge, with funds going towards sponsoring the training and research of two fellows.

Donation of writing materials to FPSO Adoon host communities

Yinson Nigeria contributed writing materials worth USD12,850 comprising 225 cartons of notebooks and 33 cartons of pens to the Effiat and Mbo communities.



Scan this QR code to read about Yinson’s CSR efforts



CLOSING REMARKS

A question I sometimes receive is why Yinson chooses to invest so much into ‘intangibles’ such as promoting quality, equitable education and effective learning in markets that we operate; developing an internationally recognised governance and risk management framework and strategy; implementation of our R.O.A.D.S. organisational culture; promoting workplace diversity, equality and inclusion (“DEI”), investing into anti-bribery and corruption awareness; and various climate initiatives. I understand why this query comes about, as these investments may not immediately contribute to the financial outputs that are traditionally accepted as indicators of a company’s performance.

The answer is straightforward: we are investing in our future. The future also means adapting to what our stakeholders will continually demand more of in the future. We believe that these ‘intangibles’ are material to our business and lay an important foundation that insulates us against our material risks, in order to continue generating value for our stakeholders far into the future. There is value to both qualitative and quantitative inputs and outputs of what we do, and how we invest will determine its impact on the world. As the adage goes, ‘Rome was not built in a day’, we believe that our actions today will create value and generate sustainable, scalable revenue streams for tomorrow, while at the same time, fulfilling our Climate Goals. We are purpose-driven in realising our mission and will continue prioritising our long-term outlook over short-term gains.

We really do believe in a future where reliable, affordable and clean energy will be a reality. This purposeful opportunity is something we look forward to delivering in future on both the production of the energy and the use of the energy. We look forward to partnering with you on this exciting journey.

On behalf of our Board and management, I would like to take this opportunity to thank all our stakeholders who have supported us as we execute our purpose. We are grateful that you’ve placed your trust in us and will strive to continuously deliver value to you. To our employees and crew, you are the backbone of our business, and we truly appreciate the hard work and sacrifices that you’ve made in order for us to ‘Passionately deliver **powerful** solutions’.



STRATEGY REVIEW

Commentary by Daniel Bong, Group Chief Strategy Officer



CHANGE IS THE ONLY CONSTANT

Change has become the only constant, with disruptions happening faster and wider than ever before. The unparalleled pace of disruptions today, which is hugely enabled by technology, is caused by a range of interconnected forces including demographics, social values, urbanisation, regulation and climate action. The biggest accelerator for disruption in recent years has undoubtedly been the pandemic, which catapulted technologies like AI, machine learning and robotic process automation way ahead of predicted adoption.

Zooming in to the energy industry, a plethora of factors is driving a level of disruption not seen since the invention of cars and electricity more than a century ago. Climate change has been the major accelerator of change in the energy space, with climate conversations taking centre stage in global events and corporate boardrooms across all sectors. The urgency to mitigate climate effects before it's too late is propelled by a global need to better understand the energy system of the future so that we can collectively address critical issues of energy security, environmental sustainability and affordability.

What we have witnessed over the last two years indicates that industries are entering into the next cycle of transformation, where opportunities to capitalise on this change will be aplenty. Therefore, high growth companies like Yinson should not rest our laurels in anticipation of the next wave of transformation, but structurally evolve as our portfolio of businesses, assets and headcount expands. The evolution needs to be thoughtful, stakeholder-driven and timely; with a focus on breaking down siloed mindsets between geographies and teams.

The disruption megatrend may raise alarms for new, previously unseen risks; but it also gives rise to exciting opportunities for

businesses that are able to strategically position themselves to capitalise on it. We believe that to maintain our edge in this age of disruption, we need to anticipate and embrace change, continuously invest in innovation and be bold to revitalize our business model to be able to capitalise on opportunities.


YINSON'S TRANSFORMATION & GROWTH LESSONS

A sustainable business must strike a balance between shareholder returns in the immediate term, while simultaneously securing growth for the future. We aim to achieve this balance through the reliability of our business model and operational performance, paired with intelligent capital strategies that ensure growth while maintaining financial stability, underpinned by a long-term vision that encourages innovation and adaptability.

Yinson has had an exciting and unique journey, characterised by our ability to adapt to the changing environment and seize growth opportunities that come along with it. Throughout our growth, Yinson adhered to our strong fundamentals, such as operational excellence and good management of our Capitals, which helped us to reshape our business strategies to face the risks and opportunities presented by the external environment at that time. The success of these strategies is reflected through timely and on budget project deliveries generating strong cash flows and a consistent track record of delivering returns to our shareholders over the years. We also cultivate an open and transparent relationships with all our stakeholders, providing regular avenues for engagement in order to better understand their concerns and take steps to address them. For our financing and funding partners, for example, building an environment of trust and honest communication allows them to understand our business better and appreciate our

STRATEGY REVIEW


resilience. These relationships are key to the success of our capital raising initiatives over the years.

 *Stakeholder engagement, pg 124; Financing & funding partners, pg 139*

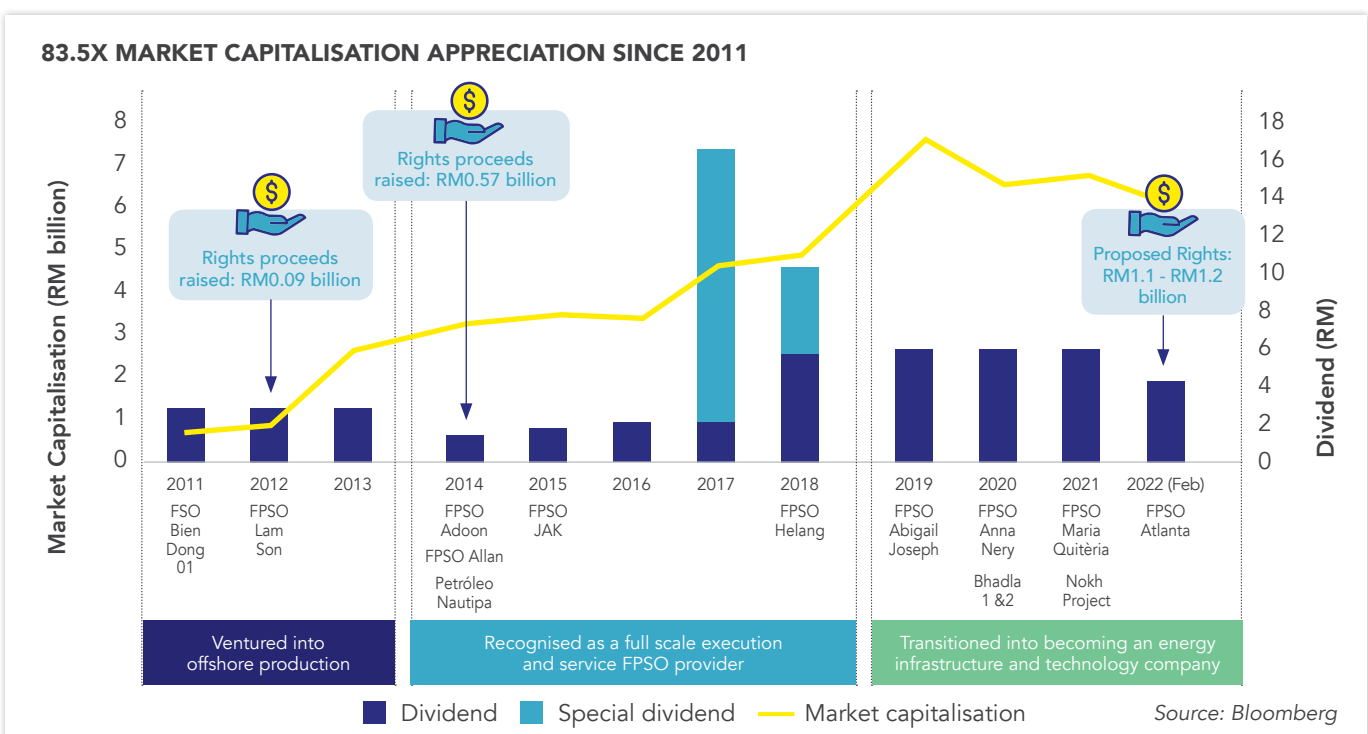
Our journey in the energy infrastructure business started in 2011, when we ventured out of the local logistics and trading business into the international oil & gas segment through the part acquisition of FSO PTSC Bien Dong 01 in Vietnam. This first pivot in our strategy was fueled by the desire to expand beyond our home ground and get our foot into a business with higher barriers to entry such as capital and track record requirements. Our venture into this business was well received by the market as reflected in Yinson’s market capitalisation growth, which tripled within three years.

Our next major pivot came when we became a full-fledged FPSO provider through the acquisition of Fred. Olsen Production ASA in 2016, allowing us to own a platform with successful project and operation track record. With this, Yinson also became a recognised contender when participating in international FPSO bids by reputable oil companies. Having gained valuable experience through our first two production assets in Vietnam, we believed the time was right to buckle down and carve a further niche into the highly specialised area of FPSO projects and operations. Our strategy during this phase of transformation was to deliver on our commitments, build our track record, and develop our resources and knowledge for the next phase of growth. Yinson’s market capitalisation continued to soar to RM4.5 billion, making way for us to establish ourselves to become one of the largest independent FPSO leasing companies globally, able to weather through two oil crises over the last decade.

Sustainability and the energy transition provided the biggest impetus for our most recent pivot into becoming an energy infrastructure and technology company. This pivot doesn’t mean that the FPSO business wasn’t doing well. On the contrary, FPSO business has never been better. With the Paris Agreement coming into force in November 2016, we began deepening our knowledge on sustainability and became convinced that we needed to adapt our way of doing business to proactively implement sustainability-based strategies to continue generating value for our stakeholders in the long-term. This resulted in strategic direction of growing into new businesses in renewables and green technologies in 2019 and 2020 respectively. That was just the beginning of our journey in sustainability. This year, we launched our Climate Goals Roadmap which reflects our commitment in pioneering and practicing innovation to achieve net zero carbon emissions by 2050, including the Zero Emissions FPSO concept to lower the emissions of our operating fleet, through technologies such as hydrocarbon blanketing and closed flare technologies, as well as carbon capture technologies in carbon sequestration processes. We believe that Yinson is in a leadership position to make a significant impact to the global energy landscape and environment.

 *Embracing the energy transition, pg 43; Environmental performance, pg 101; Climate change & the energy transition, pg 132*

So today, we have four business divisions whose strategies are geared towards achieving long-term sustainability, each with distinctive abilities to contribute to the energy and technology value chains. And we are gearing up for our next pivot.



STRATEGY REVIEW

YEAR IN REVIEW

In 2020, Yinson redefined our strategic framework in line with our new transformation phase as an energy infrastructure and technology company, setting Group-wide business, capital and organisational strategies as well as divisional-level strategies.

The refreshed strategic framework helps us to anticipate the risks and opportunities that will arise in the short, medium and long-term; and empowers us as an organisation to be adaptable in order to stay ahead in this fast-changing, complex, diversified, and volatile economic environment.

 Strategic framework & edge, pg 58

Over the past 12 months, the strategic framework has guided the prioritising our business investments and decisions, resulting in some notable achievements for the Group.

As a Group, we made significant progress on our efforts to contribute to the energy transition. The remarkable growth in our offshore production, renewables and green technologies divisions all synergistically work together to contribute to the provision of stable, affordable energy while also building the infrastructure for alternative energy sources to gradually become more mainstream.

In the FPSO segment, we continue to deliver value of our projects through tactical gearing and liquidity management strategies, including innovating new financing strategies and structures.

FINANCING INNOVATION HIGHLIGHT

Yinson-Sumitomo secures USD670 million mini perm financing for FPSO Anna Nery

USD670 million syndicated loan facility agreement for FPSO Anna Nery

11 AUGUST 2021

PROJECT PARTNER

UNDERWRITING BANKS

YINSON

Sumitomo Corporation

On 11 August 2021, Yinson, together with our project partner Sumitomo Corporation, entered into a USD670 million syndicated loan facility for the FPSO Anna Nery project, with ING, Natixis and Standard Chartered Bank as underwriting banks. Together with the three underwriting banks, the facility was well supported by the participating banks and funds, which include AmBank, Federated Hermes Core Trust III - Project and Trade Finance Core Fund, Federated Hermes Project and Trade Finance Master Fund, Federated Hermes Project and Trade Finance Tender Fund, Mizuho Bank Ltd, the Export-Import Bank of Malaysia (Malaysia EXIM), the Hongkong and Shanghai Banking Corporation Limited (HSBC), and United Overseas Bank Ltd.

The 5-year limited recourse loan was used to refinance an existing USD400 million bridge loan received in September 2020 and supports the ongoing construction of FPSO Anna Nery.

The deal, which is believed to be the first of its kind in the FPSO financing space, was made possible through the Group's long-standing strong relationships with the underwriting banks. It was sealed amid significant challenges in the FPSO financing space, which were compounded by the ongoing Covid-19 pandemic and evolving investor appetites due to the energy transition.

STRATEGY REVIEW

In line with our ESG strategies and goals, Yinson has secured two projects leading towards our Zero Emissions FPSO concept in FYE 2022. In agreement with our clients, both projects have zero emission technologies integrated as part of the FPSO design. The technologies, such as hydrocarbon blanketing, combined cycle technology, Carbon Capture Utilisation and Storage (“CCUS”) and Direct Air Capture (“DAC”) are in the early phases of development in the oil & gas industry – and we are proud to join hands with our clients to pioneer some of these future technologies.



Zero emissions FPSO concept, pg 102; Leading the way with responsible solutions, pg 103

On the renewables front, our primary focus will be to participate across the value chains of onshore wind and solar in the near term, but may also include offshore wind, hydro, and other opportunities in the future. With the growing demand for clean energy solutions globally, we have built a promising project pipeline focused in Latin America, Europe and Asia Pacific. Yinson’s renewables business is an integral part of our mission to reduce our carbon footprint and operate our businesses more sustainably and cost-effectively.

Yinson GreenTech’s strategy of growth is targeted at the three segments of marine, mobility and energy to best leverage

on our existing capabilities to evaluate the building blocks of the end-to-end low carbon mobility ecosystem that we are creating. We invest into companies with high growth potential that complements our overall strategy to develop profitable, disruptive businesses based on clean technologies and digitalisation. Yinson aims to support their technology development journey with a clear goal of establishing commercially viable products with new business models that can create value for our existing and new clients across the mobility ecosystem.

You can read about the growth of our divisions, as well as the strategies fueling their respective growths, within the Strategy & Outlook section of this Report.



Group CEO Review, pg 41; Business Review - Offshore Production, pg 98; Business Review - Renewables, pg 105; Business Review - Green Technologies, pg 111; Sustainability Statement, pg 120

Having built a solid credit profile and track record in delivering on our commitment all these years, we were able to secure top ratings from RAM Ratings and MARC in June 2021. This is a significant achievement for us, assuring us of the investor community’s confidence in us in order to boldly step into our new growth phase ahead.

CORPORATE MILESTONE HIGHLIGHT

Yinson receives A1/stable and A+/stable ratings from RAM & MARC

In June 2021, Yinson received A1/stable and A+/stable ratings from RAM Ratings and MARC respectively. Both ratings agencies opined that Yinson’s strong business profile is underpinned by its capability to secure recurrent sizeable long-term FPSO contracts which in turn provided earnings visibility and healthy profit margins.

The rating agencies also took into account that Yinson’s contractual revenue is unaffected by crude oil prices, with robust contract terms built in to ensure adequate compensation should termination occur. RAM and MARC also noted that Yinson has demonstrated timely FPSO deliveries and cost containment during the construction period; and achieved operational uptime of above 99% in the last five years.

In 2021, we gained further recognition as an industry leader in the area of sustainability and ESG, pushing the frontiers of climate and environmental action, social impact and governance. Our leadership position has allowed us to tap into exciting new pockets of capital which are linked to our sustainability performance. One of our proudest achievements in 2021 was when we successfully raised Malaysia’s first Sustainability-Linked Sukuk via the issuance of RM1.0 billion 5-year Sustainability-Linked Sukuk Wakalah. Please see the highlight on the next page for details. Additionally, we achieved the sustainability targets set for a RM200 million SLF from HSBC Amanah which we embarked on in 2020, giving us improved pricing to further finance the growth of the Group.

Yinson’s sustainability commitment to our stakeholders is expected to drive more SLF within the Group moving forward. The sustainable finance market took a huge jump from USD71 billion in 2019 to USD406 billion in 2021. A key factor for the unprecedented increase was the Covid-19 pandemic, which increased focus on social infrastructure and investor social responsibility. This opens up vast upcoming opportunities for Yinson to raise funds through this market.



Climate Action: No longer a luxury but a necessity, pg 41; Financial Capital, pg 137

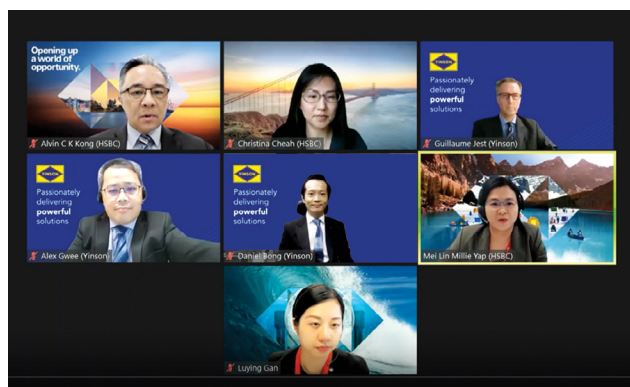
STRATEGY REVIEW

SUSTAINABLE FINANCING HIGHLIGHT

RM1.0 billion raised through Malaysia's first Sustainability-Linked Sukuk Wakalah programme

In 2021, we successfully priced Malaysia's first Sustainability-Linked Sukuk via the issuance of RM1.0 billion 5-year Sustainability-Linked Sukuk Wakalah pursuant to its Islamic Medium Term Notes Programme of up to RM1.0 billion in nominal value. The landmark tranche has been assigned a rating of A1 and A+ by RAM and MARC respectively, with a Second Party Opinion on its SLF Framework from ISS ESG.

Due to overwhelming demand with an orderbook of RM1.66 billion, the offer size was upsized from an initial target of RM700 million to RM1.0 billion. The strong confidence and demand from investors were clearly reflected in the Sukuk Wakalah's oversubscription of 1.66 times, allowing Yinson to tighten the issuance yield to 5.55%.



Yinson, together with HSBC Amanah, speaking to investors during the investor roadshow for the issuance of the RM1.0 billion Sustainability-Linked Sukuk Wakalah Programme.

The landmark issuance leverages on Yinson's SLF Framework and Climate Goals Roadmap, supporting Yinson's efforts to achieve its climate transition strategy and reinforce its commitment towards a low emission future by achieving carbon neutrality by 2030 and net zero by 2050. Through the link between Yinson's SPTs and financial metrics, Yinson reaffirms its commitment towards achieving its Climate Goals.

HSBC Amanah acted as the sole Principal Adviser, Lead Arranger, Lead Manager and Shariah Adviser for the Sukuk Wakalah Programme and Sustainability Structuring Agent for the Framework.

Offering a sukuk that relies on our sustainability performance is both a challenge and a golden opportunity for Yinson to demonstrate the serious action that we are taking to achieve our climate-related targets.



Yinson won the BPAM Bond Market Awards 2022 in the Top Issuance category in recognition of the issuance.




As a reward to existing shareholders for their continuing support, Yinson also undertook a 1-for-1 Bonus Issue, allowing shareholders to further participate in additional equity of the company. The proposal was approved by shareholders during the EGM held on 29 March 2022 and the exercise was completed on 14 April 2022. Additionally, after 8 years since our last rights issue in 2014 and completing four FPSO projects, we have also proposed for a Rights Issue with free warrants, to boost our position to deliver strongly on our new projects, utilising these as capital for the construction of FPSO Maria Quitéria and providing capital to accelerate the growth of our renewables and green technologies businesses. Funds will also be utilised for the repayment of bank borrowings, providing an annual interest savings of up to RM14.4 million based on the prevailing interest rate and strengthening our balance sheet for greater opportunities to come. We expect these activities to enhance shareholder value in the medium to long-term.

STRATEGY REVIEW

STRENGTHENING YINSON'S UNIQUE RIGHTS TO WIN

Since the company was founded, the Group has demonstrated unique abilities that we believe will allow us to thrive in the face of the changing global landscape. These are what I like to call our unique 'rights to win', depicted in the following infographic.

YINSON'S UNIQUE RIGHTS TO WIN

 <p>Entrepreneurial capabilities</p> <p>Yinson's ability and success to build businesses and pivot to new segments over the years from a local transportation business to diversified businesses in offshore production, renewables, green technologies and offshore marine</p>	 <p>Project management excellence</p> <p>Yinson's project management team works on a lean structure that enables us to address problems and make decisions quickly</p>	 <p>Operational excellence</p> <p>Yinson is recognised for its technical and operational performance in offshore production, with an excellent track record in delivering projects on time and on budget</p>	 <p>Strategic risk management approach</p> <p>Yinson's willingness to make bold investment decisions in innovations and businesses that we believe in, balanced by a healthy consideration for the risks involved</p>
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Building new businesses to embrace change and disruption has proven to be one of Yinson's unique rights to win. The differing risk-return profiles of our latest ventures, renewables and green technologies, as compared to the offshore production business, is an example of our willingness to make bold investment decisions in businesses that we believe in.

Our green technologies ventures will require considerable amount of capital and time to blossom. Data has shown that it takes a median of 6 years for start-ups to reach a USD1.0 billion valuation. In this context, our green technologies division is still in its early phase of growth. We aim to establish a valuable and impactful business ecosystem, for all stakeholders alike. This is a journey and I expect we will be welcoming many like-minded partners along the way to build a fully integrated, end-to-end ecosystem that is profitable and based on clean technologies and digitalisation.

A key message from COP26 that took place in November 2021 was the crucial role the private financing industry has to play in the transition journey. Further, as policymakers become more vocal on ESG, financial institutions can no longer afford to ignore ESG to remain ahead of public and regulatory expectations. Banks and lenders are taking steps to execute a strong and integrated sustainable finance strategy by making necessary adjustments to their risk-return framework.

Given the growing focus on ESG, it may seem risky to raise further funds for our offshore production business. However, I believe we are in a strong position, strategically. When assessing investments into the oil & gas industry, many financial partners prioritise a company with an energy transition story and a concrete energy transition plan to meet both of their financing

strategies in supporting short term energy security whilst promoting the shift to cleaner energy. As elaborated earlier and by my colleagues, I believe that Yinson fits well in both narratives, hence is in a great position for further capital raising and to explore new opportunities in SLF.

On 1 March 2022, a strategic review for the Offshore Production business was announced, conveying our intention to tap into international capital markets by exploring an initial public offering (IPO) or strategic partnership opportunities.

As elaborated by my colleague Flemming in the Business Review for Offshore Production, we believe that the next 5 to 8 years will provide unparalleled growth opportunities for the FPSO industry, due to high demand for FPSOs and a shrinking pool of contractors who can deliver them.

 *Business Review - Offshore Production, pg 98*

If we continue business-as-usual, I have full confidence that we will still receive stable income run from our FPSO projects for the next few decades, and in line with that, continue growing our green technologies and renewables divisions steadily. There is nothing wrong with this picture, as we will still be a profitable business for many years to come, delivering value to our stakeholders.

However, we believe that taking bold action to perform a strategic review for Yinson Production shows that we are never complacent on our past successes. We aim to unlock greater value in the division, providing even larger pockets of capital to fuel the Group's overall growth at a scale that far surpasses the

STRATEGY REVIEW

business-as-usual scenario. This is a big decision, with complex considerations which need to take into account all stakeholder interests.

THE GROUP STRATEGY REVIEW

To ride on the tailwind of the FPSO strategic review, Yinson has concurrently embarked on a GSR. Yinson is undertaking this exercise to ensure that we make the right strategic decisions for our growth and long-term sustainability, involving comprehensive discussions with our stakeholder groups, industry and financial experts, backed by data analytics. The review aims to complement our current strategic framework with a comprehensive financial capital allocation and reserve strategy.

The GSR will provide a fresh injection of resources for us to learn about new opportunities or even new ways of doing old things and unlearn old things to make room for new possibilities. Through this review, we will fine-tune Yinson's core competitive positioning and our future business direction to execute Yinson's long-term sustainability vision of operating in low-carbon, climate-resilient future.

The GSR will focus on the key enablers of growth such as capital efficiency and sustainability, to arrive at a set of key metrics that Yinson will be measuring up against in the long-term. Broadly, the GSR exercise will dive into understanding and determining Yinson's aspirations in the long run, based on sets of identified key success metrics of each business in their respective lifecycles. We will also apply a bottom-up assessment on each business division to allow us to derive a more realistic and attainable target for the Group and prioritise choices and trade-offs. This will help us to better plan our capital allocation and address the gaps in achieving Yinson's aspirations, ultimately delivering greater value to our shareholders, in line with the ongoing FPSO strategic review exercise.

As we all know, allocating capital is a complex process, especially for Yinson in the coming years as we continue to expand and grow. A company's success or failure often hinges upon capital-allocation decisions, which must take into account comprehensive consideration of factors such as the available sources of capital, timing, economic environment and trends, innovation of financing strategies and structures and strategic partnership opportunities. Hence as part of this exercise, we will deep dive into these factors and allocate funds to optimise results for Yinson and our stakeholders.

On top of allocating capital, the review aims to develop a plan to open up new capital to Yinson. Our success in the sustainability-linked sukuk has pathed a way for Yinson for more innovative ways to finance our increasing business needs. We will be evaluating innovative financing strategies that can maximise our liquidity and provide cheaper sources of capital so that we can continuously support the high growth businesses to reach its maximum potential. The ability for Yinson to recycle capital effectively will also be an important scope of this review as an effective strategy to attract private capital while bringing new infrastructure online.

As we unlock value from capital strategies, the GSR will also look into new opportunities and business segments that Yinson can potentially venture into by leveraging on our rights to win. We will also look to adapt our corporate philosophy and structure so that it can be expanded to embrace that growth. This includes ways on how we can optimise our corporate structure and equip corporate functions with the right tools to cater to our business needs as they expand across multiple geographies. As mentioned earlier, we must always be mindful not to expand too fast or risk being disrupted and stereotyped as being slow-moving and bureaucratic, removing our edge as an efficient decision-making organisation.

Through the GSR, we will also tap into deeper market and industry data to validate and adjust existing business strategies where necessary. Having access to reliable information allows us to be better informed of external opportunities, the competitive landscape, and its associated risks before committing into new ventures or investments. Having data-backed evaluations greatly strengthens the Group's decision-making processes when it comes to considering capital planning and allocation options.

A key outcome of the GSR will be the development of a Group-wide strategic roadmap for the next 10 years, pathing the road ahead for existing businesses and also potentially new ones. We have engaged an external consulting partner for this exercise, who we believe can add value to our plans by fleshing out our existing strategies, scrutinising our conventions and providing access to industry data and business connections.

We have already started this exercise in 2021, and efforts will continue in 2022. We look forward to sharing the outcomes of this exercise with you, painting a clearer picture of where we are headed and how we want to get there so that you can join us on this exciting journey.

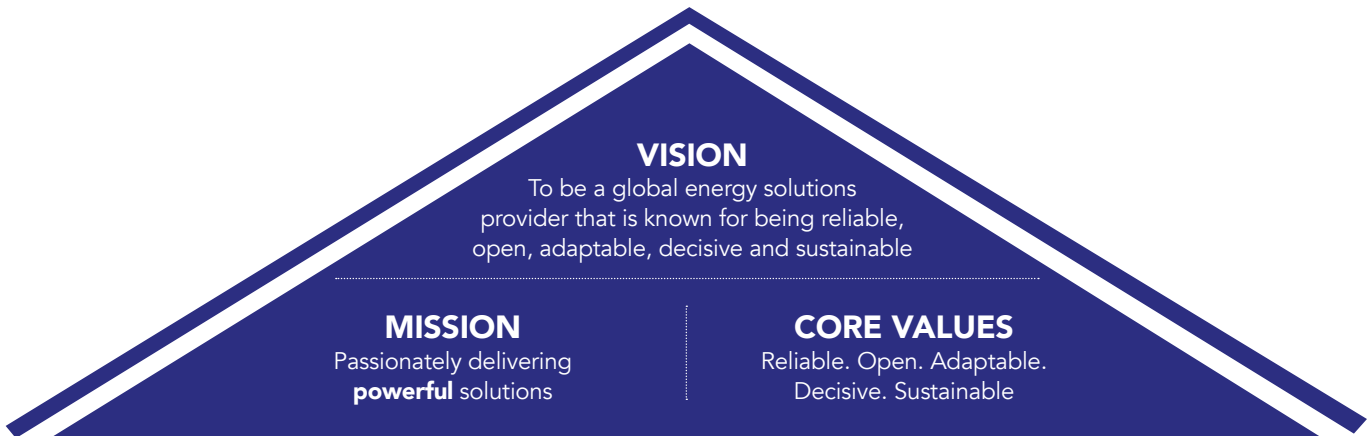
CLOSING REMARKS

The ever-changing business landscape is volatile, unpredictable, and susceptible to risk. However, these factors leave us room for constant innovation, adaptation, and disruption.

As we grow and acquire new talents, Yinson shall continue to pass on its legacy of sustainability and reliability underpinned by our Core Values. We strive to walk forward as a goal-oriented organisation that constantly curates dynamic solutions for all our stakeholders.

