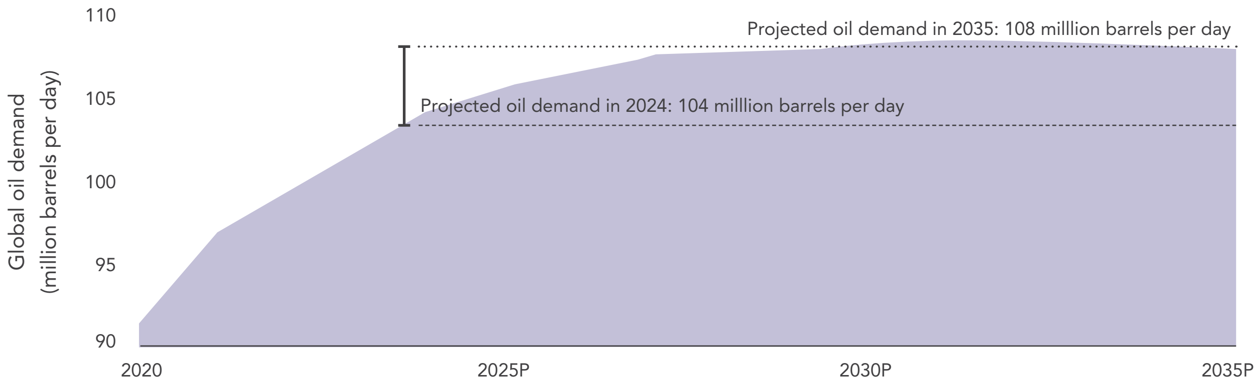
MARKET LANDSCAPE

OFFSHORE PRODUCTION

As global energy demand escalates, offshore production remains crucial to meeting this surge. Global oil demand increased to 101.7 million barrels per day in 2023, according to the International Energy Agency ("IEA"). This marked an uptick from 100.8 million barrels per day in 2022. Brent crude oil prices started the year at approximately USD 77 per barrel, peaking at around USD 86 per barrel mid-year. The market was relatively stable, as it generally traded between USD 75 and USD 85 per barrel throughout the year. This stability underpins a robust FPSO market in 2023.

Global sentiment is shaping energy policies, as nations aim to balance increasing energy demand for economic growth and energy affordability for their citizens paired with sustainability commitments. The uncertain geopolitical climate further emphasises the importance of energy security on global and national levels. Countries are responding by strengthening their energy infrastructure and diversifying energy sources, including offshore oil production, to meet rising demand.

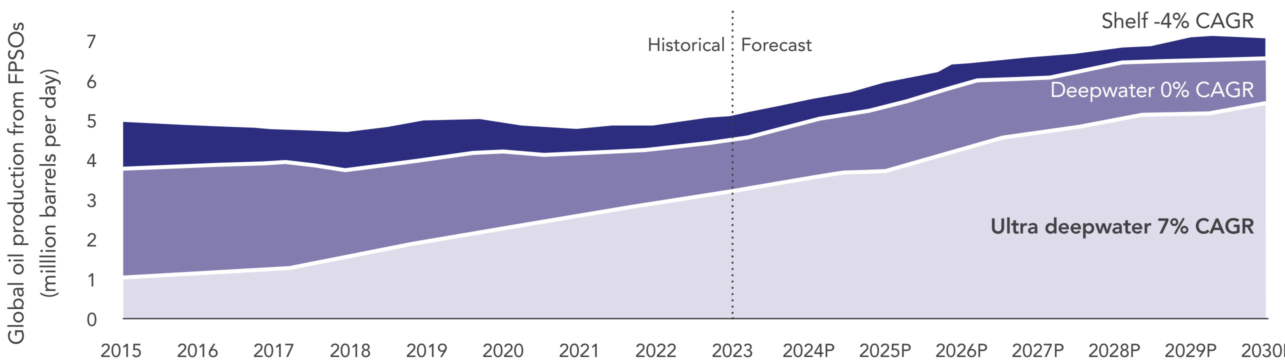
HISTORICAL AND PROJECTED GLOBAL OIL DEMAND



Source: Rystad, Wood Mackenzie, IEA Stated Policies Scenario 2021.

The market for FPSO projects in 2023 continued to demonstrate resilience, buoyed by stable oil prices and consistent demand. Looking forward, the market is poised for substantial growth, with projections indicating a continuing rise in investments over the next five years. This growth trajectory is fuelled by the critical role FPSOs play, not only in production of existing fields, but also in developing production of new offshore oil fields, particularly in deepwater and ultra deepwater settings where they are often the only viable solution.

HISTORICAL AND PROJECTED FPSO OIL PRODUCTION BY WATER DEPTH



Notes: Shelf water depth is <125m, Deepwater depth is 125m to 1500m, Ultra deepwater depth is >1500m; CAGR projection is for 2023 to 2030.

Source: Rystad Energy (July 2023); Energy Maritime Associates – Floating Production Systems Outlook Report, 2023.

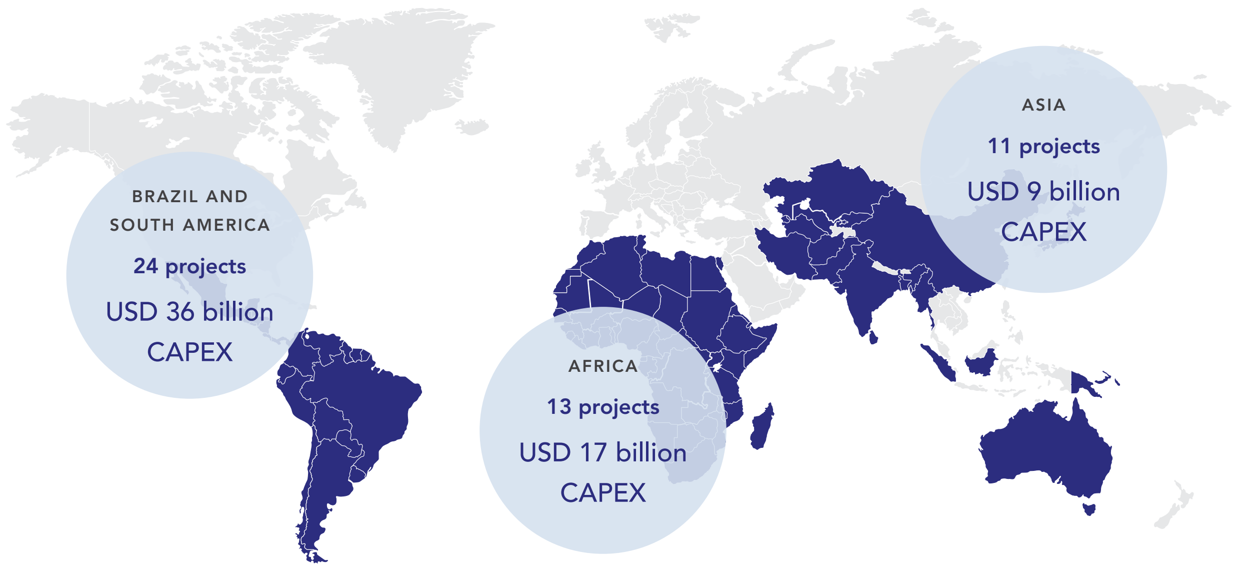
South America, West Africa and Asia are currently the most active markets for FPSO projects and are expected to remain so in the next five years. These regions are projected to host the majority of FPSO projects to be awarded through 2030. This concentration reflects the significant oil reserves in these areas and the ongoing investments by major oil companies to tap into these resources.

PROJECTED FPSO MARKET GROWTH (2024 – 2028)

USD 96 billion
total projected CAPEX

60 FPSO projects
to be awarded

12 FPSO projects
to be awarded per year



Note: Middle case scenario assuming, among others, oil price of USD 60 to 80 per barrel, world economic growth of 3% to 4% per year and global energy demand growth of 1% per year.

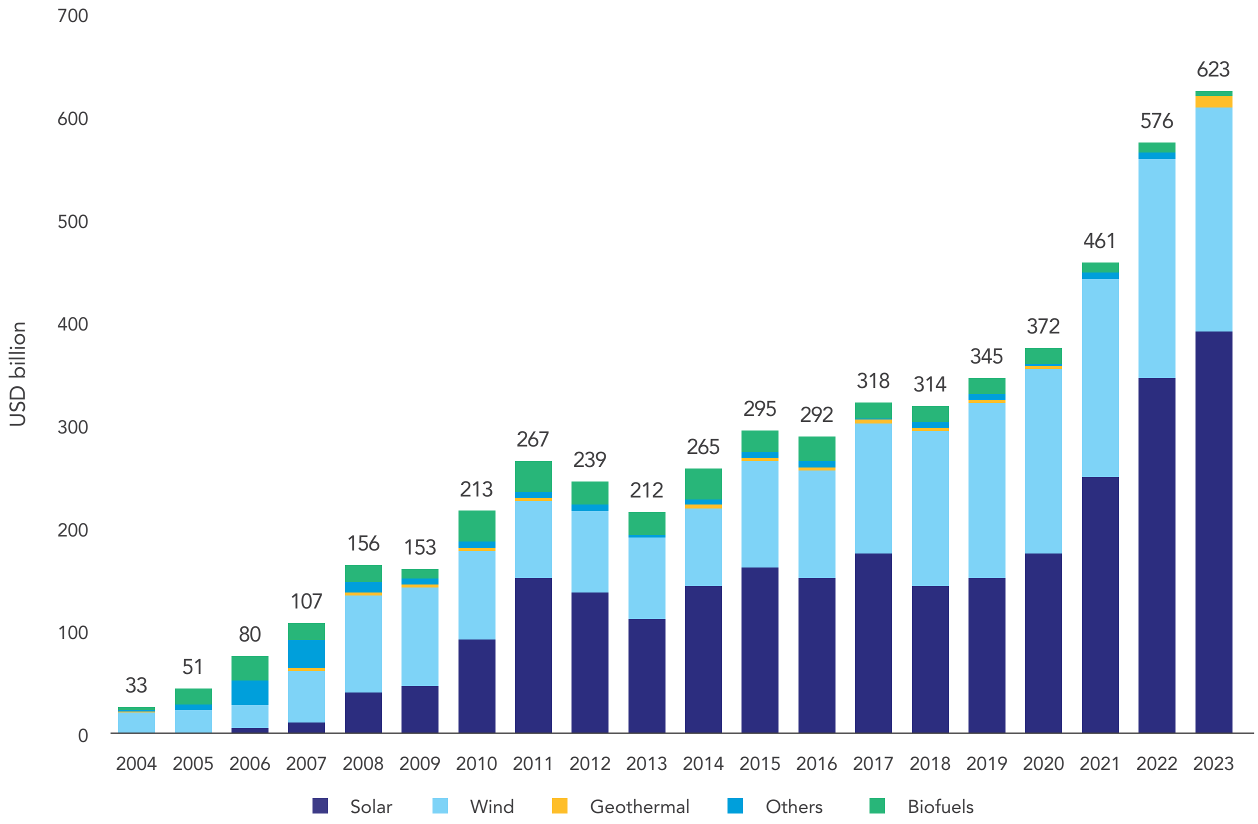
Source: Rystad Energy and Energy Maritime Associates – Floating Production Systems Outlook Report, 2023 Issue 4.

