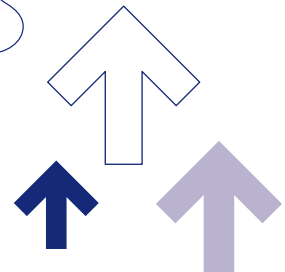


# RISING BEYOND 2021

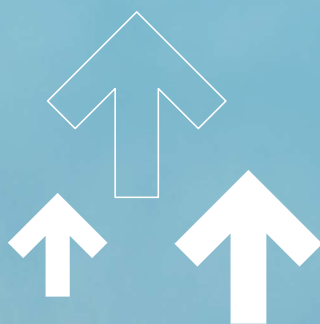
ANNUAL REPORT



# RISING BEYOND

Yinson was not spared from the tremendous change and challenges that buffeted the world in FYE 2021, disrupting the global economy and individual lives. Guided by our Core Values, commitment to sustainability and adherence to our business strategy, we emerged stronger.

'Rising Beyond' is a reflection of how we overcame the odds to deliver on our commitments – including strong financial results, expanding our business into new territories and industries, and maintaining a solid project and operations performance. Our ESG performance reached new heights this financial year, entrenching sustainability as a key value driver for us and our stakeholders.



# WHAT'S INSIDE

## ABOUT THIS REPORT

### OVERVIEW

- 15 Chairman's Statement
- 17 Management Discussion & Analysis
- 27 About Yinson
- 28 Board of Directors
- 34 Senior Management
- 40 Our global presence
- 42 Key assets
- 46 Strategy review

### BUSINESS REVIEW

- 53 Offshore Production
- 56 Renewables
- 58 Green Technologies
- 60 Offshore Marine

### EXTERNAL ENVIRONMENT

- 62 External environment
- 69 Covid-19: Yinson's new normal

### SUSTAINABILITY STATEMENT

- 72 Yinson's Climate Goals
- 73 Approach to sustainability
- 74 Alignment to the United Nations Sustainable Development Goals
- 77 Approach to stakeholder engagement
- 78 Materiality

### OUR CAPITALS

- 82 Financial Capital
- 98 Manufactured Capital
- 103 Intellectual Capital
- 112 Human Capital
- 130 Social & Relationships Capital
- 143 Natural Capital
- 152 Trade-offs in our Capitals



### READ YINSON'S ANNUAL REPORT 2021 VIA OUR INTERACTIVE MICROSITE

*In line with Yinson's commitment to sustainability and the environment, we are not distributing hardcopies of this Report, except by request. We encourage you to read this Report on our interactive microsite, available at [www.ar.yinson.com/2021](http://www.ar.yinson.com/2021), also accessible by scanning this QR code.*

### GOVERNANCE

- 154 Corporate Governance Overview Statement
- 170 Statement on Risk Management and Internal Control
- 175 Report on Audit Committee
- 178 Statement on Directors' Responsibility

### ACCOUNTABILITY

- 180 Directors' Report
- 188 Financial Statements
- 312 Independent Auditors' Report
- 319 GRI Content Index
- 325 Corporate Information
- 326 Analysis of shareholdings
- 330 List of properties

### ANNUAL GENERAL MEETING


- 332 Notice of Annual General Meeting
- 338 Administrative details Form of Proxy

### LIST OF ABBREVIATIONS




# OUR BUSINESS







OFFSHORE  
PRODUCTION



RENEWABLES



GREEN  
TECHNOLOGIES



OFFSHORE  
MARINE







# GROUP HIGHLIGHTS

## FINANCIAL PERFORMANCE FYE 2021

Revenue

**RM4.85 billion**

FYE 2020: RM2.52 billion



PATAMI

**RM315 million**

FYE 2020: RM210 million



Core PAT

**RM735 million**

FYE 2020: RM293 million



Adjusted Revenue

**RM5.01 billion**

FYE 2020: RM2.67 billion



Adjusted Core EBITDA

**RM1,533 million**

FYE 2020: RM865 million



Basic Earnings Per Share

**29.5 sen**

FYE 2020: 19.5 sen



## ESG HIGHLIGHTS

Established climate goals

Carbon neutral  
**by 2030**

Net zero  
**by 2050**



**>USD130,000**

spent on high-impact education-based CSR programmes,  
impacting close to

**7,000 students**



**RM1.2 million**

contributed towards  
the global fight against  
Covid-19



**LEED Gold  
V4 ID+C  
certification**

for Kuala Lumpur  
headquarters



**678** employees  
+48% from FYE 2020

**9.6%**  
3-year average attrition rate

Aligned with a further three UN SDGs

**SDG 5 | SDG 9 | SDG 13**

SDG 4 | SDG 7 | SDG 8 | SDG 14



## AWARDS

**ASEAN Corporate Governance  
Scorecard Award 2019**

**FTSE4Good Index**

Top 26-50% of Malaysian public listed companies in  
FTSE Russell's ESG Rating system

**Institutional Investor's 2020 All-Asia  
Executive Team**

Most Honoured Company, Best CEO (Oil & Gas sector)

**Asset Triple A Awards 2020**

Best Syndicated Loan in Malaysia

**FinanceAsia's 2020 Asia's  
Best Companies Survey**

Malaysia's Best Mid Caps Company



**Asiamoney Asia's  
Most Outstanding Companies Poll 2020**

Most Outstanding Company in Malaysia (Energy Sector)



## DIVISION HIGHLIGHTS

### Offshore Production

#### HEALTH AND SAFETY

**Zero LTIs**

across the Division

**6,785,649**

exposure hours

**9 years**

LTI-free for FPSO Adoon

#### PERFORMANCE

**100%**

commercial uptime

**99.5%**

technical uptime

**99.8%**

average 5-year  
technical uptime

#### ORDER BOOK

**USD10 billion**

over firm and option  
periods until 2048



#### MILESTONES

**First oil**

achieved for FPSO Abigail-  
Joseph on 28 October 2020

**All construction  
milestones met**

for FPSO Anna Nery  
conversion to date

### Renewables

#### ASSETS

**140MW**

Operational solar plants

**190MW**

Solar plant under  
construction



#### PERFORMANCE

**252GWh**

(10 months)  
Accumulated net  
power generated

#### CONTRACTED REVENUE

**USD735 million**

contracted revenues  
from power purchase  
agreements

#### DEVELOPMENT PIPELINE

**3 to 5GW**

globally

### Green Technologies

**DEC  
2020**

Participation in Joint Industry  
Project to unlock value of 3D  
printing technology for the  
maritime industry

**APR  
2021**

Unveiled Hydroglyder  
– a conceptual design of electric  
harbour craft with advanced  
hydrofoil technology

**MAY  
2021**

Evaluation of investments in  
charging infrastructure, energy  
solutions and autonomous  
technologies