The GSR framework will continue to guide our company in the coming years and is expected to accelerate our business growth. We aim to maintain a steady balance of forward-thinking vision, tactical execution, and calculated risk to safeguard ourselves because 'change is inevitable, but growth is optional'. We are confident that our decisive strategic actions now can velocitise our growth, strengthening our position as a value creation company that contributes to the wellbeing of people and the business ecosystems that we operate in.

STRATEGIC FRAMEWORK & EDGE



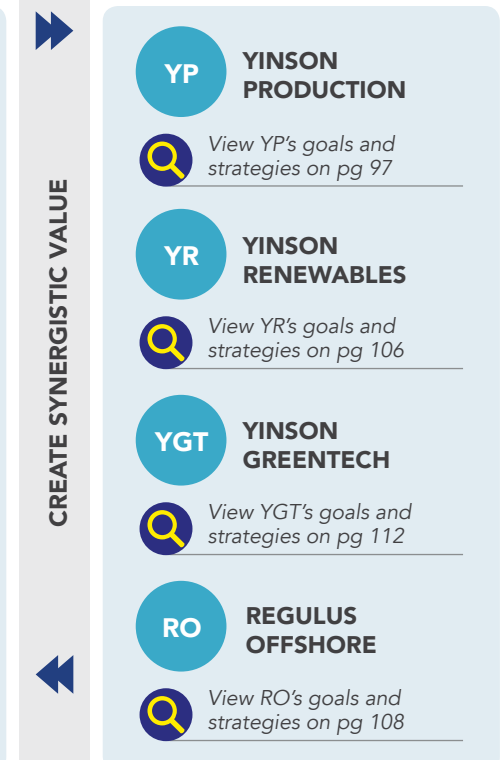
YINSON'S EDGE



OUR STRATEGY



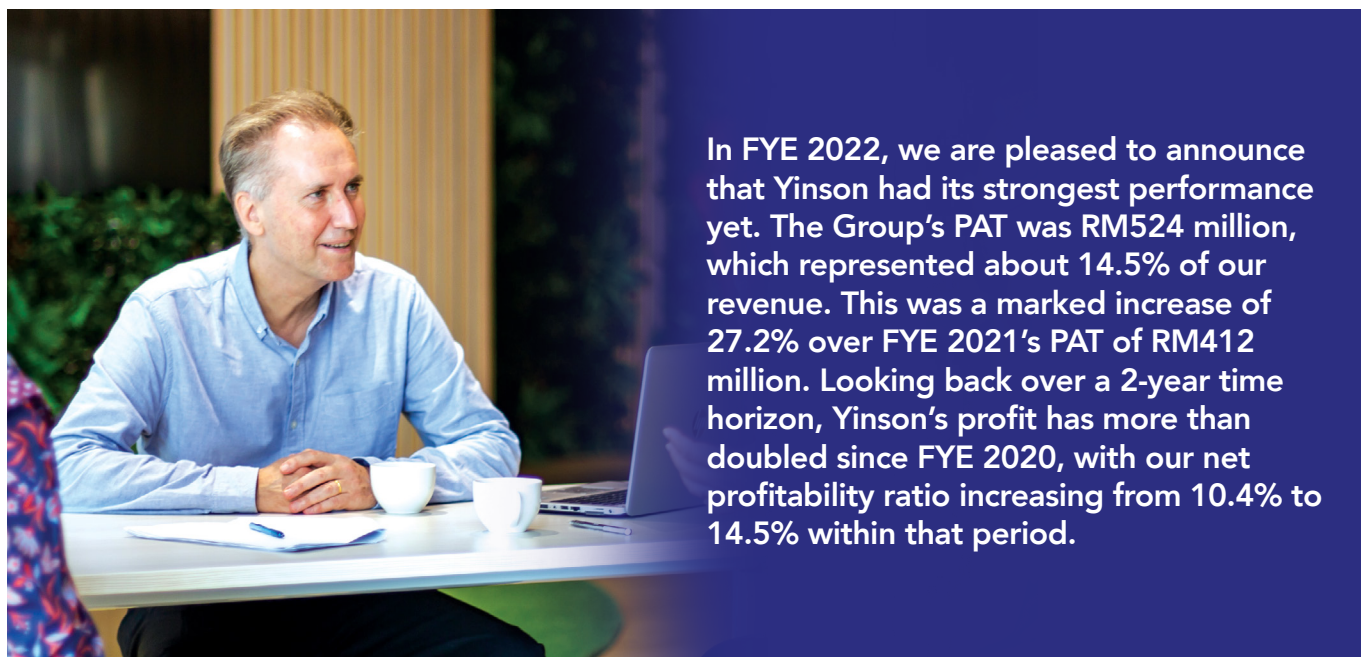
DIVISIONS



STRONG SUPPORTING FOUNDATION – CORPORATE TEAM AND BUSINESS UNITS

FINANCIAL REVIEW

Commentary by Guillaume Jest, Group Chief Financial Officer



In FYE 2022, we are pleased to announce that Yinson had its strongest performance yet. The Group's PAT was RM524 million, which represented about 14.5% of our revenue. This was a marked increase of 27.2% over FYE 2021's PAT of RM412 million. Looking back over a 2-year time horizon, Yinson's profit has more than doubled since FYE 2020, with our net profitability ratio increasing from 10.4% to 14.5% within that period.

It is important to note that we have significantly increased Yinson's profitability, despite the major global economic turbulences experienced in recent years.

Yinson's business environment, as similarly faced by most players of the world economy, has been affected by high volatility and uncertainty. This situation has been caused in no small part by the Covid-19 pandemic, rising inflation, soaring energy and commodity prices, and recent geopolitical tensions, especially the war in Europe between Russia and Ukraine.

We believe that Yinson's strong fundamentals played a big part in insulating us against these external challenges, allowing us to achieve steady growth in our revenues and profitability. These fundamentals are elaborated in detail by my fellow Senior Management team in the Strategy & Outlook section of this Report. They include a robust, adaptable business model, stable source of revenue and profit generated from our FPSO operations, backed by a strong and experienced management team.

Another noteworthy observation is that Yinson's profitability has continued to increase despite our continuous investment

into high capital expenditure FPSO projects and new activities in renewables and green technologies. Additionally, our headcount growth to support these activities has also been significant, with nearly 25% new employees joining our global workforce in FYE 2022. This remarkable performance is a strong indication of our ability to carefully manage costs to ensure that our growth does not dilute our profitability.

We also devote great focus to our management of equity and debt funding. Yinson's Treasury function adheres to a prudent cash management and liquid assets policy, and puts solid long-term financing plans in place in cooperation with business leaders to ensure that we meet our business requirements. This highlights our ability to adapt our business model to capitalise on opportunities and cater for our fast growth. With our tight management of our cash forecast, we believe we are in a very strong position to meet our long-term financial commitments to our financing partners.

Looking back at our track record, bolstered further by our strong performance in FYE 2022, we are confident that Yinson is well poised to deliver on our growth and expansion plans despite the instability of the world economy.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

	FYE 2022	FYE 2021	CHANGE	
	RM million	RM million	RM million	%
Extract from Consolidated Income Statements				
Revenue	3,607	4,849	(1,242)	-25.6%
Cost of sales	2,299	3,548	(1,249)	-35.2%
Gross profit	1,308	1,301	7	0.5%
EBITDA*	1,402	1,236	166	13.4%
Profit before tax	716	580	136	23.4%
Profit after tax	524	412	112	27.2%
Core profit after tax	534	735	(201)	-27.3%
Gross profit margin	36.3%	26.8%	9.5%	35.4%
Net profit margin	14.5%	8.5%	6.0%	70.6%
Core profit margin	14.8%	15.2%	-0.4%	-2.6%

Extract from Consolidated Statements of Financial Position				
Total assets	15,205	11,886	3,319	27.9%
Current assets	3,596	2,678	918	34.3%
Liquid investments	14	229	(215)	-93.9%
Cash and bank balances	2,859	1,821	1,038	57.0%
Total liabilities	10,465	7,860	2,605	33.1%
Current liabilities	1,623	1,852	(229)	-12.4%
Loans and borrowings	8,758	6,106	2,652	43.4%
Non-recourse borrowings	4,020	2,985	1,035	34.7%
Total equity	4,740	4,026	714	17.7%

Extract from Consolidated Statements of Cash Flows				
Net cash flows used in operating activities	(987)	(775)	(212)	27.4%
Net cash flows used in investing activities	(857)	(287)	(570)	-198.6%
Net cash flows generated from financing activities	1,962	1,517	445	29.3%

	Q1 FYE 2022	Q2 FYE 2022	Q3 FYE 2022	Q4 FYE 2022
	RM million	RM million	RM million	RM million
Snapshot of quarterly announced results for FYE 2022				
Revenue	992	1,054	820	741
Cost of sales	668	705	506	420
Gross profit	324	349	314	321
EBITDA*	340	371	340	351
Profit before tax	187	208	166	155
Profit after tax	145	159	126	94
Core profit after tax	149	150	131	104

* Earnings Before Interest, Tax, Depreciation and Amortisation

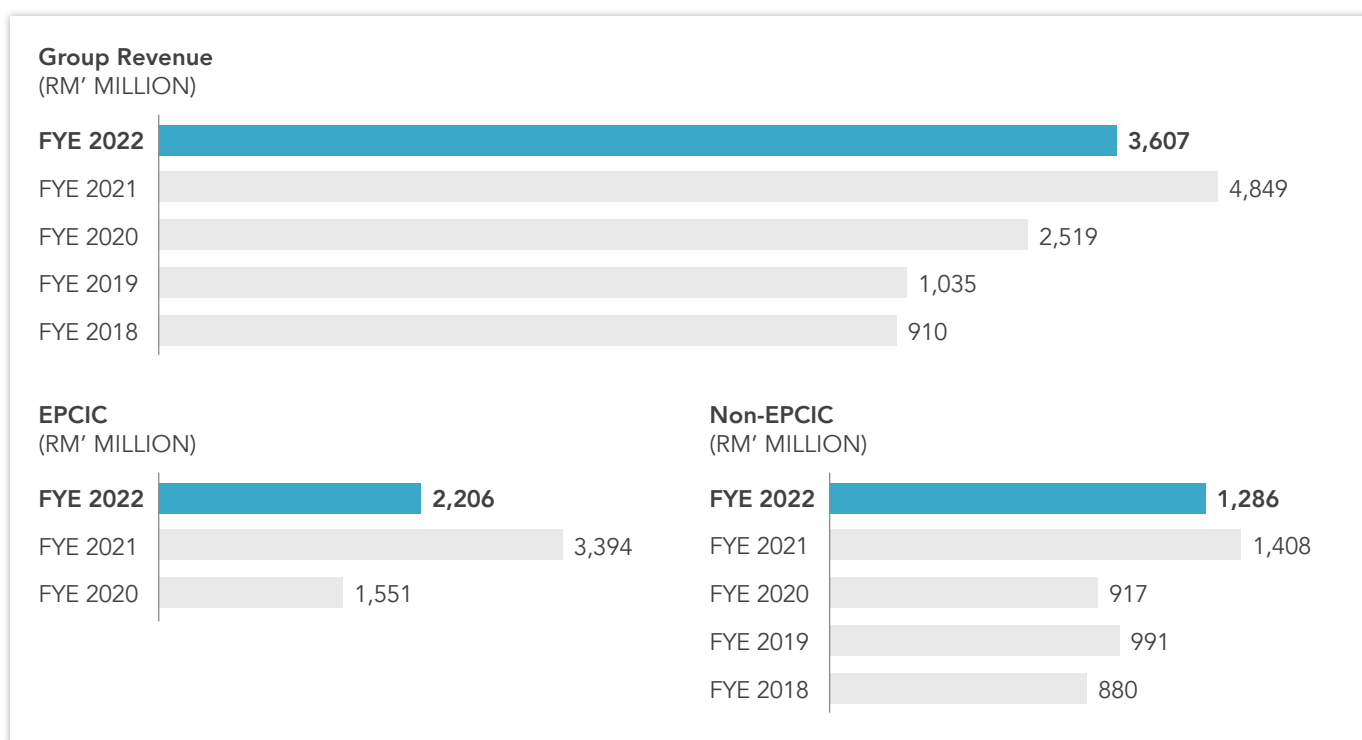
FINANCIAL REVIEW

FINANCIAL PERFORMANCE (CONT'D.)

	FYE 2022	FYE 2021	CHANGE	
	RM million	RM million	RM million	%
Operating Results by Segments				
Offshore Production and Offshore Marine	1,186	1,110	76	6.8%
Renewables	34	1	33	3,300.0%
Other operations	(123)	(183)	60	-32.8%
Share of results of joint ventures and associates	7	(29)	36	-124.1%

REVENUE & PROFITABILITY

Group revenue



The Group's awarded lease contracts were systematically classified as finance leases in accordance with International Financial Reporting Standards ("IFRS") for accounting purposes. The revenue generated from the conversion of VLCCs into FPSOs, which is classified as Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") revenue, is recognised either over time based on the progress of construction or at a point in time when the asset's rights of use are handed over to a lease client.

Lease revenues and profits are recognised during the construction phase of the asset under this accounting treatment. It is important to remember that the asset generates the cash only after construction and commissioning activities have been completed, as that is the point in time the Group is entitled to start receiving the lease payments. In the case of an operating lease, lease revenues and profits are recognised during the lease period, effectively more closely tracking cash receipts.

FINANCIAL REVIEW

The lease classification and timing of EPCIC revenue recognition (where relevant) for the Group's offshore assets which contributed to the Group's results in the financial year under review are set out below.

PROJECT	LEASE CLASSIFICATION	EPCIC RECOGNITION*	TIMING OF EPCIC RECOGNITION*
Owned by the Group			
FPSO Adoon	Operating lease	No	
FPSO JAK	Operating lease	No	
FPSO Helang	Finance lease	Yes	Point in time
FPSO Abigail-Joseph	Finance lease	Yes	Point in time
FPSO Anna Nery	Finance lease	Yes	Over time
Owned through joint venture arrangements			
FPSO PTSC Lam Son	Operating lease	No	
FPSO PTSC Bien Dong 01	Operating lease	No	

* Refer to the Group's accounting policy for EPCIC revenue recognition in Note 2.7(i) to the Financial Statements.

Due to the nature of the accounting treatment, the Group charted a 25.6% decrease in revenue in FYE 2022 compared to FYE 2021, from RM4.8 billion to RM3.6 billion. This is mainly attributable to the one-off outright sale recognition of RM1.0 billion from FPSO Abigail-Joseph upon its lease commencement in October 2020. FPSO Abigail-Joseph's lease classification is finance lease in nature, where one-off outright sale revenue was recognised at a point in time when the asset's use is handed over to the client. Therefore, it is important to note that this revenue decrease is the consequence of a change in the timing of revenue recognition and does not mean that our activity has decreased during this period. Quite on the contrary, we have been actively growing our Offshore Production, Renewables and Green Technologies businesses, with healthy business development activities and new projects secured.

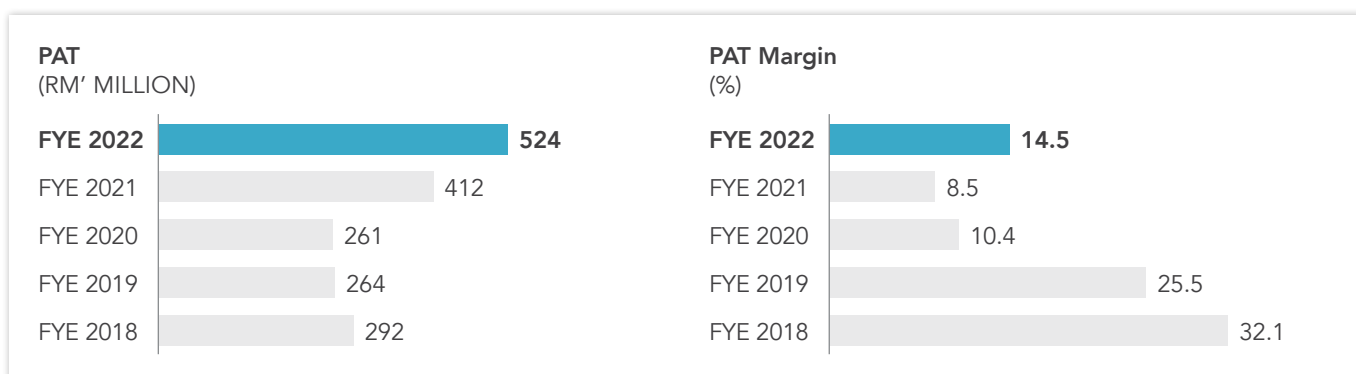


Business development, pg 99; Development pipeline, pg 106; Strategic green technology investments, pg 115

The revenue contributions from the Group's joint venture arrangements in Vietnam and Ghana are presented separately as adjusted revenue and accounted for in accordance with the Group's equity ownership.

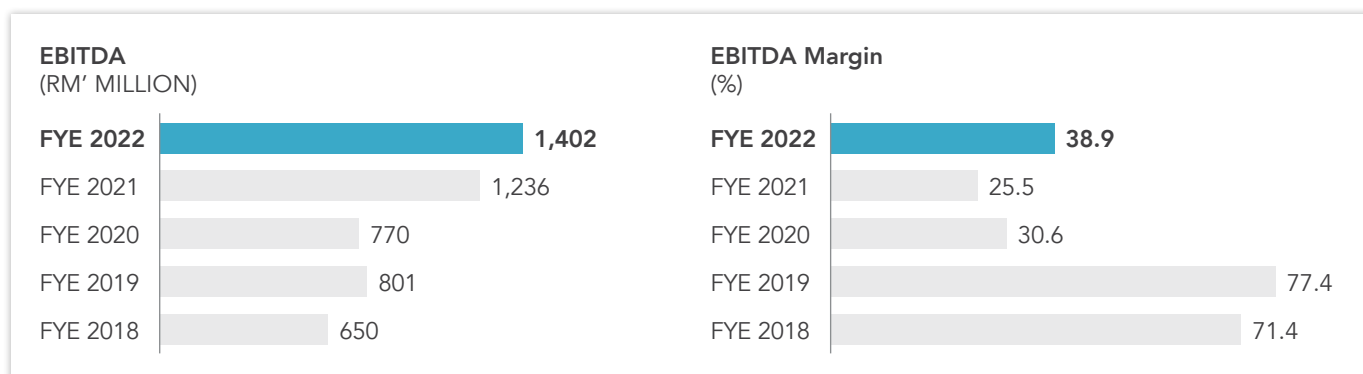
Group profitability

GROUP PAT & EBITDA



FINANCIAL REVIEW

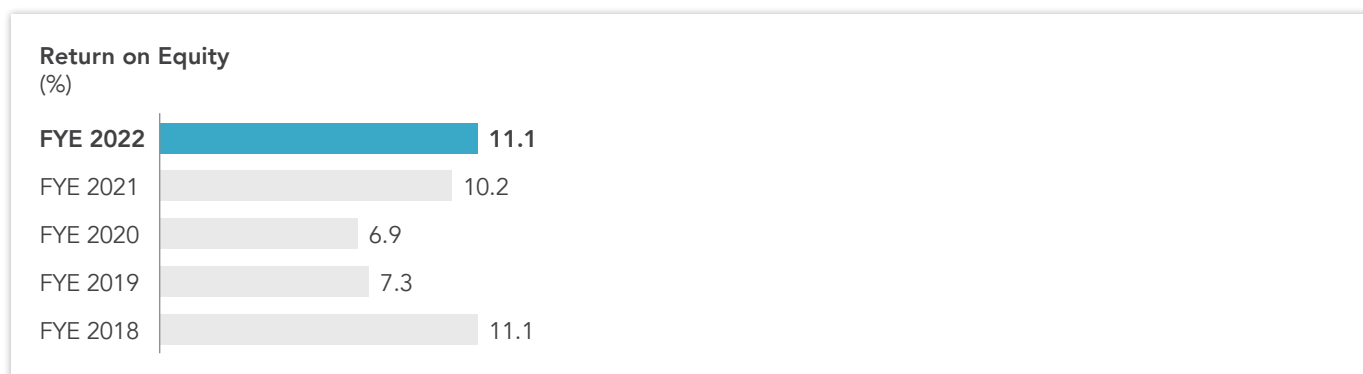
GROUP PAT & EBITDA (CONT'D.)



These ratio improvements confirm our strong profitable growth. Despite significant challenges in the global economic environment and supply chain in FYE 2022 due to the pandemic, we are pleased that the Group's profitability benchmark indicators continued to grow in FYE 2022. The Group's EBITDA was RM1,402 million and PAT was RM524 million, which were 13.5% and 27.2% higher than the previous financial year respectively – our best performance yet.

Our healthy profitability is even more noteworthy when considered against the one-off exceptional cost incurred in FYE 2022 arising from a fair value loss on other investments of RM29 million, and the increase in our finance costs of RM69 million. The higher finance costs supported our increased investments into our Offshore Production and Renewables segments, in line with our business plans.

GROUP RETURN ON EQUITY



Return on equity represents the percentage of investor dollars that have been converted into earnings. The return on equity ratio increased to 11.1% in FYE 2022 from 10.2% in the previous financial year, showing how efficiently the Group is allocating and utilising its capital to generate income.

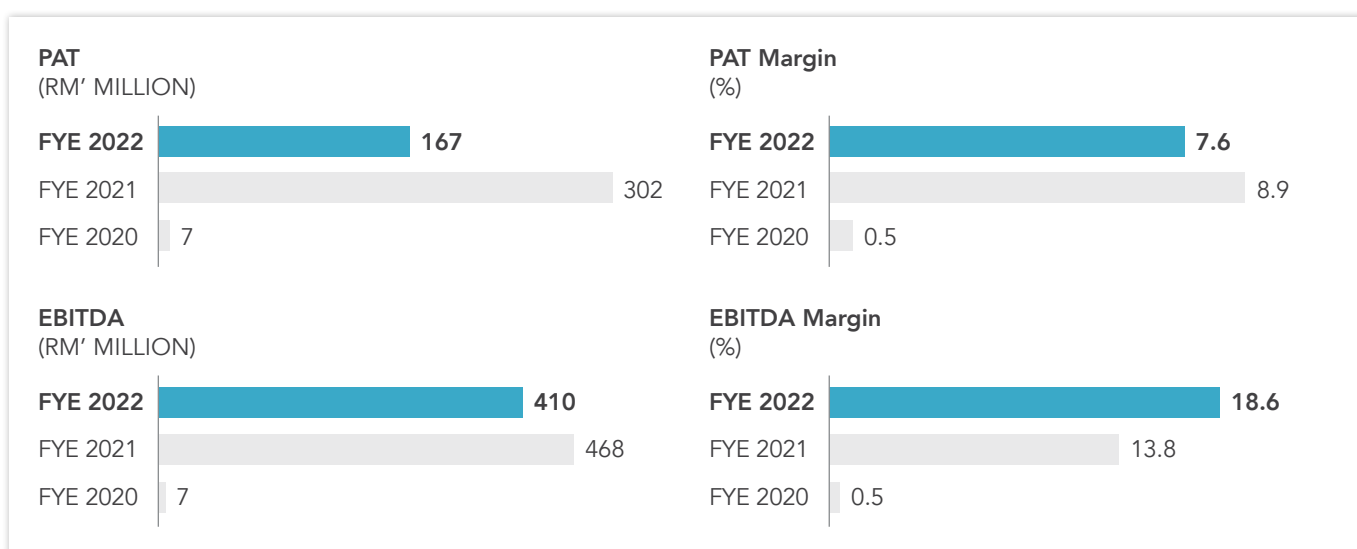
We are tightly monitoring these ratios in order to ensure that we maintain this healthy profitability growth in the future.

FINANCIAL REVIEW

EPCIC revenue & profitability

FPSO Anna Nery is the only EPCIC project undertaken by the Group in FYE 2022. The ongoing FPSO Anna Nery project contains an EPCIC component where such revenue and profits are recognised over time, based on the progress of construction until Q1 2023.

EPCIC PROFITABILITY



In line with the progress of construction in the current financial year, the Group experienced a lower contribution from EPCIC business activities related to FPSO Anna Nery in FYE 2022. It is indeed noteworthy that with our team's hard work and adaptability, as well as the close working relationships with our clients, vendors and shipyards, we were able to mitigate the additional risks brought on by Covid-19, which is still causing significant challenges in China. Even with the pandemic, our progress on the project remains on schedule as planned. Moreover, the recent inflation spike has not affected our costs, thanks to a strong project management team and effective cooperation with the Finance team.

The PAT margin for EPCIC activities decreased as a result of higher finance costs, while the EBITDA margin improved on the back of more effective project cost management and forecasting.

Non-EPCIC revenue & profitability

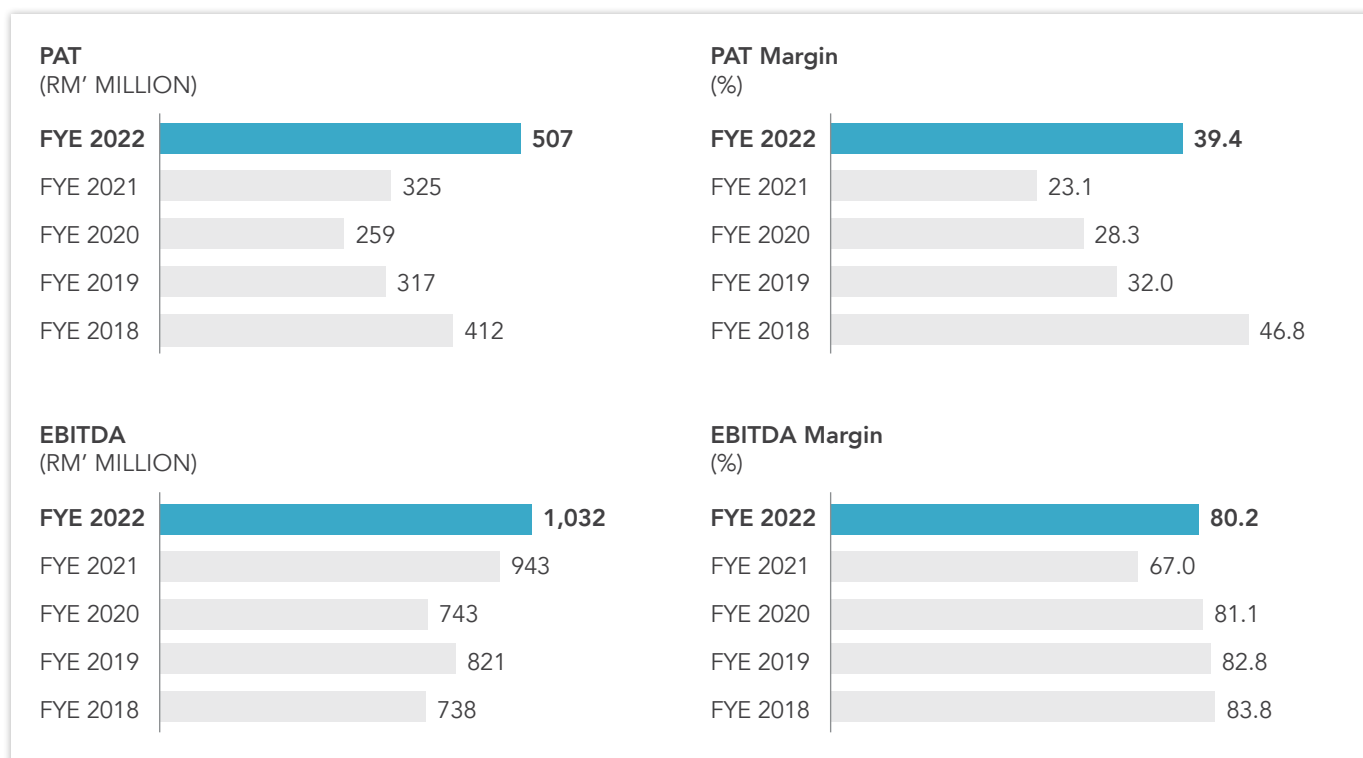
Non-EPCIC business activities represent the Group's Offshore Production operating activities, comprising the leasing of vessels and marine-related services. These are areas in which the Group has extensive experience and a strong track record.

The Group has five operating FPSOs and one operating FSO on charter lease as at FYE 2022. FYE 2022 witnessed a full year's revenue contribution from FPSO Abigail-Joseph, which partially offset the effect of lower contributions from the charter of VLCC tankers as the remaining tanker was deployed to a project secured in the current financial year.

The first full year of operations for FPSO Abigail-Joseph generated profitability and cash flows for the Group, which met our expectations for the FPSO in the current financial year.

FINANCIAL REVIEW

NON-EPCIC PROFITABILITY



In FYE 2022, non-EPCIC EBITDA and PAT grew by 9.4% and 56.0% respectively as compared to FYE 2021. The growth is driven primarily by FPSO Abigail-Joseph completing its first full financial year of operations and the absence of certain one-off costs incurred in the previous financial year. Our joint ventures have also collectively contributed share of profit of RM10 million in the financial year under review as compared to share of loss of RM29 million in the previous financial year, mainly due to recovery of certain operating overheads and absence of impairment loss on an FPSO incurred in the previous year.

Our PAT and EBITDA margins for non-EPCIC business activities have also increased significantly in FYE 2022 to 39.4% and 80.2% respectively, as compared to 23.1% and 67.0% in the previous financial year, which is yet another indication of our profitable business model.