These dynamics underscore the importance of offshore production in the global energy landscape. FPSOs, as a flexible and cost-effective solution, are critical in harnessing offshore natural resources. Yinson's strategic positioning, particularly in key growth regions, aligns with these trends, ensuring that the company remains at the forefront of addressing the complex demands of today's energy market.

RENEWABLES

Electricity consumption is forecasted to almost double by 2050, driven by development and electrification. There is anticipated to be a massive growth in renewable energy share, driven by the energy transition, from about 30% of the energy mix now, to nearly 75% in 2050.

GLOBAL INVESTMENT IN RENEWABLE ENERGY



Source: BloombergNEF, Energy Investment Trends 2024.

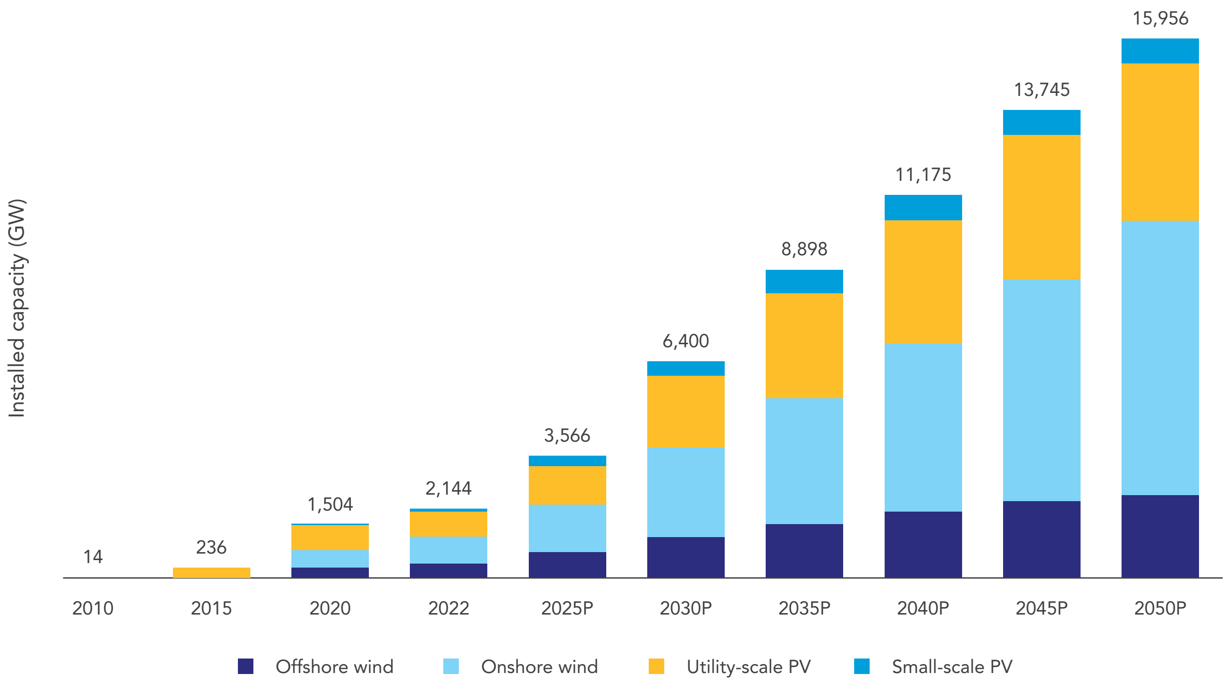
According to Bloomberg NEF, global investments into renewable energy production, excluding large hydro, was USD 623 billion in 2023. Although 8% higher compared to the year before, this rate is notably lower than the growth rate in 2021 and 2022, which saw annual investments rising by 24% and 25% respectively.

Solar continued to be the biggest driver in renewable energy investments in 2023, with large and small-scale solar projects rising by 12%, or USD 393 billion, from the year before. The big drop in solar module prices has meant that solar investments are able to stretch further, boosting capacity generation significantly. Around 414 GW of solar projects were installed in 2023, up 64% year-on-year. During the same period, wind investments reached an all-time high of USD 217 billion, of which around USD 140 billion was directed at the onshore wind market.

Market growth is still largely driven by technological advancements, governmental incentives, and an increasing shift towards green energy by both private and public sectors, not least of which was the global pledge by 130 nations at COP28 to triple renewable energy capacity to around 11,000 GW by 2030. Additionally, the ongoing Ukraine crisis and economic recovery post pandemic has spurred strong political ambition that supports the energy security agenda – bringing about even more positive policy and regulation changes to incentivise the renewables industry.

Onshore wind and solar are anticipated to make up over 95% of all wind and solar projects by 2050. Wind and solar installed energy capacity is expected to multiply by over seven times from 2,144 GW in 2022 to nearly 16,000 GW in 2050. This growth aligns with the pipeline that Yinson Renewables is currently building, which focuses on onshore wind and solar.

HISTORICAL AND PROJECTED INSTALLED CAPACITY FOR WIND AND SOLAR PROJECTS



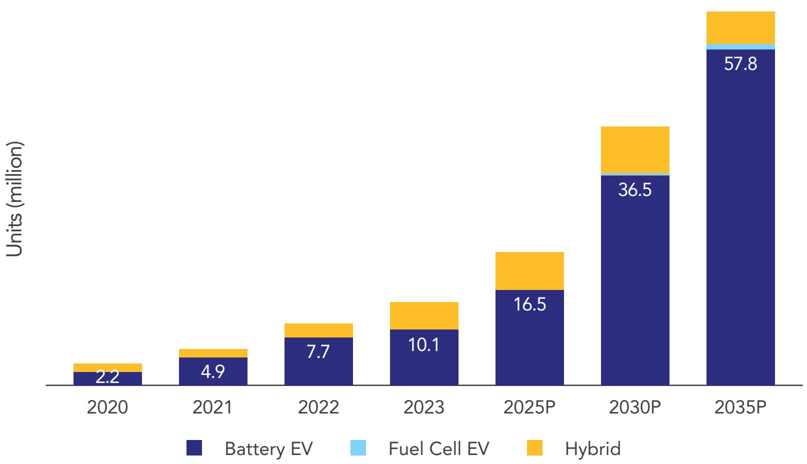
Source: Bloomberg NEF, Outlook 2022, Energy Transition Scenario.

Most renewable energy capacity additions in 2023 were concentrated in China and advanced economies, highlighting the uneven distribution in underserved markets, particularly in parts of Africa, Southeast Asia, and Latin America. These regions present significant growth opportunities due to abundant natural resources and increasing local and international investment in green energy.

In light of these dynamics, Yinson is strategically focusing on developing a balanced renewables portfolio across Latin America, the Asia Pacific, and Europe. By selecting regions with favourable policies and growth potential, Yinson aims to overcome global market challenges and play a pivotal role in the transition to a sustainable energy future.

GREEN TECHNOLOGIES

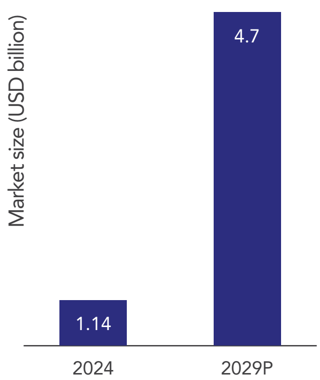
HISTORICAL AND PROJECTED GLOBAL EV SALES



Source: IEA, Global EV Outlook 2024.

ASEAN EV MARKET SIZE

CAGR **32.73%**



Source: Mordor Intelligence.

The significant growth of EV sales worldwide is reflected in Southeast Asia as well, with EV infrastructure expanding in tandem.