### Offshore Marine

#### HEALTH AND SAFETY

**Covid-free**

across all assets

**Zero LTIs**

across all assets

#### PERFORMANCE

**76.8%**

average fleet utilisation rate



# GROUP FINANCIAL HIGHLIGHTS

Financial year ended 31 January	2017 RM million	2018 RM million	2019 RM million	2020 RM million	2021 RM million
Revenue <sup>+</sup>	543	910	1,035	2,519	<b>4,849</b>
Profit before tax <sup>+</sup>	213	362	344	331	<b>580</b>
Profit after tax and minority interests <sup>+</sup>	197	292	235	210	<b>315</b>
Share capital <sup>&amp;</sup>	1,099	1,099	1,101	1,107	<b>1,126</b>
Total equity	2,406	2,633	3,624	3,774	<b>4,026</b>
Number of ordinary shares issued	1,093	1,093	1,093	1,095	<b>1,100</b>
Weighted average number of ordinary shares in issue <sup>+</sup>	1,090	1,088	1,096	1,079	<b>1,066</b>
Total assets	6,290	6,450	8,083	9,515	<b>11,886</b>
Total liabilities	3,884	3,817	4,459	5,741	<b>7,860</b>
Total borrowings <sup>+</sup>	3,393	3,010	3,150	3,830	<b>6,106</b>
Non-recourse borrowings	-	-	2,563	2,339	<b>2,985</b>
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) <sup>+</sup>	273	650	801	770	<b>1,236</b>
Basic earnings per share (sen) <sup>#</sup>	18.1	26.8	21.4	19.5	<b>29.5</b>
Dividends rate (sen) <sup>*</sup>	16.6	10.0	6.0	6.0	<b>4.0</b>
Net Assets Per Share (RM) <sup>^</sup>	2.20	2.41	3.31	3.45	<b>3.66</b>
Gearing (times):					
- Total borrowings <sup>+</sup>	1.41	1.14	0.87	1.01	<b>1.52</b>
- Excluding non-recourse borrowings <sup>%</sup>	-	-	0.16	0.40	<b>0.78</b>
Net Gearing (times)					
- Total borrowings <sup>+</sup>	1.14	0.87	0.51	0.63	<b>1.01</b>
- Excluding non-recourse borrowings <sup>%</sup>	-	-	(0.19)	0.01	<b>0.27</b>
Adjusted Revenue <sup>+@</sup>	776	1,085	1,194	2,672	<b>5,007</b>
Adjusted Core EBITDA <sup>+@</sup>	533	823	897	865	<b>1,533</b>
Adjusted Core EBITDA Margin (%) <sup>+@</sup>	68.7	75.8	75.2	32.4	<b>30.6</b>
Adjusted Net Debt <sup>+@</sup>	3,136	2,242	1,854	2,475	<b>4,102</b>
Adjusted Net Debt / Adjusted Core EBITDA (times) <sup>+@</sup>	5.89	2.73	2.07	2.86	<b>2.68</b>

<sup>^</sup> Computed based on number of ordinary shares issued as at financial year end.

<sup>#</sup> Computed based on weighted average number of ordinary shares in issue as at financial year end (excluding treasury shares).

<sup>\*</sup> Amount restated for FYE 2020.

<sup>+</sup> Amount excludes discontinued operations for FYE 2017.

<sup>&</sup> The Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM553,063,000 became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act.

<sup>@</sup> Adjusted amount/ ratio is defined as the relevant Group's financials plus the Group's share of relevant financials of its joint ventures and associates.

<sup>%</sup> Computed based on total loans and borrowings of the Group less non-recourse borrowings.



## KEY EVENTS



## 2020 FEB

**12**

Organised leadership talk for entrepreneurs and emerging Yinson leaders with globally recognised thought leader, Rajeev Peshawaria.

## MAR

**3**

Voted as Malaysia's Best Mid Caps Company in FinanceAsia's 2020 Asia's Best Companies survey.

**16**

Signed long-term bareboat contract for FPSO PTSC Lam Son, effective from 1 July 2017 to 30 June 2021. This retrospectively replaces the interim contract which had been extended multiple times since 2017.

**20**

Sponsored self-sustainable kitchen garden for Obra do Berço children's shelter, Brazil.

**23**

Signed firm contracts with Petrobras for the FPSO Anna Nery project.

**26**

Acquired 37.5% stake in Rising Sun Energy Private Limited ("RSE"), an India-incorporated company with two operational solar plants in Rajasthan, India.

## APR

**9**

Provided RM3,000 worth of food items to frontliners at three hospitals in Kuala Lumpur, Malaysia, in partnership with local health food provider, Salad Atelier.

**13**

Setting up of Netherlands office in The Hague.

**13**

Donated 1,350 personal hygiene items to Malaysia's Sungai Buloh Hospital to cater for the personal hygiene needs of their staff and patients.

**14**

Completed USD800 million refinancing deal for FPSO John Agyekum Kufuor ("FPSO JAK").

**15**

Donated 4,000 masks and 900 sterile surgical gowns to be used as personal protective equipment ("PPE") to Tung Shin Hospital in Kuala Lumpur.

**20**

Sponsored 10,000 PPE and 34,000 face masks and RM90,000 worth of fabric which was made into PPE to Malaysian Red Crescent Society.

**21**

Donated 5,000 face shields which were procured by an orphanage, 'Rumah Pengasih Warga Prihatin' to Malaysian Red Crescent Society.

**28**

Concluded agreement with Sumitomo Corporation ("Sumitomo") for their participation in the FPSO Anna Nery project with a 25% stake.

**30**

Sponsored 3,500 medical protective clothing and 1,000 face masks to Sultanah Aminah Hospital, Malaysia.

## KEY EVENTS



## MAY

**14**  
Donated medical protective equipment to the Miri General Hospital, Malaysia, in partnership with Singapore-based Apex Sealing Technologies.

**19**  
Donated 6,000 surgical face masks to Ghana's National Commission for Civic Education.

**28**  
Regulus Offshore Sdn Bhd won the 2019 Repsol Marine Vessel Safety & Operation Excellence Award.

**16**  
Held 27<sup>th</sup> Annual General Meeting ("AGM") virtually.

**24**  
Won 'Most Outstanding Company in Malaysia – Energy Sector' in Asiamoney Asia's Most Outstanding Companies Poll 2020 for the second consecutive year.

**28**  
Recognised as 'Most Honoured Company' in the 2020 All-Asia Executive Team Rankings by Institutional Investor for the second consecutive year.

## AUG

**8**  
Yinson Miri sponsored ghost nets hunting and removal at Barracuda Point, Miri, Sarawak in collaboration with Miri Divers, Lions Club Miri and Future Ocean Borneo.

**10**  
Established Brazil Office in Rio de Janeiro.

## JUL

**1**  
Donated Biological Safety Cabinet for quicker and safer Covid-19 testing to Korle-Bu Teaching Hospital in Accra, Ghana.

**8**  
Concluded agreement with Kawasaki Kisen Kaisha Ltd ("K" Line") for their participation in the FPSO Anna Nery project with around a 10% stake upon final acceptance and achievement of stable operations.







8 AUG



10 SEP

## SEP

1

Established Green Technologies Division.