Our industry-leading safety and uptime performance undertaken by our global operations teams, which resulted in 100% commercial uptime across our fleet in FYE 2022; together with high oil prices resulting in more favourable charter rates and cash flows, has allowed us to maintain the asset values of our offshore production assets.

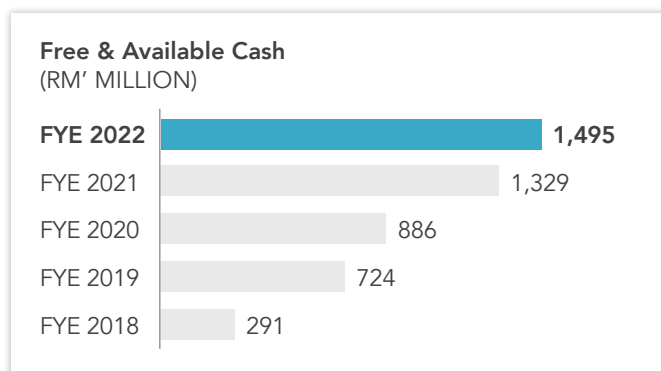
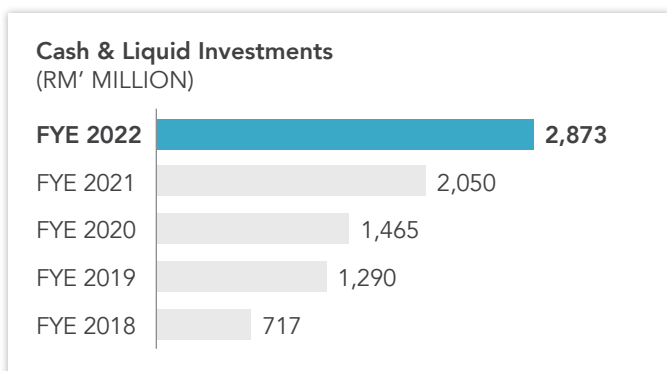


Operational performance, pg 101

Elsewhere, it was good news for FPSO PTSC Lam Son as we received a 6-month extension to the Bareboat Charter Contract until 30 June 2022. This is the twelfth time that PTSC has renewed the charter contract with Yinson, and our continued partnership with PTSC on FPSO PTSC Lam Son has contributed positively to the Group's FYE 2022 results through our 49% investment in the asset.

FINANCIAL REVIEW

CASH FLOWS & LIQUIDITY



Our objective is to maintain an adequate cash balance to be able to cover our working capital and meet our financial commitments for the years to come. In other words, we place continuous focus on both improving our free cash flow position and increasing our long-term borrowings to finance our future growth. We are committed to maintaining this prudent and forward-looking approach, as it has been a crucial strategy for the achievement of our success thus far, and we believe it will continue to safeguard the growth plans that we have ahead.

In line with this strategy, the Group's cash and bank balances and liquid investments increased by 40.1% from RM2,050 million to RM2,873 million in FYE 2022. This was partially fueled by the drawdown of the RM1.0 billion 5-year Sustainability-Linked Sukuk Wakalah in December 2021.



Sustainable financing highlight, pg 55

Yinson's free and available cash position of RM1,495 million provides flexibility for expansion and adequate buffer to meet any unforeseen cash requirements. Free and available cash is derived through cash flows from operations, raising of financial capital and drawdown of loans and borrowings pending deployment for projects. It is important to note that the cash flows generated from our non-EPCIC operations has been growing in recent years, despite the turbulences of the economy and oil price crunch in 2020.

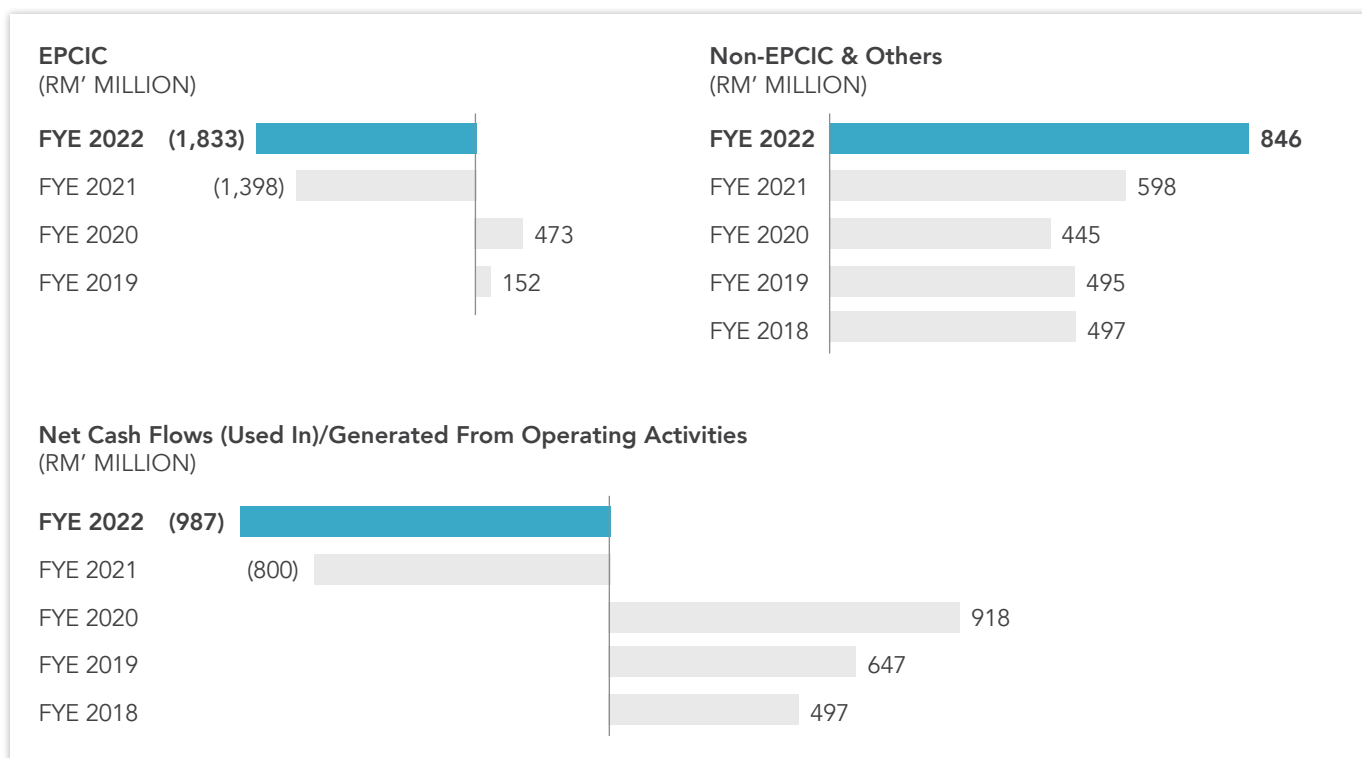
As part of how we prudently manage our liquidity, our free and available cash is mainly held in time deposits and interest-bearing accounts and is managed with a goal of capital preservation and liquidity so that funds are available at the required time buckets based on cash flow projections.



Financial capital, pg 137

FINANCIAL REVIEW

CASH FLOWS FROM OPERATING ACTIVITIES

*EPCIC operating cash flows*

During the FPSO conversion period prior to lease commencement, EPCIC business activities do not generate cash for the Group, except in instances where our clients provide advance funding for the FPSO conversion or where there are normal timing differences arising on payments to our vendors. In FYE 2022, the EPCIC net operating cash outflow represents our continued investment into the conversion of FPSO Anna Nery, where the costs incurred are in line with our expectations. Our investment into the project during the conversion phase will be recovered through the bareboat charter payments received during the operations period. FPSO Anna Nery is expected to commence its lease in Q1 2023.

Non-EPCIC operating cash flows

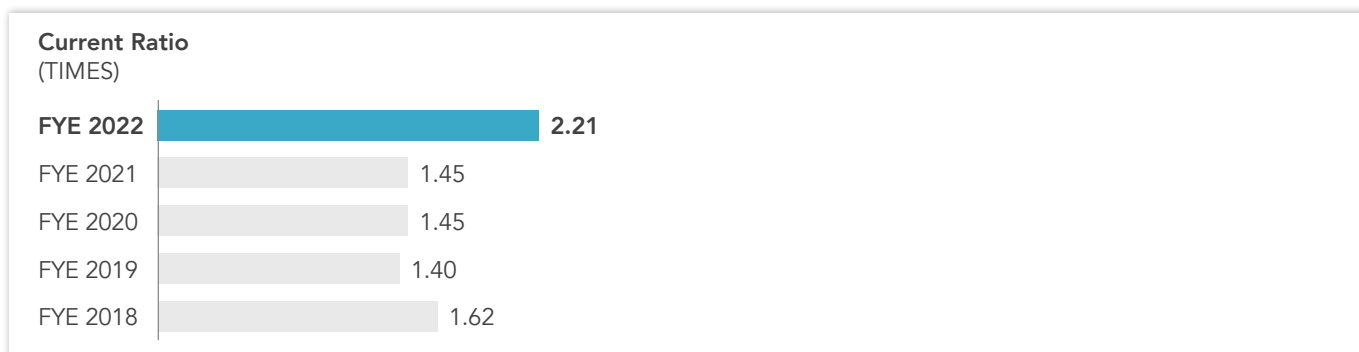
The Group's business model of earning stable recurring income from asset-leasing contracts is evidenced by the steady growth of our non-EPCIC activities' cash flows from operations and our cash position over the past years. In FYE 2022, the net cash flows generated from operating activities for non-EPCIC activities was RM846 million, a 41.5% increase from the previous year. Looking back over a 2-year time horizon, Yinson's operating cash flow from non-EPCIC activities has almost doubled since FYE 2020.

CASH FLOWS FROM INVESTING & FINANCING ACTIVITIES

During FYE 2022, cash flows generated from financing activities primarily through drawdown of loans and borrowings were deployed towards funding the project execution and investing activities of the Group as presented in the Statements of Cash Flows from pages 225 to 229.

FINANCIAL REVIEW

LIQUIDITY INDICATORS

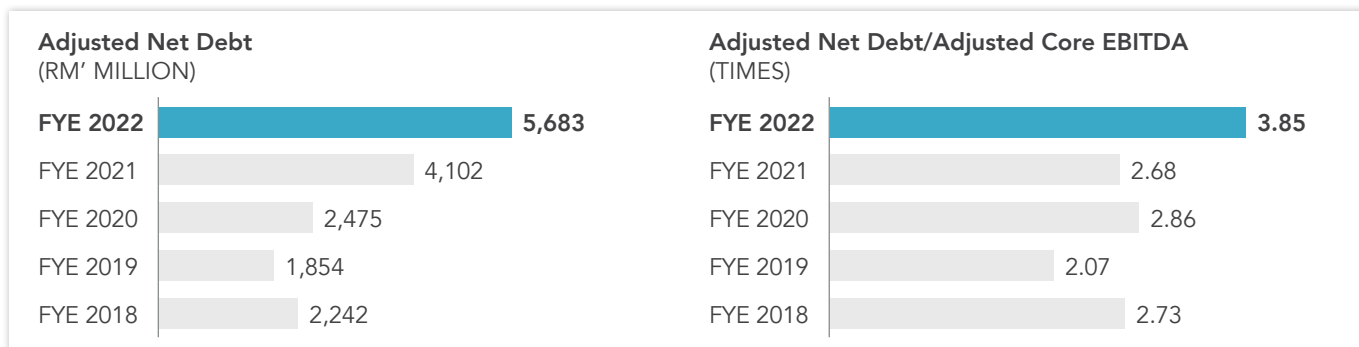
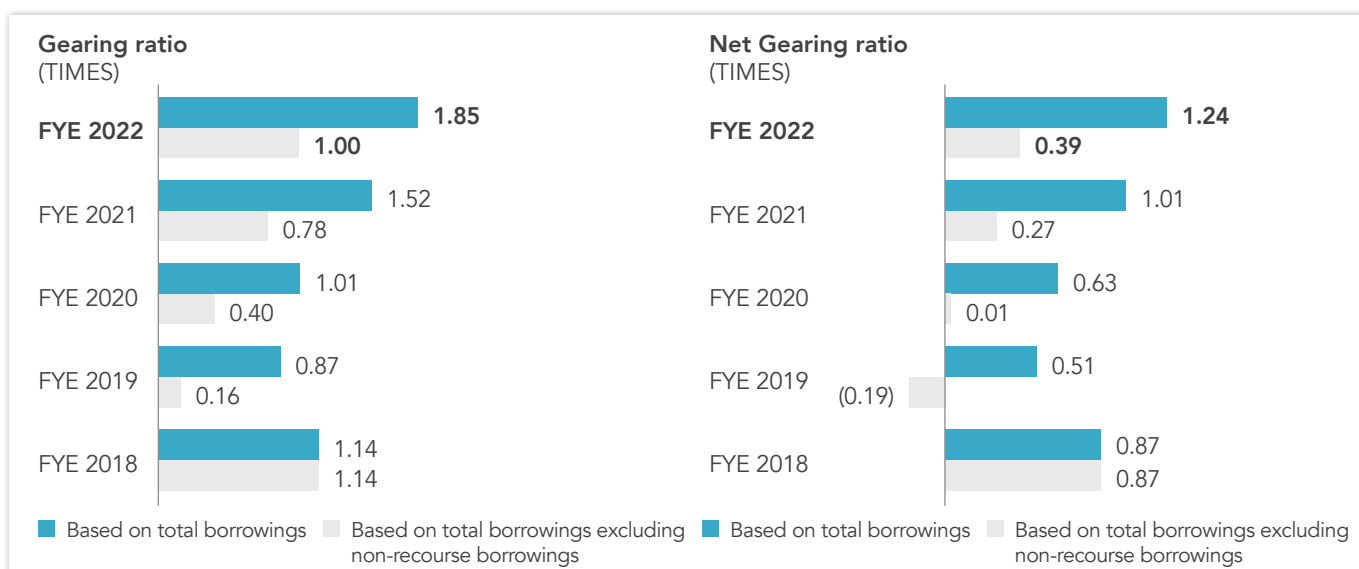


Financing Innovation Highlight, pg 53

Yinson has a strong order book that provides a stable revenue outlook for the next few decades, providing confidence that we would be able to comfortably meet our operational needs. Our purpose for these increased borrowings is to finance our growth, not as working capital. With the increase, we are also strengthening our cash position, providing assurance of our ability to service our debts and pay our bondholders in future. Structuring our finances with a long-term vision also allows us to secure funding at a lower cost.

FINANCING ACTIVITIES

LEVERAGE INDICATORS



FINANCIAL REVIEW

The Group applies Net Gearing Ratio (calculated as 'Total Loans and Borrowings' less 'Cash and Bank Balances plus Liquid Investments' divided by 'Total Equity') as a key indicator to manage its operation funding structure. This ratio increased to 1.24 times in FYE 2022 in tandem with the progressive execution of the FPSO Anna Nery project. This ratio will continue trending upwards until the beginning of 2023, when FPSO Anna Nery is expected to commence its 25-year lease tenure.

Although our Net Gearing Ratio has increased, debt levels remain manageable. As at 31 January 2022, RM6,566 million of loans and borrowings are project financing loans for FPSO JAK, FPSO Helang, FPSO Anna Nery and Rising Bhadla 1 & 2 Solar Parks, which are structured to ensure smooth repayment over the course of the assets' contracted periods. Some key features of Yinson's project financing loans are as below:

- Project financing loans are non-recourse to Yinson once operational with Yinson's guarantee being released from the project financing loan, which minimises the risk of these loans to Yinson's liquidity.
- The project financing lenders are only entitled to repayment from cash flows of the projects the loan is financing, and not from any other assets of Yinson.
- Project financing loans for FPSO JAK, FPSO Helang and Rising Bhadla 1 & 2 Solar Parks are non-recourse. The project financing loan for FPSO Anna Nery is expected to become non-recourse in FYE 2024.

In assessing the Group's ability to repay its loans and borrowings, the Management refers to the Adjusted Net Debt/Adjusted Core EBITDA ratio. This ratio indicates the number of years' profits that is needed to cover outstanding loans and borrowings. Management expects FYE 2023's ratio to be higher than FYE 2022's ratio of 3.85 times, as the FPSO Anna Nery project nears completion. During the construction of FPSO Anna Nery, this ratio is temporarily elevated as collections from its operations has not yet commenced whereas its project financing loan is being drawn to finance its construction. This increase in Adjusted Net Debt/Adjusted Core EBITDA ratio is manageable because FPSO Anna Nery's project financing loan repayments are only scheduled to commence after first oil is expected to be achieved.

As the Group continues to grow, we will continuously assess and determine the appropriate financing strategy for the Group to ensure an optimal mix of funding of debt and equity markets to support future projects.

For further information on our management of our Financial Capital, including our capital strategy, funding and financing partners, our cash and liquidity management, and how we manage financial risks, please read the Financial Capital chapter in this Report.



Financial capital, pg 137

CLOSING REMARKS

Looking at our track record and our strong performance in FYE 2022, we are excited that Yinson is well-poised financially to execute our growth plans.

Rest assured that Yinson does not take our stable financial position for granted. Rather, it is the result of the hard work put in from every area of our business to ensure that we responsibly handle the trust and confidence that has been placed in us by all our stakeholders. As a safeguard against complacency, we are determined to continue reinforcing our team, innovating and improving how we manage our financial capital in order to continue generating value for our stakeholders.



CORPORATE COMPLIANCE REVIEW

Commentary by Alex Gwee, Head, Group Governance, Risk & Sustainability



CORPORATE COMPLIANCE HIGHLIGHTS FYE 2022

ANTI-BRIBERY & ANTI-CORRUPTION

Received ISO 37001:2016 certification from Bureau Veritas for our Kuala Lumpur and Singapore offices.

ABAC policies and procedures communicated

502 or **93%** of onshore employees.

6 or **100%** of joint venture partners.

1 or **100%** International Commercial Representative.

ABAC training conducted

502 or **93%** of onshore employees.

1 or **100%** International Commercial Representative.

CODE OF CONDUCT & BUSINESS ETHICS

0 fines or settlements related to antitrust/anticompetitive business practices.

0 code of conduct breaches reported.

0 breaches concerning customer data.

1 whistleblowing case received and resolved.

CYBERSECURITY & INFORMATION SECURITY

- Development of Yinson's Cyber Risk Management Roadmap.
- Data policies refined.
- Supplier practises enhanced from a cybersecurity perspective.

SUPPLIER SOCIAL & ENVIRONMENTAL PERFORMANCE

382 total suppliers engaged through the VRP.

193 suppliers assessed on social and environmental criteria.

0 suppliers identified as having potential negative social and environmental performance.

DATA PROTECTION

- Data Privacy Awareness training rolled out Group-wide to all offices.
- All Data Protection Officers trained in Data Privacy Laws in their respective countries.
- Gap analysis conducted to identify areas of improvements.

CORPORATE COMPLIANCE REVIEW

CORPORATE COMPLIANCE LANDSCAPE

ESG programmes and disclosures have become increasingly important in 2021, with investors and consumers alike pushing for disclosures related to topics like diversity, gender, fair wages, environmental responsibility and corporate governance. Many organisations have been examining their performance to global standards in relation to ESG practices and are striving to demonstrate consistent and good corporate citizenship. Each aspect of an ESG programme i.e. robust ESG policies and frameworks, can be undermined by incidents of bribery and corruption. Hence, bribery and corruption remains one of the key issues impacting society at large.

Transparency International's 2021 report relating to the Corruption Perception Index ("CPI") indicated that the results and ratings have remained relatively static. It is noted that the transparency of the Covid-19 relief spending is among one of the key factors that contributed to countries' latest CPI ratings for the year under review.

Companies from high-scoring CPI countries are not immune to allegations of bribery and corruption practices. Often, reports on implicated companies highlight their failure to prevent their employees from engaging in corrupt behaviours to win contracts, bribery of government or public officials and lack of guidelines when managing agents who represent the companies in foreign markets. Like any other industry, the oil & gas industry is susceptible to these bribery and corruption risks. The risk is even greater for companies that do not enforce proper internal controls, whether financial or non-financial, and neglect to set clear expectations on how its employees, third parties and agents conduct themselves to refrain from any form of bribery or corruption. As an indicator of the financial impact of bribery and corruption, there were estimated 67 corruption, bribery and fraud fines issued amounting to USD6.8 billion globally in 2021 alone.

The shift to working from home is one of the causes attributing to a massive increase in cyberattacks seen globally in 2021. The 2022 Cyber Threat Report reported that almost all categories of cyberattacks increased in volume over 2021, with encrypted threats spiking by 167%, ransomware by 105%, cryptojacking by 19%, intrusion attempts by 11% and IoT malware by 6%. The report also revealed that business leaders considered targeting phishing attacks as the number one concern, followed closely by ransomware, customer data breaches, business email compromise and data breaches. In relation to offshore businesses, the International Maritime Organization's Resolution MSC.428(98) (IMO 2020) came into force on 1 January 2021, making it mandatory for organisations to ensure that cyber risks are appropriately addressed in existing safety management systems by their 2021 annual verification.

Heightened awareness around data privacy laws continued strongly in 2021, and we believe will continue to be a central focus in the area of compliance worldwide. Since the General

Data Protection Regulations ("GDPR") came into force in 2018, this has set the tone for the wave of change and better awareness around the need to protect personal and sensitive data. Countries have likewise stepped up on enforcing regulations in this area, such as through China's Personal Information Protection Law ("PIPL"), Brazil's *Lei Geral de Proteção de Dados* ("LGPD"), and Malaysia's and Singapore's respective Personal Data Protection Acts.

The pandemic, together with the growing emphasis on ESG, is bringing risk issues relating to supply chain and third parties into sharper focus. In addition to contending with supply chain issues such as inability to obtain raw materials, procure critical products and soaring commodity prices; there is a growing awareness that an organisation can suffer reputational damage and business instability if their vendors' ESG performance profile is of a questionable nature.

A key ESG issue in this area relates to Human and Labour Rights ("HLR"), where we see companies continuing to make news headlines for the wrong reasons. The US Customs and Border Patrol has imposed sanctions on companies which are alleged to have used forced labour, which may lead to the abovementioned supply chain disruption. Additionally, companies facing scrutiny for forced labour are less likely to be engaged by clients, resulting in negative impact from the company's reputational and financial standpoint.

Emerging developments in national security and global financial architecture have brought about new sanctions, with the most significant one by far being the extensive Sanctions and Export Controls in relation to the Ukraine invasion.

YEAR IN REVIEW

Anti-Bribery & Anti-Corruption

As a global company, Yinson navigates responsibly on this ethical front through the adoption of good corporate governance and protecting its reputation in the markets Yinson participates in.

Yinson's laser-focus on ABAC risk began in earnest in early 2018 with the establishment of Yinson's ABAC Policy and Procedure. This is part of Yinson's endeavour to adopt the highest standards of governance to fulfil international standards in relation to applicable anti-corruption legislations such as the UK Bribery Act 2010, Foreign Corrupt Practices Act and Malaysian Anti-Corruption Commission Act 2009.

To further enhance the ABAC framework in place, Yinson has embarked on obtaining the ISO 37001:2016 ABMS as the gold standard to which Yinson can benchmark its ABAC processes and internal controls. With this, Yinson has streamlined and enhanced its practices and controls to be aligned with the requirements of the ISO 37001 standard.

CORPORATE COMPLIANCE REVIEW

CORPORATE COMPLIANCE HIGHLIGHT

Yinson attains global ABMS certification from Bureau Veritas

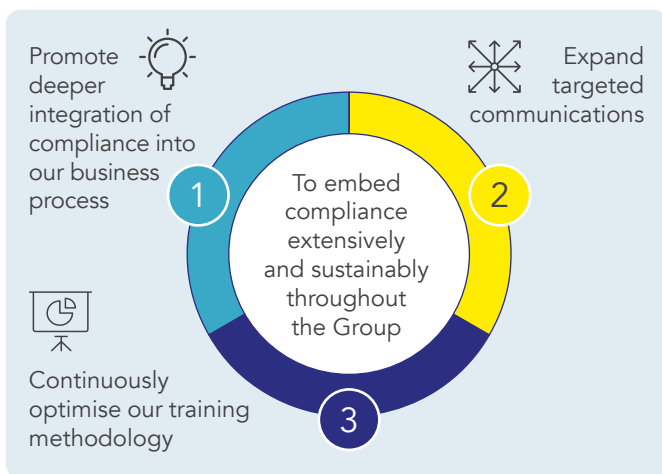
On 14 October 2021 Yinson received the ISO 37001 certification from international certification body Bureau Veritas, in recognition of our robust ABMS. The certification audit, which was undertaken by Yinson’s Global Headquarters in Malaysia and Projects Headquarters in Singapore, concluded with five noteworthy items and zero non-conformities.

In its audit report, Bureau Veritas also noted Yinson’s strong commitment to continual improvement of its ABMS, clear internal communications, good whistleblowing mechanisms and comprehensive ABAC due diligence processes for external parties.

Yinson is amongst the first oil & gas companies in Malaysia to be certified ISO 37001 by Bureau Veritas. Bureau Veritas is one of the world’s leading certification bodies, serving over 150 countries from over 90 countries of operation.



In delving into our successful ISO 37001 certification, we have taken a three-pronged approach in our ABAC implementation, aligning to our corporate compliance strategy.



Firstly, in promoting deeper integration of ABAC Compliance into our business operations, we have taken the initial step in establishing a robust set of ABAC Policy and Manual which are in line with the specific ISO 37001 requirements. Specific enhancements relating to bribery risk assessments, due diligence screening processes, whistleblowing reporting and ABAC internal audit processes were put in place and operationalised in the relevant business processes. These Group-level policies and documents were standardised and documented in accordance to our Corporate Information Management System (“CIMS”) procedure and subsequently centralised on an Electronic Document Management System (“EDMS”) in September 2021.

Secondly, we have continuously optimised our training methodology as part of the corporate compliance mission statement. Leveraging on the Group-wide initiative on the

online training platform in February 2021, the Corporate Compliance function improved on its training medium to ensure that learners are well engaged and will benefit from its flexibility to complete the training in their own time within the deadline. In addition to mandatory ABAC training, other specific roles which have extensive interactions with external stakeholders will have additional training modules availed to them. The Corporate Compliance function will continue to focus on improving the delivery of the training content to ensure that all employees are aware of our ethical commitment and conduct themselves according to our values.

Thirdly, we have adopted a targeted communication approach in raising the awareness level through internal and external communication on matters relating to our ABAC Framework. In addition to communication from Senior Management to employees via various channels such as emails and YNet, compliance representatives are assigned in the local offices in which Yinson operates. Quarterly compliance meetings are held with representatives to ensure local implementation and compliance communications are disseminated throughout the Group.

In addition to enhancing the internal controls as part of the ISO 37001 certification, Yinson has also noted the key findings from Transparency International’s 2021 CPI report and further strengthened our due diligence processes. This includes, but is not limited to, rigorous review and approval of donations and sponsorships relating to Covid-19 relief in the countries that Yinson operates in to ensure that the contributions are not camouflaged or misused. Yinson’s CSR Committee reviews all donation or sponsorship proposals and only recommends approval after it has undergone the necessary due diligence screening process.

We strictly adhere to our ABAC Policy, which does not allow company funds to be used to support government political campaigns.

CORPORATE COMPLIANCE REVIEW

ABAC INITIATIVES IN FYE 2022



- Broadcasted ABAC Memorandum from Group CEO.
- Conducted Group-wide ABAC awareness webinars.
- Reviewed and revamped ABAC online training.
- Conducted three ABMS internal audits.
- ABAC due diligence completed for all business partners and international commercial representatives.
- Enhanced functionality for online declaration of Gifts, Hospitality & Entertainment ("GHE") on YNet.

Code of Conduct & Business Ethics

In line with our aim of fostering a culture of integrity across Yinson and our supply chain, we continue to implement Yinson's COBE diligently. The COBE defines the foundation of our ethical standards and expectations for personal conduct. The COBE brings together Yinson's main governance policies, including references to our other Group-wide policies. The COBE training is conducted annually for all new employees.



Good corporate governance, pg 145

Compliance of our supply chain & third parties

We spend considerable effort to engage with our supply chain and third parties to encourage a high standard of compliance.

Yinson's ISO 9001-qualified Vendor Registration Platform ("VRP") was fully released in 2020, enhancing our capabilities relating to pre-qualification assurance and vendor performance. Vendors who are interested in working with us must provide their company information through the platform, which screens them by risk classification into 'registered' or 'pre-qualified' categories. The 'registered' vendors, who are categorised as lower risk, undergo a basic compliance checklist including acknowledgment of their adherence to Yinson's COBE and ABAC policies. To be approved as a pre-qualified vendor with us, vendors go through a more comprehensive screening that considers information such as the vendor's Health, Safety, Environment and Quality ("HSEQ") management and performance, adverse media, watchlists, government records, sanctions, finance management, sustainability compliance, ABAC compliance, insurances and ISO certifications. Non-conformities found are documented in the VRP and followed up for resolution. A supplier's risk assessment and categorisation is reviewed yearly in the VRP. 193 vendors were pre-qualified with Yinson in FYE 2022, with none flagged for social and environmental non-performance.

In FYE 2022 and to date, we enhanced the VRP process as follows:

- Released ESG module which consists of dedicated question sets, as well as benchmarking and reporting that aligns with global standards and methodologies, including GRI, ISO, CDP, TCFD, SDG, WEF and SASB standards.
- Released country-specific forms to enhance regulatory data collection.
- Released annual updates for suppliers.
- Added questions on remote support.
- Added clarifications within the Safety & Compliance and Finance question sets.
- Adjusted trigger rules for insurance, ABAC and sustainability.
- Added Yinson categories of supply.