EV growth in Malaysia has been exceeding governmental projections, prompting an upward revision of the nation's EV transition targets from 15% by 2030 to 20%; 38% by 2040 to 50%; and 80% by 2050. Malaysia has implemented various incentives to achieve these goals including tax incentives of up to RM300,000 under the National Automotive Policy for companies renting non-commercial EVs, full exemptions on import and duty tax for Completely Built Units (CBU) until end 2025 and full exemptions on excise and sales tax for Completely Knocked Down (CKD) EVs until the end of 2027. In addition, by the end of 2025, the restriction to sell battery EV cars below the threshold of RM100,000 will be lifted. We believe this will be the inflection point for EV adoption. In the two-wheeler segment, the Electric Motorcycle Use Promotion Scheme ("MARiiCas") incentive by the Malaysian government, which provides an attractive rebate for the purchase of e-bikes, has received positive response. With all these measures in place, the tipping point of 5% is expected in early 2026, after which the adoption of EVs is expected to shift from being a niche market to entering the mainstream.

Across the causeway, Singapore aims to deploy 60,000 EV charging points by 2030 comprising 40,000 in public car parks and 20,000 in private premises. This will make the ratio of EVs to chargers approximately 5 to 1, assuming one third of cars on the roads are EVs. The Singapore government also plans to phase out diesel vehicles, with no new diesel car and taxi registrations by 2025 and diesel vans by 2050. Plus, all new car registrations must be of cleaner energy models by 2030 and all internal combustion engine vehicles phased out by 2040.

Singapore continues to take firm action to decarbonise its ports. The Maritime Port Authority ("MPA") has announced a mandate for all new harbour crafts to be fully electric or clean fuelled by 2030. Milestones achieved towards this end include the development and launch of several fully electric vessels, including our own Hydromover – Singapore's first fully electric cargo vessel; and the soon to be launched Hydroglyder – Singapore's first fully electric crew transfer vessel with hydrofoil technology. Currently there are more than 1,600 harbour crafts operating in the Port of Singapore, of which more than 30% are above 20 years of age and will be subject for replacement by 2030. Yinson GreenTech's Hydromover and Hydroglyder will be able to fill the market gap of about 200 vessels under the Crew Transfer and Cargo & Launch vessel segment.

Yinson GreenTech's activities in the areas of land and marine transport electrification align with these trends, and we are positioned to capitalise on the various incentives that are in place. This dynamic business environment has spurred waves of collaborations with like-minded partners who realise that partnerships are critical to the achievement of national commitments, while providing great business opportunities. Our position as an early mover and a leader in the sustainability space has allowed us to capture market share and be in the forefront of the green transportation evolution in the region.

OFFSHORE MARINE

The Malaysian offshore marine sector is expected to experience a significant increase in activity, driven by robust upstream oil & gas activities. The PETRONAS Activity Outlook projects a steady demand for OSVs, which is further supported by a rise in drilling and production activities. The report projects an expansion of 148 vessels from 144, marking an increase from previous years and underscoring the growth in operational and production project-related activities. Additionally, the demand for vessels supporting drilling and project operations is anticipated to grow to 249 in 2024, up from 193 in 2023. This growth underscores a robust demand within the sector, predominantly fuelled by the strategic prioritisation of Malaysian flagged vessels under local contractual agreement.

As the industry navigates these developments, the outlook for OSVs supporting drilling and projects remains steady, despite the persistent shortage of Malaysian-flagged OSVs, which is expected to continue in the near future, underlining the need for strategic planning and investment in fleet modernisation. The Malaysian OSV market, therefore, stands at the cusp of opportunity, ready to leverage its strategic position in Southeast Asia to meet the demands of an evolving offshore marine industry.

MATERIALITY MATTERS

In FYE 2024, Yinson conducted its first Double Materiality Assessment ("DMA"), building on the previous materiality evaluations. This assessment enhances our understanding of sustainability topics that are crucial to our stakeholders, as well as evaluates their impacts on Yinson's strategic priorities and broader environmental and social values.

OVERVIEW

Materiality is pivotal in Yinson's journey of value creation, allowing us to identify and focus on topics that are significantly impactful to our business and stakeholders. Our materiality assessments are instrumental in guiding our decision-making processes, particularly in identifying ESG issues that could materially affect our business value and our relationships with stakeholders. To ensure a comprehensive understanding of stakeholder interests and the impact of our operations, we maintain ongoing engagement and gather stakeholder insights, which in turn guide our strategies and shape how we deliver our products and services.

For FYE 2024, we have significantly refined our approach to materiality assessments with Yinson's first DMA. This assessment builds upon our previous analyses by enhancing the identification, engagement, prioritisation and management of critical sustainability issues. It provides us with a deeper understanding and more detailed insights into how Yinson's activities influence societal and environmental factors (impact materiality), and how social and environmental issues affect Yinson's financial outcomes (financial materiality).

Yinson acknowledges the importance of the Corporate Sustainability Reporting Directive ("CSRD") and the European Sustainability Reporting Standards ("ESRS") as emerging frameworks that require enhanced transparency and accountability from companies. These frameworks promote sustainable changes and introduce stringent requirements for reporting on a double materiality basis. While we have referenced the methodology outlined by the CSRD and ESRS for our DMA, we are still working towards full compliance with their reporting standards. We are committed to reviewing and updating our DMA as required.

Financial Materiality

This 'outside-in' view focuses on how sustainability matters pose a material risk or opportunity that could affect a company's financial performance and position over the short, medium and long-term.

DOUBLE MATERIALITY

Impact Materiality

This 'inside-out' view focuses on the actual or potential short, medium, and long-term impacts on people or the environment that are directly linked to a company's operations and its value chain.

YINSON MATERIAL MATTERS - KEY TAKEAWAYS

Occupational Health and Safety ("OHS") is classified as our most material topic due to the nature of our business and expansion. Yinson adopts a robust management approach to effectively manage OHS impacts. Yinson's stakeholders also highlighted balancing business growth and performance, with capital allocation as a key concern. This could be effectively managed with a clear transition strategy, capital allocation plan and an emphasis on business innovation, to ensure business continuity.

To that end, inclusive energy transition is central to our strategy, with a significant impact on our financial landscape and society at large. However, rising investment costs of low-carbon and renewable energy continue to be a concern, necessitating support from like-minded partners. Climate change and carbon management is key to Yinson's business continuity strategy. While decarbonisation and optimisation efforts may be capital intensive in the near term, they serve as enablers for sustained business operations into the future. Yinson Production is exploring new and innovative energy and carbon solutions to establish a leadership position in this domain, providing a competitive advantage over our industry peers in the long term.

Our stakeholders are in unequivocal agreement that Yinson's commendable performance in corporate governance and business ethics should be upheld. Any deviation from compliance standards would have far-reaching consequences, causing severe damage to the company's reputation, credibility, and overall standing in the business landscape. Lastly, with rising environmental and social concerns in the value chain, supply chain management has become a key issue among our stakeholders.

YINSON'S DOUBLE MATERIALITY ASSESSMENT PROCESS

STEP 1
Identify material matters

The assessment began with the identification and compilation of a comprehensive list of sustainability topics that could impact Yinson and its operations. Yinson's sustainability functions conducted a materiality comparative assessment, taking into account the applicable operating sectors, geographical areas of operations and our value chain to identify relevant sustainability matters.

For a holistic and comprehensive comparative assessment, we referenced applicable sustainability frameworks including Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Petroleum Industry Environmental Conservation Association (IPIECA), as well as the material topics from Yinson's previous materiality assessments and those from global and regional peers, investors and shareholders. In addition, we accounted for sector-agnostic sustainability trends, giving us insights into emerging material matters.

STEP 2
Stakeholder engagement

Yinson engaged with our internal and external stakeholders through a series of interviews and questionnaires to understand the impacts of our business activities and seek feedback on material sustainability matters. Stakeholder engagement is an important tool to understand our stakeholders' perspectives and expectations regarding sustainability matters. In addition, new sustainability matters might be raised for consideration during the DMA. The quantitative and qualitative input from our stakeholders informed the assessment of impacts, risks and opportunities.

Yinson's approach to stakeholder engagement, pg 154 - 159.

STEP 3
Materiality impact analysis

Yinson conducted an impact analysis, supported by the outcomes from Steps 1 and 2. This analysis aims to define the impacts, risks and opportunities from the identified material matters from the perspective of impact materiality and financial materiality.

Yinson has enhanced our stakeholder analysis by referencing the salience model, which classifies and prioritises stakeholder input based on three key attributes: power, legitimacy, and urgency. The outcome of the analysis informed the prioritisation of material matters, material matrix plot, and the identification of key management approaches for material matters.

STEP 4
Validation and integration into strategy and reporting

A list of the top 14 most material matters was finalised as Yinson's Material Matters 2024. The revised material matters were subjected to thoughtful internal discussions with key stakeholders and the Senior Management to ensure strategies and action plans remained aligned. The revised material matters and matrix were presented to our Board and Senior Management for final review and approval.