10

FPSO Anna Nery achieved 1 million man-hours without Lost Time Injury ("LTI").

11

Donated seven boxes of KN95 face masks to selected public health centres in Nigeria.

17

Entered into USD400 million bridge loan financing agreement for FPSO Anna Nery with seven local and international banks.

23

PTSC CRD, Yinson's joint venture ("JV") company, received full settlement totalling USD66.3 million for termination of Ca Rong Do field development in Vietnam.

## OCT

15

Collaborated with local community leaders to provide an Information Community Technology Centre ("ICT Centre") to serve four schools in Kejabil, Ghana.

28

FPSO Abigail-Joseph achieved first oil.



28 OCT



15 OCT



## KEY EVENTS



## NOV

**2-6**

Participated in virtual Offshore Technology Conference Asia 2020.

**12**

FPSO Helang achieved 1 million barrels of oil.

**13**

Yinson Ghana won three awards at Sustainability and Social Investment Awards.

**18**

FPSO Adoon celebrated 9 years LTI-free.

**24**

Partnered with Wilhemsen to develop customised, on demand 3D printed products through their Fast Forward Programme.

## DEC

**2**

Won Asset Triple A Awards 2020 for 'Best Syndicated Loan in Malaysia' in recognition of the USD400 million bridge loan facility for the FPSO Anna Nery project.

**10**

Won 2019 ASEAN Corporate Governance Scorecard Award.

**14**

Recognised at The Edge Billion Ringgit Club 2020 Awards for 'Highest Returns on Equity over Three Years' and 'Highest Growth in Profit After Tax Over Three Years'.

**22**

Won silver placing at the National Annual Corporate Report Awards ("NACRA") 2020's Excellence Award.

**23**

Completed acquisition of 95% stake in RSE.



## 2021 JAN

**13**

Donated 10,500 N95 masks to the National School of Public Health Sergio Arouca and National Institute of Infectology (Fiocruz) in Brazil.

**27**

Participated in Singapore Institute of Technology's ("SIT") virtual career fair.

## FEB

**1**

Invested in Lift Ocean AS to develop hydrofoil technology for marine applications.

## MAR

**2**

Won contract to develop and operate 190MW grid-connected solar project in Nokh Solar Park, Rajasthan, India.

**4**

Provided off-grid solar system for the Pretea Municipal Assembly Basic School in Ahanta West, Ghana.





13 JAN



4 MAR

17

Yinson Ghana selected its second batch of students from low income households to receive financial support via the Yinson Scholars Programme.

30

Signed Power Purchase Agreement ("PPA") for Nokh Project.

APR

19

Donated 48 laptops to families whose children need to attend online classes via Singaporean non-governmental organisation ("NGO"), Engineering Good.

20

Official launch of Yinson Green Technologies Division at Singapore Maritime Week 2021.

Unveiled concept for Hydroglyder, a light marine craft that uses advanced hydrofoil technology.



19 APR



20 APR

# ABOUT THIS REPORT

**Yinson is pleased to present our Annual Report for the financial year ended 31 January 2021. In this Report, we aim to provide a concise and transparent overview of our ability to create sustainable value for our stakeholders.**

This marks the third year since Yinson ("the Company" or "the Group") first embarked on our Integrated Reporting journey. We hope that the improvement in our disclosures year by year has helped you to gain a greater understanding of our business and outlook, allowing you to make informed decisions about the Group.

This year, we focused on improving the connectivity of information in the various sections of our Annual Report ("Report"), including our business model, strategy, capitals, sustainability indicators and the external environment. We also enhanced the quality of our disclosures to be more balanced, comparable and meaningful through further alignment with international standards, with a particular focus on Environmental, Social and Governance ("ESG") factors.

The scope of this Report includes Yinson and subsidiaries which we have control over. The Report covers the financial reporting period from 1 February 2020 to 31 January 2021 ("FYE 2021").

In compiling this Report, we have considered the following frameworks and guidelines:

- International Integrated Reporting Framework (2021) ("<IR> Framework").
- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") Guidelines, Sustainability Reporting Guidelines, Sustainability Reporting Toolkit (2<sup>nd</sup> edition, with inclusion of Task Force on Climate-related Financial Disclosures ("TCFD") guidelines and Corporate Governance Guide (3<sup>rd</sup> edition).
- The Malaysian Code on Corporate Governance 2017 ("MCCG").
- International Petroleum Industry Environmental Conservation Association's ("IPIECA") Oil and Gas Industry Guidance on Voluntary Sustainability Reporting.
- Industry best practices where relevant.

This Report has been prepared in accordance with the GRI Standards: Core option.

## Materiality

The principle of materiality has been applied in assessing and deciding on the disclosures and content of this Report. An item is considered material if it could substantively influence the decisions of the Group and its stakeholders, affecting our ability to create value over the short, medium and long term. This Report considers both qualitative and quantitative

matters that are material to our business and strategic objectives, which may influence our stakeholders' decision-making.

## Assurance

PricewaterhouseCoopers PLT ("PwC"), the external auditors, provided an independent opinion on whether the financial statements of the Group and the Company in this Report gave a true and fair view of the financial position, financial performance and cash flows for FYE 2021. As required by Paragraph 15.23 of the Bursa Securities MMLR, PwC also reviewed the Statement on Risk Management and Internal Control included in this Report. Their limited assurance review was performed in accordance with the Malaysian Institute of Accountants' Audit and Assurance Practice Guide ("AAPG") 3. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

## Board approval

Yinson's Board of Directors ("Board") acknowledges its responsibility to ensure the integrity of this Report, which in its opinion addresses all the issues that are material to the Group's ability to create value and fairly presents the integrated performance of Yinson. The Board has applied its collective mind to the preparation and presentation of this Report and believes that it has been prepared in accordance with the <IR> Framework and addresses all material issues. The Board confirms that it has approved the release of this Report.

## Forward-looking statements

This Report contains certain forward-looking statements with respect to Yinson's financial position, results, operations and businesses, which we believe to be realistic at the time this Report is issued. These statements may involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.



### Let us know what you think

Please email [corpcomms@yinson.com](mailto:corpcomms@yinson.com) to provide feedback on this Report and the type of information you would like to see in future Reports.

## ABOUT THIS REPORT

### LEGENDS



Points to related sections within this Report

Throughout this Report, the following badges are used to link our capitals, group strategies, stakeholder groups and material matters.