Yinson is in the progress of developing the ESG Supply Chain Policy that is expected to launch in 2022. The purpose is to outline our requirement to suppliers and contractors to integrate environmental considerations, social performance and governance into business towards creating a more sustainable supply chain. As part of the policy, suppliers and contractors are required to adopt Yinson's health and safety guidelines to minimise incidents and injuries in workplace. The scope of social requirements such as diversity, equality, child and forced labour are also covered in the policy.



Sustainable supply chain management, pg 157

Personal Data Protection

Personal Data Protection has always been an important topic for Yinson as part of its overall corporate governance.

With our growing presence in Brazil, as well as conversion works for our offshore production assets taking place in China, adapting our personal data compliance practises to manage the recent enactment of China's PIPL and Brazil's LGPD has been a primary focus for our privacy team in FYE 2022. In addition to maintaining our high standards of privacy compliance in our other operating countries, such as Malaysia, Singapore and Europe, the team is in the process of extensively reviewing issues in accordance to the PIPL and LGPD to ensure conformity.

Yinson has empowered our Data Protection Officers ("DPOs") and Deputy DPOs in our regional offices to communicate on Data Privacy awareness to the local employees. In addition, the DPOs have undertaken certified trainings to further enhance their knowledge on local Personal Data Privacy laws. The DPOs have conducted gap analysis with the support of local external legal counsel to identify areas of improvements on Personal Data Protection and Data Privacy. The DPOs are in the midst of implementing the proposed measures to close the gaps identified.

CORPORATE COMPLIANCE REVIEW

Yinson provides new employees and contractors with mandatory cybersecurity training as part of job orientation. There is also a training programme for all employees explaining the principles set out in the Data Privacy Policy and involving guidelines for processing of Personal Data.



Good corporate governance, pg 145

Information security & cybersecurity

In recent years cybercriminals have increased their attacks on Information Technology, Operational Technology and Industrial Control Systems, either through exploiting system vulnerabilities or business email compromises. In response to these trends, Yinson worked actively with all stakeholders in FYE 2022 to ensure that we are well prepared to manage these risks, both now, and in the coming days where we expect such attacks to be even more prolific and sophisticated.

During the financial year, Yinson's cybersecurity team has developed a Cyber Risk Management Roadmap which consists of multiple initiatives to strengthen the cybersecurity system within the Group. Steps taken include actively training our people, updating our processes to be more relevant and putting in relevant technology that can help us reduce our cyber risks.

Achieving and maintaining the cybersecurity of our offshore assets has been a continual effort, carried out through a combination of active internal training, updating our processes to be more relevant and putting in applicable technologies that can help us to reduce our cyber risks adequately.



Cybersecurity, pg 147

Data & digitalisation

We have undertaken various initiatives throughout the year to further digitalise our compliance processes to provide up-to-date and accurate information to our stakeholders to enable quick and efficient decision-making processes.

For example, we have utilised our LMS to automate compliance-related trainings, which has minimised manual intervention in the learning & development process for employees and opened up a world of training without borders. This virtual approach on compliance trainings was further entrenched due to Covid-19 lockdown restrictions, which limited physical interactions. The LMS allows the mandatory compliance-related learnings to be delivered online, maintaining the employee education process without compromising on Covid-19 safety requirements.

We have also continued to transfer manual compliance documentation to online platforms. In FYE 2022, we

successfully implemented the GHE online declaration process, which allows our employees to easily declare and obtain appropriate approvals for any GHEs given and received. The declaration is also available via employee mobile devices, which makes it easy to provide the necessary information, including the uploading of the necessary supporting documents.

To ensure proper management and governance of Group-Level policies, procedures and related documents, an EDMS was implemented in September 2021. The EDMS facilitates the standardisation of Group-level policies, procedures and supporting documents, with appropriate review and approval processes incorporated for transparency and audit trail purposes according to our CIMS procedure.

EXTERNAL VARIABLES, RISKS & OPPORTUNITIES

EXTERNAL ENVIRONMENT

- Companies are increasingly focusing on ESG issues and themes, with investors and consumers alike expecting corporate action and accountability in these areas.
- Europe's GDPR has recorded numerous breaches which have led to serious financial penalties. In 2021, two record sum fines of EUR746 million and EUR225 million were issued to two companies for GDPR breaches.
- The 2021 Organization for Economic Cooperation and Development Anti-Bribery Recommendation highlights a holistic approach to fight foreign bribery especially on companies facing bribery solicitation risks. This includes among others, to have extensive provisions to protect whistleblowers and encourage countries to incentivise enterprises to develop ethics and compliance programmes to prevent or detect foreign bribery.
- The implementation of the European Whistleblowing Directive by the European Union's 27 member states by 17 December 2021 is expected to cause a ripple effect to the rest of the world in the years to come.
- The ESG profiles of third parties are increasingly important for accurate data reporting. This includes compilation of information on GHG emissions as well as HLR practices by third parties.
- The fluid situation in Russian-Ukraine conflict means that further sanctions and export controls are to be expected in coming months.
- Cybersecurity vulnerabilities that translate into attacks is becoming harder to control, with companies needing to invest large amounts of resources to keep abreast.

CORPORATE COMPLIANCE REVIEW

EXTERNAL VARIABLES, RISKS & OPPORTUNITIES (CONT'D.)

RISKS

- Penalties and fines.
- Reputation damage.
- Low ESG ratings may cause drops in investor confidence and exclusions from sustainability-rated indexes.
- Business activities may be affected by weaknesses in the supply chain.
- Boycott or sanctions may be imposed on companies who are seen to have weak enforcement of HLR.
- Companies who do not have adequate measures and assurances in place to assuage fear of retaliation may cause would-be whistleblowers to stay silent on wrongdoings.
- Sanctions may be imposed on companies who are seen to have association with sanctioned entities.
- Complying with sanctions can be complicated, and in this increasingly interconnected world, can aggravate risk exposure.
- Corporations may find it challenging to comply with increased technology upgrades and documentation that is required to manage cyber threats adequately.

OPPORTUNITIES

- Good corporate compliance and sanctions management track record enhances stakeholder confidence, opens up new sustainability-linked business opportunities, safeguards operational effectiveness and enhances business continuity.
- Stronger supply chain in terms of sustainability profile improves business continuity.
- The advocating of stronger sustainability practises with third parties can contribute towards stronger ESG performance for companies.
- Companies with good corporate compliance track records can influence their third parties and external stakeholders in alignment with global climate targets.
- Utilising technology can improve whistleblowing processes for employees reporting wrongdoings and compliance teams when managing incidents.
- Companies that invest in information security governance will be less likely to face cyberattacks, hence supporting business continuity.

STRATEGIC RESPONSE TO OUR RISKS & OPPORTUNITIES

Creating a culture of compliance

At Yinson, we are committed to conducting our business responsibly and in accordance with the law of the countries in which we operate. This is the ethos or fundamental value of the Group's COBE and forms the bedrock of our corporate compliance strategy.

Our corporate compliance strategy aims to embed compliance extensively and sustainably throughout the Group. Guided by our R.O.A.D.S. Core Values, corporate compliance is more than a check box exercise – it is a question of reinforcing a culture where integrity, honesty and transparency are the cornerstones of our actions. To this end, we promote deeper integration of compliance into our business processes, continuously optimise our training methodology and expand targeted communications.

We will continue to ensure our zero tolerance stance towards bribery and corruption and strengthen our internal controls practices. The continued ISO 37001 certification and annual audit process provides us the avenue to further identify best practices and areas of enhancement.

Communication is one of the focal points of Yinson's corporate compliance mission, which is to promote the culture of compliance through raising awareness and provision of compliance-related training. All Yinson's compliance policies are readily available on our website, YNet and in various physical locations in our offices, and we engage constantly with our stakeholders on these matters.



Stakeholder engagement, pg 124; Social & Relationships Capital, pg 156

We aim to extend our compliance strategy further by collaborating with our third parties more extensively to understand their ESG profile, such as their HLR practices, and thereby strengthening the ESG alignment throughout our supply chain. We believe that a good demonstration of ESG efforts undertaken by our external stakeholders will strengthen the robustness of the supply chain and build a solid foundation for sustainability-linked business opportunities.



Sustainable supply chain management, pg 157

CORPORATE COMPLIANCE REVIEW

Establishing good corporate compliance structures & processes

A robust corporate compliance structure and well-managed processes are crucial enablers for our employees, third parties and other stakeholders to gain awareness and run their business activities in a compliant manner. Our corporate governance practises are supported by continually enhanced policies and procedures, with oversight from our Board and managed by specialised teams within Yinson. Examples of how Yinson manages HLR, sanctions and whistleblowing are highlighted below, and further within the Intellectual Capital chapter in this Report.



Good corporate governance, pg 145

Human & Labour Rights

We are cognisant that HLR non-compliances may have repercussions that could severely impact Yinson's capacity to conduct its global operations. In addition to the punitive sanctions imposed by governing bodies, stakeholders' confidence in Yinson could be diminished if HLR is not properly managed, which could result in an ESG trust deficit.

Our HLR Policy affirms our commitment to international human rights principles and we continue to implement Group-wide measures to prevent and remedy violations of HLR where identified. We are currently enhancing our HLR training programmes to increase awareness of this important issue.

Yinson strongly advocates avoiding any form of forced labour and child labour practices and will not condone any third party who adopts such practices. Yinson enforces HLR expectations to our third parties as part of the due diligence processes.

Sanctions

Yinson's Sanction Policy serves as a guide to all working for or with Yinson to understand where breaches of sanctions requirements might arise and guide them in making the right decisions in line with the Policy. We enforced due diligence on vendors to be conducted during onboarding to ensure that they have no relationship or business in a sanctioned country that could potentially led to a violation.

We also ensure that regular communication on sanctions and compliance issues are properly disseminated in order to create a global sanctions and compliance culture in Yinson.

Whistleblowing

Yinson encourages all stakeholders including business partners, general public, employees, third parties and vendors to raise genuine concerns about suspected or possible violations of Yinson's COBE, improprieties in matters of financial reporting, non-compliances with laws and regulations, non-compliance with Yinson's policies and procedures and to disclose any improper conduct or other malpractices with Yinson without fear of unfair treatment or reprisal.

The Incident Report will be submitted to the Audit Committee Chairman (a non-executive board member) who will review and evaluate the Incident Report in an independent, fair and unbiased manner with respect to all parties involved.

Whistleblowing reporting process

1. Report alleged misconduct through any of the channels.
2. Report details with the option of being anonymous.
3. Initial investigation launched.
4. Incident Report prepared for Audit Committee Chairperson, who is the senior independent, non-executive director.
5. AC Chairperson to review and decide on outcome.
6. Communicate outcome to the whistleblower.

Whistleblowing channels and information can be found on Yinson's website, YNet and common areas in Yinson's office premises.

Whistleblow at

Phone : +60111-662 2738

Email : whistleblow@yinson.com

(Whistleblows in other languages will also be accepted)



Scan the QR code for more information on whistleblowing at Yinson

CORPORATE COMPLIANCE REVIEW

Leveraging data & digitalisation for enhanced decision-making

Year by year, new directives and regulations are adding complexity to compliance operations across all industries. We believe that navigating this evolving landscape is essential to retain a competitive advantage.

Yinson leverages on digital transformation initiatives to manage our compliance matters to stay ahead of issues that may hamper the effectiveness of our compliance practices. Through digitalisation, we aim to move away from manual processes and break down silo approaches in governance by providing access to critical and up-to-date information that enables effective decision-making.

Some of these endeavours are described in the 'Data and digitalisation' section above, with many other efforts planned in the coming years to cater for our growth into new business areas and territories. We are cognisant that our diversification into green technologies and renewables, as well as our expansion into new territories opens up new compliance risks which must be anticipated and managed. We will continue to invest in robust, global-standard platforms that help us to manage these risks, turning them into opportunities to take a leading position in corporate compliance.

For example, we are embarking on the automation of the risk management data and risk registers through the implementation of IT risk management system to ensure there is a consistent and streamlined risk assessment being conducted. The system will help the Group and business functions to update and manage risk information in a more effective and timely manner. In addition, it will provide a more holistic and up-to-date risk dashboard reporting and monitoring.

Building local knowledge & competencies

As the Company grows into new geographical locations and business areas, a key strategy is to build a team of local compliance representatives who are well versed with the local compliance landscape.

The presence of compliance representatives ensures that compliance issues are properly communicated, and local compliance issues also quickly identified, flagged for action and executed. The Corporate Compliance function at Group-level works closely with the local representatives to provide guidance and respond proactively to unique local compliance issues. We also hold quarterly meetings with compliance representatives to receive and give updates on all matters arising.

Great effort is made to ensure that local compliance representatives are engaged on the relevant compliance policies' implementation to embed the adherence of the policies throughout the Group. We believe that building a strong network of representatives who are passionate about compliance advocacy and matters on the ground is key to creating a global compliance culture in every Yinsonite – which is our strongest defence against compliance risk.

In addition, in December 2021, we decentralised the quarterly risk assessment process, with designated risk coordinators appointed for the various business segments and entities to facilitate the internal risk assessment process. With the Governance, Risk Management and Compliance ("GRC") Department providing alignment at the Group level, this has served to improve the accuracy of the risk assessments, enabling us to take the appropriate actions to handle risks for the best interest of the Group and our stakeholders.

CLOSING REMARKS

We are deeply committed to raising the standards of Yinson's compliance culture and standards, as we believe this is key to address crucial global socio-economic and environmental risks, as well as the current and emerging risks that will arise as we continue to grow.

Corporate compliance is a foundational building block that must underpin everything that Yinson does, and we will continue to uphold the highest standards to ensure we can continue delivering value to our stakeholders, both now and in the future.

LEGAL & INSURANCE REVIEW

Commentary by Andrew Choy, Group General Counsel



LEGAL & INSURANCE HIGHLIGHTS FYE 2022



Completion of contract negotiations for FPSO Atlanta and FPSO Maria Quitéria.



Successful procurement and placement of Constructive All Risks insurance for FPSO Maria Quitéria.



Internal restructuring of Legal Department in alignment with growing business needs.



Registration of the Group's first trademark 'Hydroglyder' to Yinson GreenTech – the first of various trademark names to be registered to the brand to reflect the division's various business sectors.



19 internal legal awareness webinars conducted by in-house legal team to raise employee awareness on legal topics.

1,357 employees attended.



Successful strike-off of unwarranted lawsuit commenced by Globalmariner Offshore Services Sdn Bhd.

LEGAL & INSURANCE REVIEW

LEGAL & INSURANCE LANDSCAPE

The global legal community was not spared from the effects of Covid-19, with one of the key questions arising on whether force majeure may be invoked to relieve parties from performing its obligations due to the pandemic. The impact of the pandemic on businesses, especially those that rely on international trade, has had a severe effect on commercial contracts and the hampering of contractual obligations on parties. The cascading effect of its interruption to businesses only serves to complicate matters even further, as would be the disparity in the treatment of such interruption in relation to Governmental agencies, clients and contractors respectively.

Our legal team continued to navigate the uncharted territories brought about by the hitherto unprecedented pandemic. It is anticipated that the challenges brought about by the pandemic are expected to grow even as the global economy gradually regains lost ground, reviving contract negotiations that had been put on hold and giving rise to fresh rounds of negotiations that need to be adapted to a different post-pandemic environment. The changing environment is causing businesses to reassess their strategic priorities, necessitating legal advice on how to manage their respective unique set of risks and opportunities.

The insurance market has endured some of its most turbulent times in recent years, largely driven by natural catastrophe events. This was compounded by back-to-back years of significant loss of activity from 2017 to 2021, as well as disruptions to the global economy caused by the Covid-19 pandemic. This has led to general market hardening, with increases in insurance rates globally and across most classes of insurances. Other dominant themes shaping the global marine insurance industry include extreme weather conditions, rapid technological developments resulting in growing cybersecurity concerns and new regulatory regimes such as IMO 2020.

In keeping with our time-honoured contracting strategy, we continue to engage with both our clients and contractors by way of honest and friendly negotiations, in a solutions-oriented manner and by the avoidance of unwarranted ultimatums. We balance our considerations in relation to risks and rewards in a careful and measured manner, never losing sight of the objectives of contract negotiations, and never failing to take into account the interests of our clients and contractors.

YEAR IN REVIEW

Contract negotiations

FYE 2022 has been an incredibly busy year for Yinson's Legal & Insurance Department. We successfully closed contract negotiations for FPSO Maria Quitéria with Petrobras, with firm contracts signed, sealed and delivered. The successful award is a testament to the adaptability and commitment of both Yinson and Petrobras, as negotiations encountered many challenges and several postponements, caused in part by the pandemic and volatile oil prices. Together with Petrobras, we are pleased to arrive at a robust contract that meets our shared goals for profitability, productivity and sustainability.

Our second major contract signed was with Enauta for FPSO Atlanta. The FPSO Atlanta project has proven to be a complex legal transaction, at once challenging and rewarding. Our Legal Department had to dig deep into our capabilities and knowledge to structure the transactions involved, and in doing so, we churned out novel solutions hitherto unexplored. In a relatively short time, we were able to overcome all the challenges posed by this project, and the result was a transactional triumph for all parties involved.

The FPSO Maria Quitéria is Yinson's second project award with Petrobras, after FPSO Anna Nery and FPSO Atlanta, and is the third project award in Brazil for Yinson. With this, Yinson has made a firm inroad into Brazil, fulfilling our objective of making Brazil one of the leading jurisdictions in our business endeavours.

Insurance update

We successfully placed billions of dollars of FPSO exposure through Construction All Risks ("CAR") insurance for the FPSO Maria Quitéria project, at competitive premiums even in the current hardening market within an unprecedented short period of time. All participating insurers in this CAR programme are rated by S&P as 'A-' at a minimum, which is equal to or in excess of contractual requirements, which translates to highly favourable terms. CAR insurance is a very important tool to mitigate project cost exposures in the event of any major unfortunate incident during the construction phase including commissioning & testing in the field. It covers all perils to which the interest is exposed, unless specific exclusions are stated. It insures the physical damage or loss plus liability arising out of the project works.

Despite rate increases in the insurance market, Yinson's fleet continues to enjoy competitive rates. This is due to Yinson's growing fleet profile, good management and operational reputation and strong relationships with insurance partners such as brokers and market leading insurers with strong credit ratings. We have also regularly assessed our risk exposures and determined mitigation measures by insurance, if any, for consideration.

Managing Covid-19-related legal risks

During the financial year, the Legal & Insurance Department proactively looked into the best way to manage the risks of contracting parties in light of the pandemic. Applicable risks for us as a contractor include project schedule delays and cost increases; while for us as a client, risks include unfavourable variation orders and invocation of force majeure by vendors who face difficulties meeting their deliverables.

Our strategy adopted on force majeure-related provisions have evolved from excluding Covid-19 in totality as a force majeure event to provisions relating to unforeseeable impact from the consequences of implementation of Covid-19 measures. Further, and notwithstanding that communicable diseases have recently been excluded from International Group P&I Club pool coverage, we are pleased to make the observation that our renewal with Skuld P&I Club has put us in a substantial position by having the reinstatement of such exclusions of up to USD10 million.

LEGAL & INSURANCE REVIEW

Intellectual Property Initiative

At Yinson, we recognise the importance of Intellectual Property ("IP") as a valuable company asset. In this connection, we are planning to undertake an IP Initiative across the Group.

This initiative will have a positive impact on the Group, by turning intangible assets into tangible results. Key objectives include the increase of Yinson's valuation, protection of Yinson's reputation and goodwill, possible new revenue stream through licensing, enhancement of Yinson's reputation as an innovative company, obtaining competitive intelligence on key competitors via IP data, and deterrence of competitors from infringing any IP rights contained within Yinson's products and services.

Under the IP Initiative, we plan to conduct an awareness programme involving all offices on the importance of IP as well as an identification and inventory of relevant IP assets. Key elements of the IP Initiative shall comprise:

- 1) Identification of IP
- 2) Securing of IP
- 3) Registration of IP
- 4) Protection of IP
- 5) Commercialisation of IP

In FYE 2022 we successfully registered the Group's first trademark, 'Hydroglyder', to Yinson GreenTech – the first of various trademark names to be registered to the brand to reflect the division's various business sectors.



Business Review: Green Technologies, pg 111

Strategic restructuring of legal department

To better serve the Group in light of our rapid expansion into new businesses and geographical territories, our Legal Department has been expanded and restructured in accordance to key areas of operation. The expansion and restructuring are part of the Department's evolution towards becoming an independent cost centre, with the objective of providing complete legal services to the Group's business units. We have worked on bringing in the requisite skillsets into the team, with the aim of relying even less on external support.

In this connection, the position of the Head of Legal was created, and that designation has been further demarcated into three regions, namely Head of Legal of the Americas, Head of Legal of EMEA (Europe, Middle East & Africa) and Head of Legal of Asia-Pacific. These three new designations are complemented by the Head of Legal (Corporate Finance).

Improving stakeholder awareness & engagement

In September 2020, the Yinson's Legal Department initiated a series of webinar sessions for Yinsonites and contract personnel on topics that relate to legal issues faced every day in our business. Called Legal Awareness Webinars, or L.A.W, the webinars present legal concepts in everyday language, allowing Yinsonites to be better equipped with new knowledge to help them understand and appreciate the business better, especially how Yinson aims to manage risks through application of robust legal practices. The webinars are held monthly, with each member of the Legal Department taking turns to present.

LEGAL AWARENESS HIGHLIGHT

Monthly L.A.W. webinars conducted for all employees

19 WEBINARS CONDUCTED | 1,357 ATTENDANCE OVERALL | 98% POSITIVE FEEDBACK FROM ATTENDEES

- September 2020 – Force Majeure: The English Treatment Of A French Superior Force
- October 2020 – Overview Of Islamic Finance, An Alternative To Conventional Financing
- November 2020 – Variation Orders: Change Is Inevitable, A Successful Outcome Is Optional
- December 2020 – Understanding Termination Issues In A Contract
- January 2021 – Intellectual Property Management In Yinson
- February 2021 – Marriage In Business: Joint Venture
- March 2021 – An Overview Of Arbitration In Various Jurisdictions
- April 2021 – Delay And Liquidated Damages In Contracts
- May 2021 – An Overview Of Typical Insurances placed for Yinson's Offshore Projects.
- June 2021 – Case Studies And Overview On Anti-Bribery Management System
- July 2021 – Will Drafting
- August 2021 – Shut Up! Legally Speaking – Libel And Slander In The Internet Age
- September 2021 – EPC[I] [C] v L&O: What's Really The Difference Contractually?
- October 2021 – Introduction To Secured Lending
- November 2021 – Cybersecurity
- December 2021 – Expert Witness Testimony
- February 2022 – Employment Rights 101
- March 2022 – Look Ma, No Hands! Autonomous Driving And Its Legal Challenges
- April 2022 – The Personal Information Protection Law of China

LEGAL & INSURANCE REVIEW

To improve internal stakeholder management, we introduced an electronic feedback form with the objective of continual improvement in the provision of our legal and insurance services to the Company as a whole. This new introduction has been greeted with warm reception, and participation has been very encouraging. Both positive and negative comments were taken onboard, round discussions held with participants, and actions taken as an output of all such comments made. This is very much in line with Yinson's core value of 'openness'.

Engaging external professional associates is part of how Yinson operates. We have a core in-house legal and insurance team, supported on the peripheral by external firms and consultants, including in the legal and insurance sectors. In FYE 2022, we enhanced our engagement with external professional associates to include a comprehensive onboarding process; and developed a framework for engagement during the tendering process and direct selection process. We believe that these engagements will help both parties to understand respective concerns, expectations and abilities to add value, leading to better outcomes for sustained value creation.

Another highlight for the year was Yinson's participation in a closed door, deep dialogue with Singapore Minister of State for Trade & Industry Alvin Tan on the business trends, opportunities and challenges companies face while operating in Africa's oil & gas sector. Yinson was joined by other leading industry representatives in the session, which was organised by Enterprise Singapore.

GMOS lawsuit successfully struck off

On another note, we are pleased to have successfully struck off the lawsuit commenced by Globalmariner Offshore Services Sdn Bhd ("GMOS") summarily. On 6 March 2020, GMOS commenced an action against various Yinson companies and 9 other parties ("Defendants") in the Kuala Lumpur High Court by way of Suit No. WA-22NCVC-150-03/2020 dated 3 March 2020 ("Suit"). The Writ of Summons, together with the Statement of Claim in the Suit was ordered to be struck out with costs by an Order of Court dated 31 March 2021, pursuant to a successful application made by the Defendants (which includes Yinson) and all avenues of appeal concerning the order made against GMOS have been completely exhausted.

Charter contracts

Charter contracts require special mention, given their level of complexity and sophistication within the upstream sector.

The terms and conditions of Yinson's charter contracts are not linked to macro-economic factors or conditions beyond the control of Yinson such as the price of oil & gas and/or the performance of the reservoir on which the relevant production asset is operating.

Charter rates will typically cover the cost of the capital expenditure of the project, including engineering, procurement, construction and installation (EPCI), financing costs as well as contributing to commercially acceptable returns to the Group over the tenure of the firm charter period. The Group considers any revenue earned during the option period as surplus revenue beyond the capital expenditure and projected returns of the project.

Typically, assets are owned by Yinson, and upon termination of the relevant charter contract, there remains a possibility of redeployment of the asset to another offshore oil field.

Given the bespoke nature of the assets, all charter contracts are typically negotiated to ensure that the risks of termination by charterers are minimised and termination can occur only in highly specific and prescribed circumstances. In the event a charter contract is prematurely terminated by the charterer at their convenience, there is a corresponding obligation on the part of the charterer to pay Yinson compensation in the form of a pre-agreed Early Termination Payment ("ETP"). This is so even in the case of termination due to a default on the part of Yinson, albeit in more limited circumstances, and at discounted ETPs. The ETP or discounted ETP payments are normally derived based on *inter alia*, the present value of lost future revenue and contractually structured as lump sum payments payable within a stipulated period post termination.

Where applicable, charter contracts are further supported by a charterers' parent company guarantees or undertakings to guarantee the obligations of the charterers over the course of the charters' firm and option periods. This includes the payment of ETPs.

CLOSING REMARKS

As a business, we rely on the robustness of our contracts and the strength of our legal competencies to minimise contract and legal risks. We believe this sets a crucial foundation that safeguards the sustainability of our business, allowing us to continue generating value for all our stakeholders for many years to come.

PEOPLE REVIEW

Commentary by Louisa Brady, Group Human Resource Director



PEOPLE HIGHLIGHTS FYE 2022

EMPLOYEE DIVERSITY, EQUALITY & INCLUSION

963 total employees
Up 33.4% from FYE 2021.

30.6% new hire rate against total regular employees.

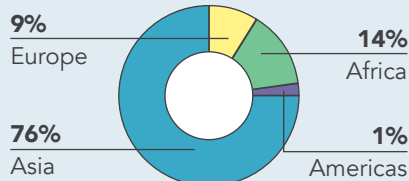
9.26% annual attrition rate.

30 nationalities represented globally in our onshore offices.

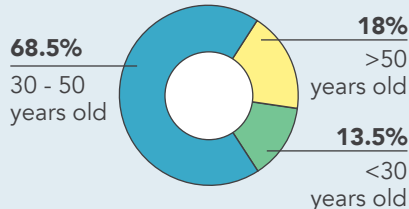
18 nationalities represented globally in our offshore offices.

81.8% onshore employees hired locally.

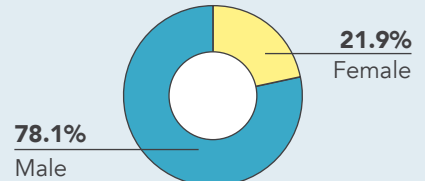
BY REGION



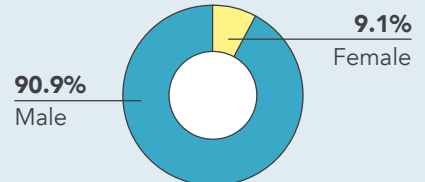
BY AGE



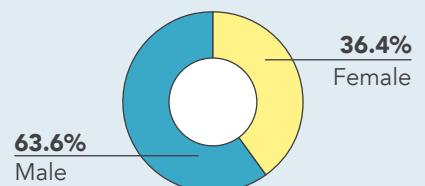
TOTAL EMPLOYEES



MANAGEMENT POSITIONS



BOARD/SUPERVISORY POSITIONS



PEOPLE REVIEW

EMPLOYEE ENGAGEMENT

64% overall engagement score.
Remained consistent with FYE 2021.
Target: 70%

91% employees responded to the survey.

LEARNING & DEVELOPMENT

100% employees receiving regular performance and career development reviews.

55,100 learning hours from April 2021 to February 2022.

80 average learning hours per employee from April 2021 to February 2022.

HUMAN RIGHTS

0 number of incidents of discrimination.

0 number of violations involving the rights of indigenous people.

HEALTH & WELLBEING

Launch of Yinson Future of Work Philosophy.

Introduced Time Off in Lieu and Travel Compensation days.

Launched Sports & Social Clubs in Kuala Lumpur, Singapore and Oslo.

INTERNSHIP AND GRADUATE PROGRAMMES

Ghana: 16 interns

Norway: 6 interns

Singapore: 2 interns

Malaysia: 6 management trainees, 1 intern

POLICIES AND PLATFORMS

Launched Global HRIS to unify HR information for all offices globally.