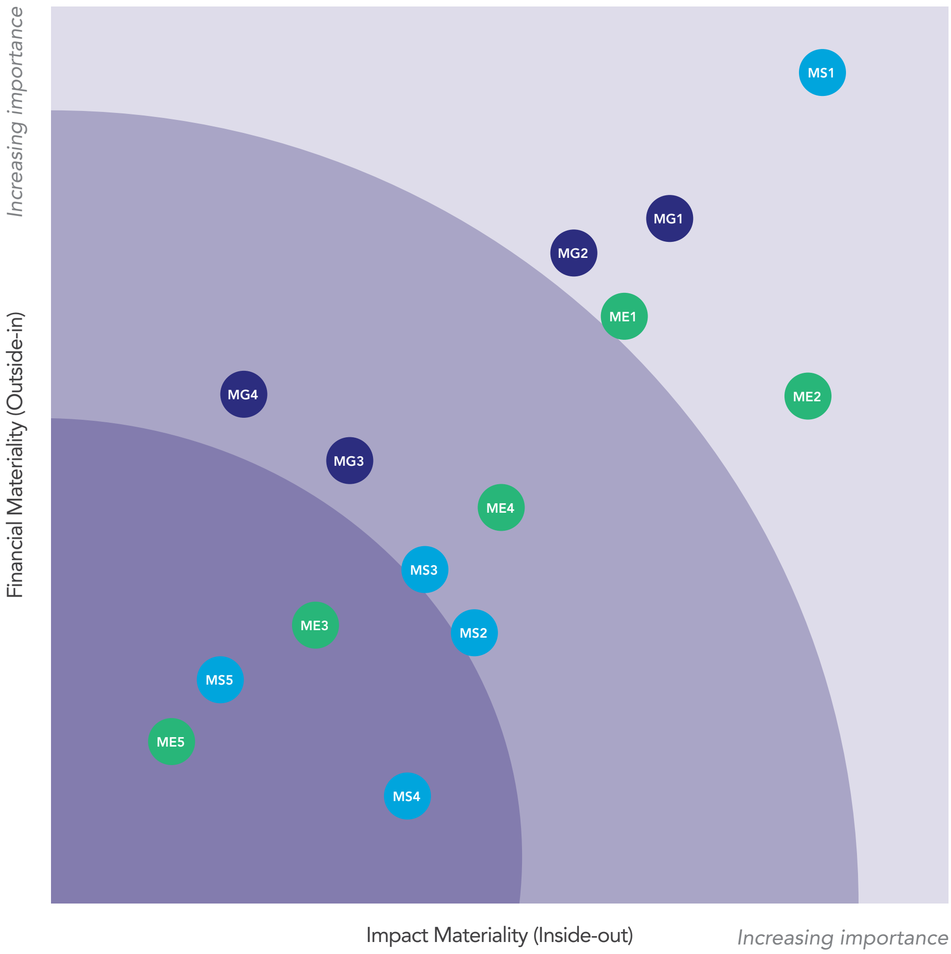
Impact Legends: ● *Low* ●● *Medium* ●●● *High*

Material Matters	Financial Materiality	Impact Materiality	Definition	Capital	UN SDGs
ME1 Climate Change & Carbon Management	●●●	●●●	Integrate and adopt climate considerations for business resiliency and manage decarbonisation efforts through technology-driven optimisation and low-carbon processes.	C6	7, 9, 13
ME2 Inclusive Energy Transition	●●●	●●●	A balanced approach to the trilemma to support the global energy shift towards an equitable and inclusive low-carbon economy through renewable and innovative low-carbon solutions.	C6	7, 9
ME3 Biodiversity Management	●●	●●	Strategies to reduce negative impact from operations to enhance ecosystem resilience through partnerships and conservation efforts.	C6	14, 15
ME4 Environmental Management	●●	●●●	Responsible management of materials, encompassing their acquisition, disposal, and effective measures to address waste, water, effluent, and air pollution.	C6	7, 14, 8, 15, 9
ME5 Resource Efficiency	●	●	Responsible use of input material in product development, construction, and operations.	C2	8, 9
MS1 Occupational Health & Safety	●●●	●●●	Provision of secure working conditions and systems to safeguard human health and well-being in all operations.	C4	3, 8
MS2 Human & Labour Rights	●●	●●	Maintenance of key principles relating to human rights and labour standards as those defined by international conventions.	C4	4, 8, 5, 9
MS3 Human Capital Development	●●	●●	Maintain our standing as an employer of choice through utilising competitive programmes that attract, retain and reward employees.	C4	4, 8, 5, 9
MS4 Community Engagement	●	●●	Collaboration with local communities where we have operations on environmental and social projects that benefit the wider public.	C5	3, 9, 4, 13, 5, 14, 7, 15, 8
MS5 Diversity, Equality & Inclusion	●●	●	Foster an open and all-inclusive work culture for an equitable and diverse workforce.	C5	5, 8

Impact Legends: ● *Low* ●● *Medium* ●●● *High*

Material Matters	Financial Materiality	Impact Materiality	Definition	Capital	UN SDGs
MG1 Business Management & Performance	●●●	●●●	Continuously optimising and innovating business processes for financial performance and safeguard against fluctuating economic conditions and market sentiment.	C1	7, 8, 9
MG2 Corporate Governance & Business Ethics	●●●	●●●	Business policies and practices to ensure ethical, transparent and responsible corporate governance.	C3	8, 9
MG3 Sustainable Supply Chain Management	●●	●●	Enhancing supply chain resilience through supplier and contractor management while promoting sustainability principles throughout the value chain.	C5	8, 9
MG4 Digital Transformation	●●●	●●	Integrate digital solutions into business processes and operations to optimise business performance and ensure digital systems and assets are safeguarded against external cyber threats.	C3	8, 9

YINSON MATERIALITY MATRIX 2024



Points of Differentiation
Topics where Yinson can lead.

Value Enhancement
Topics which can add operational value to Yinson.

Value Protection
Foundation topics for Yinson.

STRATEGY REVIEW

COMMENTARY BY CHAI JIA JUN, GROUP CHIEF STRATEGY OFFICER

2023 was no ordinary year. Changing macroeconomic conditions disrupted markets, tested our resilience and challenged our assumptions. Yet, it was precisely during these uncertain times that our strategy proved its mettle. We adapted our pace and processes in alignment with changing market factors, while continuing to adhere to our business strategies. We kept focused on our purpose and made decisions in alignment with our Core Values.

KEEPING A CLEAR FOCUS ON THE ENERGY SPACE

The growth of our businesses throughout 2023 reaffirmed that our strategic direction of focusing on the energy space, specifically energy infrastructure, is sound.

Infrastructure has always been an attractive asset class, as they usually have contracted revenue streams from companies with high credit ratings, providing stable and consistent long-term returns. Lately, global structural shifts towards a low-carbon economy, coupled with urgent pushes from governments for self-sufficiency and energy security, is causing infrastructure investments – especially sustainable infrastructure investments – to be even more in vogue. I echo the observation Larry Fink made when BlackRock acquired Global Infrastructure Partners in early 2024, i.e. "Policymakers are only just beginning to implement once-in-a-generation financial incentives for new infrastructure technologies and projects."

All our key businesses contribute to building energy infrastructure that empowers communities, drives economic growth, and protects the environment for current and future generations. While our businesses are united by this clear, shared purpose, each business has its own unique growth strategy, shaped by differing market factors, business models, and business maturity.

TRANSITION FOCUSED, WITH VARYING SPEEDS ADAPTED TO MARKET CHANGES

We continue to be transition-focused as a Group. With that as our overarching strategy, we consciously adjust various levers to balance the speed of our transition with global market factors such as inflation and supply chain constraints, as well as the high capital costs that our businesses require to grow.

Our Core Values have been key to how we have successfully navigated the current volatile environment. Investing into building an open, conducive working environment, supported by technology and digitalisation, has helped us to attract the best people and allow them to do their best work. Latest market information, coupled with robust stakeholder management, allows swift analysis and decision-making by our diverse global team.

The Business Reviews in this Report provide more details on the market contexts which influenced our decisions and outcomes in 2023, as well as the outlook for the years ahead.

Business Reviews, pg 68 - 91.

POSITIONING OF YINSON'S BUSINESSES IN THE ENERGY INFRASTRUCTURE VALUE CHAIN

YP

YINSON Production

Conventional energy infrastructure

- Mature business model.
- Strong market outlook, with stable cash flows.
- Derived from finite resource.
- Limited competition.

YR

YINSON Renewables

Renewable energy infrastructure

- Proven technology and business model.
- Solid pipeline maturing towards construction and operations.
- Derived from infinite resource, ESG-positive.
- Higher competition.

YGT

YINSON GreenTech

Infrastructure, innovation and solutions for the electrification of mobility

- Building industries of the future in a region that has significant opportunities.
- New and developing business model.
- ESG-positive.

FO

FAROSSON **Mobilising capital in the sustainable infrastructure space**

Empower communities | Drive economic growth | Protect the environment

STEADY PROGRESS AGAINST OUR STRATEGIC GOALS

In last year's Report, we shared that we had implemented greater decision-making autonomy in our businesses. The strengthening of functions, manpower, and expertise that was enacted as part of this exercise has enabled our businesses to respond with much greater agility to risks and opportunities throughout 2023.

Tangible positive outcomes of the decentralisation exercise were apparent across all our businesses.

In our most mature business, Yinson Production, we invested during the financial year to build FPSOs that are more efficient, technologically advanced, and low-carbon. This, together with our excellent safety and operations track record and over USD 22 billion in contracted cash flows over the next three decades, has helped us to greatly strengthen our platform value. We are in a stronger position than ever now to capitalise and build stronger strategic partnerships with parties that see the value of our platform. We believe this will unlock Yinson's greatest value yet and allow us to construct the right capital structure to maximise this growth.

During the year in review, Yinson GreenTech tenaciously developed its five businesses that form an integrated ecosystem that drives the electrification of land and sea transport. When our solutions hit the market, they were met with an explosion of interest from local governments and top corporations in the region eager who are eager to decarbonise. Many partnerships were forged, and many commitments delivered, positioning Yinson GreenTech as a preferred solution provider in the transport electrification space regionally.

Yinson Renewables now has 585 MW in construction, and 463 MW in operation – marking a strong progression of our pipeline. This progress bodes well with the evolving macroeconomics of the renewables scene. Shifting of the valuation focus may open up different opportunities in the segment. Our sound fundamentals have allowed our renewables business to adapt well to the present realities of high interest rates, and supply chain and infrastructure constraints. Despite the constraints, we see good pockets of opportunities in the renewables market.