### CAPITALS

<b>C1</b> Financial Capital	<b>C4</b> Human Capital
<b>C2</b> Manufactured Capital	<b>C5</b> Social & Relationships Capital
<b>C3</b> Intellectual Capital	<b>C6</b> Natural Capital

### GROUP STRATEGY

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

### MATERIAL TOPICS

 <b>ENVIRONMENT</b>	 <b>SOCIAL</b>	 <b>GOVERNANCE</b>
<b>M2</b> Pollution Management	<b>M1</b> Operational Health & Safety	<b>M3</b> Anti-Bribery & Anti-Corruption
<b>M4</b> Carbon Emissions Management	<b>M9</b> Employee Rights & Benefits	<b>M6</b> Sustainability Governance
<b>M5</b> Waste Management	<b>M10</b> Anti-Discrimination	<b>M7</b> Business Continuity & Performance
<b>M8</b> Energy Management	<b>M12</b> Training & Development	<b>M11</b> Supply Chain Management
<b>M15</b> Water Management	<b>M13</b> Workforce Diversity	<b>M14</b> Whistleblowing & Grievances
<b>M19</b> Material Management	<b>M16</b> Community Engagement	<b>M17</b> Information Technology Management
<b>M20</b> Biodiversity Management	<b>M18</b> Customer Engagement	
	<b>M21</b> Child & Forced Labour	

### STAKEHOLDERS

<b>S1</b> Bankers and lenders	<b>S2</b> Clients	<b>S3</b> Crew	<b>S4</b> Employees
<b>S5</b> Governments and regulatory bodies	<b>S6</b> Industry	<b>S7</b> Investors and shareholders	<b>S8</b> Local communities
<b>S9</b> Partners	<b>S10</b> Vendors/ suppliers		



# OVERVIEW

- 15 Chairman's Statement
- 17 Management Discussion & Analysis
- 27 About Yinso
- 28 Board of Directors
- 34 Senior Management
- 40 Our global presence
- 42 Key assets
- 46 Strategy review





# CHAIRMAN'S STATEMENT

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

**LIM HAN WENG**  
Founder and Group Executive Chairman



## RIISING BEYOND FYE 2021

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

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

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

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

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

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

## CHAIRMAN'S STATEMENT

### SUSTAINABILITY, OUR FOCUS

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

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

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

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

### SHARE PRICE PERFORMANCE

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

### REWARDING OUR SHAREHOLDERS

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

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

### STRENGTHENED MANAGEMENT TEAM

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

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

### APPRECIATION

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

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

Stay safe!

**LIM HAN WENG**  
**Founder and Group Executive Chairman**



# MANAGEMENT DISCUSSION & ANALYSIS



**LIM CHERN YUAN**  
Group Chief Executive Officer

Yinson was not spared from the tremendous challenges that buffeted the world in FYE 2021, disrupting the global economy and individual lives. The theme for this Report, 'Rising Beyond', is a reflection of how we endeavour to overcome the challenges and continue to deliver on our commitments, including strong financial results, expanding our business into new territories and industries, and maintaining a solid project and operations performance.

## GLOBAL MARKET OVERVIEW

2020 was a year of surprises. No one could have predicted how quickly the Covid-19 pandemic escalated and the severity of respective lockdowns. The world also experienced extreme market volatility, unprecedented fiscal and monetary responses and tumultuous geo-political challenges.

Towards the end of 2020, we saw the global economy starting to recover from the earlier collapse brought about by the pandemic. Although the output rate is anticipated to remain lower than pre-pandemic levels for some time, nevertheless we are hopeful that 2021 can bring stability and a reset for a number of disruptions, especially as vaccine prospects play out as expected.

The pandemic, which increased macroeconomic uncertainties, also resulted in the price free fall of many key commodities, as accentuated by a sharp decline in crude oil prices in March 2020. Lower transportation activities from worldwide restrictions both internally and cross borders further lowered oil demand. As a result, an oil oversupply materialised. Production cuts were subsequently agreed amongst oil producing countries to curtail the oil stockpile and stabilise oil prices.

With global commodities prices now recovering, economies turning around and positive vibes from vaccine rollout plans, we are cautiously optimistic that oil prices will either remain rangebound around current levels or rise further in 2021.

## MANAGEMENT DISCUSSION & ANALYSIS

The International Energy Agency ("IEA") believes that the Covid-19 pandemic has caused more disruption to the energy sector than any other event in recent history, leaving impacts that will be felt for years to come. The IEA further reports that the situation has accelerated the pace of change towards a more secure and sustainable energy system, pushing companies in the energy space to expedite their plans to future proof their businesses. IEA forecasted a 5% drop in global energy demand in 2020, a 7% rise in energy-related carbon dioxide emissions, and an 18% increase in energy investment, with impacts varying by energy source. Oil demand and coal use were anticipated to fall by 8% and 7%, in contrast to a slight rise in renewables contribution. The report also estimated a 3% drop in natural gas demand and 2% drop in global electricity demand. (Source: IEA World Energy Outlook 2020).

Looking back over the year, it is clear that our business model has remained resilient despite the drop in energy demand. We continued to see growth in our Offshore Production and Renewables Divisions, and were able to start up our Green Technologies business. Overall, despite the setbacks, we echo IEA's belief that energy demand will recover and continue to trend upwards when viewed with a longer-term horizon. Due to our strong fundamentals and disciplined adherence to our business strategy, we are confident that Yinson is well positioned to capitalise on the organic growth of energy demand and the energy transition. We at Yinson will work proactively to make sure energy transition is a core part of the Group's strategy and investment decisions.

### SUSTAINABILITY AND CLIMATE CHANGE

Combatting climate change is entrenched more than ever as a global agenda, with governments, corporations and individuals joining arms to reduce carbon emissions, improve climate resilience and conserve our environment. The UN Intergovernmental Panel on Climate Change's ("IPCC") ambitious 2030 target to limit global warming to 1.5°C above pre-industrial levels requires a concerted global effort if it is to be achieved.

ESG considerations are also causing shifts across the finance ecosystem, as asset managers and institutional investors increasingly recognise that non-financial ESG risks can have a material impact on returns and long-term value. We're seeing financial consumers become more attuned into how their savings are invested, with a growing group not wanting to support activities that don't align with their values. More widely, the social license to operate is also shifting, with governments and citizens urging corporations to help meet global sustainability challenges.

With this in view, Yinson is determined to do our part to strengthen our collective global foundations for a durable, equitable and sustainable economy – this includes participating actively to lower carbon emissions, and investing to develop lower carbon energy sources. A sustainability mindset governs all our decision-making, business activities

and strategies; from the highest level of management flowing down to every employee, extending outwards to our sphere of external influence.

Our new strategic framework firmly places sustainability at our core.

1. As one of our five Core Values, a sustainability mindset guides Yinsonites when making decisions.
2. 'Sustainability commitment' is the first 'Yinson Edge'. We believe that we've already set ourselves apart amongst our competitors with our strong commitment to sustainability and our proven ability to meet those commitments. Undoubtedly, we will continue levelling up on our sustainability commitments in time to come.
3. 'Operationalise ESG' is the first pillar of our Group strategy, which translates to specific ESG initiatives within the Divisions and business units which contribute to our Group-wide sustainability commitments.

In March 2021, we established targets to be carbon neutral by 2030, and net zero by 2050. This is on the back of increasingly urgent climate issues, as well as our commitment towards being a part of the global solution towards mitigating climate change.