Enhanced policies and frameworks on succession planning, travel & expenses and learning & development.

THE LABOUR MARKET

The world has experienced dramatic changes over the past year. The way we live, work and interact has altered significantly. The sudden imposition of movement restrictions in many countries saw businesses scrambling to adapt to new, virtual ways of working, leapfrogging the development of digital collaboration platforms and productivity tools years ahead of its time. Companies around the globe have tried to determine the work arrangements that would suit their workforce's rapidly evolving lifestyle best while endeavouring to maintain business continuity.

We are seeing a shift in workforce dynamics with employees now leaving companies if flexible working arrangements are not provided or if the working environment is impacting their own health & wellbeing. The Organization for Economic Cooperation and Development reported that there are 20 million less people working now with a slow rebound predicted. In the USA alone, a staggering 4.5 million Americans left their jobs in November 2021. These historic labour shortages are further complicated by disproportionate diversity and inclusion issues.

Over in the oil & gas industry, attracting skilled labours has not been easy. The industry has had a history of cyclical recruitment and retrenchment, which has affected the industry's attractiveness to potential employees. The worldwide labour shortage caused by the pandemic further exacerbates the situation. In addition, the younger workforce is increasingly attracted to companies which display strong environmental leadership and are turning away from companies that do not have net zero strategies, further fueling the talent shortage.

YEAR IN REVIEW**Covid-19 update**

As the pandemic entered its second year, our people's wellbeing continued to be a priority. Similar to the year before, strict Standard Operating Procedures ("SOPs") were put in place and ongoing awareness and engagement campaigns were held. While our people were encouraged to be vaccinated, we also respected and did not discriminate those who chose not to be inoculated.

The Group continued to monitor the number of Covid-19 cases, allowing work from home arrangements. We also provided RTK test kits and allowed employees to claim back costs for PCR tests. Appropriate measures were taken for our offshore crew, elaborated in detail by my colleagues Flemming and CW. For FYE 2022, we reported minimal outbreaks and there was no need for operation shutdown.



HSE performance, pg 99; Business Review - Offshore Production, pg 104; Business Review - Offshore Marine & Malaysia Operations, pg 119; Operational health & safety, pg 153

I would like to take this moment to appreciate everyone who played their part in observing the SOPs, and acknowledge the tremendous amount of work undertaken by our global HR team and our HSEQ committee members in order to ensure the safety and wellbeing of our people.

PEOPLE REVIEW

Diversity, Equality & Inclusion

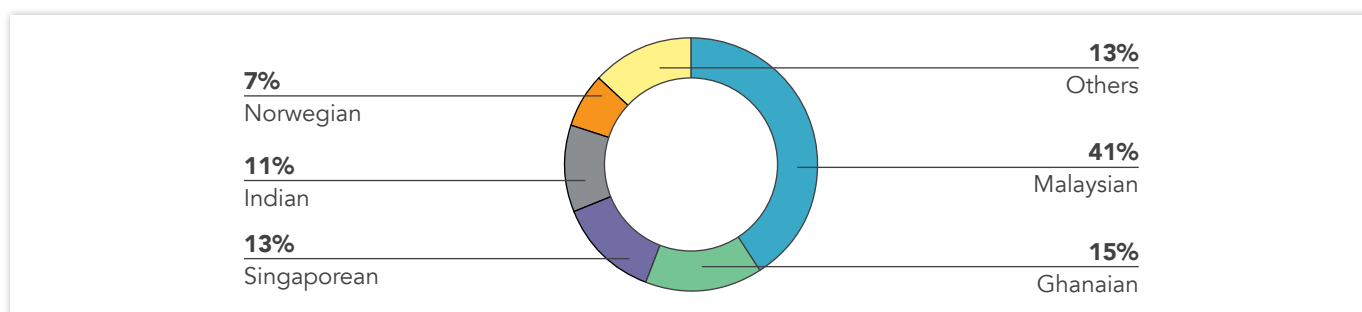
A strong commitment to DEI underpins our HR Transformation Plan. We reviewed and updated our DEI Statement and Policy in 2021 with the goal of providing an open and all-inclusive working environment where our people can feel safe and celebrate their uniqueness without fear of discrimination. We continue to make progress throughout 2021, which includes key leadership roles for our first female crew members aboard FPSO JAK.

Other efforts include the appointment of a Group Talent and Learning Manager to champion the DEI agenda across the business. We also implemented hybrid working arrangements for our onshore employees, to accommodate our diverse talent needs and drive diverse hiring.

Targeted DEI learning was introduced via our LMS platform with the aim of raising DEI awareness amongst Yinsonites to encourage an environment where everyone treats their fellow colleagues and the local communities in which we operate with respect and dignity.



NATIONALITIES REPRESENTED ACROSS YINSON'S ONSHORE OFFICES



Employee Engagement Survey

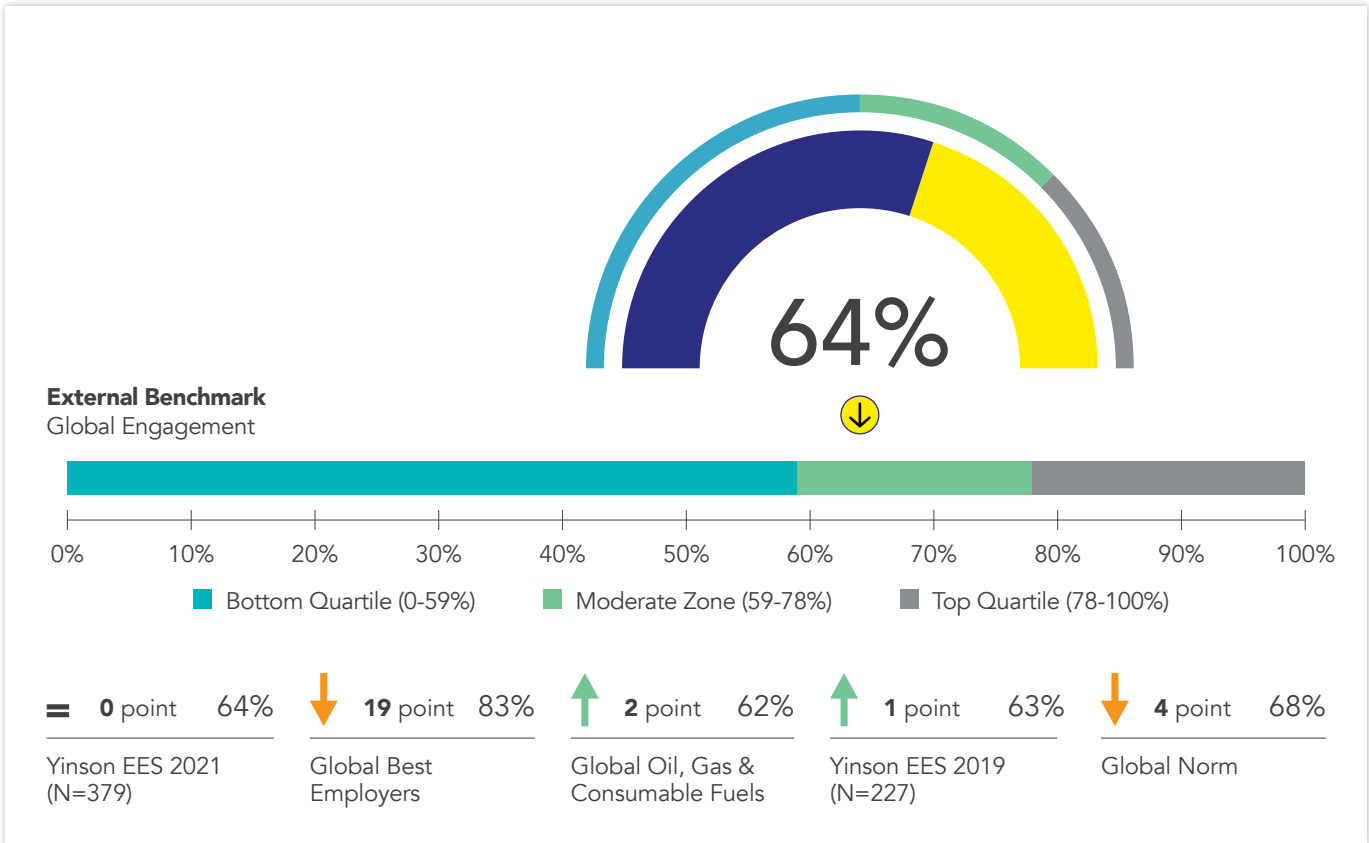
Our yearly Employee Engagement Survey ("EES") is one of our most important annual engagements with our most valuable stakeholder group – our employees. We worked with an independent company to gather meaningful feedback on how we are doing in terms of people, organisation practices, work processes and communication, amongst others. Group-level action plans are developed and implemented based on the survey.

In FYE 2021, the survey identified focus areas as Talent & Staffing, Performance Management, Rewards & Recognition, Brand and Work-Life Balance. Our progress in these areas is highlighted below and further elaborated in this commentary.



PEOPLE REVIEW

ENGAGEMENT LEVELS FOR YINSON OVERALL HAS BEEN SUSTAINED SINCE 2021



This year, our EES result was 64%.

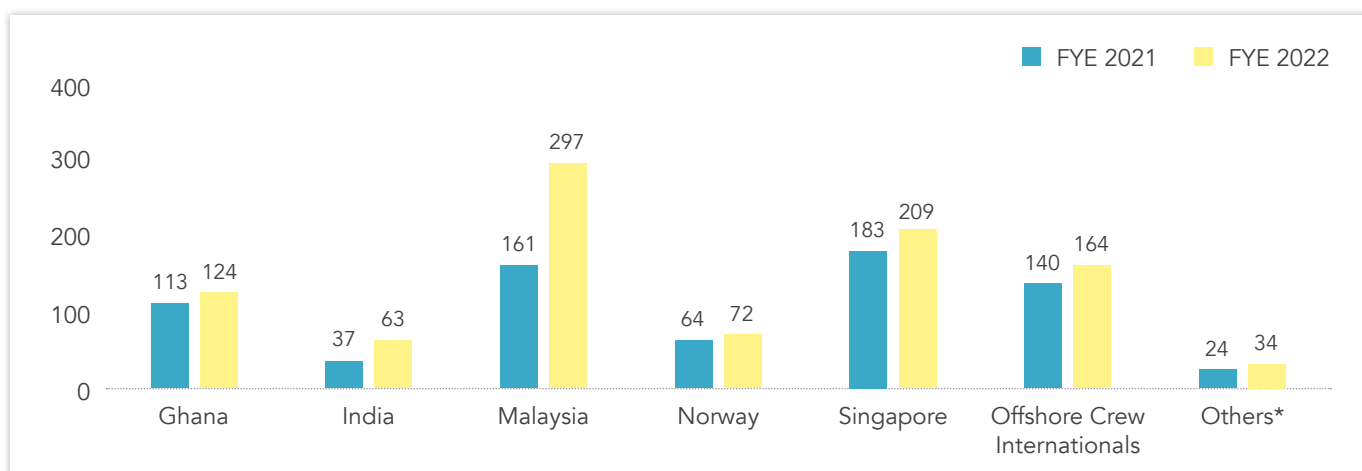
Yinson achieved a 91% response rate to our engagement survey in 2022, given our 33.4% headcount growth during the financial year is an excellent achievement and provides valuable insight to our employees' experience. Our engagement level is measured by our employees' responses to 'Say, Stay and Strive' engagement levels. While we see a continuous improvement on Strive behaviour, Stay behaviour seems to be aligned with global talent uprising trends.

Our results show a notable improvement in Return to Office and Decision Making dimensions scoring highly along with Safety, Core Values and Diversity & Inclusion. The lowest scoring dimensions are Rewards & Recognition, Talent & Staffing and Work/Life Balance. In the coming year, we will continue engaging with our employees through continuous listening and small group discussions to better understand their feedback so that we can formulate an effective employee experience strategy.

Talent acquisition & development

In line with the rapid growth of our business divisions, our Yinson family continued to experience a healthy expansion of 33.4% or 241 new employees in FYE 2022 with Malaysia accounting for the highest number of new employees. Our strong employer positioning visibility through avenues such as our corporate website contributed to this increase. We also believed our leadership position on topics such as on DEI, sustainability, and HLR have added value to our brand proposition. We are committed to continuously improve on our policies and work practices in order to stay relevant with employee concerns, such as the hybrid work model.

HEADCOUNT BY COUNTRY



*Brazil, The Netherlands, United Kingdom & Nigeria combined.

Note: The FYE 2021 headcount figures in this graph differ from those reported in Yinson's Annual Report 2021 due to a tabulation error, which has been rectified.

One of the channels through which we communicate our employee proposition is our corporate LinkedIn page, where we feature posts that highlight our work culture, Core Values, career opportunities and fun activities. Besides connecting with prospective candidates, we also provide a glimpse of our people walking the talk.



Scan this QR code to visit Yinson's LinkedIn page.

We also sponsor and participate in student engagement activities to raise awareness of our company and our career opportunities. These include:

- 'Demystifying Sustainability: The Future for Yinson & You', a webinar featuring our Group Chief Strategy Officer and Group HR Director on how the Group achieves sustainable growth through business strategies and human capital development, as part of our sponsorship with Malaysians of Melbourne University.
- 'Accelerate Change for a Greener Future', a webinar featuring Yinson GreenTech in partnership with Malaysians of Melbourne University.

- Our internship and management trainee programmes were also highlighted in our booths at various industry events.

We prioritised internal recruitment for new positions before opening up to external candidates as part of our commitment to upskilling our people and providing career development opportunities. This practice was applied, for example, when recruiting for our recent FPSO project awards, and will continue to be applied moving forward as Yinson heads into a season of growth ahead.

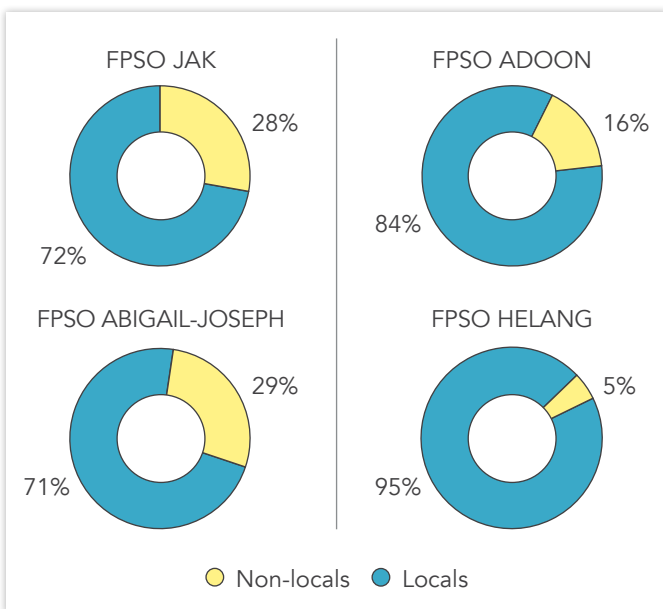
We have been able to maintain a healthy attrition rate of 9.26% that is in line with industry standards. However, for us to be adaptable and ensure business continuity while avoiding unforeseen gaps which may be created by unplanned attrition rates, we established our Succession Planning Strategy in 2021. The strategy aims to ensure that all critical positions, including Senior Management positions, are well documented with a structured succession plan in place to foster knowledge retention and business continuity. The strategy also ensures that all critically evaluated positions have identified potential successors who are actively mentored to take on future leadership roles. The strategy was approved by the Board in June 2021.

PEOPLE REVIEW

Local workforce

Yinson is committed to developing local talent and employees in all our areas of operations. We strive to go beyond contractual commitments or legal obligation by ensuring we provide first option of employment to the indigenous people in our areas of operation. In locations where local talent may not meet our competence criteria, we have put in place a well-structured training, succession planning, learning and development for local successors for future localisation of roles filled by expatriates.

CREW COMPOSITION ON THE ASSETS THAT YINSON OPERATES



EMPLOYEES HIRED FROM LOCAL COMMUNITY AT YINSON OFFICES

YINSON OFFICE	EMPLOYEES HIRED FROM LOCAL COMMUNITY
Brazil	88.9%
Ghana	100%
India	100%
Malaysia	97.6%
Nigeria	100%
Norway	69.5%
Singapore	48.3%
The Netherlands	57%
United Kingdom	75%

Note: Figures exclude international offshore crew and Yinson's Board.

Driving local impact, pg 47

Internship & graduate programmes

Yinson ran management trainee and internship programmes in Ghana, Malaysia, Singapore and Norway as part of our talent attraction strategy and commitment to build the local workforce and the next line of leadership within Yinson. A total of 31 young people underwent the programmes in 2021. Our internship and graduate programmes aim to increase our employee value proposition by helping young people gain insights into the industry and provide a solid foundation to jumpstart their careers. We also endeavour to make the programmes fun and value-adding, making them feel a part of the Yinson family.

Our League of Extraordinary Apprentices Programme ("L.E.A.P.") is an accelerated career programme designed to fast-track young people to become future business leaders. Our first LEAPster completed the programme in April 2022 and was offered a permanent role in our headquarters. Five young people were selected to join our second intake and are currently undergoing rotations within the various participating departments. Our third intake will be expanded to Singapore and will include the ALM Department and Yinson GreenTech as new learning faculties for our management trainees. At the time of writing, applications are being received for the third intake, and we hope to more than double the previous intake.

As part of our ongoing learning & development focus and to integrate our talent management efforts consistently across the Group, we are working to raise the capacity and capability of our country offices to participate in L.E.A.P. This ensures that our high learning & development standards are consistent in all our key locations, which in turn helps to grow future leaders, build succession plans, encourage knowledge acquisition and achieve good employee retention within our business.

Ongoing effort were made to enhance L.E.A.P. to keep our management trainees' experience relevant and engaging. The enhancement will include more focused rotations in accordance to our LEAPsters' career interests and inclusion of value-adding training modules.



Scan this QR code for more information on L.E.A.P.

Our Oslo office launched its inaugural summer internship programme in 2021. The programme received over 400 applications, with six selected for the internship where they learned through real-time projects matching their skills and interest. The programme was a tremendous success, with five interns eventually offered various positions within Yinson Oslo. Applications for our second intake is now under review and successfully shortlisted candidates will begin their 3-month programme in the summer.

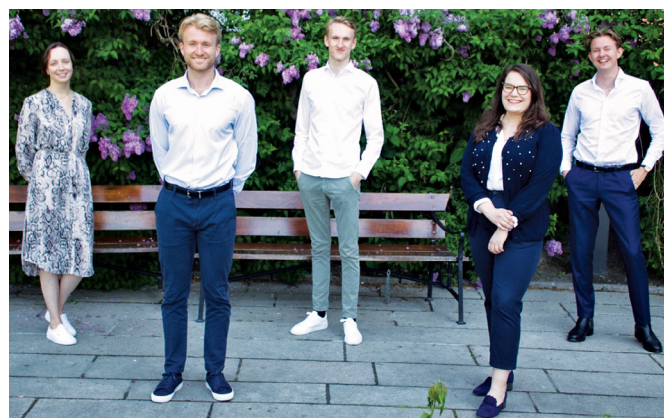
PEOPLE REVIEW

Our Ghana office has welcomed young graduates to serve placements with us as part of the Government of Ghana's mandatory national service since 2015. In 2021, 16 young people from various academic backgrounds joined the Yinson family as interns. Through this partnership, Yinson has groomed some great talents, some of which who have been retained as permanent employees.

As part of our efforts to contribute to Singapore's energy industry, we have collaborated with Singapore Institute of Technology to offer industrial attachment and internship opportunities to its students through the Integrated Work Study Programme (IWSP). The goal of the programme is to equip trainees with practical industry experience and expose them to real-time operations and project handling at our Singapore office. Our maiden 2020-2021 intake had two students – one of them graduated with a First Class Honours and joined our team permanently as Junior Structural Engineer. We enrolled another two students for the current 2021-2022 intake and they successfully completed the programme in January 2022.

We are currently working on our third IWSP intake for 2022-2023 and hope to extend our faculty beyond Marine Engineering to include other disciplines and faculties such as IT roles in Yinson GreenTech.

After each intake, we will gather feedback from the relevant departments to enhance, strengthen and improve the overall internship programme. Our commitment through these programmes is to find new and agile methods with the best practices approach in learning and development for our employees and contribute vastly towards the socio-economic development in the communities where we operate.



Reward & recognition

Yinson believes in the importance of rewarding and recognising our people as a way of acknowledging their contribution towards the growth of the organisation. We believe it will also lead to increase in productivity, organisational culture, better teamwork and higher employee morale.

In FYE 2022, we revised our Group Travel & Expenses Policy to have a consistent approach across the Group and provided Remote Working Allowance for office-based employees to facilitate their working conditions during the pandemic.

Total Rewards Strategy Project

We commenced our Total Rewards Strategy Project as one of the key pillars of our HR Transformation Plan in mid-2020 following feedback received from the employee engagement survey. Since then, we have defined and agreed with the Board and Management Committee ("MC") on our Reward Principles. Based on this, we have been developing our Future Reward Framework, which includes the development of a Job Family/Job Role Framework, determining our approach to job evaluation, collating, and analysing benchmark data.

PEOPLE REVIEW

Our newly launched SuccessFactors Employee Central module, elaborated further on in this commentary under ‘Global Human Resources Information System’, will now make it possible to provide better data analytics that can provide valuable insights into the design of this Future Reward Framework. The Framework is on track for implementation in 2022, and we look forward to sharing further updates with you.

In addition, we continued to appreciate and acknowledge employee contributions to the organisation in many ways, including:

- Annual long service awards, with a total of 24 employees recognised for their years of service in the Group.
- Providing a further grant of our Employee Share Option Scheme.
- Enabling a ‘badge of recognition’ feature on our Global HRIS aligned to our Core Values.
- Recognising Yinson’s Top Learners internally.

Long service awards FYE 2022	>5 years	>10 years	>20 years
Number of award recipients	21	2	1

Performance Management

Performance Management was one of the key areas that employees indicated within the EES 2021 that they would like to see improvement. As a response to this feedback and in line with our HR Transformation Plan, we have been working hard to bring various changes to the way we currently implement performance management across the Group. This includes reviewing performance cycle timelines, simplifying various

aspects of the process and increasing focus on continuous performance conversations throughout the year. We have laid the groundwork for the implementation of a new Performance Management Module in our Global HRIS and will officially transition to the new module in 2022.

We also revised and launched our Group Learning & Development Policy & Procedure, which aims to develop skills and capabilities leveraging on digital technologies to achieve business results and build a learning culture. As part of the new policy, we introduced an Educational Sponsorship Programme, where sponsorship of educational programmes can be provided at management discretion.

Learning Management System

As part of improving how we manage performance, Yinson launched our LMS, Learn@Yinson, in 2021. The LMS supports professional and personal growth and development by providing tools and learning pathways to gear towards future growth, business sustainability and to create a culture of learning.

With a wide variety of relevant courses, including internal courses, in a central platform, our people have the flexibility of learning anywhere, at their own pace. We are also able to utilise data analytics captured from the platform to continuously enhance the employee learning experience and help employees achieve their performance goals.

In the coming year, we aim to implement broad job family learning paths and review the adaptation and usage of LMS in order to further improve the learning and performance management culture in Yinson.

55,100 learning hours from April 2021 to February 2022.

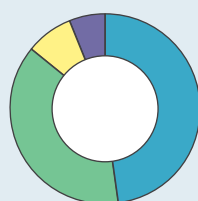
80 average learning hours per employee from April 2021 to February 2022.

Top 5 learners recognised for timely completion of the learning programme from February to June 2021.

Learn@Yinson’s Top 5 courses in 2021

1. Getting started in Learn@Yinson
2. Building Resilience
3. How to Use LinkedIn Learning
4. Vaccine Myth Buster
5. Fighting Gender Bias at Work

86% positive user experience indicated in the LMS Feedback Survey 2021



- 48% - Very satisfied
- 38% - Somewhat satisfied
- 8% - Somewhat dissatisfied
- 6% - Very dissatisfied

PEOPLE REVIEW

Yinson L.E.A.D.

In our quest to build resilient and globally integrated leaders in Yinson by ensuring we shape the worldview and mindset of our people managers at every level, we introduced Yinson Leadership Enhancement and Development (“Yinson L.E.A.D.”) in October 2020. Yinson L.E.A.D. aims to provide performance management tools and resources that enable people managers to bring out the best performance of their employees.

The first Yinson L.E.A.D. cohort consisted of middle level people managers in our Kuala Lumpur, Singapore and Oslo offices. 18 managers completed the programme in Oslo, while Singapore and Malaysia saw 13 and 10 managers, respectively, completing the programme.

The second Yinson L.E.A.D. cohort was expanded to cover 8 Yinson offices, with a total of 24 participants. This cohort commenced in November 2021 and is expected to graduate in August 2022.

Brand

Another key focus area arising out of the 2021 EES was ‘brand’, where employees were keen to increase their sense of ownership and pride in working for the company, both through a deeper understanding of the company’s values, strategy and direction; as well as through the upgrade of processes and ways of working. In 2021, we continued our advocacy of our Core Values and raising awareness on our strategy and direction with employees in the following ways:

- Yinson Culture & Values workshops and the launch of our Global Human Resources Information System (“Global HRIS”).
- Quarterly Group-wide town halls where our business leaders provide important updates to the Group and answer questions that may arise.
- A special year-end Group-wide town hall where business leaders answered live questions from employees.
- Several purpose-specific Group-wide town halls to update employees on key developments, such as major project awards and developments and when the FPSO Strategy Review was announced.
- Team building activities, held at local office or department level.
- Enhanced onboarding process for all new joiners that provides a comprehensive overview of the business.
- News, updates and campaigns promoted through YNet.

Yinson Culture & Values Workshop

Pre-pandemic, our Culture and Values Workshops were held in person. During the pandemic, we reviewed the content and delivery mechanism of the workshops to allow for virtual delivery, and updated the content to be reflective of our growth and expansion. The workshops are mandatory for both existing and new Yinsonites, reflecting the importance that we place on our Core Values to align all Yinsonites to our Vision and Mission. With the gradual easing of movement restrictions, we are planning to conduct both virtual and physical workshops for the remaining employees and new joiners moving forward to embrace our hybrid working model.

Global Human Resources Information System

One of the transformation aims in our HR Transformation Plan is leveraging on digitalisation as an enabler. It is more than just turning away from paper and manual process – it is about consolidating and simplifying data to improve our ability in our people analytics, more effectively and efficiently.

On 17 January 2022, we launched our Global HRIS called ‘SuccessFactors’ as part of our digitalisation transformation journey. The Employee Central Module stores and manages employee data – aligning and integrating them through a single, unified HR solution for all employees across the organisation. We received positive feedback on the self-service’s functionality and user-friendliness. We plan to introduce performance management, recruitment and onboarding, succession and compensation as part of our Global HRIS roadmap.



PEOPLE REVIEW



Work-life balance

Yinson Future of Work Philosophy

The Yinson Future of Work Philosophy was developed and enacted to provide richness of choice, flexibility and autonomy to our people with the purpose of delivering their best work. Based on Yinson’s Core Values, R.O.A.D.S., the Philosophy is built on trust and people empowerment, giving them the flexibility to work in a manner where they are inspired, motivated, engaged and able to experience learning, team collaboration and inspire one another. The Philosophy also supports a hybrid working model for office-based employees – providing the flexibility to work from a place where they feel comfortable, inspired and motivated to perform their duties.

Health & wellbeing

We understand that there will be inevitable circumstances where workloads may be heavier, such as peak periods for closing of accounts, payroll processing, stock check or special assignments. In those instances, our people may be required to work overtime. The Group has introduced Time Off In Lieu and Claim Travel Compensation days to compensate our people for work performed outside of normal work hours.

Other new initiatives that took place in 2021 to promote health & wellbeing include:

- The launch of a Health & Wellbeing page on YNet to share information and resources to increase awareness and knowledge on health and wellbeing.
- The launch of a Sports and Social Club in Kuala Lumpur, Singapore and Oslo to organise fun and healthy activities for employees. These have included cooking classes, futsal and badminton sessions and festive celebrations.
- Gym memberships provided for our offices in Brazil, Ghana, Nigeria, Netherlands, and Oslo to cultivate an active lifestyle.
- Group Corporate Advisory Young Talent Group to foster camaraderie amongst young people within the department globally.

 Human Capital Development, pg 153



EXTERNAL VARIABLES, RISKS & OPPORTUNITIES

EXTERNAL ENVIRONMENT

- Covid-19 has been a great accelerator for workplace transformation, with businesses worldwide shifting to working remotely, rethinking business travel and moving in-person meetings to virtual.
- Covid-19 has also seen a shift in employee expectations with increased levels of attrition in organisations where those expectations are not being met, requiring businesses to be more adaptable and agile in driving high levels of employee engagement and experience.
- Working remotely or from home has been identified as a significant source of stress, with employees citing burnout, lack of separation between work and home, unmanageable workloads and worries over job security as stressors.
- There is a shortage of skilled workers in the oil & gas industry.
- Increasing expectations for workplaces to provide more holistic employee wellbeing programmes beyond just physical wellbeing, i.e., to include support for mental and emotional health, career development, teambuilding, recognition.
- Surge in demand for cloud services, digitalisation platforms and information technology upgrades to meet unprecedented demand for virtual collaborations.
- The increased cost of living is causing financial burden on employees and companies.
- Emphasis on future energy supplies is providing employment opportunities across the offshore production, renewables and green technology industries.