UNWAVERING COMMITMENT TO AREAS THAT ARE CARDINAL TO OUR STRATEGY

STRATEGIC FOCUS AREAS

Staying true to our purpose: ESG and transition	Delivering value to our shareholders	Building our 'war chest'	Keeping our covenants	Safeguarding our credit ratings

Even as our businesses adapt their strategies in response to changing market risks and opportunities, we diligently make sure that they continue to align to areas that are cardinal to our Group strategies.

#1 Staying true to our purpose: ESG and transition

Every strategic decision we make leads us back to the fulfilment of our purpose: We operate in the energy infrastructure space. We are in the energy transition business. We are future-focused. We aim to bring positive impacts to the community, environment, and economy. Our foundations are built with a clear sustainability purpose.

Inclusive energy transition, pg 96 - 97.

#2 Delivering value to our shareholders

Over the years, Yinson has continued to provide steady returns to our shareholders while growing the company, as demonstrated in the graph below. Delivering such value, and increasing it, continues to be a priority for us moving forward. In the nearer term, this means investing in the growth of our FPSO business, without compromising on our commitment to devote at least 30% of equity Group-wide to non oil-based FPSO activities by 2030.

Yinson's share price has demonstrated a consistent upwards trajectory over the past five years which outpaced KLCI index, from a low of RM1.77 to a high of RM3.15 and averaging around RM2.42. This attests our proven business model, sound financial management as well as our continuous commitment towards delivering long-term value to our shareholders.

KLCI VS YINSON SHARE PRICE (5 YEARS)

In line with this focus area, we continue to step up our engagement activities with our shareholders as buildling a better understanding of our business is key to the creation of a strong and supportive shareholder base. In January 2024, we invited our major shareholders for an in-person dialogue with our Board and Senior Management. Here, we discussed key shareholder concerns, including dividend yield, capital allocation plans, updates on our new businesses, new risks and opportunities, and strategic targets.

#3 Building our 'war chest'

In recent years, Yinson has gone through a phase of intensive, high CAPEX expansion. With the CAPEX into growth assets in the FPSO business, as well as the introduction of Yinson Renewables, Yinson GreenTech and Farosson into our fold, we acknowledge the need to build a different kind of war chest and capital structure. The strengthened tax, treasury and finance functions for various businesses have worked hard in the period under review to build strong liquidity management strategies that serve to fuel continued growth, buffer against uncertainty, safeguard the company, maintain market confidence and allow greater strategic manoeuvring.

In 2023 and to date, the Group has embarked on several initiatives that have allowed us to strategically reprofile our debt repayments. Some notable initiatives include:

- August 2023: Yinson Production secured a USD 230 million term loan facility in relation to FPSO Maria Quitéria with Global Infrastructure Partners.
- December 2023: Yinson Production closed a corporate loan facility of up to USD 500 million.
- March 2024: The Group completed a private placement that raised RM283.2 million to fund our energy transition businesses.
- April 2024: Yinson Production placed a USD 500 million senior secured bond issue in the Nordic bond market, which marked our debut in the international capital markets.
- April 2024: Yinson Production secured a USD 1.3 billion project financing for FPSO Agogo, a multi-tranche financing with a maturity of up to 10 years post-delivery of the asset.

We also completed several other financial exercises that support our transition journey. Our success in this area has allowed us to further free up our free cash flows to bolster growth. These tactical financial strategies increase the attractiveness of our investor proposition as we continue to explore strategic partnerships to further unlock the value of our businesses.

Cash flows and liquidity, pg 41 - 42; Business Management & Performance, pg 120 - 122.

#4 Keeping our covenants

Yinson's financing activities, primarily through the drawdown of loans and borrowings, are used to fund our ongoing and new FPSO projects, finance our growth, and strengthen our cash position. Keeping our covenants are absolute requirements when planning and deploying our capital strategies and market activities. This is both a risk management measure and a way to ensure that we are building our businesses on the right capital structure.

#5 Safeguarding our credit ratings

Our strong credit ratings are an important assurance of our reliability and trustworthiness. Over the years, our strong ratings have instilled investor confidence, opened access to capital at more favourable terms, and provided access to more investment opportunities.

Yinson has A1/stable and A+/stable ratings from RAM Ratings and MARC respectively. Both agencies acknowledged Yinson's strong business profile, underpinned by recurrent sizeable long-term FPSO contracts which are unaffected by crude oil prices. RAM and MARC also noted Yinson's strong track record of FPSO deliveries and operations.

Further expanding and improving our investor ratings to reflect our constantly evolving business outlook and global presence is one of our strategic workstreams.

SEIZING OPPORTUNITIES WITHIN KEY MACROECONOMIC TRENDS

In response to mounting inflationary pressures and economic recovery, central banks worldwide embarked on a series of interest rate increases to balance growth and price stability. These actions had significant implications on capital availability and valuations and returns on assets, affecting borrowing costs, investment decisions, and overall economic dynamics globally. Here, Yinson's excellent track record of delivery and operations, prudent financial management and long-standing financial partnerships allowed us to continue securing the capital needed to execute our growth plans and manage our debt profile well.

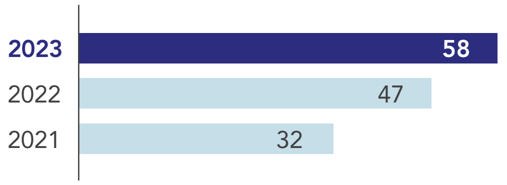
Ongoing geopolitical tensions, triggered by the Russia-Ukraine conflict, have led to sanctions, soaring energy prices and recession risks. These contribute to the most complex and severe energy crisis the world has ever seen, with conversations about energy security dominating the world stage. This has led to strong opportunities for the FPSO industry. Yinson's position as one of the top FPSO providers globally puts us in a favourable position to secure balanced contracts that suit our capabilities and climate commitments. Our activities in renewables, green technologies, and sustainable asset management have also seen an increase in opportunities as the world seeks to diversify its energy sources and build critical infrastructure for clean energy distribution.

The energy industry continues to be subjected to mounting pressure from all directions, including from intergovernmental organisations, governments, the financial community, and the ESG movement. This has resulted in increased regulatory requirements that aim to balance the multilayered and complex interests of all parties. The rising costs of compliance and new regulations, such as Global Minimum Tax, could pose challenges for companies which have inadequate cash buffers and regulatory experience. In this respect, the investment that Yinson has made over the years to build strong corporate functions and practices allows us to respond ahead of our peers.

2023 brought about a seismic change in the ESG and climate landscape, with the world upping the ante on everything from greenwashing to stricter climate target disclosures, alongside increased politicising of ESG investing. Investor scrutiny and expectations on ESG performance is higher than ever before, greatly affecting access to capital. We believe that these conditions favour players with a strong transition story and track record. Yinson has mapped out a clear transition plan and are committed to disclosing our progress against those plans. With this, we have built a track record that demonstrates our capabilities of meeting our ESG targets, opening up opportunities to access capital and execute our growth plans.

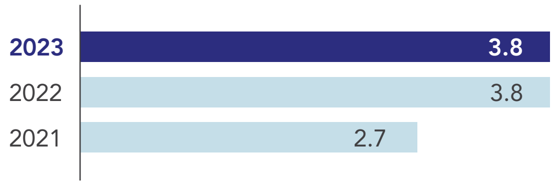
WE MAINTAIN OUR POSITION AS A TOP-RATED ESG COMPANY, MARKING STEADY IMPROVEMENTS Y-O-Y

S&P CSA
(OIE Energy Equipment & Services)



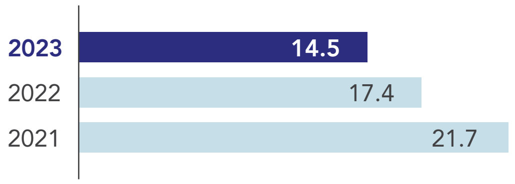
ESG Score: 58
(Without modeling. Modelling score contribution: +4)
Y-o-Y improvement: 23.4%

FTSE4GOOD
(Oil Equipment & Services)



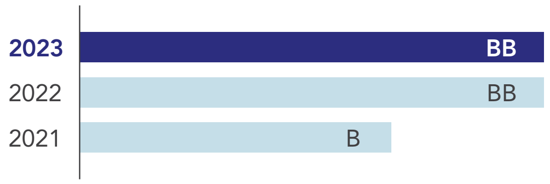
ESG Rating: 3.8
Y-o-Y improvement: Maintained

SUSTAINALYTICS
(Oil & Gas Equipment)



ESG Risk Rating: 14.5 (Low Risk)
Y-o-Y improvement: 16.7%

MSCI
(Energy Equipment & Services)



ESG Ratings: BB
Y-o-Y improvement: Maintained

CLOSING REMARKS

Risks and opportunities are always evolving, and Yinson continues to adapt our strategies in tandem. Throughout, we always keep our goal of providing energy security to countries and communities in sight. This has led us to take a careful, yet bold approach to our growth, where we balance innovation and disruption with sound governance and data-based decisions.

We are confident that our strategic decisions allow us to manage our key risks moving forward, while providing a clearer direction on the opportunities we should consider. We thank you for partnering with us on our journey towards a sustainable, equitable, and energy-secure future for all.

VISION, MISSION, CORE VALUES, AND PURPOSE

PURPOSE STATEMENT

To provide reliable and sustainable energy infrastucture that empowers communities, drives economic growth and protects the enviroment for current and future generations.