Further, as part of our commitment towards sustainability, we expanded our commitments to align with a further three UN SDGs: Gender Equality (SDG 5); Industry, Innovation and Infrastructure (SDG 9); and Climate Action (SDG 13) – adding these to our existing commitments to four SDGs for Quality Education (SDG 4); Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8) and Life Below Water (SDG 14).

These seven Sustainable Development Goals ("SDGs") were selected as they are the most material to our business, where we can have the largest positive impact. We are eager to share our progress on these commitments moving forward as we develop our strategic roadmap.

#### NEW UN SDG ALIGNMENTS IN FYE 2021



Yinson's Climate Goals, pg 72; Approach to sustainability, pg 73; Natural Capital, pg 143



## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL PERFORMANCE

	FYE 2021	FYE 2020	Change	
	RM million	RM million	RM million	%
Extract from Consolidated Income Statements				
Revenue	4,849	2,519	2,330	92.5%
Cost of sales	3,548	1,938	1,610	83.1%
Gross profit	1,301	581	720	123.9%
EBITDA *	1,236	770	466	60.5%
Profit before tax	580	331	249	75.2%
Profit after tax	412	261	151	57.9%
Core profit after tax	735	293	442	150.9%
Gross profit margin	26.8%	23.1%	3.7%	16.0%
Net profit margin	8.5%	10.4%	-1.9%	-18.3%
Core profit margin	15.2%	11.6%	3.6%	31.0%
Extract from Consolidated Statements of Financial Position				
Total assets	11,886	9,515	2,371	24.9%
Current assets	2,678	2,194	484	22.1%
Liquid investments	229	189	40	21.2%
Cash and bank balances	1,821	1,276	545	42.7%
Total liabilities	7,860	5,741	2,119	36.9%
Current liabilities	1,873	1,514	359	23.7%
Loans and borrowings	6,106	3,830	2,276	59.4%
Non-recourse borrowings	2,985	2,339	646	27.6%
Total equity	4,026	3,774	252	6.7%
Extract from Consolidated Statements of Cash Flows				
Net cash flows (used in)/generated from operating activities	(775)	918	(1,693)	-184.4%
Net cash flows used in investing activities	(287)	(1,236)	949	76.8%
Net cash flows generated from financing activities	1,517	478	1,039	217.4%

\* Earnings Before Interest, Tax, Depreciation and Amortisation

	FYE 2021	FYE 2020	Change	
Financial Indicators				%
Return on equity	10.2%	6.9%	3.3%	47.8%
Current ratio (times)	1.43	1.45	-0.02	-1.4%
Gearing ratio (times)				
- Total borrowings	1.52	1.01	0.51	50.5%
- Excluding non-recourse borrowings	0.78	0.40	0.38	95.0%
Net gearing ratio (times)				
- Total borrowings	1.01	0.63	0.38	60.3%
- Excluding non-recourse borrowings	0.27	0.01	0.26	2,600.0%
Net debt/EBITDA ratio (times)	3.28	3.07	0.21	6.8%

## MANAGEMENT DISCUSSION &amp; ANALYSIS

	FYE 2021 RM million	FYE 2020 RM million	Change RM million	%
Operating Results by Segment				
Offshore Production & Offshore Marine	1,110	519	591	113.9%
Renewables	1	-	1	N/M*
Other operations	(183)	-	(183)	N/M*
Share of results of joint ventures & associates	(29)	10	(39)	-390.0%

\* N/M: Not meaningful

	Q1 FYE 2021 RM million	Q2 FYE 2021 RM million	Q3 FYE 2021 RM million	Q4 FYE 2021 RM million
Snapshot of quarterly announced results for FYE 2021				
Revenue	344	996	2,262	1,247
Cost of sales	139	671	1,809	929
Gross profit	205	325	453	318
EBITDA *	236	330	336	334
Profit before tax	66	173	183	158
Profit after tax	46	127	137	102
Core profit after tax	97	168	298	172

\* Earnings Before Interest, Tax, Depreciation and Amortisation

CORE PROFIT AFTER TAX (RM MILLION)	
FYE 2020	293
FYE 2021	735

The key performance indicator of Core profit after tax ("PAT") increased significantly from RM293 million in the previous financial year to RM735 million in the current financial year. The main driving factors of this impressive growth include a full year lease contribution from FPSO Helang (which achieved first gas in December 2019), successful redeployment of FPSO Abigail-Joseph (which achieved first oil in October 2020) and progressive construction of FPSO Anna Nery.

Business growth in FYE 2021 was reflected clearly through the increase in the Group's total assets and total liabilities of 24.9% and 36.9% respectively. In particular, loans and borrowings increased by 59.4% to RM6,106 million, with drawdown proceeds mainly used to fund the Group's maiden project in Brazil, FPSO Anna Nery. It is of continued

importance to take note that the Group's total liabilities include RM328 million of deferred income (please refer to Note 36 to the Financial Statements) which is non-refundable upfront receipts related to projects.

On the liquidity front, the Group's cash and bank balances and liquid investments increased 39.9% from RM1,465 million to RM2,050 million. That said, due to the additional loans and borrowings drawdown to fund our growth, the Group's current ratio decreased slightly from 1.45 times to 1.43 times and the other key liquidity indicator of net gearing ratio increased from 0.63 times to 1.01 times.