RISKS

- Companies that do not adapt to changing expectations of the evolving workforce, such as with regards to ESG, work-life balance or work flexibility, risk losing key talents to competitors.
- Companies that do not invest in technological solutions such as cloud services and digitalisation platforms may get left behind.
- A negative perception of an industry's environmental performance may cause dwindling interest in pursuing a career in these industries.
- Companies that do not actively invest in employee mental health matters, such as stress and depression could face a dip in productivity and performance, and a drop in the overall wellbeing of employees.
- Remote working promotes greater virtual collaboration. However, lack of workforce diversity and inclusion policies and training could lead to workplace issues such as communication barriers or cultural clashes.

OPPORTUNITIES

- Businesses that have attractive employee propositions, DEI, environmental performance and organisational culture can attract and retain high-performing employees with the right skillsets.
- Companies that continue to embrace the hybrid working model post-pandemic allows employees to pursue their personal and professional interests, leading to better work-life balance.
- Greater employee engagement improves employer-employee relationships resulting in improvements to productivity and people retention.
- Companies that proactively identify learning & development opportunities can upskill employees to prepare them for greater progression in their career.
- Companies that invest into digitalisation of processes help employees do their work more efficiently and effectively and also allows employees to focus on more meaningful work.

PEOPLE REVIEW

STRATEGIC RESPONSE TO OUR RISKS & OPPORTUNITIES

The digitalisation agenda

We are expanding rapidly into new territories and business areas. As we scale up, we realise that it is crucial to standardise and streamline practices and systems across the Group. We are currently leveraging on technology as an enabler to bridge this gap. Digitalisation will help us to redefine the tools we use and unify core employee information and processes under one platform.

Digital enablers such as digital cloud, collaboration platform, cybersecurity tools, and data science and analytics can provide us with simplified yet insightful information that will help us make quick and accurate decisions. These will improve our processes tremendously, increase productivity while lowering costs, and avoid time and resource wastages.

The digitalisation agenda we are introducing will take time to materialise. Nonetheless, we are excited about the prospects, as we believe digitalisation will provide valuable insights into our people analytics, which will in turn help us drive better results in every focus area including recruitment, performance management, rewards & recognition and learning & development. We believe that this new, modernising experience can propel Yinson forward in our goal to be an employer of choice. As these digitalisation tools are rolled out, we are committed to providing the necessary training so that our people will be able to maximise the value that can be gained from them.

The wellbeing of our people

The pandemic reminded us that the health & safety of our employees must and will continue to be our priority. We have developed policies and systems to always ensure our people stay protected from work-related injuries and diseases that would have a detrimental impact on our global operations.

We want to create a working environment where our people can feel safe, happy and free from the worries of health-associated risks. We believe when the wellbeing of our employees and their families is valued and taken care of, our people will take comfort knowing they are in good hands, thus enabling them to deliver their best work. We are pleased that despite the pandemic and many disruptions to their ways of working, our employees were able to deliver consistent results just like in the years before. Great effort was taken during the periods of remote working to actively reach out to our people through frequent engagements, ensuring mental wellness sustenance – keeping emotional distress and online fatigue at bay.



We believe that work-life balance is integral to maintaining the high levels of work performance. Our aim is to create a work environment that allows our people to balance between personal and professional priorities, in order to bring out the best outcomes for both, without compromising on either. Setting the right balance is important to maintain mental health, keeping employees motivated to deliver results. To do this, the Group needs to reemphasise on better, stronger engagement programmes, constantly checking on employee mental wellbeing and demonstrating care and empathy.

Talent acquisition

As mentioned in the Labour Market Review above, there is a global labour shortage, and the oil & gas industry has intrinsic challenges in finding the right talent with the suitable competencies. As a project management company with a lean team across all our business divisions, Yinson is not spared from the hiring conundrum.

However, we believe we have an edge over our competition. Over the years, Yinson has solidified our leadership position in ESG and sustainability, allowing us to build a strong employer brand as a company that cares about the environment, our people and our communities. Our leadership position was gradually established as we took firm actions on the ESG front, such as the setting of DEI, COBE and sustainability frameworks and policies, disclosing our ESG performance, implementation of our Zero Emissions FPSO concept and much more. These actions are not for optics but truly demonstrate our efforts to build an organisation with strong work ethics and a positive culture. These values will distinguish us from the rest as we seek like-minded people to join us.

PEOPLE REVIEW

With the Group expanding rapidly into new business segments such as renewables and green technologies, we are constantly on the lookout for great talents with the right skillset, attitude and team players who can help us deliver on our commitments. With this in mind, we are digitalising our approach to recruitment and onboarding to ensure we have a platform that provides an excellent candidate experience and provides clarity to prospective new hires on the Yinson employment proposition. Additionally, we will focus on ensuring our hiring managers are equipped with the skills and competencies required to attract future employees to our business.

Talent retention

Attracting talent is a challenge but retaining talent can be even more challenging. Workforce demographics are constantly evolving based on variables such as job satisfaction, pay and remuneration package, organisation's beliefs, values and stance on ESG matters. The rehiring process involves high cost and is a time-consuming process involving interviewing, onboarding, training and assimilation towards an internal culture – thus retention of value-adding employees is crucial.

We want our talents to stay relevant with the current industry trends and be on the cutting-edge while being quick to adapt and thrive in challenging situations. We also desire for our people to be happy and able to perform work tasks at the highest level, stopping potential productivity losses and reducing operational costs. A happy workforce also equates to happy stakeholders as their engagement with us will be improved.

To accomplish this, we need to have an effective and comprehensive retention strategy that encompasses all aspects of an employee's career and wellbeing. These include greater emphasis on having a solid learning & development programme that includes reskilling and upskilling, helping them stay relevant and ahead of the competition. We aim to make our hybrid work model even more attractive, allowing greater flexibility for our people to pursue their personal and professional interests. Further, we will work on continually enhancing our DEI practises and organisational culture to help our people appreciate each other's uniqueness and ability to contribute towards the same vision and mission.

While opportunities to learn and progress in their career is in itself a powerful retention strategy, we are aware that this may also increase employability, leading to talent poaching.

As such, we will strengthen our retention strategy by offering generous rewards & recognition and good employee benefits that reflect our appreciation for the value that they add to the company.

CLOSING REMARKS

The world has experienced the 'great recession' in the past; the pandemic recently brought about the 'great reset', and right now we are witnessing the 'great resignation'. For the year ahead, I believe we are prepared for the 'great adjustment' where employees place more importance than ever on performing work where they feel appreciated, valued and supported, at a company that they trust.

We are committed to continue creating an environment where our people can thrive and feel secure despite the labour market uncertainties. We envision a space where our people are proud to be a part of an amazing organisation with an exceptional organisational culture that is guided by our R.O.A.D.S. Core Values and where their needs can be fulfilled. We strive to maximise our people's potential by equipping them with the necessary tools and provide a work environment that embodies security, respect, happiness and inclusiveness.

Our end goal is to enable our employees to passionately deliver powerful solutions for our stakeholders, the markets where we operate and to help preserve our environment. We invite like-minded talents to join us in our mission to generate value, far into the future.



BUSINESS REVIEW - OFFSHORE PRODUCTION

Commentary by

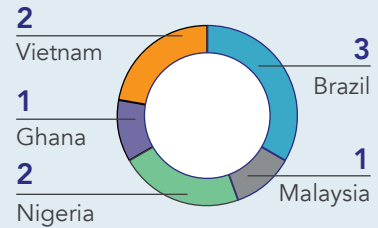
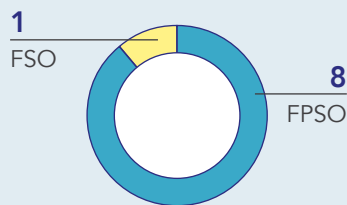
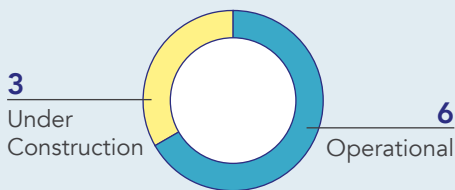
Flemming Grønnegaard, Chief Executive Officer, Offshore Production

Rolf Normann, Chief Operations Officer, Offshore Production



YINSON PRODUCTION HIGHLIGHTS FYE 2022

FLEET



GLOBAL POSITION

USD16.8 billion

orderbook over firm and option periods until 2048

3rd largest

by order book

4th largest

by fleet size



RECENT CONTRACT AWARDS

Feb 2022

Firm contracts signed with Petrobras for FPSO Maria Quitéria **USD5.3 billion** contract value | **22.5 years** contract period

Feb 2022

Firm contracts signed with Enauta for FPSO Atlanta **USD1.9 billion** contract value | **15 + 5 years** contract period

June 2021

2 pre-FEED contracts awarded by Total for two FPSO projects in Angola and Suriname

Mar 2020

Firm contracts signed with Petrobras for FPSO Anna Nery **USD5.4 billion** contract value | **25 years** contract period

BUSINESS REVIEW - OFFSHORE PRODUCTION

YINSON PRODUCTION HIGHLIGHTS FYE 2022

UPTIME PERFORMANCE

100% commercial uptime**99.8%** technical uptime**99.8%** average 5-year technical uptime

HEALTH AND SAFETY

0.00 LTIF across the division**0.21 TRIF** across the division

ENVIRONMENTAL PERFORMANCE

23 kg CO₂e/BOE carbon intensity**≤15 ppm** oil in water discharged to sea**160.6 litres** oil spills to sea**617 tonnes** of waste generated by our offshore assets**0** non-compliances with environmental laws and/or regulations

YP

YINSON PRODUCTION GOALS AND STRATEGIES

GOALS

- Increase portfolio of profitable assets, creating long-term EBITDA of USD500 million.
- Lead the way towards net zero with responsible solutions.
- Execute projects on time and on budget, to support a strong brand reputation.
- Deliver on our promises to clients and stakeholders on high quality operations.
- Maintain a safe workplace at all times.
- Build strong leadership team, skilled workforce and corporate culture.

STRATEGIES

Short to medium-term (1 to 5 years)

- Continue to build a sustainable pipeline of conversion and redeployment projects, including through mergers and acquisitions.
- Proactively drive ESG initiatives to fulfil Group goal of reducing carbon intensity by 30% by 2030.
- Invest in ALM via a proactive digitalisation strategy.
- Enhance learning opportunities, invest in leadership, safety and corporate culture development.

Long-term (6 to 10 years)

- Continuous development of our asset portfolio, creating a strong order book with stable cash flows.
- Optimise capital structure and expand liquidity pool to capture market opportunities.
- Continuously evaluate the effectiveness of our supply chain and project execution philosophy.

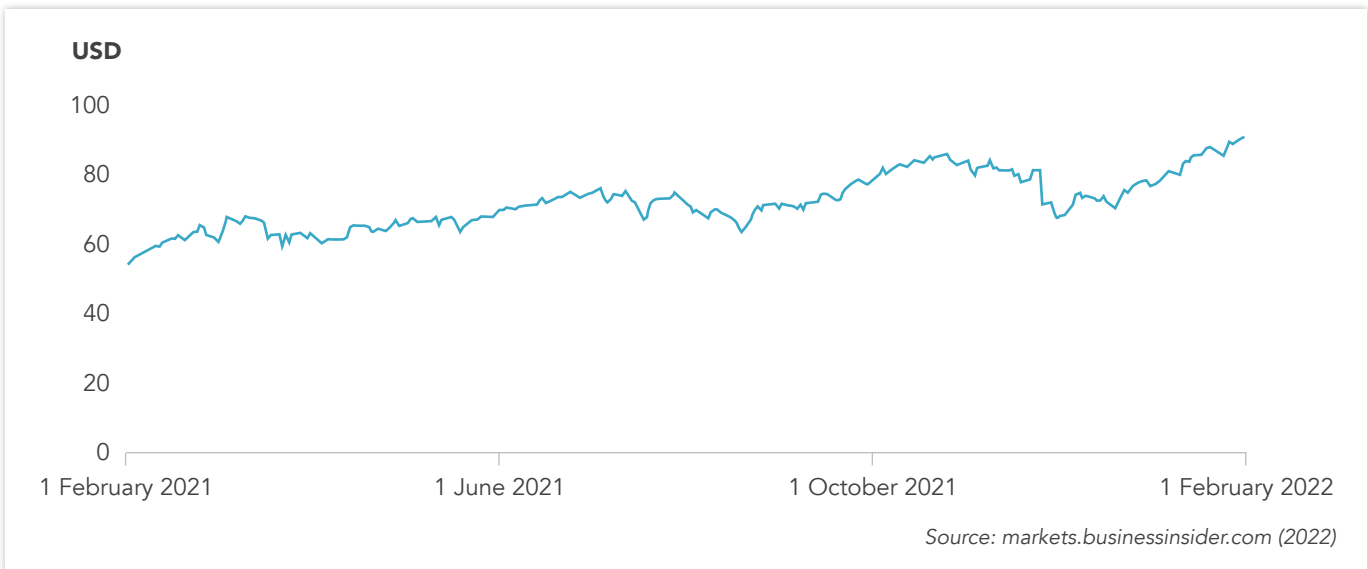
BUSINESS REVIEW - OFFSHORE PRODUCTION

MARKET OVERVIEW

Brent crude oil price has been trending upwards in 2021 as a response to global intensification of Covid-19 vaccination efforts and loosening of pandemic-related restrictions. As more and more economies reopen and resume normalcy, demand for petroleum-based products have outstripped supply; the outcome of OPEC+'s decision to limit production increases throughout the year to support higher crude oil prices.

Brent crude oil hovered at USD50 per barrel at the start of 2021 and peaked at USD86 per barrel in October before stabilising towards the year-end. Oil price rose to a seven-year high, crossing USD100 per barrel in early 2022, that was unfortunately triggered by the Russian invasion of Ukraine in February. International sanctions brought about by the geopolitical tension in the region is anticipated to complicate energy supply, which may lead to a further rise in oil prices. Major oil producers are encouraged to ramp up production to ease oil prices hikes. The IEA also revised its 2022 demand outlook to 100.6 million barrels per day, an increase of 3.2 million barrels per day following a reassessment of historical data.

BRENT CRUDE OIL PRICE PER BARREL FYE 2022



On the offshore production front, there is a shrinking pool of skilled FPSO contractors, caused in part by the challenging economic environment, increasingly complicated technical demands, rising capital expenditure costs and challenges in securing project funding due to investor appetites moving away from fossil fuel-based investments. There has also been a significant increase in project awards this year, with many postponed oil & gas developments resumed in light of rebounding oil prices and an economy emerging from the worst of the pandemic. These two factors have resulted in a particularly strong FPSO market for Yinson, allowing us to obtain more balanced commercial contracts. We are optimistic that the outlook for Yinson's project portfolio over the next 5 to 8 years will be one of the strongest in our history, and this has led us to embark on a strategic review to unlock the value of Yinson Production to fuel the growth and sustainability of the Group. The upcoming opportunities we see in the FPSO sector is worth the excitement as it not only addresses the need for more production to prevent global energy security issues on both supply and price, but also encourages our potential clients to warm up to the idea of lower emission FPSOs. The rationale of this strategic review has been elaborated by my colleague Daniel within the Strategy Review in this Report.



Strategy Review, pg 54

BUSINESS REVIEW - OFFSHORE PRODUCTION

Climate change continues to be a dominant external factor affecting the oil & gas industry. The IEA estimates that the oil & gas industry accounts for over 40% of global emissions, with direct emissions responsible for around a quarter of that figure. The IEA also estimated that the industry needs to reduce its emissions by at least 3.4 GtCO₂e compared to 'business as usual' in order to mitigate climate change to the degree required. In terms of governance, this has given rise to a push for oil & gas companies to disclose consistent, comparable and reliable climate data, and greater scrutiny on climate policies and climate action plans. Operations wise, there is increasing pressure on the industry to find solutions to lower industry-wide emissions, such as through engineering capabilities, financial resources and project management expertise. As an upstream oil & gas player ourselves, we are determined to play our part to combat climate change within our organisation and within our sphere of influence.

YEAR IN REVIEW

It has been an extraordinary year for Yinson's FPSO business, contributed in part by the various external factors mentioned in the market review above, and the effort Yinson has invested into building a resilient business over the years.

Business development

We firmly anchored our presence in Brazil in the period under review, with two new contract awards and through the continued development of our operational resources in preparation to welcome our first Brazil-bound asset, FPSO Anna Nery. The first contract award was from Petrobras for the charter, operations and maintenance of FPSO Maria Quitéria, destined for the Jubarte Field. The second contract award was from Enauta for the provision, operations and maintenance of FPSO Atlanta, which is destined for the Atlanta Field in the Santos Basin. A significant feature of both these projects is the integration of low-emission features into the FPSO designs, something that we and our clients are very passionate about. Our three Brazilian projects represent a combined orderbook of over USD12.6 billion, and allows us to contribute to Brazil's economy and energy infrastructure up until 2048.

With a solid order backlog in Brazil, we have started focusing more on West Africa again as well as Latin America, more specifically in Angola, Mexico and Suriname. In June 2021, we were awarded pre-FEED contracts from Total for two FPSO projects in Block 20/21 in Angola and Block 58 in Suriname, with Technip partnering with us for topside design. We were also selected by ENI to participate in the competition for FPSO Agogo, the third asset for their Block 15/06 in Angola. In addition, we have been pursuing opportunities for the redeployment of FPSO Nganhurra, which Yinson has an exclusive purchase option for. Several major oil companies have expressed interest in the unit and we believe it will be selected and reserved for a particular project shortly.

Looking ahead to 2022, we aim to secure one FPSO conversion project as well as a redeployment project for FPSO Nganhurra.

As such our project pipeline remains robust.

Projects update

The team's hard work and adaptability, as well as the close working relationship with our client, vendors and shipyard were able to mitigate the additional risk brought on by Covid-19. This has been a key factor that has enabled the FPSO Anna Nery project to remain on track. Even with the pandemic, our progress on the project is in line with where we would expect to be on a normal FPSO project. All topside modules and equipment have been successfully delivered and integrated onboard the asset, and our commissioning is progressing as planned with an expected departure from China in Q3 2022.

The FPSO Maria Quitéria project commenced on 12 November 2021, with the vessel arriving at Cosco Changxing shipyard on 15 January 2022. Demolition is well underway and most major contracts and purchase orders have already been placed. Thus, the project is on track to achieve its challenging 32-month schedule.

FPSO OSX-2, now renamed FPSO Atlanta, safely arrived in Dubai from Indonesia on 14 March 2022, where she will be retrofitted for redeployment over an 18-month period. Engineering for the project is well advanced and all major contracts are signed. Site team mobilisation started prior to vessel arrival and progressive arrival of the project management team, vessel and topsides teams and operations teams are underway. Steel renewal and tank refurbishment work make up two of the main critical areas on the redeployment schedule and this work is already underway together with a comprehensive demolition programme to prepare the topsides for the arrival of the new equipment required for the Atlanta Field in Brazil.

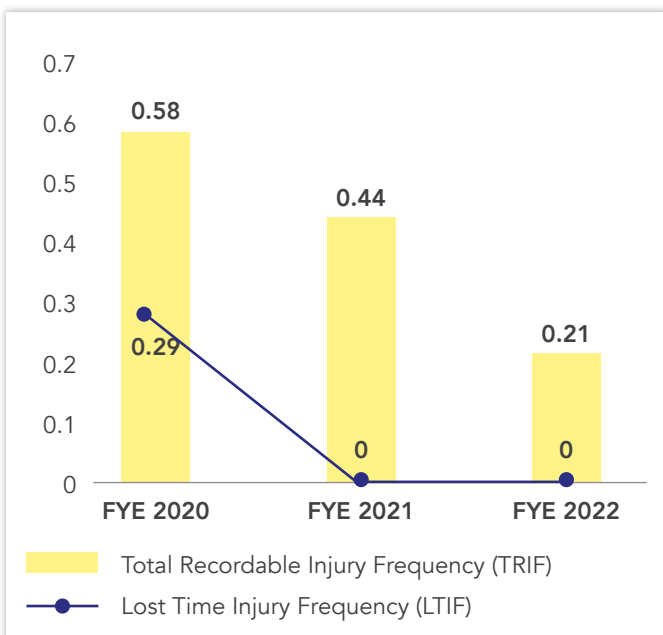
HSE performance

The safety performance, both on projects and operations has been extraordinary in FYE 2022. Yinson Production experienced zero LTI and only three recordable incidents, including two restricted work cases, one that occurred at a project site and another onboard an offshore unit, and one medical treatment case onboard an offshore unit. In FYE 2022, our Lost Time Injury Frequency ("LTIF") was zero throughout the whole year, and our Total Recordable Injury Frequency ("TRIF") was on a downward trend, ending at 0.21.

BUSINESS REVIEW - OFFSHORE PRODUCTION

HSE PERFORMANCE FROM FYE 2020 TO FYE 2022

	FYE 2020	FYE 2021	FYE 2022
Fatalities	0	0	0
Lost Time Injury	3	0	0
Medical Treatment Case	3	1	1
Restricted Work Case	2	2	2
First Aid Case	3	2	4

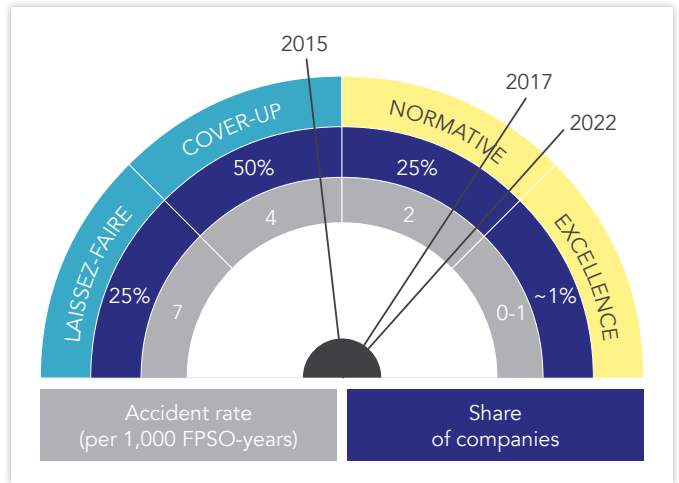


The stringent safety measures that we had put in place since the start of the pandemic in 2020 held us in good stead, as we were able to continue keeping our crew safe and assets operating at optimum capacity – even with rising Covid-19 numbers worldwide, exacerbated by the discovery of the Omicron variant in late 2021. The emergency response team at our operations headquarters, in cooperation with the leadership teams onboard, enabled us to control and mitigate all Covid-related situations. Covid cases were detected onboard our assets three times, but none resulted in an operational shutdown.

We continued to work systemically to develop and improve our safety culture through our Safety Culture Transformation Programme (“SAYFR”), which we started since 2015. In FYE 2022, 97 offshore and onshore safety leaders attended

the ‘X-lab workshops’ facilitated by SAYFR subject matter experts, to prepare them to subsequently lead and facilitate the rollout of the eight safety leadership behaviours amongst the crew. We conducted our third SAYFR safety culture survey in 2022, receiving 282 responses (a response rate of 71%). We are pleased to note a steady improvement in our safety culture over the years, from ‘cover up’ culture in 2015, moving on to ‘normative’ in 2017, and now approaching ‘excellence’ levels in 2022. Overall, the most recent survey concluded that the safety culture maturity level is high onboard our offshore units, with room for improvements.

IMPROVEMENT IN SAFETY CULTURE FROM 2015 TO 2022



Other key achievements with regards to Health, Safety and Environment (“HSE”) in the financial year include:

- Continuation of our Yinson Management System (“YMS”) revitalisation project with a complete revision of all management system documents.
- Kick-off of our first safety leadership training module, which utilises a gamified digital app followed by facilitated team sessions.
- Extensive training and certification provided to key HSEQ personnel on the Kelvin TOP-SET methodology – Yinson’s chosen methodology for incident investigation.
- Training of key personnel in ISO 31000 Lead Risk Manager courses, the international standard for risk management.
- Training of key personnel in ISO 9001:2015 Quality Management System courses, strengthening our internal auditor capabilities.
- Renewal of ISO 9001, ISO 14001 and ISO 45001 certificates through third party renewal audits.
- Establishment of a ‘Community of Practise’ between offshore and onshore safety personnel to share best practices and strengthen the relationship between offshore and onshore functions.
- Enhancement of performance monitoring through dashboards that provided up-to-date, aggregated graphical presentations of HSEQ statistics.
- Enhancement of our Ship Security Plans to mitigate rising security threats in the Gulf of Guinea.

BUSINESS REVIEW - OFFSHORE PRODUCTION

Operational performance

We maintained excellent commercial and technical uptimes of 100% and 99.8% respectively across our operating fleet. While all teams performed incredibly, special mention goes to our newest asset FPSO Abigail-Joseph, which became operational at the peak of the pandemic-induced movement restrictions. The asset celebrated one year of operations on 21 October 2021 with zero LTI and a technical uptime of 99.6% and continues to maintain optimal production until now. To achieve such a performance is already outstanding under normal circumstances, but for a newly deployed asset to achieve this under pandemic circumstances is truly a testament to the joint commitment of Yinson and our client FIRST E&P.

My heartfelt thanks go out to our project teams, operations teams and crew around the globe for the sacrifices they've made to achieve these outstanding performances.

AVERAGE FLEET TECHNICAL UPTIME FOR ASSETS THAT WERE IN OPERATION IN FYE 2022

	Q1	Q2	Q3	Q4	FYE 2022 AVERAGE
FPSO Adoon	100.0%	100.0%	100.0%	100.0%	100.0%
FPSO Abigail-Joseph	99.8%	99.7%	100.0%	99.9%	99.8%
FPSO JAK	99.9%	99.9%	100.0%	100.0%	99.9%
FPSO Helang	99.1%	98.7%	98.6%	99.5%	99.0%
FPSO PTSC Lam Son	100.0%	100.0%	100.0%	100.0%	100.0%
FSO PTSC Bien Dong	100.0%	100.0%	100.0%	100.0%	100.0%
COMBINED AVERAGE FLEET TECHNICAL UPTIME					99.8%

5-YEAR AVERAGE FLEET TECHNICAL UPTIME FOR ASSETS THAT WERE IN OPERATION

YEAR	AVERAGE FLEET TECHNICAL UPTIME
FYE 2018	99.9%
FYE 2019	99.4%
FYE 2020	100%
FYE 2021	99.8%
FYE 2022	99.8%

Environmental performance

Carbon emissions

Yinson supports the ambitious goals of the Paris Agreement. In line with our commitment, we keep track of our operating FPSO fleet's carbon intensity and set progressive SPTs of 11.4 kg CO₂e/BOE by 2030 and 8.0 kg CO₂e/BOE by 2050.

Despite our long-term commitment, we have in fact increased our GHG emissions in FYE 2022, both in absolute numbers and in carbon intensity. Our operating FPSO fleet's carbon intensity in FYE 2022 was 23 kg CO₂e/BOE, an increase of 41%, compared to the year before. The increase in absolute CO₂e emission numbers is mainly caused by FPSO Abigail-Joseph operating a full year for the first time, and the second issue is caused by unexpectedly high flaring amounts from one of our units throughout the year and also to some degree from one of our other units towards the end of last year.

The original development plan for this specific unit assumed re-injection of the associated gas into the reservoir via injection wells, which would minimise the need for flaring. However, due to the prevailing pandemic, the drilling of the injection wells and subsea pipe laying were delayed, leading to unplanned and elevated levels of flaring. We have, however, a strong confidence that flaring from this particular unit will be reduced to the bare minimum towards the end of this year as our client is progressing well towards getting the gas injection well operative. We are supporting our client in all possible ways, for example with resources and logistic services to make this happen.

Further to this, for another client we have completed engineering studies and ordered materials in order to undertake physical modifications onboard one of our FPSOs to optimise the flaring system and hence reduce the emissions. We expect this modification to be in place and operative within Q4 2022. Based on our calculations, this modification will reduce the amount of flared gas by more than 50% for this unit.

With a third client we have had ongoing engineering studies to assess how emissions from flaring can be reduced for the FPSO we operate for them. The first expected outcome from this is the debottlenecking and upgrading of the gas injection system onboard. This is expected to increase the efficiency of the gas injection system by around 7%, and reduce the amount of flared gas by 60% to 70% for this unit. We expect this to happen within Q3 2022.

BUSINESS REVIEW - OFFSHORE PRODUCTION

Zero Emissions FPSO concept

We are making steady progress with the development and implementation of our Zero Emissions FPSO concept. Yinson is actively evaluating and implementing currently available technologies such as hydrocarbon blanketing, closed flare, vapor recovery, combined cycle power generation and cooling water regeneration turbines, combining these with the latest and most energy efficient technologies and equipment that are available in the market.

Further, we are studying generation and import of various sources of clean power to the units wherever this is feasible. This is highly dependent on the asset's location and design, as well as a close cooperation with our clients.

On the carbon capture front, we have been actively studying the various carbon capture technology options and are currently finalising our proposed selection of prototype technologies for one of our assets under construction. This is a very exciting space, and we look forward to sharing progress updates as they unfold.

As part of our commitment to ensure the accuracy and integrity of our GHG reporting and underlying operational processes, we successfully verified our FPSOs' GHG emission footprint for FYE 2021 with Det Norske Veritas ("DNV") for the first time. We are committed to undertaking and expanding our external verification scope moving forward.