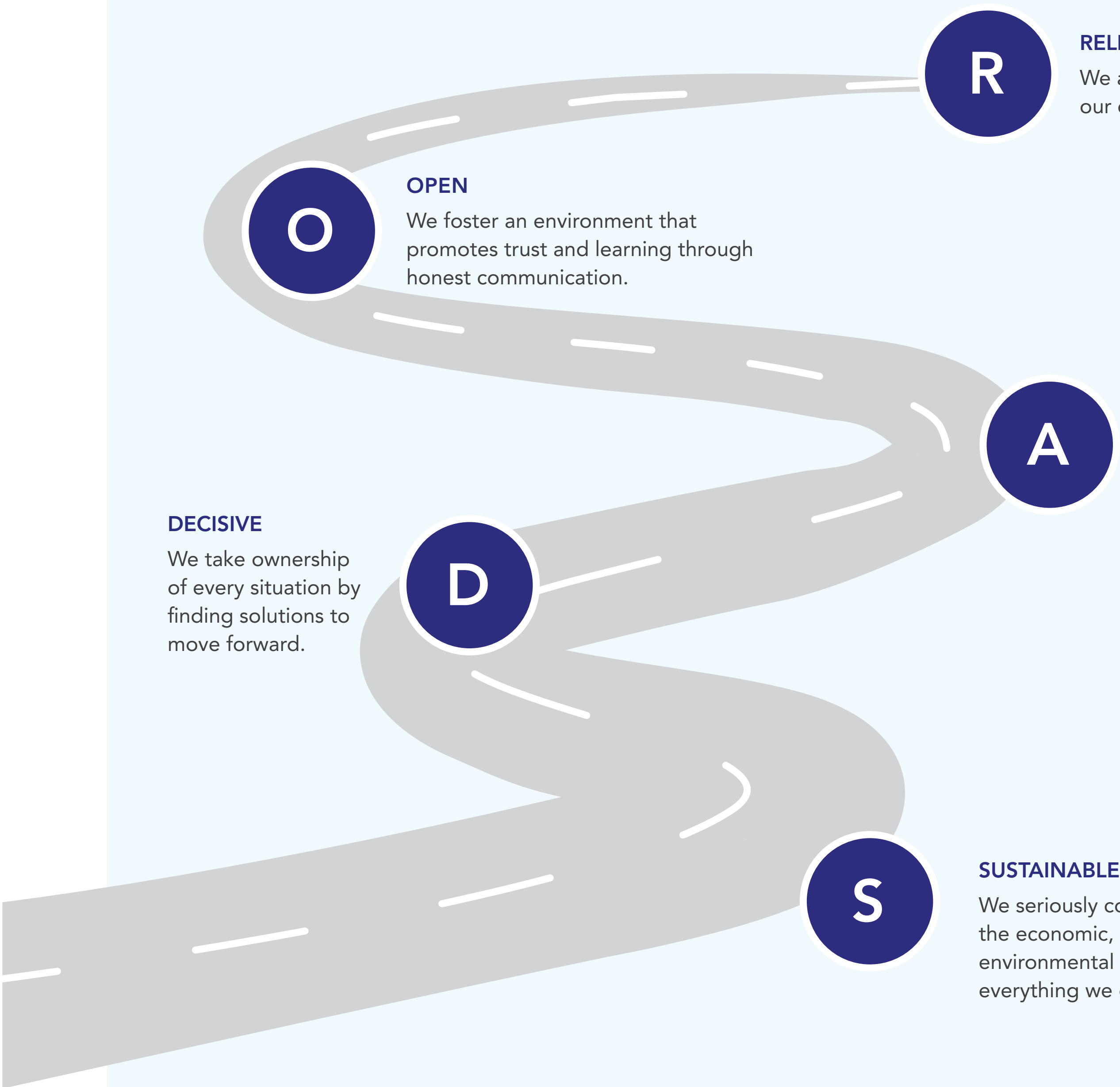
VISION

To be a global energy solutions provider that is known for being reliable, open, adaptable, decisive and sustainable.

MISSION

Passionately delivering **powerful** solutions.

CORE VALUES



RELIABLE
We always deliver on our commitments.

OPEN
We foster an environment that promotes trust and learning through honest communication.

ADAPTABLE
We understand our stakeholders and collaborate to realise our common goals.

DECISIVE
We take ownership of every situation by finding solutions to move forward.

SUSTAINABLE
We seriously consider the economic, social and environmental impact of everything we do.

OUR BUSINESS VALUE CREATION MODEL

YP Yinson Production processes oil & gas from seabeds for energy generation and manufacturing

YINSON Production

YR Yinson Renewables develops, builds and operates renewable generation facilities to deliver and sell energy

YINSON Renewables

YGT Yinson GreenTech provides clean, technology-based products and services for transport ecosystems across land and sea

YINSON GreenTech

RO Regulus Offshore provides support services to offshore assets

Regulus OFFSHORE

	Yinson Production	Yinson Renewables	Yinson GreenTech	Regulus Offshore
CLIENTS AND NATURE OF RELATIONSHIP	Charterers in the oil & gas industry, typically oil majors or national oil companies. We maintain long-term relationships with a small client base, with the quality of the relationship dependent on our operational service achievements.	Primarily government-owned or public listed power utilities and industrial/commercial customers. We maintain long-term relationships with an industrial and public client base, with the quality of the relationship dependent on our reliable delivery of contracted power.	• Businesses looking to decarbonise their fleet operations, both land and sea. • Individuals and communities who wish to transition to electric mobility/transportation.	Offshore oil & gas companies, offshore wind operators and offshore marine operators. We maintain a small client base, with the quality of the relationship dependent on our operational service achievements.
CLIENT VALUE PROPOSITION	Provision of processing, storing and offloading of crude oil and gas from subsea reservoirs through the design, construction, leasing and operation of production assets for the offshore oil & gas industry.	Provision of stable and reliable power generated from renewables assets to the relevant power grid.	Provision of accessible and affordable, environmentally friendly, easy-to-use, technologically enhanced and integrated, zero carbon ecosystem of products and services across land and marine transport.	Provision of support services to offshore production assets such as crew transfer, provision of supplies and maintenance services.
KEY ACTIVITIES	• Securing quality projects. • Delivering projects on time and on budget. • Delivering industry-leading safety and operations performance.	We participate in the full renewables value chain: • Finding, evaluating and securing sites. • Designing and developing assets, including securing grid applications, power sales and financing. • Carrying out pre-construction and construction work. • Owning and operating the asset.	• Accelerating the adoption and adaptation of electric vehicles and vessels. • Supporting commercial and industrial customers in meeting their own net zero ambitions. • Providing a digital platform for prototyping innovations and commercialisation of integrated technologies. • Partnering with like-minded companies to expand businesses in the region.	• Preparation of and participation in bids. • Performing support services for offshore assets.
REVENUE MODEL	Fixed, daily hire rate for the duration of the contract, with incentives for good performance.	Recurring stable revenue once operational and power sales start.	• Lease and operation of electric vehicle and vessel fleets. • Subscription-based and pay-per-use for charging infrastructure. • Licensing-based white-labelled software solutions.	Fixed charter rates based on contracts.
KEY COSTS	Asset construction and conversion, salaries, interest payments, asset operations and maintenance, insurance.	Asset development and construction, salaries, local partnerships, interest payments, asset operations and maintenance.	Purchase, deployment, integration and upkeep of assets and infrastructure, R&D of new technologies, insurance and administration, salaries, interest payments, investments into strategic technology companies.	Salaries, upkeep of assets.
KEY PARTNERSHIPS	Ship builders, bankers and lenders, investors, major subcontractors.	Local & state governments, local development partners, contractors & suppliers, local regulators, bankers & lenders.	Governments, research institutions, marine and mobility supply chains, industry peers.	Shipyards, regulators, crewing agencies.

VALUE CREATION AT YINSON | OUR BUSINESS VALUE CREATION MODEL

YINSON

PURPOSE STATEMENT

To provide reliable and sustainable energy infrastructure that empowers communities, drives economic growth and protects the environment for current and future generations

VISION

To be a global energy solutions provider that is known for being reliable, open, adaptable, decisive and sustainable

MISSION

Passionately delivering **powerful** solutions

CORE VALUES

- R Reliable
- O Open
- A Adaptable
- D Decisive
- S Sustainable

CLIMATE GOALS

We aim to be carbon neutral by 2030 and net zero by 2050.

INPUTS

C1 FINANCIAL CAPITAL

- RM3,063 million cash and money market investments.
- RM16,319 million total loans and borrowings.

C2 MANUFACTURED CAPITAL

Offshore Production
- 6 assets in operation.
- 3 assets under construction.

Renewables
- 463 MW solar plants in operation.
- 585 MW renewable energy assets under construction/ pre-construction.

Green Technologies
- >400 installed charging stations.
- 200 EV leasing vehicles.
- >120 e-bikes.
- 31 e-bike battery swapping stations.
- 2 fully electric harbour craft vessels.

Offshore Marine
- 4 offshore support vessels.

C3 INTELLECTUAL CAPITAL

Offshore Production
- Pilot world's first offshore CCS plant on FPSO Agogo.
- 2 active investments into companies involved in the carbon value chain.
- USD 2.5 million technology development grant for carbon capture plant studies.
- Zero Emissions FPSO Concept.

Green Technologies
- >6 active investments into strategic green technologies companies.
- Full software stack for charge point operations and fleet management solutions.
- >7 active R&D partnerships.
- 2 marine vessels undergoing operational trials and flight testing.

C4 HUMAN CAPITAL

- 1,592 total regular employees.
- 134,374 employee training hours.
- 42 leaders completed Yinson L.E.A.D. Programme to date.
- 483 employee learning hours on Human & Labour rights.
- 752 employees trained on health on safety standards.
- Average 40 hours of OHS and Emergency Response training per employee.