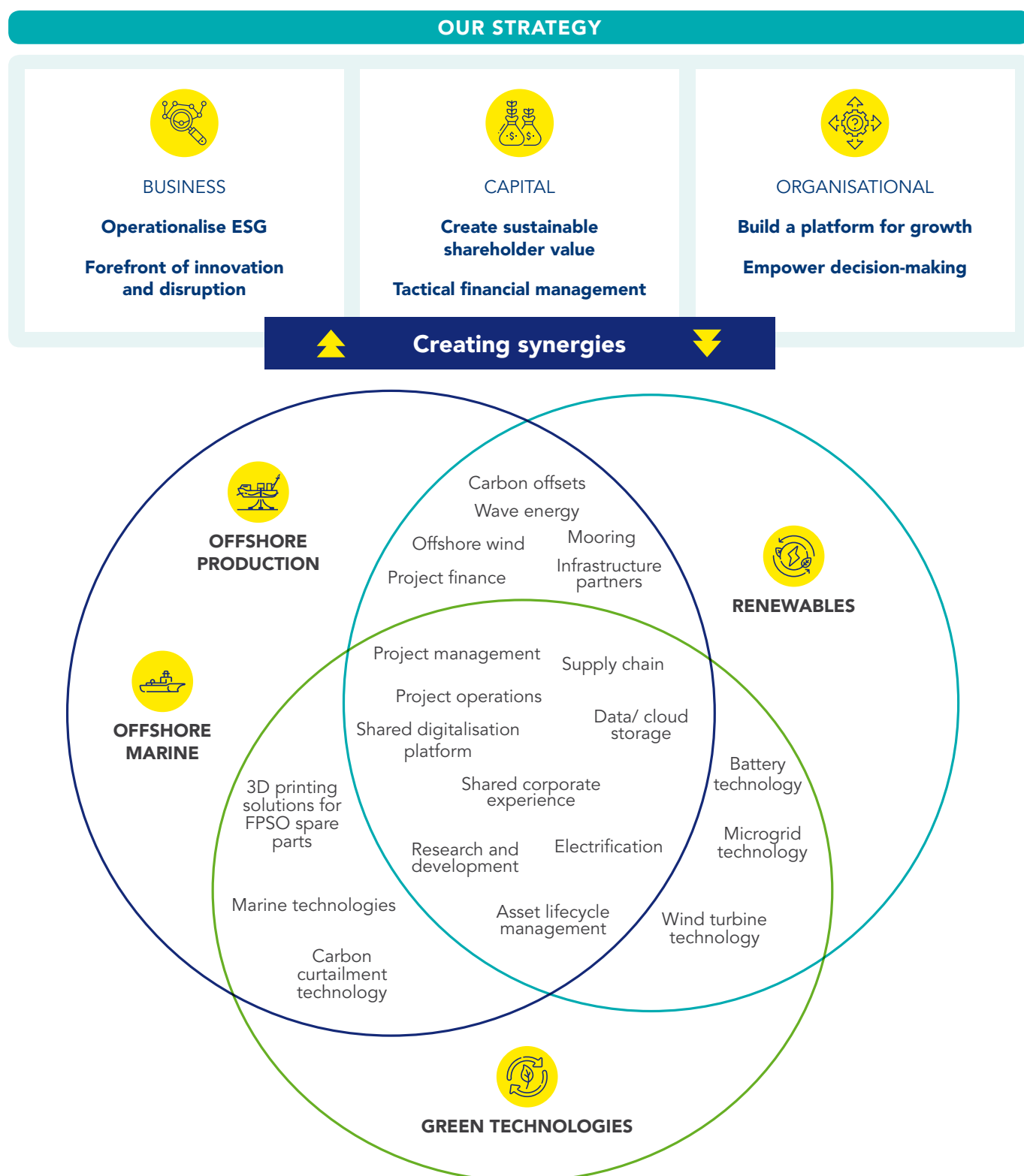


Financial Capital, pg 82



## OUR STRATEGY FOR GROWTH

Yinson has had a unique journey over the past three decades or so, resulting today in four business divisions that have distinctive abilities to contribute to the energy and technology value chains. Our refreshed strategy framework highlights how the alignment between our six Group strategies and respective Divisional strategies can create synergies with and between our business divisions, to unlock even greater efficiencies and value.



## MANAGEMENT DISCUSSION & ANALYSIS

### OPERATIONALISE ESG

Putting our ESG commitments into action, coupled with robust sustainability governance, is an important part of our Group strategy. ESG performance helps investors to take into account the traditionally 'unmeasured' ESG impacts when making investment decisions, which are increasingly used along with financial analysis to gauge the long-term outlook of a business. The happiness of our workforce, security of our data, and our vulnerability to climate change are some examples of intangibles that have a material impact on our business. We also believe that strong ESG performance helps to insulate us against any crisis, as reflected by the consistent outperformance of ESG portfolios compared to traditional portfolios.

In Yinson, teams are given mandates to identify, develop and execute ESG initiatives that contribute towards our overall sustainability goals and commitments. The initiatives are included into each team's action plans, with progress measured against targets set. The Sustainability Committee, which I chair, meets every quarter (or more frequently if needed) to review the plans and progress, and ensure they're aligned with Group sustainability strategies. The Board maintains oversight of the overall progress of sustainability matters through reporting from the Board Risk Management Committee.

In FYE 2022, we will focus on strategically assessing methods to achieve our newly set Climate Goals. This is a Group-wide undertaking, with each business division taking ownership of their unique abilities to contribute towards the goal. In FYE 2021, in preparation for our increased focus on environmental performance, we implemented an ISO 14001-certified Environmental Management System ("EMS") for full environmental impact monitoring and control and enhanced our baseline for reporting based on internationally recognised practices and standards.

Externally, we are fully committed to improving our corporate disclosures. We believe that being open, accessible, and transparent on our strategy, achievements, plans and outlook, arms our external stakeholders with the knowledge that they need to make informed decisions about the Group. Gaining the confidence of our external stakeholders enables us to have meaningful engagements, leading to better business productivity.

Our corporate governance performance has been acknowledged through several recognitions, including the 2019 ASEAN Corporate Governance Scorecard Award, placement amongst the top 30% of Sustainalytics ESG Risk Ratings Energy Services Industry group, and maintenance of our position on the FTSE4Good Index series. We will continually invest into strengthening our corporate governance, and have plans to significantly improve our disclosures in this area.



*Approach to sustainability, pg 73; Sustainability governance, pg 108; Natural Capital, pg 143*



### FOREFRONT OF INNOVATION AND DISRUPTION

Encouraging innovation is our strategy for catalysing growth, keeping us relevant to the changing environment, and keeping our competitive edge. We encourage our people to think outside the box when faced with challenges, and never to be satisfied with the status quo, but to instead find ways to do a routine task better, faster, and more productively or even differently. When complemented by strong governance and balanced risk management, innovation brings about breakthroughs that can revolutionise and propel business performance, spreading outwards to disrupt the industry.

In FYE 2021, we significantly developed our Asset Lifecycle Management approach by initiating lifecycle programmes across Yinson, utilising available objective data to optimise the processes from business development to decommissioning or redeployment phases. These cross-department initiatives focus on collaboration and information-sharing across the organisation to increase productivity and efficiency to achieve optimised solutions.

We established a working group for Data Management which focuses on making lifecycle information and operational data available, supporting the transformation into a data driven business. This in turn enabled the development of a Lifecycle



## MANAGEMENT DISCUSSION & ANALYSIS



Cost model based on ISO 15663 that calculates the lifecycle cost of various alternatives, enabling us to make better decisions for the sustainable maintenance of our FPSOs.

We established an Operational Readiness & Assurance ("ORA") Department focusing on optimising the interface between operations and the early stages of the asset lifecycle. Additionally, Technical Authorities were established in all engineering disciplines to ensure that the technical decisions made are in line with the appropriate level of competence, quality, and consistency, to safeguard the technical integrity of our assets.

Yinson has achieved industry-leading innovation in this area. We have shared our knowledge in several conferences held in FYE 2021, with more engagements lined up in FYE 2022.

### CREATE SUSTAINABLE SHAREHOLDER VALUE

Creation of sustainable shareholder value is a key strategy of Yinson. This demonstrates our continuous ability to provide good and steady returns to shareholders' investments and builds investors and stakeholders' confidence, who provided us strong support over our transformative years.