In FYE 2022, we took our commitment to lower our fleet's emissions a step further by linking our cost of capital to our climate targets. The RM1.0 billion Sustainability-Linked Sukuk Wakalah that we issued in December 2021 clearly outlines quantitative targets to decrease the Group's carbon intensity, which we need to achieve in order to avoid a step up in sukuk profit rates. As our offshore production division is responsible for around 97% of the Group's overall carbon emissions, reducing the emissions of our current and future fleet is essential to the achievement of our SPTs, and thereafter our Climate Goals of being carbon neutral by 2030 and net zero by 2050.



Strategy Review, pg 54; Climate change and the energy transition, pg 132; Climate change and greenhouse gas emissions, pg 159

EXTERNAL VARIABLES, RISKS & OPPORTUNITIES

EXTERNAL ENVIRONMENT

- Geopolitical tensions contributed to market concerns about disruptions to oil production, putting upward pressure on oil prices.
- As global energy demand continues to rise, the long-term outlook for oil & gas remains promising, even alongside the increasing contribution from alternative energy sources to the energy mix.
- The global oil & gas supply chain continues to be affected by the Covid-19 pandemic.
- There is a growing push towards a greener economy, with the rise of alternative energy sources and new efficient technologies which are deemed as more environmentally friendly.
- The pool of skilled FPSO contractors has been decreasing, and many contractors have reached capacity and may not be able to take on new projects.
- Many postponed oil & gas developments have resumed, resulting in a significant increase in awards.
- There is an increased demand for leased FPSOs compared to owned units, showing a trend towards acceptance of contractor standards.
- Many oil companies are considering FPSO redeployment opportunities which can result in operational cost savings and quicker delivery schedules.

RISKS

- Operators who are unable to adapt to the volatility in the global oil & gas supply chain may experience delays in project delivery.
- Stricter rules to meet international decarbonisation goals may affect businesses that do not comply.
- Financing oil & gas-related projects, which are capital intensive, could be more challenging as the investor market may favour pathways that support a greener economy.

OPPORTUNITIES

- With anticipated increase in project awards against a backdrop of limited specialist FPSO contractors in the market, FPSO contractors can obtain more balanced commercial contracts.
- Businesses which adopt a sustainability focus may find exciting opportunities as green loans and SLF become the norm.
- Increasing interest from clients and financiers for environmentally-friendly FPSOs will benefit contractors who focus on energy efficiency and minimisation of emissions.
- Demand for more emission-friendly assets creates new opportunities to pioneer and innovate low-emission FPSO designs.
- Recent needs for securing energy supply from alternative/reliable sources have surged during the first part of 2022 due to the Ukrainian war.

BUSINESS REVIEW - OFFSHORE PRODUCTION

STRATEGIC RESPONSE TO OUR RISKS & OPPORTUNITIES

Increasing our portfolio of profitable assets

Yinson Production's strategic goal is to raise a portfolio of profitable assets with a long-term EBITDA of USD500 million. Right now, in the shorter term, we are focusing on building a sustainable pipeline of conversion and redeployment projects. This is something that we have made good strides in over recent years with our new project awards and healthy project pipeline, especially in the regions that we are already active in. In the 6 to 10-year horizon, as our operational fleet becomes larger, we believe our cash flows can correspondingly become stronger and more stable. We aim to use this stronger cash position to continually optimise our capital structure, further expanding our liquidity pool to capture new market opportunities across the Group as a whole.

Over the past decades, FPSO design has become increasingly complex as oil companies venture into deeper waters, leading to a demand for larger FPSOs which are able to operate longer in the fields. In tandem with that, construction costs, duration and execution risks have also increased. Oil companies tend to outsource the development and operations of FPSO assets to avoid taking on these risks and costs – something that not many FPSO companies are willing, or even able, to undertake. Plus, the global pressure that oil companies are facing to lower their emissions has also birthed a need for contractors who can innovate climate-responsible solutions and lower emissions per barrel. Collectively, this has made it harder for FPSO contractors to secure funding, contributing to a shrinking pool of FPSO contractors and high barrier to entry for new players.

Yinson's niche lies in our project execution expertise and strong track record, particularly in the area of FPSO redeployment – a method that can provide a highly competitive solution for our clients. Our capabilities have been repeatedly demonstrated through our track record going back from 1995, as summarised in the earlier sections of this review. This has been crucial in boosting our credibility as a reliable FPSO contractor who can decrease lifting costs for our client, both during asset development and throughout its operational tenure. This in turn has strengthened stakeholder confidence, allowing us to attract funding and support to grow the business and achieve our strategic goals.

Leading the way with responsible solutions

We embrace the energy transition and acknowledge that the growing demand for cleaner energy sources will continue to rise. Indeed, we hope that the transition will come sooner than later, as we share global concerns for the sustainability of our planet. However, at the same time, we also believe that oil & gas will continue to play an essential role in the global energy mix for decades to come, due to its well-established

supply chain, reliability and affordability. The demand for oil & gas will support the global energy transition and beyond, and our role is to produce it in the most sustainable way possible. We believe that establishing ourselves as an industry leader in this space can hedge our path forward. We are looking to maximise the energy efficiency of our current and future FPSOs as much as possible in the near term with a vision towards a zero emission FPSO in the future.

FPSO design is typically restricted by contractual parameters. While we as contractors can recommend emission-friendly features, it is ultimately the client who has the final word. We are excited to have established great alignment with our clients in terms of low-emission design ambitions for two of our most recent projects – FPSO Maria Quitèria with Petrobras, and FPSO Atlanta with Enauta. Kicking off as an early mover in the FPSO space with these projects, we aim to rapidly build our track record in low emission design, execution and operation, thus establish our standing as an experienced and reliable contractor who can deliver and manage risks in these areas. With market conditions currently favourable to FPSO contractors, we aim to be more selective about the projects that we pursue, focusing on projects that prioritise low emission designs. Ultimately, we hope that our leadership position in this space will allow us to influence an industry-wide transition to a low carbon future.

Excellent project execution to support reputation

There are two distinct phases to an FPSO project: execution, or the building phase; and operations, which takes place after the asset is built until the end of its tenure. In the execution phase, FPSO contractors are contractually obligated to deliver the asset on time and according to the agreed FPSO design. The inability to deliver on either of these obligations may have severe repercussions including a delay in operations start up, contract defaults, and even termination of the project – which can in turn have long-term effects on the company's liquidity and reputation.

At Yinson, we recognise these risks and work hard to de-risk the execution phase, which is key to maintaining the confidence that our stakeholders have in us. One of Yinson's greatest strengths which sets us apart from our competitors is our project execution model. We invest into platforms that puts needful information at our fingertips and facilitates effective cross-team collaboration. This set up allows us to be reactive and flexible, enabling us to make quick and well-informed decisions.

Industry-leading operations & safety performance

Once an FPSO asset moves into the operations phase, the risk picture shifts to mainly revolve around our ability to deliver safe operations and meet the expected production uptimes. Yinson Production has a zero-incident policy for all types of HSE incidents. We monitor LTIF and TRIF as our KPIs.

BUSINESS REVIEW - OFFSHORE PRODUCTION


Our historical safety and operational track record provide surety of Yinson’s ability to competently manage these risks amid a fast-changing external landscape. Preserving this track record is essential to maintaining the high levels of stakeholder confidence in us – whether it’s clients looking to engage us as a contractor, investors and shareholders considering the likelihood of good returns, partners evaluating strategic partnerships opportunities, vendors participating in our supply chain or even skilled personnel looking to join our team.



Health and Safety is one of Yinson’s most material topics, and the safety of our crew and contractors are top priority.



Scan this QR code for more on how Yinson governs and operationalises HSE matters

 [Operational health & safety, pg 153](#)

Building a strong leadership team, skilled workforce & organisational culture

Our people and culture are the most important piece of the puzzle when it comes to managing our risks, turning them into opportunities, and seeing the opportunities translate into reality. Building a strong leadership team, skilled workforce and great organisational culture is something that Yinson invests on very intentionally.

When we engage with stakeholders – clients, vendors, regulators, partners, investors or the community around us – ensuring that they experience a consistent ‘Yinson Way’ from start to finish is the key to realising our business goals. Here’s what the Yinson Way is like: We are technically competent and make sound recommendations. We deliver on our promises. We respond fast. We are decisive. We understand and appreciate the value that they can bring to us, and vice versa. We show sustainability leadership. We are professional,

yet approachable. We take the time to listen and understand their needs. We continue to engage with all our stakeholders with the view of balancing all the longer-term stakeholder needs at the core of our decision-making process.

With all Yinsonites trained to provide this kind of experience, we can build a reputation as a preferred partner, therefore attracting the very best talents to work with us. A great working relationship with our stakeholders enhances the quality of our deliverables, further building investor confidence in our ability to execute our business strategies and provide greater value far into the future.

My colleague Louisa speaks at length in the People Review section in this Report about the measures we are taking to build a dynamic, collaborative workplace where our people are empowered to learn, contribute and thrive.



[People Review, pg 83](#)

CLOSING REMARKS

We are living in extraordinary times, and every individual, company and community has the opportunity to make a positive difference in whatever surroundings that we have been placed in. We recognise that we too, as a top tier FPSO provider, have a unique opportunity to bring sustained value to you and to take care of the environment around us. On behalf of the Group, I thank you for the opportunity to passionately deliver **powerful** solutions.



BUSINESS REVIEW - RENEWABLES

Commentary by David Brunt, Chief Executive Officer, Renewables



RENEWABLES HIGHLIGHTS FYE 2022

GLOBAL PIPELINE

1.5 GW projects secured and in development, ready for construction within 12 to 24 months.

3 GW to 5 GW early stage global development pipeline.

12 countries with active development locations or management offices.

Collaborating with **9** development partners across **4** continents.

MILESTONES

- Received Letter of Award to develop and operate 190 MWac (285 MWp) grid-connected solar PV project at the Nokh Solar Park, India.
- Agreement to collaborate with Verano for renewable energy projects in Chile, Colombia and Peru.
- Agreement with Plus Xnergy Services to jointly invest in and develop solar PV projects within and beyond Malaysia.
- Post year-end, acquired two large wind farms under development totalling 486 MW in Brazil.
- Secured and under development assets grew from 100 MW to 1.5 GW.

OPERATING ASSETS

175 MW operational renewable energy assets.

285 MW renewable energy assets under construction.

Approximately **USD700 million** in contracted revenues from PPAs.

PERFORMANCE

300 GWh

Net power generated by Yinson's Bhadla assets (100% basis).

287,986 tonnes CO₂e

Carbon avoided on net basis by Yinson's Bhadla assets.

BUSINESS REVIEW - RENEWABLES

YR

YINSON RENEWABLES GOALS AND STRATEGIES

GOALS

- Be a significant standalone business within Yinson.
- Participate in the full renewables value chain.
- Participate globally by identifying and focusing on key core markets with scale/value potential.
- Deliver additional value through efficient capital recycling.

STRATEGIES

Short to medium-term (1 to 5 years)

- Develop significant presence in three markets and 3 GW project pipeline by FYE 2023.
- Deliver growth both organically and through acquisitions with focus on growth in core markets.
- Build a lean and experienced team.
- Leverage internal teams both locally and globally, investing in training and development.

Long-term (6 to 10 years)

- Establish operations in five to seven markets, with a combined development and operating portfolio of 5 to 10 GW, by FYE 2029.
- Achieve optimised operations through digitalisation and innovation.
- Adopt efficient capital recycling strategies and build strong equity and refinancing partnerships.

MARKET OVERVIEW

In 2021, global investment in the low-carbon energy transition grew to USD755 billion, an increase of 27% over the prior year and close to triple the investment a decade prior. This was the largest year-on-year growth since 2011. This includes investments in renewable energy, electrified heat/transport/storage, CCUS, hydrogen, sustainable materials and nuclear. Renewable energy was by far the largest sector with USD366 billion invested.

Generation from renewable energy sources (excluding nuclear) is expected to grow to 8,300 TWh by 2022 and 13,500 TWh by 2030. Over 70% of that growth will come from onshore wind and utility scale solar PV projects, with a further 10% coming from smaller scale solar PV systems. Renewable energy sources are forecasted to provide around 31% of total power generation on a global basis in 2022 increasing to around 43% in 2030.

While the largest markets in terms of investment remain China and USA, good investment opportunities are found in many other countries with the right combination of policy support and market access. Imbalances between policy targets and energy demand growth as well as the progress in that particular market for renewable energy rollout, can also be important selection criteria.

Two recent events have given extra impetus to renewable energy investments and opportunities. Firstly, the Covid-19 pandemic has resulted in many governments focusing on infrastructure investments to revitalise economies. Secondly, the energy crisis in Europe, which is largely attributed to the conflict in Ukraine, has resulted in gas shortages, further accelerating the build out pace of alternative energy sources such as renewable energy.

YEAR IN REVIEW

Development pipeline

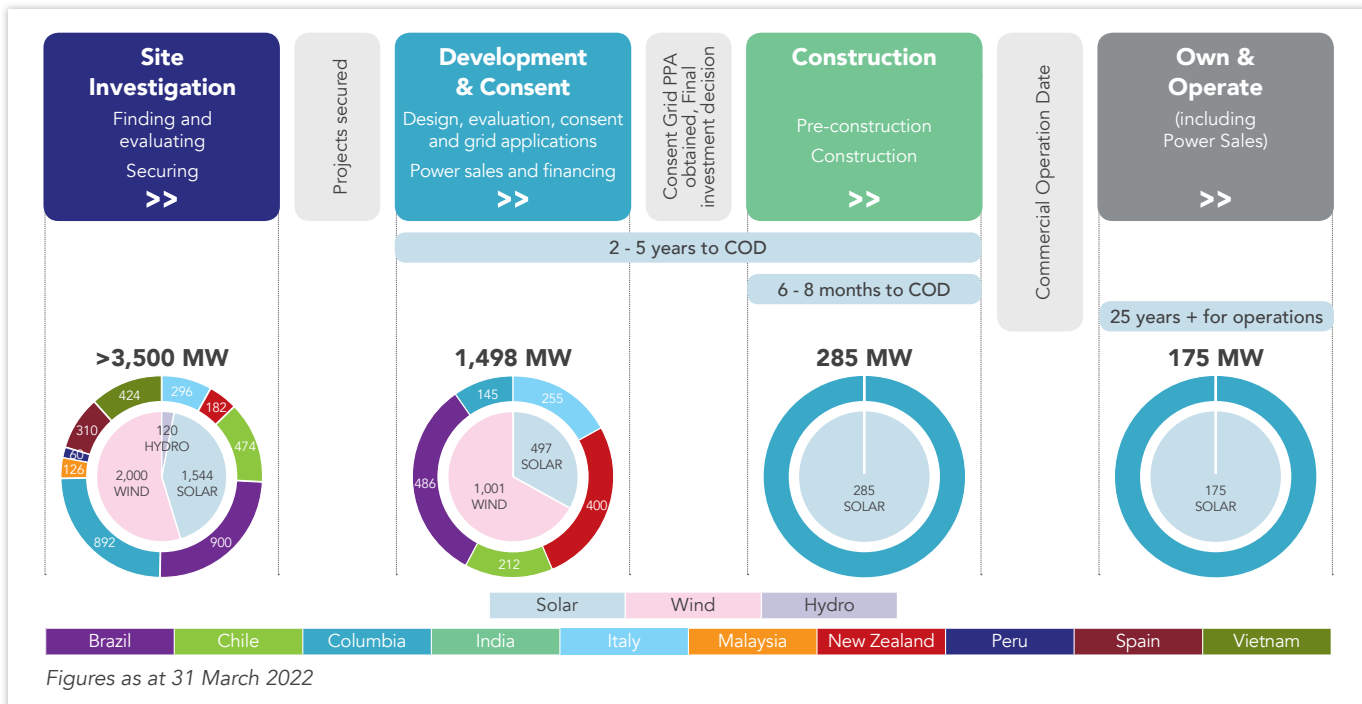
This year we have focused on growing our pipeline of renewable energy projects to ensure it is a strong engine for growth in the years to come, while also driving forward several of the early opportunities we secured in 2021 towards being ready-to-build.

The renewables value chain spans early-stage opportunity evaluation, then development and consenting activity once the projects are secured. When consents are achieved, which can take between 2 to 5 years, and grid, financing and power sales opportunities secured, the projects are ready for construction.

We continued to work with between 3 GW to 5 GW of early-stage opportunities in both onshore wind and solar PV segments, but the rapid growth in projects under development & consenting has been the real achievement of 2022. As of March 2022, projects in this phase had grown from 100 MW to 1.5 GW over 12 months. These projects will progress to investment decision & construction in the coming years, resulting in profitable operating assets that deliver strong and stable cash flows over the long-term.

BUSINESS REVIEW - RENEWABLES

YINSON RENEWABLES PROJECT PIPELINE



The pipeline is now well balanced between solar PV opportunities and onshore wind and we have maintained our focus on establishing a critical mass in the three main core regions: Latin America, Europe and Asia Pacific. This has now been successfully achieved, however we will continue to grow the pipeline to deliver future growth.

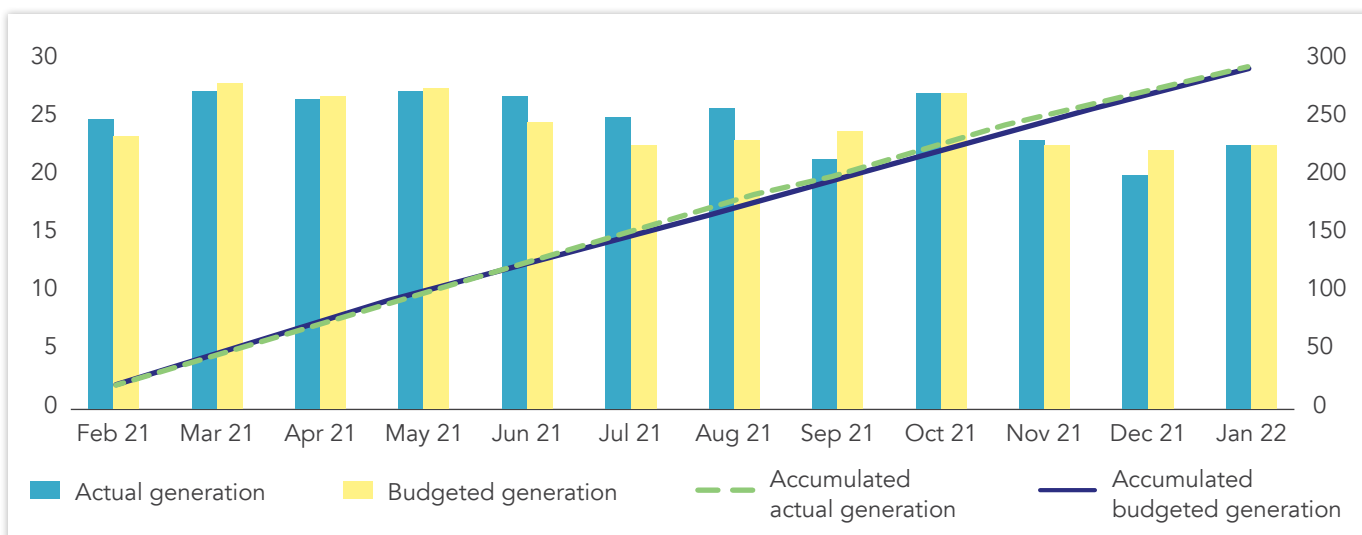
We manage our early stage and development & consenting activities through local development partners or service providers in each country. As of March 2022, we are collaborating with 9 different partners in addition to our majority-owned subsidiary Rising Sun Energy in India.

Assets in operation & under construction

The solar plants at Bhadla, in Rajasthan, India have continued to perform well, with stable generation and no significant operating incidents. Gross generation for FYE 2022 was 1.6% over what was forecasted, while EBIDTA was 16% over target, primarily due to higher-than-expected carbon credit prices.

During the year, the (non-recourse) project financing has also been refinanced, resulting in lower financing costs over a longer tenor and an improved bottom line contribution.

MONTHLY & ACCUMULATED NET POWER GENERATION (GWh)



BUSINESS REVIEW - RENEWABLES

We continue to progress construction of the 285 MWp Nokh Project, also located in Rajasthan, India. Recent progress has been slow, relating to finalisation of the provision of agreed land and regulatory adoption of the tariff for power sales. However, these delays, caused in part by Covid-19 restrictions, are accepted by the PPA counterparty NTPC Limited, as the expected final commissioning date still falls within the terms of the project agreements.

Disruption to both commodity pricing, especially polysilicon, and logistics have also impacted PV module pricing negatively. However, we are working to mitigate these issues and are on track to deliver the project in accordance with stakeholder expectations.

EXTERNAL VARIABLES, RISKS & OPPORTUNITIES

EXTERNAL ENVIRONMENT

- The energy transition towards increased renewable sources and sustainability has been further strengthened by commitments made by nations at COP26 held in Glasgow in October 2021. The majority of nations increased their commitment levels and the conference has generated new momentum in many markets.
- Renewable energy sources remain the energy source of choice for new power generation due its low cost. Challenges remain in markets with high renewable energy power penetration as intermittent power needs to be balanced with other sources or mechanisms.
- The pandemic has encouraged increased national spending on infrastructure (especially energy) as a mechanism to revitalise lagging economies while delivering on COP26 commitments. However, it has had negative impacts on global commodity prices, logistics and supply chains, affecting some key components of renewal energy projects.
- Energy price and access concerns driven by the ongoing Ukraine crisis are anticipated to further supercharge the energy transition, especially in Europe.

RISKS

- Increased logistics and commodity pricing, arising as an impact of the pandemic, could affect the delivery of renewable energy projects.
- A general increase in competition in the segment could make it harder for renewable energy companies to secure projects.
- Renewable energy companies may face intermittency challenges related to high penetration of renewable energy generation sources in a single market.

OPPORTUNITIES

- Increased global and national renewable energy targets driving strong growth provides a wider range of opportunities for renewable energy companies.
- Renewable energy is underpinned by strong governmental policies, providing surety and incentives for the renewable energy supply chain.
- Renewables are an attractive secondary market investment, which can support effective capital recycling, opening up potential new pockets of capital for renewable energy players.

STRATEGIC RESPONSE TO OUR RISKS & OPPORTUNITIES

Creating value through growth & capital recycling

Yinson Renewables was set up to be Yinson's first step towards participating in the energy transition and contributing to the sustainability of the Group. The objective was to develop a standalone business stream delivering stable long-term cash flows, but just as importantly to deliver significant growth and value to our shareholders.

With the exponential growth in renewable energy globally, it was key for us to select the right markets and position ourselves in the value chain to create a competitive advantage.

We are focused on participating across the full value chain as an independent power producer – originating, developing, building and operating projects and then selling power over the long-term. In order to maximise value, this means being involved in greenfield developments, i.e. getting in early, finding project sites, evaluating and optimising them, and then taking the best projects forward to gain building and environmental consents prior to taking a final investment decision. Following this, we would manage construction prior to starting commercial operations.

When an asset is operational, additional value can then be created by recycling capital in the secondary markets by bringing in investment partners at a project, country or platform level. By entering the value chain early, we can use our experience and expertise to manage the early phase risks, offering the investors a de-risked investment opportunity with stable returns.

BUSINESS REVIEW - RENEWABLES

The attractiveness of renewable energy projects has already created an extensive secondary market for renewable assets and platforms, enabling efficient use and recycling of capital. I will provide more details on this in when I elaborate on 'Building the platform to create value' further on in this commentary.

Market positioning

As noted in the summary of our external environment, the renewables segment is growing fast, driven by government policy, international commitments and the recovery from the pandemic. This leads to increased competition, not least from large players such as oil companies and major utilities.

Our market positioning has been to seek smaller projects – a market which we believe offers a more suitable competitive landscape to our growth plans. This generally leads us away from the intensively competitive offshore renewables space, which tends to have a higher entry cost and risk profile, compared to onshore renewables projects.

We anticipate that onshore renewables will experience one of the highest growths in the renewables segment in the coming decades, measured in absolute terms. This growth gives us ample opportunity to capture good projects while balancing risk across a wider portfolio of projects. That said, we may still consider offshore renewables projects if they meet the considerations of our investment policy and are in alignment with our strategic plans for growth.

Market selection

Finding the right markets in which to participate is as important as the right market positioning. The largest markets may offer good potential, but often the best opportunities for Yinson can be found in smaller markets. We mainly focus on geographies where we believe we can establish a large enough operating portfolio (i.e. above 300 MW) to provide economies of scale and efficiency in operation. Currently, our prime geographies are Europe, Latin America and Asia Pacific. The combination of these regions gives a good balance of mature versus emerging markets, which enables us to have a balanced risk reward profile.

In addition to the above, we undertake a rigorous review focusing on the regulatory and political context whilst also ensuring the strong fundamentals of the market.

Project selection & local partners

When we find markets with potential, we opt to work with the right local partners or service providers who have good on-the-ground experience and knowledge of local conditions. Our local partners help to source new projects and provide local development services in order to bring the projects to ready-to-build status. We perform due diligence on all projects before taking them into our portfolio.

The strategy has been very successful, and we now have alliances with 9 local developers in 7 countries. This has delivered significant growth in our pipeline during the last 12 months which we will describe more in the next subsection.

In line with our Core Value of being Reliable, we place great priority on building credibility with our local partners by establishing great working relationships and delivering on our commitments. This is crucial, as it catalyses an already symbiotic relationship and positions us as a preferred partner when new prospects arise. As the saying goes, 'success breeds confidence, trust and more success'.

Building the platform to create value

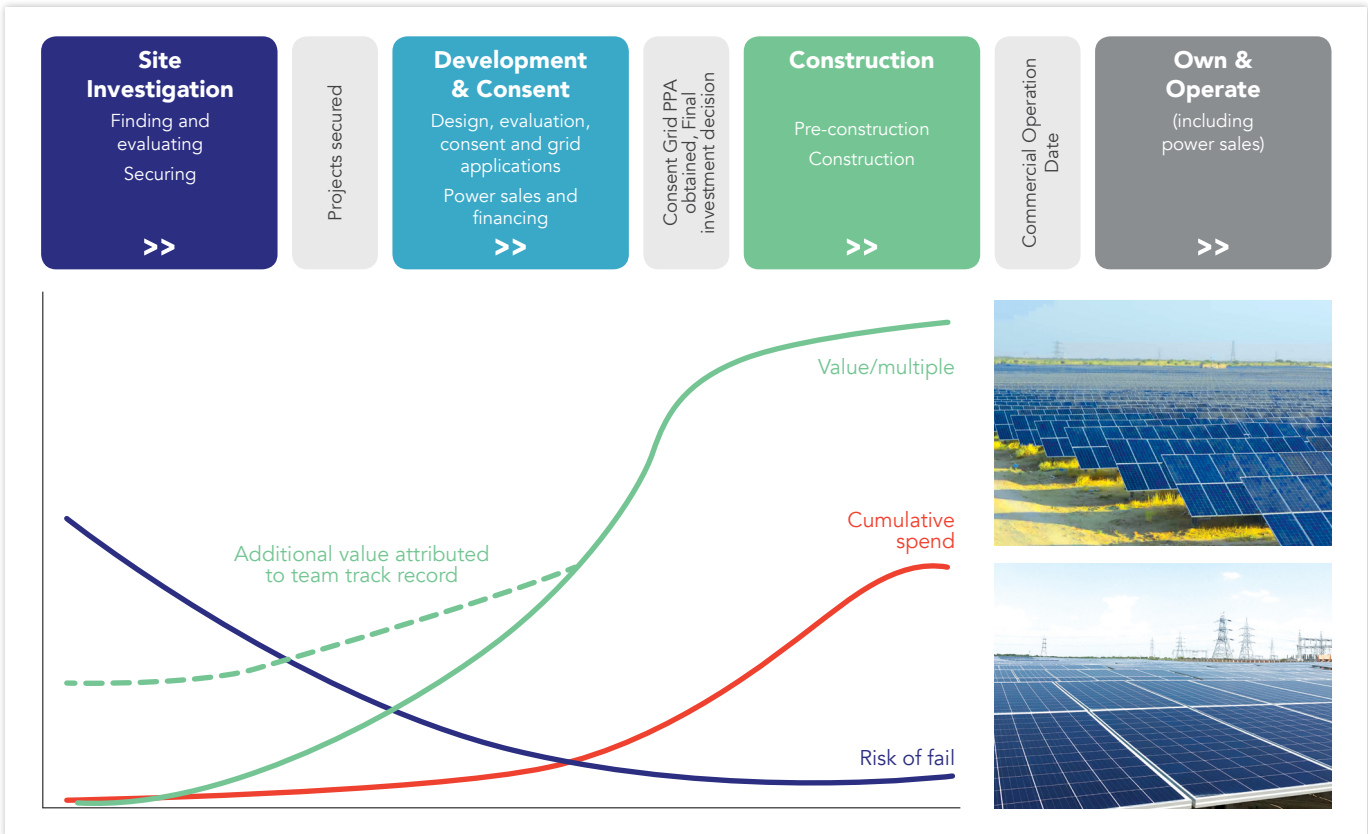
Over the past 24 months, we have successfully laid the foundations for a strong growth business based around a pipeline of good development projects. Over the next 24 months, multiple projects from our development pipeline will be ready to start construction, adding on to our existing portfolio of assets in operation and under construction. This will grow our portfolio of operating assets and open the door to bringing greater value to the Group, including optimising our capital recycling plans.