C5 SOCIAL & RELATIONSHIPS CAPITAL

- RM1.91 million community investment.
- 980 employee volunteering hours.
- RM100,000 disbursed through Y4Y Grant.
- 10 analyst briefings.
- 78 investor meetings.
- 93% of offshore production quotations requested from in-country suppliers.
- 3 site audits conducted for Tier 1 suppliers.
- >400 participants attended Yinson's flagship investor event, sYnergy.

C6 NATURAL CAPITAL

- 3,247 GWh energy consumption.
- 12.2 ML water consumption.

STRATEGIC FRAMEWORK AND BUSINESS ACTIVITIES

30 by 30

ENVIRONMENT
- CLIMATE CHANGE
- CLEAN ENERGY
- WATER

SOCIAL
- HEALTH AND SAFETY
- DIVERSITY, EQUALITY & INCLUSION
- HUMAN CAPITAL DEVELOPMENT
- COMMUNITY ENGAGEMENT

GOVERNANCE
- SUSTAINABLE SUPPLY CHAIN
- DATA PRIVACY & SECURITY
- ESG RATINGS & ASSURANCE
- ANTI-BRIBERY & ANTI-CORRUPTION

GROUP STRATEGIES

- GS1 Operationalise ESG
- GS2 Forefront of innovation & disruption
- GS3 Create sustainable shareholder value
- GS4 Tactical financial management
- GS5 Build a platform for growth
- GS6 Empower decision-making

BUSINESS
CAPITAL
ORGANISATIONAL

CREATE SYNERGISTIC VALUE

BUSINESS STRATEGIES

- YP Pg 68 - 75
- YR Pg 76 - 80
- YGT Pg 81 - 87
- FO Pg 88
- RO Pg 89 - 91

MATERIAL TOPICS

- ME1 Climate Change & Carbon Management
- ME2 Inclusive Energy Transition
- ME3 Biodiversity Management
- ME4 Environmental Management
- ME5 Resource Efficiency
- MS1 Occupational Health & Safety
- MS2 Human & Labour Rights
- MS3 Human Capital Development
- MS4 Community Engagement
- MS5 Diversity, Equality & Inclusion
- MG1 Business Management & Performance
- MG2 Corporate Governance & Business Ethics
- MG3 Sustainable Supply Chain Management
- MG4 Digital Transformation

STAKEHOLDER GROUPS

- S1 Bankers & lenders
- S2 Clients & customers
- S3 Crew
- S4 Employees
- S5 Governments & regulatory bodies
- S6 Industry
- S7 Investors & shareholders
- S8 Local communities
- S9 Equity partners
- S10 Suppliers

We align our business activities with nine key SDGs.

We incorporate and uphold the Ten Principles of the UN Global Compact into our strategies, policies and procedures.

WE SUPPORT
UN GLOBAL COMPACT

We support the Task Force on Climate-related Financial Disclosures.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CLIMATE FRAMEWORK

- CARBON REDUCTION
- CARBON COMPENSATION
- CARBON REMOVAL

CDP DRIVING SUSTAINABLE ECONOMIES

We participate in the Carbon Disclosure Project.

OUTPUTS

YINSON PRODUCTION

- **58.9 million** barrels of oil equivalent produced
- **100%** commercial uptime
- **99.7%** technical uptime

YINSON RENEWABLES

- **366 GWh** net power generated
- **~354,941 tonnes CO_2e** carbon avoided

YINSON GREENTECH

- **5** integrated land and marine electrification businesses
- **5 commercial partnerships** that leverage the full ecosystem
- **>1,000 charging points** supported on e-roaming network
- **3,324.7 MWh** energy delivered through chargEV

- **517 tonnes** total waste generated
- **2,643 ML** water discharged
- **2.05 million tonnes CO_2e** Group carbon emissions

OUTCOMES

- RM11,646 million Revenue.
- RM3,029 million Adjusted Core EBITDA.
- RM1,109 million Core PAT.
- RM11,719 million Adjusted Revenue.
- RM964 million PATAMI.
- 28.5 sen Basic Earnings per Share.

Offshore Production
- Reliable, affordable and accessible energy solutions to safeguard energy security and support economic growth in the regions where we operate.

Renewables
- Clean energy to support economic growth in Latin America, Asia Pacific and Europe.

Green Technologies
- Products and services that build an integrated, technology-based transportation ecosystem across land and sea.
- Facilitated ~21,000,000 km travelled on electricity through chargEV for our customers.
- Facilitated ~281,000 km travelled on electricity through drivEV for our customers.

Offshore Marine
- Support the delivery of offshore energy products.

- Development of new and future low emissions technologies to decarbonise FPSO operations.
- Strengthening of carbon value chain to serve all industries, especially hard-to-abate sectors.
- Development and commercialisation of novel green technologies.
- Spur further innovation and research on low-carbon offshore solutions and technology-based green transport solutions.

- 0.06 LTIF and 0.36 TRIF.
- 9.29% voluntary regular employee turnover rate.
- 7.4 employee engagement survey score.
- Average 3.4 years employed per employee.
- 100% employees returning to work after parental leave.
- 91% Senior Management hired from local community.
- 24.8% female regular employees.
- HR recognitions from PwC Malaysia, HR Asia and Human Resources Online.

- 10,855 lives impacted.
- ~32 communities impacted.
- 80 scholarships disbursed under Yinson Scholars Programme since 2019.
- 750 female students impacted through Yinson Girls Education Programme.
- 6 Teach for Malaysia fellows sponsored since 2019.
- 0 suppliers flagged through the VRP for social and environmental non-performance.
- Numerous new strategic, commercial and financial partnerships established.

- 591.4 kg CO_2e/MWh Group carbon intensity.
- 33.9 kg CO_2e/BOE offshore production carbon intensity.
- 279 MWh/RM million Group energy intensity.
- 14.3 ppm oil in produced water content from Yinson Production-operated FPSOs.
- 6.3 ppm oil in slop water content from Yinson Production-operated FPSOs.

Related UN SDGs

- 7, 8, 9
- 7, 8, 9, 13, 14
- 7, 8, 9, 13, 14
- 3, 5, 7, 8, 9
- 3, 4, 5, 7, 8, 9, 15
- 7, 13, 14

RISKS AND OPPORTUNITIES

Yinson continues to safeguard stakeholders' interests through comprehensive risk management tools and processes that enhance the organisation's capabilities in navigating uncertainties and capitalising on opportunities to achieve our strategic objectives. This approach facilitates calculated risk-taking by identifying and assessing potential threats and opportunities, besides minimising losses through preventive and recovery measures. The Enterprise Risk Management Policy Statement & Framework serves as the overarching architecture, applied at every level within Yinson to guide the company-wide risk management approach.

The Risk Management unit, under the Governance, Risk, and Compliance ("GRC") Department, has undertaken several initiatives to strengthen and enhance risk management processes across the Group. As in previous years, periodic deep-dive risk review sessions were conducted for Yinson Holdings Berhad, Yinson Production, Yinson Renewables, Yinson GreenTech, and Regulus Offshore. The risk profiles for respective businesses were reassessed and reestablished to ensure the risk profiles remain strategic, forward-looking and in line with the growth and transformation of the organisation.

To bolster organisational resilience, the GRC Department is strengthening its Business Continuity Management ("BCM") processes, which will be a major focus in FYE 2025. The BCM aims to further safeguard Yinson's critical functions through systematic vulnerability identification, tailored strategy development, and comprehensive response plan implementation and testing. This initiative is expected to enhance Yinson's ability to manage and recover from potential disruptions while minimising the impact of potential crises.

For more information on Yinson's approach to risk governance and oversight, refer to the Statement on Risk Management & Internal Controls, on pg 162 - 168.

PROJECT COST OVERRUN

DEFINITION AND IMPACT OF THE RISK ON YINSON

With active project bids and execution in the FPSO segment, Yinson is tied to contractual obligations and required to deliver the contracted scope of work within the agreed contract value.

With the growing FPSO market, there are potential risks in executing multiple projects concurrently, especially with resource and manpower management. This could lead to a risk of project cost overruns, affecting the profitability of projects and cash flows for the Group.

HOW WE MANAGE OR MITIGATE THE RISK

- Adoption of quantitative risk analysis to identify potential risks that may affect estimated cost at completion as well as the potential magnitude of cost overruns to drive targeted mitigation strategies.
- Review and improve project specifications to minimise changes and scope growth.
- Lessons learned from previous projects are taken into consideration and adopted into new projects.
- Secure adequate funding prior to project initiation.

MOVING FORWARD (OPPORTUNITIES)

- Establish potential frame agreements with major suppliers to achieve better pricing.
- Establish technical optimisation to reduce project costs.

PROJECT DELAY

DEFINITION AND IMPACT OF THE RISK ON YINSON

In the FPSO segment, the entire project phase, starting from approval of the Front-End Engineering Design, preparation and review of procurement schedule and project budget, contract review and signing, and finally the construction and commissioning; are required to progress according to the project timeline which has been committed to the client. A delay of more than 30% of the project timeline is considered an extreme delay and may pose significant consequences to Yinson.

Inability to perform the required deliverables as per the stipulated timeline may lead to penalties, Liquidated Ascertained Damages (LAD) charges or potential contract termination which could further cause reputational damage to Yinson.

HOW WE MANAGE OR MITIGATE THE RISK

- Adoption of quantitative risk analysis to identify potential risks that may impact project delivery timeline as well as the potential magnitude of delay to drive targeted mitigation strategies.
- Establish a Responsibility Assignment matrix which is the Responsible, Accountable, Consulted, and Informed (RACI) matrix for each department within the projects which outlines tasks, milestones, key decisions and roles to efficiently drive progress towards completion.
- A robust progress reporting system that allows for transparency and a deep dive into contractor/supplier progress. This allows for early intervention on potential delays by contractors/suppliers.