Yinson has undergone several transformation phases since being founded in 1983 as a humble transport agency in Malaysia. The first phase was transport and logistics, where we grew to become one of Malaysia's largest transport companies. We transitioned into our second phase of transformation, offshore production, through a JV with PetroVietnam Technical Services Corporation ("PTSC") Vietnam for the construction of FSO PTSC Bien Dong 01 and FPSO PTSC Lam Son. Having gained experience from constructing and financing these two Vietnamese assets, we identified offshore production as a niche segment with strong growth potential. We entered into our third phase as a full-fledged independent FPSO build, lease and operate service provider when we acquired established Norwegian FPSO company, Fred. Olsen Production ASA, and divested our non-oil & gas segments. Through dedication and hard work, we grew to become one of the largest independent FPSO leasing companies in the world. Cognisant of the rising global energy needs and demand for a more sustainable energy system, we evolved into our fourth stage of transformation as an energy infrastructure company. In line with this, we established our Renewables Division in 2019, and Green Technologies Division in 2020.

I shared this brief trip down memory lane to highlight Yinson's ability to adapt to changing external environments, seizing opportunities to deliver greater returns to our shareholders. One recent example of this is FPSO Abigail-Joseph – our most recent redeployment project. By redeploying an existing vessel in our fleet, and applying knowledge gained from previous redeployment projects, we were able to bring forward the project schedule, providing a more cost-effective solution for our clients and greater value for our shareholders. Similarly, our acquisition of RSE in India paved the way for us to win the Nokh contract – elaborated in more detail by my colleague in the Business Review for Renewables.

Throughout the various transformation phases and periods of economic volatility, we have maintained a steady return to shareholders. As part of our financial management strategy, we keep dividends to a fairly stable level as we are mindful of the need to balance between rewarding shareholders and ensuring there is sufficient retained capital in line with the Group's business expansion plans.

## MANAGEMENT DISCUSSION &amp; ANALYSIS

## YINSON'S TRANSFORMATIONAL PHASES

1983 - 2010	2011 - 2013	2014 - 2018	2019 to present
TRANSPORT AND LOGISTICS	OFFSHORE PRODUCTION	FULL-SCALE EXECUTION AND SERVICE FPSO PROVIDER	ENERGY INFRASTRUCTURE AND TECHNOLOGY COMPANY
<p>Began as a transport agency in Johor Bahru, Malaysia. Grew to become one of Malaysia's largest transport companies</p>	<p>Ventured into offshore production through a JV with PTSC Vietnam to build an FPSO and an FSO</p>	<p>Acquired Fred. Olsen Production ASA and divested non-oil &amp; gas subsidiaries. Increased fleet size to become 6<sup>th</sup> largest independent FPSO leasing company globally</p>	<p>Established Renewables and Green Technologies Divisions. Ventured into new territories for Offshore Production. Established strategic collaborations for Offshore Marine</p>

➤ We paid RM700 million in shareholder returns (dividends and share buy backs) between FYE 2011 and FYE 2021.

➤ On a cumulative basis between FYE 2011 and FYE 2021, we paid 54.85 sen per share or RM525 million in total.

➤ Of this amount, 18.6 sen per share, or RM203 million related to special dividends which were paid out subsequent to major divestment or monetisation of assets by the Group.



About Yinson, pg 27; Financial Capital, pg 82

Going forward, we will continue to build up a diversified energy asset portfolio and tap into potential synergies between our businesses. We believe that the synergies between our Business Divisions can be leveraged upon to create distinctive opportunities for growth and expansion. Additionally, the synergies can generate significant efficiencies across the business through shared resources, knowledge and experience.

Some examples of current and planned synergies that exist between our Business Divisions are captured in the graphic on page 21, and elaborated in more detail within this Report.

## TACTICAL FINANCIAL MANAGEMENT

The nature of our business is capital intensive, which is why tactical financial management is paramount to our continued success.

Counterparty strength is an important consideration for the long-term contracts that we enter into. We seek to conduct our business with reputable clients, which allows us to limit counterparty risk. The majority of our clients are investment grade or large national oil companies, which provides assurance to investors and lenders that the risk of credit default is low, even during periods of economic volatility

such as was experienced in FYE 2021. For counterparties that have yet to achieve investment ratings, Yinson manages credit exposure by negotiating upfront milestone payments of construction costs from the client. For example, for FPSO Abigail-Joseph, we took on minimal credit exposure as this was a redeployment project where our donor FPSO was already free from any encumbrances, and given that the client was a smaller independent oil company, we also negotiated for upfront milestone payments for the project conversion cost. Applying such a strategy allowed us to better manage our credit exposures and obtain an order book of USD769 million for 15 years (firm+options) with minimal fresh capital outlay.

At Yinson, we adopt a broad-based management approach with our business, corporate and financing partners, whom we work closely with to manage our financial requirements. We build strong partnerships where we are able to co-invest with our partners into projects and draw on each other's strengths for greater overall project returns. We also continuously grow and maintain strong relationships with our lender group and potential investors. The oversubscribed USD400 million FPSO Anna Nery bridge loan executed in the midst of a global lockdown is a clear statement of lender confidence.



## MANAGEMENT DISCUSSION & ANALYSIS

Part of managing our financial requirements entails careful management of our current and future debts – in terms of monitoring loan covenants, gearing levels and loan drawdowns and repayment periods. Our Group Corporate Advisory Team provides strong support to the businesses to raise funds for each of our projects, to ensure that our projects and operations can progress as planned. We have also implemented strategies to increase velocity of our capital such as through equity sell-down, refinancing and re-leveraging order book backlogs, allowing us to better manage the cashflow requirements of our ongoing projects whilst building a substantial cash and cash equivalent reserve for our operations.



*Financial Capital, pg 82; Intellectual Capital, pg 103; Social & Relationships Capital, pg 130*

### BUILD A PLATFORM FOR GROWTH

Our strategy for growth centres on the scalability of our support functions and strategic workforce planning.

As our business grows into new areas and territories, coupled with the rapidly evolving global economic environment, we will continually enhance our systems and processes to scale well under the increasing operational demands and scope. We recognise technology and digitalisation as key enablers of scalability, and invest in implementing modern, technically robust digital systems that strengthen integrity and deliver efficiency.

Yinson proactively implements strategic workforce planning, as we believe that planning ahead for current and future hiring needs is critical to ensuring that we have the resources to meet our strategic goals. Through ongoing business analytics, and as part of our integrated business planning, we aim to identify our workforce planning strategies across each area of the business to address our current and future skill and capability needs.

Attracting and retaining the right people is another important consideration in strategic workforce planning. Following a comprehensive exercise to gather inputs from all our global offices, we developed and launched our HR Transformation Plan in FYE 2021. We believe that the effective rollout of the plan will be instrumental in our ability to attract and retain the talent to drive our business forward.



*Covid-19: Yinson's new normal, pg 69; Intellectual Capital, pg 103; Human Capital, pg 112*

### EMPOWER INFORMED DECISION-MAKING

Theodore Roosevelt once said, "In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing".

'Decisive' and 'Open' are two of Yinson's five Core Values, which create the foundation on which we encourage Yinsonites to make decisions. We aim to create an open working environment where everyone has access to information, tools and resources that they need to make sound and sensible decisions and recommendations. Further, we aim to minimise bureaucratic roadblocks to decision-making by empowering Yinsonites to take ownership of decision points, while simultaneously providing avenues for escalation, if needed. We encourage all employees – especially the junior ones - not to consider anything as 'above their paygrade', but to see themselves as important contributors to the decision-making process. We believe that this approach makes work meaningful and fulfilling to our employees and increases business productivity and quality.