During the early days of renewable energy, it was tangible operating assets that were attractive to secondary market investors – and that was where the value was made and extracted. As the market matured, investors began putting significant value on assets under construction and secured development assets – i.e. those with up to a 4 to 5 year time horizon until they deliver income. Now as the market expands more rapidly, in line with the energy transition, investors are also attributing considerable value to early-stage pipeline assets. The value at early-stage developments can be increased if they are managed by teams with a strong track record of converting prospects to generating assets and a strong organisation behind the team providing financial and corporate support.



BUSINESS REVIEW - RENEWABLES

INDICATIVE MEASURES OF VALUE, SPEND AND RISK OF A TYPICAL RENEWABLES PROJECT OVER TIME



The current Yinson Renewables team is lean, but agile and with extensive experience in these markets and across the entire renewables value chain, leading to the ability to make informed and timely strategic decisions. We have also established partnerships with capable local development partners. These partnerships, coupled with our strong in-house skills and capabilities, give us confidence in our ability to manage and deliver in our early phase project pipeline. As we move into more construction activity and as our assets in operation expands, we plan to grow our team in accordance with the necessary skills needed and leverage on the resources available in the wider Yinson organisation.

CLOSING REMARKS

Whilst we are a young renewables company, we have a strong and experienced team which is delivering and already surpassing the business goals that have been set. We have generated a significant pipeline of projects across three different continents, with a number of these projects expected to be move into construction fairly soon and subsequently into operation.

As we continue to grow, we will add further projects to our pipeline across our existing markets, with a possibility of expanding into one or two new markets. Over the next few months and years, more projects from our pipeline will move into the construction phase and our operational asset base will grow. This is when the ultimate value in the current pipeline portfolio will crystallise. With our current team and the strong support of the Group, we are confident that we can deliver on our promises.

BUSINESS REVIEW - GREEN TECHNOLOGIES

Commentary by Eirik Barclay, Executive Vice President New Ventures & Technologies



YINSON GREENTECH KEY INVESTMENT UPDATES FYE 2022



Advanced hydrofoil system for electric vessels

- Investment announced in 2020.
- Technology incorporated into Hydroglyder, a Yinson-developed fully electric harbour craft.
- Concept unveiled at Singapore Maritime Week 2021, model showcased at Nor-Shipping 2022.
- Prototype vessel currently being built; on track for full test in Q1 2023.
- Lift Ocean received second round of investment, NOK 20 million.



E-bike and swappable batteries

- Investment announced in June 2021.
- Generation 3 swappable batteries introduced in January 2022.



Autonomous systems for EVs

- Co-investment with SMRT Ventures announced in June 2021.
- Tri-party agreement signed with National University of Singapore and YGT to test and demonstrate autonomous bus technologies.



Marine energy storage solutions

- Investment and MoU for collaboration announced in October 2021.
- Awarded grant with Yinson and other partners, as part of Goal Zero consortium, from the Singapore government for electric cargo vessel project.
- PwrSwäp, swappable marine battery solutions launched in October 2021.
- Good pipeline of projects and recent collaboration with Vallianz for a fully electric tug in Singapore.



Autonomous and robotic technology

- Investment signed in November 2021.
- Team expansion for technologies development in Kuala Lumpur.



EV charging solutions

- Term sheet signed in October 2021, followed by joint venture agreement in February 2022.
- Deployment of new chargers in multiple locations.
- Collaboration with Hyundai for chargEV subscription services.

BUSINESS REVIEW - GREEN TECHNOLOGIES

YGT

YINSON GREENTECH GOALS AND STRATEGIES

GOALS

- Establish green technologies as a major revenue stream for Yinson.
- Develop profitable, disruptive businesses, based on clean technologies and digitalisation.
- Achieve a net zero business.

STRATEGIES

Short to medium-term (1 to 5 years)

- Identify and invest in strategic green technology companies and develop assets within the marine, mobility and energy segments.
- Relentlessly drive innovation in alignment with government incentives and industry trends.
- Build low-carbon businesses serving commercial and industrial customers, supporting their own net zero ambitions.

Long-term (6 to 10 years)

- Accelerate business growth by working with like-minded partners and attracting investment capital.
- Establish Yinson as a recognised brand within net zero technologies and businesses.
- Develop a net zero solutions platform capable of adapting and incorporating novel technologies.

MARKET OVERVIEW

The world is seeing innovations and advancements in green technologies developing at a phenomenal speed, catalysed by increasing energy demand and a global movement towards clean energy sources. In the period from 2020 to 2030, the global green technologies and sustainability market is expected to grow at more than 20% per annum. Global primary energy consumption is expected to increase by approximately 50% by 2050, with global electricity demand more than doubling over the same period.

Despite the pandemic, electric cars had a record year in 2021, with Europe overtaking China as the largest plug-in market and sales more than doubling compared with 2020 and tripling when compared with 2019. Global electric car stocks increased by 43% in 2020 compared to 2019, caused by the rising competitiveness in the EV market and national fiscal incentives. In line with this growth, the EV charging infrastructure market is expected to boom, with market size anticipated to reach almost USD120 billion by 2027 – up from only USD20 billion in 2019.

With energy storage and renewables set to play increasingly important roles in powering EVs globally, we also foresee great growth in the energy storage sector. Battery market size is expected to grow by between 10% and 15% annually between 2020 and 2027, reaching over USD300 billion by 2027. Experts believe that improved battery technology could reshape industries that contribute most to carbon emissions, especially transport and energy production.

The electrification of the marine sector is also gaining momentum worldwide, with electric technologies and energy storage emerging as alternatives to decarbonise the maritime shipping industry especially in short sea transportation. Experts agree that while much of the shipping sector is committed to decarbonising, the availability, technological development and infrastructure for alternative fuels is a major challenge that needs to be addressed for the sector to help limit global temperature rise to 1.5°C in line with the Paris Agreement.

In COP26, more than 40 nations signed up to the Breakthrough Agenda, making a commitment to align standards and coordinate investments to speed up clean technology production to bring forward the tipping point at which green tech is more affordable and accessible. The first five breakthroughs stated within the agenda are clean electricity, EV, green steel, hydrogen and sustainable farming.

With these sectors demonstrating strong outlooks, we believe that Yinson's focus on building a green ecosystem within and between the marine, mobility and battery segments provides solid opportunities to deliver greater value to our stakeholders.

YEAR IN REVIEW

YGT was established in September 2020 with a clear minded purpose to accelerate the transition to a net zero world through investments in novel green technologies within the marine, mobility and energy segments.

BUSINESS REVIEW - GREEN TECHNOLOGIES

Our earliest investment was in the area of marine technology through Norwegian start-up Lift Ocean in late 2020. YGT and Lift Ocean developed the concept for Hydroglyder – a passenger harbour craft equipped with advanced hydrofoil technology, which was showcased during the Singapore Maritime Technology Conference 2021 and Nor-Shipping 2022. Work is progressing well, and the prototype will be launched early in 2023.

In September 2021, Yinson, as part of a consortium called Goal Zero, was awarded funding to develop, deploy and commercialise a fully electric cargo vessel with interoperable swappable batteries and charging infrastructure solutions by the MPA and SMI. In the consortium, YGT will spearhead Goal Zero's overall programme management and commercialisation, while Seatech Solutions is the lead of the consortium, developing vessel design and system integration. As the second busiest port in the world, attracting around 130,000 vessel calls per year, the Port of Singapore sees decarbonisation as a top priority. YGT, which is headquartered in Singapore, is excited to support the transformation of Singapore into a sustainable global hub port.

In October 2021, we became a cornerstone investor into Shift, a Canada-based energy storage solutions company working to lower or eliminate dependence on fossil fuels in marine and industrial applications. Both parties also concurrently entered into a binding MoU with the intention to form a joint venture to accelerate the large-scale rollout of Shift's solutions in Southeast Asia and beyond. The partnership leverages Yinson's strong presence in Southeast Asia to offer Shift's business solutions to marine, port and other industrial energy storage sectors, as well as to establish service and assembly hubs for energy storage and battery swap solutions.

Our investments into marine tech draw synergies from Yinson's experience in the offshore technologies and applications, and ultimately aim to contribute to a globally integrated, technologically advanced clean logistics ecosystem.

On the mobility side, we are actively participating in the development of EV infrastructure in Malaysia and Singapore. Just weeks ago, we launched our electric fleet leasing service, which provides full-fledged, affordable and reliable leasing of fleets to companies in Singapore and Malaysia. Through this Mobility as a Service offering, we aim to help businesses easily transition from traditional internal combustion engines to EVs.

Concurrently, we also formed a joint venture with GTMA to develop and operate chargEV, Malaysia's largest EV charging network. Even prior to the formalisation of the joint venture, our team has been working hard to lay the groundwork for a substantial upgrade of the chargEV infrastructure, and we have now swung into high gear to implement our plans. With the combined strengths of YGT and GTMA, EV users in Malaysia can look forward to planned improvements including the repair and upgrade of existing charging stations, improved customer service standards and the development of a new back-end system and mobile app.

Earlier in 2021, we invested in Oyika – a start-up that aims to lower the barriers to EV adoption starting with a battery swap service bundled with an electric motorbike, made available through affordable subscription plans. Oyika's solution has been successfully implemented in Indonesia and Cambodia, and with Yinson's support Oyika is now working to expand to other regions. Southeast Asia is the world's largest motorbike market, with motorbikes constituting up to 85% of vehicle population. Of these, less than 0.1% are electric. Each internal combustion engine motorbike on the road replaced by an e-motorbike saves about one tonne of CO₂ equivalent per year. Thus, a significant reduction in carbon emissions can be made through the introduction of such EV solutions.

We kicked off our investments into autonomous vehicle technologies through a co-investment with Singapore's SMRT Ventures into MooVita in June 2021. The co-investment aims to accelerate the development, commercialisation and international expansion of comfortable driverless solutions for public transportation and the urban environment, leveraging on Yinson's experience in logistics and energy; as well as SMRT Ventures' experience in Singapore's transport ecosystem. We subsequently acquired a controlling stake in eMoovit, MooVita's operating arm in Malaysia, in December 2021.

These investments into autonomous solutions opened the doors for us to enter into a tri-party research collaboration agreement with the National University of Singapore and MooVita, to develop a Level 4 autonomous bus shuttle to operate within the university campus.

We have made significant strides in 2021 within all three segments, and we are beginning to see our investments contribute to the strengthening of a green ecosystem that acts as an enabler for the energy transition.

BUSINESS REVIEW - GREEN TECHNOLOGIES

EXTERNAL VARIABLES, RISKS & OPPORTUNITIES

EXTERNAL ENVIRONMENT

- Demand for sustainable development has increased as the push towards net zero becomes a global goal.
- Governments across the world are putting significant incentives into green technologies, propelling the growth of the market.
- Green technology segments that are seen as most promising are getting increasingly saturated with early investors and start-ups.
- The growth in the market is bringing about many novel innovations, with investors hoping they have backed the new unicorn.
- Product and commercialisation costs for novel green technologies are immense, making green tech innovations harder to be commercialised for the industry.
- Development of robust regulations to govern green technologies applications are struggling to keep pace with the rapid growth in the green technologies market.
- Regulatory changes needed for the deployment of novel technologies are slower in the approval process with limited sandboxing permits.

RISKS

- New and novel green technologies can be challenging to commercialise, caused in part by high product costs.
- A lack of cost effective and reliable research institutions could delay the development of green technologies.
- Corporations that do not adapt their business models to align with green consumer choices risk the longer-term viability of their business.
- Investors and companies risk backing a novel technology that fails, causing monetary loss.
- Green tech businesses that are not prepared for or familiar with the evolving regulatory frameworks may risk non-adherence to those regulations.

OPPORTUNITIES

- Investors and businesses that get involved in green technologies that take off commercially have the opportunity to increase profitability and be leaders in the green tech segment.
- Businesses that establish research partnerships with reliable research institutions have a competitive advantage when developing new technologies.
- Companies whose business models integrate green consumer choices may be more resilient as global trends evolve to favour a greener way of life.
- Businesses that are able to keep their business practices up with evolving regulatory frameworks insulate their business from regulatory risk, boosting investor confidence.

STRATEGIC RESPONSE TO OUR RISKS & OPPORTUNITIES

Building a green ecosystem of energy supply

As how all novel technologies start out, green technologies are currently relatively expensive compared to their fossil fuel-based predecessors, putting them out of reach to most. YGT aims to bring new business models that make these technologies affordable by balancing the capital and operational expenditure gains for the markets we are addressing. The lower these technologies are priced, the more accessible it can be for everyone, and this goes in a cycle until these cleaner options are business as usual. We believe that reaching this critical mass everywhere is key to meeting the ambitious climate targets set by the Paris Agreement.

We aim to increase the accessibility and affordability of green technologies by building low carbon businesses, serving commercial and industrial customers who wish to achieve their own net zero investments. Working together with businesses and partners who have this common goal ultimately contributes to a robust ecosystem that runs on clean technologies. A strong clean energy infrastructure creates an environment that encourages even more innovation, as the market matures alongside rising investor confidence in the viability of the segment.

We believe that our experience in energy infrastructure and technologies, especially in the marine, mobility and energy segments, allows us to take a leadership position to drive this change. In line with the Group's overall net zero plans, such an ecosystem is a key enabler for our renewables business to thrive, as well as for the decarbonisation of our offshore production business.

BUSINESS REVIEW - GREEN TECHNOLOGIES

Strategic green technology investments

Selecting the right strategic green technology investments are a key way we manage the risks and seize opportunities arising from the external environment. This is also our edge in this market. Our investment decisions are guided by our clear-minded purpose of building an interconnected, integrated green ecosystem, which take geographical and Group synergies into account.

Geographical synergies

We prioritise our strategic investments to geographical areas where Yinson already has an established operating presence and where the governments have a strong direction for decarbonisation. This allows us to leverage on factors such as manpower and resources, connections to local stakeholders, strong reputation, our established position in the supply chain and local knowledge; which are key to maximising operational efficiencies.

For example, we established YGT's headquarters in Singapore, which is home to Yinson Production's projects office and part of our Global Corporate Advisory Office. Our long history and good industry standing in Singapore paved the way for our participation in the Goal Zero consortium, which won the harbour craft electrification grant from MPA and SMI. Such a track record has helped to build confidence in our ability to take on energy infrastructure projects in Singapore, such as our collaboration with SMRT Ventures.

In Malaysia where we have our global headquarters and are currently listed, we have a strong reputation as a Malaysian company that has successfully globalised. We have been contributing economically and socially to Malaysia for many years, backed by a stellar governance and compliance track record. Plus, we have been part of the Malaysian supply chain since our founding as a logistics company in 1983, and more recently through FPSO Helang. Our investment into chargEV is a good example of how our good standing in the country opened up new opportunities, with the Government and other stakeholders placing their trust in us to ramp up the adoption of EVs in the country.

Marine, mobility & energy focus

There are many areas of green technologies with great potential. However, we are selective to prioritise technology areas which most strategically align with our current position, and our plans for growth. Thus, we have narrowed our focus on the three areas where we already have existing expertise, knowledge and resources within the Group – marine, mobility and energy.

We believe that the collective knowledge and experience that we already have in these segments as a Group helps us to make wiser investment and operational decisions.

EXAMPLES OF SYNERGIES WITH YINSON'S DIVISIONS

Marine	Mobility	Energy
<ul style="list-style-type: none"> → Marine technologies such as 3D printing → Marine experts, such as naval architects → Floating microgrids 	<ul style="list-style-type: none"> → Origins in logistics and transport → Governance and regulatory experience in energy and infrastructure 	<ul style="list-style-type: none"> → Energy supply chain → Battery, microgrid, wind turbine technology

Our investments also take into account the kind of experience and resources that we have at Group-level, such as project management, corporate functions, our financing and investor base and our existing supply chain.

Driving innovation in line with government incentives & industry trends

We aim to relentlessly drive innovation in line with government incentives, including grants, subsidies and tax breaks; as well as global industry trends. Aligning our innovation efforts this way lowers the cost of implementation and commercialisation and provides a ready supportive market for commercialisation of the product. We believe this is a good way to significantly lower the risk of our ventures.

For example, MPA and SMI in Singapore have made a commitment to overcome the serious challenge of pollution caused by harbour crafts, devoting sizeable funding for research and development of new technologies. Importantly, this shows a strong intent from the authorities to electrify the harbour craft industry, aligning with Yinson's goals for decarbonisation.

The Malaysian Government's Low Carbon Mobility Blueprint envisions a holistic EV ecosystem that builds up EV penetration rates and a well-planned infrastructure framework to support growth in the segment. Our investment into chargEV ties in strategically to the blueprint, providing assurance of government support for our plans to develop chargEV's infrastructure across the nation.

CLOSING REMARKS

Having now made several investments into various businesses that we believe are foundational to the ecosystem that we hope to build, our focus is now to learn from them in order to integrate, synergise and grow.

We are on an exciting journey as a company, embarking into areas which are new, not only to us, but to the world as a whole. Leaning on our strong business fundamentals and with the support of like-minded stakeholder groups that are aligned towards our vision of a low carbon future, we are confident that our efforts will contribute to a cleaner, more sustainable future for everyone.

BUSINESS REVIEW - OFFSHORE MARINE & MALAYSIA OPERATIONS

Commentary by

Lim Chern Wooi, Chief Executive Officer, Offshore Marine

Dato' Sabri Zain, Chief Executive Officer, Yinson Energy



OFFSHORE MARINE HIGHLIGHTS FYE 2022

FLEET

3 AHTS

1 PSV



UTILISATION RATES

Yinson Hermes

71.2%

Yinson Perwira

100%

PTSC Huong Giang

76.2%

PTSC Lam Kinh

89.6%

Fleet average: **84.3%**
Up 7.5% from FYE 2021

HEALTH & SAFETY

0 LTIF

0 TRIF

247,059
exposure hours

ENVIRONMENTAL PERFORMANCE

38,122.7 tonnes CO₂e carbon emissions
Down by 20.3% from FYE 2021

131,912.3 MWh energy consumption

66.6 tonnes waste

0 non-compliances with environmental laws and/or regulations

HIGHLIGHTS

Received Logistic Operator Safety and Operations Excellence Award for PTSC Lam Kinh for the third consecutive year.

Covid-free operations due to successful implementation of Covid-19 Outbreak Management Plan.

Smooth dry docking for PTSC Lam Kinh.

BUSINESS REVIEW - OFFSHORE MARINE & MALAYSIA OPERATIONS

RO

REGULUS OFFSHORE GOALS & STRATEGIES

GOALS

- Maintain a strong utilisation rate.
- Maintain an industry-leading safety and performance track record.
- Create further value through synergistic merger opportunities.

STRATEGIES

Short to medium-term (1 to 5 years)

- Achieve strong utilisation rate through active client engagement.
- Adopt industry best practises to meet safety and operational targets.
- Streamline business and seek synergistic mergers for value creation.

Long-term (6 to 10 years)

- Establish industry-leading improvements in safety and performance processes.
- Execute synergistic mergers for overall value creation of the Group.

MARKET OVERVIEW

Malaysia is one of the key oil & gas producers in the Asia Pacific region, with an average daily production of more than 1.7 million barrels of oil equivalent in 2018 and contributing around 20% of the Malaysia's annual GDP. Correspondingly, the oil & gas, services and equipment ("OGSE") industry contributes between 5% and 8% of the country's GDP, with an annual revenue of more than RM65.1 billion from over 4,000 vendors and employing about 59,000 core talents in 2019. The oil & gas industry is mature in Malaysia, having served the global energy supply chain for over 40 years.

In recent years, Malaysia's oil & gas industry as a whole has been undergoing a significant transformation, with companies working to reshape their business models and implement strategies to bolster resilience amid evolving global circumstances.

PETRONAS, Malaysia's national oil company, has announced its aspiration to achieve net zero by 2050, spurring Malaysia's energy supply chain to align their strategies accordingly. The National OGSE Industry Blueprint 2021-2030, released by the country's Economic Planning Unit last year, outlines a roadmap to pivot the industry towards the energy transition. The Blueprint affirms the country's aspirations to be at the forefront of the world's transition to renewable forms of energy, while endeavouring to produce its oil & gas as cleanly as possible. In line with this, the FPSO sector in Malaysia provides moderate opportunities, with environmentally-friendly FPSO designs prioritised.

According to the PETRONAS Activity Outlook 2022 to 2024, over 300 new offshore platforms and 11,000km of pipeline are anticipated to be established in Malaysian waters over the next two years. This provides a healthy and stable market for Malaysia's Offshore Support Vessel ("OSV") segment in the near term, as OSV services are required for the construction and operation of offshore assets and infrastructure. Globally, the push for low-carbon power generation technology

deployment is likely to augment growth of the global OSV market, with reports estimating the market to reach USD23.6 billion by 2028. The market size stood at USD13.8 billion in 2020.

Malaysia's cabotage policy, implemented in 1980 through the Merchant Shipping Ordinance 1952 continues to be a significant factor affecting the domestic marine industry. The policy, which prioritises Malaysian vessels for operations domestic shipping operations, aims to develop Malaysian ownership and local shipping in general, whilst reducing Malaysia's dependence on foreign vessels and reducing the outflow of foreign exchange in the form of freight payments.

YEAR IN REVIEW

Malaysia operations update

Our maiden Malaysian offshore production asset, FPSO Helang, started operating on 6 December 2019 at Block SK10, offshore Miri. The asset went into production after achieving a timely delivery, 19 months after contract signing.


The FPSO has recorded a good operational performance since the start of operations, with average technical uptime of 99% (100% commercial uptime) recorded in FYE 2022. Safety-wise, we are pleased that FPSO Helang has performed well with FYE 2022 marking the asset's second LTI-free year in a row and no major gas leaks or oil spills since the commencement of operations. As part of our early intervention measures to manage the Covid-19 pandemic, FPSO Helang was one of the first offshore facilities in Sarawak to implement mandatory antigen rapid testing followed by RT-PCR testing prior to boarding. The unit achieved 100% vaccination status by 25 September 2021, making it the first unit in Yinson fleet to mark this milestone.

As mentioned above, PETRONAS is serious about its carbon goals, and has been cascading this down to the oil & gas

BUSINESS REVIEW - OFFSHORE MARINE & MALAYSIA OPERATIONS

supply chain locally. We are doing our part to work closely with our client JX Nippon to explore how we can lower the emissions of FPSO Helang. Thus far, we have commenced feasibility studies for the installation of hydrocarbon blanketing and closed flare technologies on board. The studies are on track to be completed by the first half of 2022.

Malaysia is where Yinson was founded and is currently headquartered, and we are privileged to contribute back to the country’s energy supply through FPSO Helang.

 *Environmental performance, pg 101; Zero emissions FPSO concept, pg 102; Climate change & greenhouse gas emissions, pg 159*

The oil & gas market is mature in Malaysia. The development of some newly discovered resources, some of which are deep water, provides moderate opportunities for FPSO players. In line with the national push for climate-friendly

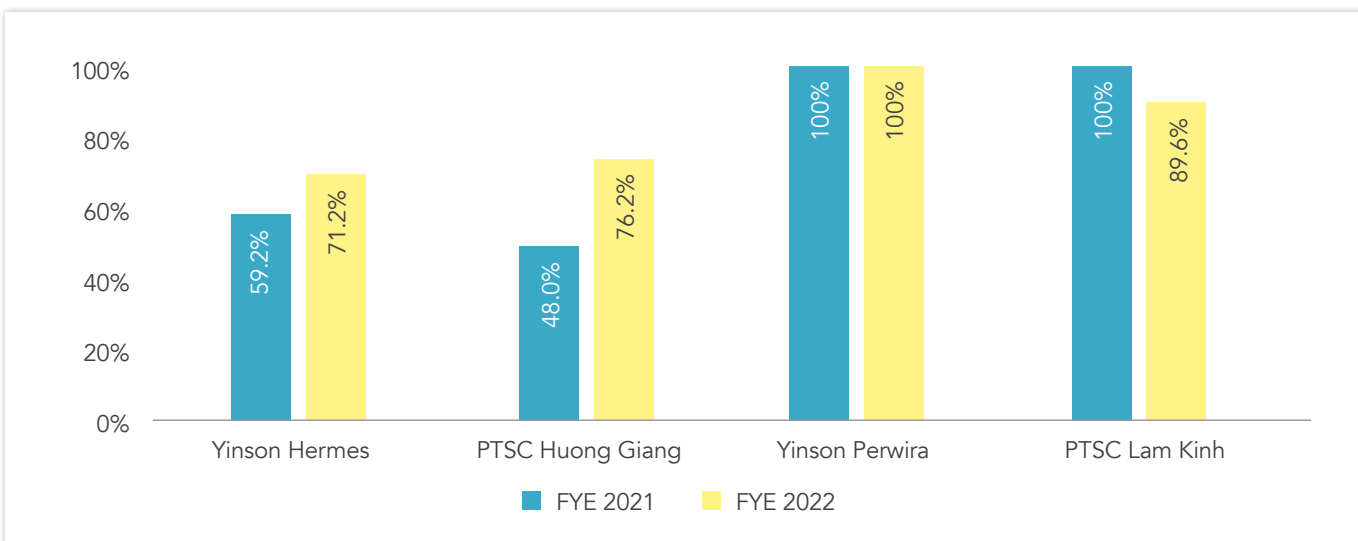
energy production, we believe that FPSO companies with a commitment and track record in low-emission designs and relevant technological expertise will have an advantage when bidding for upcoming FPSO projects in Malaysia. With our strong sustainability leadership position, plus proven track record in governance and project delivery, Yinson is well positioned to enter into such opportunities within the Malaysian FPSO space.

Offshore Marine update

Fleet utilisation

Our fleet utilisation rate for FYE 2022 had a slight increase of 7.5% to 84.3% in comparison with the previous year of 76.8%. The improved demand was a result of the reopening of the economy and lifting of the movement restrictions arising from the Covid-19 pandemic.

REGULUS OFFSHORE FLEET UTILISATION



Yinson Hermes	Yinson Hermes secured a much higher fleet utilisation rate in FYE 2022 due to back-to-back projects. Yinson Hermes provided cargo delivery for a platform extension module, crew accommodation and supported cargo runs.
PTSC Huong Giang	PTSC Huong Giang was active for most of the year, apart from the monsoon season, when PSV-type vessels are typically less active. The asset supported a well intervention project and served as a back-up for PTSC Lam Kinh when it was undergoing drydocking.
PTSC Lam Kinh	PTSC Lam Kinh’s utilisation rate dipped to 89.6% from 100%, as it underwent a 24-day drydock in Singapore before sailing for bollard pull certification at Batam, Indonesia and coming back to Bunga Orkid field.
Yinson Perwira	For the third consecutive year, Yinson Perwira maintained its full utilisation rate as a support vessel at Kikeh Field.

BUSINESS REVIEW - OFFSHORE MARINE & MALAYSIA OPERATIONS

Completion of dry dock for PTSC Lam Kinh

PTSC Lam Kinh had completed a planned dry dock in December 2021. The dry docking experienced some delays mainly due to additional, stringent Covid-19 measures authorised by local port authorities, causing the 20-day programme to be extended to 24 days. After dry docking, the vessel sailed to Batam, Indonesia for the bollard pull certification before sailing back to Malaysia to arrive at Kemaman Port on 6 December 2021.

Covid-19 update

As the industry transitions from pandemic to endemicity, the overall strategy of the Green Bubble Framework, implemented under the purview of Malaysian Petroleum Management ("MPM"), has proven effective. Under the framework, more stringent SOPs were put in place to ensure there were no gaps in crew vaccination status at all times. Adherence to the framework has improved our business continuity in comparison with the first year of the pandemic.

Thanks to the collaboration with our clients as well as active membership with the Malaysian Ship Owners Association, we were able to expedite our vaccination programmes. Our crew were amongst the earliest seafarers to be vaccinated in Malaysia and are now fully vaccinated including booster shots, and our fleet has remained Covid-free since the beginning of the pandemic. We attribute these successes to the smooth implementation of our Covid-19 Outbreak Management Plan, which was diligently updated in line with MPM recommendations.

HSE performance

Our fleet had Zero LTIs across all assets and recorded seven HSEQ-related incidences throughout the year. All the incidences were low risk, namely 1 first aid case, 3 low-impact property damage cases and 3 near misses. All incidents were reported and investigated.

REGULUS OFFSHORE HSE PERFORMANCE

	FYE 2020	FYE 2021	FYE 2022
Fatalities	0	0	0
Lost Time Injury	0	0	0
Medical Treatment Case	0	0	0
Restricted Work Case	0	0	0
First Aid Case	0	0	1
Lost Time Injury Frequency	0.00	0.00	0.00
Total Recordable Injury Frequency	0.00	0.00	0.00

Awards

We received the Logistic Operator Safety and Operations Excellence Award from our end client for the charter of PTSC Lam Kinh - the third subsequent year that we have received this award. The award qualification was based on zero high-impact incidents, high-performance HSE Plan scoring results, HSE walkabout findings and closeout, fuel optimisation, and high operational uptime with no downtime disruptions. Maintaining the award for three years in a row despite the pandemic has spurred us to pursue our passion in delivering powerful solutions.

CLOSING REMARKS

Our sincere thanks to PETRONAS, the Government of Malaysia, our clients and all our other stakeholder groups for the tremendous support provided to us in the year. A great shoutout goes to our crew and employees, who have made sacrifices to keep our operational and safety performance at top level.

As an organisation that was founded, and is currently headquartered in Malaysia, Yinson is committed to contributing back to this country. Thus, we will continue to operate responsibly and do our part to fully support Malaysia's decarbonisation efforts towards a net zero future.