MOVING FORWARD (OPPORTUNITIES)

- Establish potential frame agreements with major suppliers to achieve better delivery lead time.
- Establish technical optimisation to reduce delivery lead time.

CORPORATE FUNDING RISK

DEFINITION AND IMPACT OF THE RISK ON YINSON

Corporate funding risk refers to the risk that the Group may not be able to source sufficient funds (i.e. through equity, right issues, debt funding, etc.) to cover working capital and capital expenditure.

Availability of funding is important to ensure sustainable growth for Yinson in which the funds received from internally generated or externally sourced financing are utilised to cover working capital costs, equity injection or on-lending as intercompany loans to subsidiaries, debt servicing as well as refinancing of debt and quasi-equity facilities.

Funding constraints which might be caused by liquidity squeeze, limited confidence by financing facilities on the outlook of the oil & gas industry, and deterioration in Yinson's credit rating may lead to defaults on debt obligations, failure to meet repayment schedules, suspended growth and disrupted operations.

HOW WE MANAGE OR MITIGATE THE RISK

- A more robust cash flow forecasting and scenario analysis to drive better budgeting processes, funding requirements, and reserve management across the organisation.
- Focused collaboration between corporate finance teams led by the respective business CFOs tasked with the funding activities as well as financing gap projections for respective businesses across the Group.
- Securing loan financing or any other funding mechanism to fund existing and future projects through engagement with various financial institutions.

MOVING FORWARD (OPPORTUNITIES)

- Opportunity to source for funding through government grants, national or international incentive mechanisms, green loans, and sustainable-linked funds.
- Renewables and Greentech provide secondary market capital investment and support capital recycling, hence developing the potential of new pockets of capital.
- Invest in carbon management companies, which provides access to low-carbon markets and attracts new opportunities within the carbon management value chain.

ENERGY TRANSITION RISK

DEFINITION AND IMPACT OF THE RISK ON YINSON

The energy transition risk arises from the global shift towards renewable energy sources such as solar and wind, moving away from fossil fuels such as oil, coal and natural gas. This transition poses a significant risk to Yinson, which is heavily reliant on its FPSO segment as it faces changes including new government policies, carbon legislation, shifting investor preferences towards environmentally friendly assets, and the increasing economic appeal of renewables investments. Yinson's inability to adapt to this energy transition could result in lost business opportunities from sustainability-conscious clients, legal issues, and damage to its reputation.

HOW WE MANAGE OR MITIGATE THE RISK

- Review of Yinson's Climate Goals Roadmap and various key strategies to manage the energy transition.
- Expansion and growth of Yinson's renewables and green technologies businesses.
- Operationalising carbon abatement strategies for carbon-heavy assets (i.e. closed flaring, hydrocarbon blanketing system, combined cycle technologies to maximise energy efficiency and utilising low-emission alternatives as energy sources).
- Continuous improvements in ESG Ratings i.e. FTSE4Good Index, Morgan Stanley Capital International (MSCI), Sustainalytics and Dow Jones Sustainability Index (DJSI) for S&P's Corporate Sustainability Assessment (CSA).

MOVING FORWARD (OPPORTUNITIES)

- As sustainability has become a global concern, the efforts made to mitigate the energy transition risk allow Yinson to fulfil sustainability requirements from existing and potential clients while staying relevant in the industry.
- Active exploration of innovative technologies to be implemented in our assets and operations.
- Accelerating interest from clients and financial institutions to incorporate sustainability elements into our assets will provide the impetus for Yinson to continue its focus on its carbon reduction initiatives.
- Consideration of suitable investments into key segments which could support our climate goals of carbon neutrality by 2030.
- Business diversification into Yinson Renewables and Yinson GreenTech would bring in more business opportunities with the increasing demand for carbon-friendly energy solutions.

CYBERSECURITY RISK

DEFINITION AND IMPACT OF THE RISK ON YINSON

Cybersecurity risk is the probability of the Group's internal systems/applications being exposed to various cyber attacks including hacking, ransomware, phishing, and others.

As organisations worldwide have shifted to embrace digital transformation and leverage advanced technological solutions in optimising work efficiencies and driving business growth, the exposure to cybersecurity risk has increased which could result in loss of confidentiality, integrity, or availability of data. This would have potential adverse impacts on Yinson.

Any breach in the internal IT system security may result in leakages and loss of confidential or critical data which will further lead to financial and reputational damages as well as potential legal consequences.

HOW WE MANAGE OR MITIGATE THE RISK

- Implementation of the Group Cybersecurity Roadmap, consisting of multiple initiatives which have strengthened the cybersecurity system within the Group.
- Established new frameworks and strengthened existing security policies and plans.
- Conducted our inaugural cybersecurity table-top exercise to strengthen our cyber response and recovery procedures.

MOVING FORWARD (OPPORTUNITIES)

- Including Operation Technology in the Group Cybersecurity Roadmap to further improve our security position for all businesses.
- Updated Group Cybersecurity Roadmap to include data governance and zero trust.
- Strengthening our cyber resilience through the implementation of more robust security protocols, continuous employee training, and the adoption of best practices designed to detect, prevent, and respond to cyber threats effectively.

TRADE-OFFS

Yinson's strategic approach to managing trade-offs across its six capitals showcases a robust commitment to sustainable growth and long-term value creation. Through careful prioritisation, strategic investments, and strong governance, we effectively navigate the complexities of balancing immediate needs with future goals. This holistic approach ensures that the company meets its current operational requirements while laying a strong foundation for continued success and innovation.

TRADE-OFFS	HOW WE MANAGE THE TRADE-OFFS
Financial Capital	
Yinson faces a significant trade-off when it comes to maintaining highly liquid assets and bank balances. These reserves boost stakeholder confidence and ensure financial stability. However, this approach can limit our ability to invest in Manufactured, Intellectual, and Human Capitals, which are essential for growth and innovation. Additionally, the focus on delivering key FPSO projects means that major new investments are on hold until these projects start generating cash flow.	We maintain a strong order book, now at over USD 22 billion, and making sure we have robust contracts with solid counterparties, ensuring the steady and longer term inflow of cash to the Group. We focus on long-term value creation by being prudent, adjusting the pace and timing of our growth according to market conditions. We also invest in renewables, green technologies, and new business ventures that hold great future potential. This strategy is supported by tactical financial maneuvers, such as strategically reprofiling debt repayments and exploring external capital sources to maintain liquidity.
Manufactured Capital	
The commitment to delivering three FPSO projects presents a trade-off for Yinson. While prioritising these projects ensures future stable income, it also means that other business activities may progress at a slower pace. This focus on FPSO delivery can impact growth plans of other businesses in the short term.	We have aligned our business strategy to prioritise the timely delivery of FPSO projects. This ensures that we can capitalise on the current favourable market conditions for FPSOs which will help maximise profitability and improve Financial Capital. This will enable us to grow our Manufactured Capital in future when market conditions are right, as we would have accumulated enough Financial Capital to facilitate this.
Intellectual Capital	
Investing in the R&D of green technologies, and enhancement of corporate governance, cybersecurity, and vendor screening add value to our Intellectual Capital. However, these investments impact Human and Financial Capitals due to the associated costs. Moreover, implementing new technologies, such as carbon capture and advanced digital solutions, requires substantial financial resources, presenting a further trade-off.	We leverage partnerships to develop new technologies and innovations surrounding energy infrastructure and digitalisation. Our investments into R&D are also premised on unlocking future revenue streams. Projects like Project Polaris exemplify our commitment to digitalisation and sustainability, optimising asset performance through advanced technology. Continuous improvement of governance systems and comprehensive training programmes ensure business continuity and compliance.
Human Capital	
Expanding the workforce to support Yinson's growth plans impacts Financial Capital due to increased costs associated with attracting and retaining talent. Additionally, investments in training, learning & development and health and well-being programmes have short-term repercussions on productivity and a consistent use of Financial Capital.	Yinson navigates this trade-off by investing in a thriving workplace environment that emphasises culture, diversity, career progression and meaningful work. By benchmarking practices to remain an employer of choice and focusing on high performance, we ensure that we have the right people in place to execute our strategies effectively while managing financial resources prudently.
Social & Relationships Capital	
Maintaining high liquid assets to carry out high-quality stakeholder engagement activities can limit investments in other capitals, such as Manufactured and Intellectual Capitals. Additionally, engaging suppliers and communities in comprehensive ESG initiatives requires resources that could be used for immediate business needs, presenting a trade-off between short-term operational efficiency and long-term relationship building.	Yinson manages this trade-off by committing to robust ESG initiatives, including detailed supplier site audits and proactive community engagement programmes. We ensure strong stakeholder relationships through robust stakeholder engagement and open dialogue. By actively encouraging our stakeholders to join us in the energy transition, we build long-term trust. This approach demonstrates that while immediate business needs are important, the benefits of strong Social & Relationships Capital outweigh the short-term resource allocation.
Natural Capital	
Our main business activity as an oil & gas equipment and service provider impacts Natural Capital. We have experienced higher operational activities, in line with shifting market conditions. This has increased our energy consumption, emissions and discharges to the environment. This may impact our ability to achieve our short-term Climate Goals.	Yinson remains committed to long-term Climate Goals and are proactively implementing measures to realign our emissions with our projections. Investments in renewable energy projects, green technologies, and low-carbon solutions such as CCS and DAC are key components of this strategy. While it remains a challenge to significantly improve the efficiency of our existing fleet, our new assets are designed to maximise energy efficiency, while lowering emissions through innovative technologies. Yinson continues to maintain a robust environmental management system with stringent standards.