Digitalisation, once again, plays an important part by providing the platforms that allow efficient collaboration, communication, data analysis and reporting process. As the Group grows, it becomes increasingly important to invest in digital platforms that connect business areas cohesively. In the Intellectual Capital chapter of this Report, we disclose our achievements and plans in terms of digitalisation for business systems and processes.



*Business systems and processes, pg 110; Governance, pg 154*

### CLOSING REMARKS

Yinson is no stranger to economic volatility, having weathered many challenging periods since we started up in 1983. Through adherence to our values and business strategies, we emerged from these difficult times stronger, wiser and more resilient, determined to learn from our experiences and improve. The challenges we faced in FYE 2021 were unprecedented, but we did not deviate from our tried and tested fundamentals, continuously aligning everything we did to bring greater value to our stakeholders. Guided by our Core Values, we believe that taking these steps puts us on the surest path to ensuring the long-term sustainability of our business.

## MANAGEMENT DISCUSSION & ANALYSIS

This marks the third year since Yinson first embarked on our Integrated Reporting journey. In the first year, we focused on delivering a robust Sustainability Statement. Last year, we greatly increased the quantity and quality of our disclosures, including how we manage our material topics and capitals. Our efforts were rewarded with several international design awards, and a silver placing at the prestigious NACRA 2020's Excellence Award. This year, we focused on improving the connectivity of the various sections of our Report and further enhanced the quality of our disclosures to be more balanced, concise, comparable and meaningful. We hope this helps you to get a good idea of our strategy and outlook, so you can make informed decisions about the Group.

As mentioned earlier in this Report, climate action is no longer a luxury but a necessity. There is already a major and inevitable transition occurring in the energy sector to more sustainable energy sources. With sustainability as a Core Value close to our hearts, Yinson sees this as an opportunity to adapt and participate in this global shift towards a more sustainable energy future. In coming years, we will focus on reducing our carbon intensity and invest more into the energy

transition, making this a core part of our strategy moving forward.

In the Business Review section of this Report, the leaders of our four Business Divisions will provide you with updates and insights into their business areas.

In closing, on behalf of our Board, Management and employees, I would like to thank our clients and business partners for trusting us with your investment and business. To our vendors and suppliers, thank you for partnering with us to deliver our projects successfully. To our shareholders, bankers, financiers and investors, thank you for your continued support and confidence.

Last but certainly not least, a sincere thank you to our employees and crew, as well as your families. Truly, your commitment, ownership and dedication has enabled us to 'Passionately deliver **powerful** solutions'.

**LIM CHERN YUAN**  
Group Chief Executive Officer





# ABOUT YINSON

Yinson is an energy infrastructure and technology company. Our geographical presence extends across the world, from West Africa, the Americas, Europe and Southeast Asia.

Yinson was founded in 1983 as a humble transport and logistics company in Johor Bahru, Malaysia. Over the next 20 years, Yinson grew to become one of Malaysia's biggest transport companies, operating a fleet of 365 trucks and supplying a further 565 trucks to our customers.

In 2011, Yinson ventured into the oil & gas industry by forming a consortium with PTSC, a subsidiary of Petrovietnam. The JV company was awarded a contract for the charter of an FSO unit, FSO PTSC Bien Dong 01, which paved the way for Yinson to win a contract for the charter of an FPSO unit, FPSO PTSC Lam Son.

In 2014, our business was further strengthened with the acquisition of established Norwegian FPSO company, Fred. Olsen Production ASA. Through the acquisition, Yinson inherited a strong and experienced team, as well as contracts for a further three FPSOs and a MOPU.

By mid-2016, Yinson divested its non-oil & gas businesses, streamlining the business to specifically serve the offshore oil & gas industry. Since the acquisition, we have added three new FPSO projects to our track record (FPSO JAK, Ghana; FPSO Helang, Malaysia and FPSO Abigail-Joseph,

Nigeria). Our latest asset, FPSO Anna Nery, is currently under construction.

Today, with our diversified geographical presence and extensive engineering and operational expertise, we have grown to become one of the largest independent FPSO leasing companies globally.

In 2019, Yinson diversified into renewables. Within a year, we acquired our first operational renewables asset, the 140MW Bhadla solar plants in India, and built a strong pipeline of greenfield development projects across the globe. In early 2021, we secured a new contract to build, own and operate a 190MW solar plant in the Nokh Solar Park, India. Our renewables footprint is rapidly expanding as we target to become a globally recognised independent power producer within clean energy.

In 2020, Yinson established our Green Technologies Division. The Division focuses on investing in new technologies and business areas that enable the global transition to a carbon-free environment.

## ABBREVIATIONS

### FPSO

Floating Production  
Storage and Offloading

### FSO

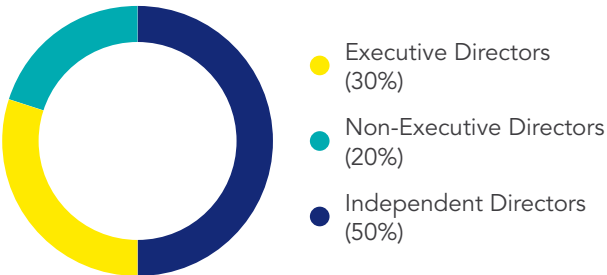
Floating Storage  
and Offloading

### MOPU

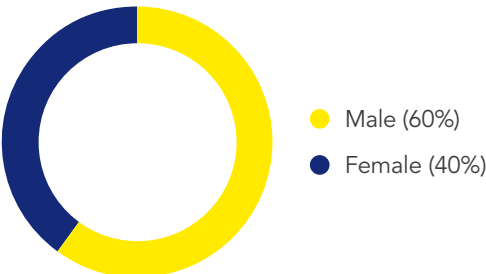
Mobile Offshore  
Production Unit

# BOARD OF DIRECTORS

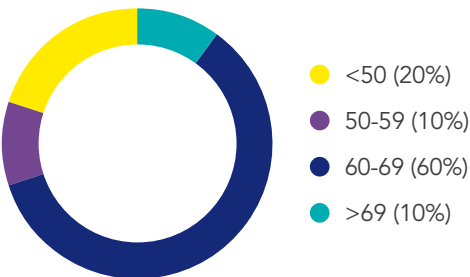
## Board Composition



## Gender Diversity



## Age Diversity



### MR LIM HAN WENG

Age 69 | Male | Malaysian  
Group Executive Chairman  
Non-Independent Executive Director

**Board Committee positions held**  
Member of Employees’ Share Scheme Committee

**Date of appointment**  
Founder/ First Director/ Executive Director – 9 March 1993  
Group Executive Chairman – 28 September 2009

Mr Lim Han Weng embarked into the transport and trading business in 1984 with the founding of Yinson Transport (M) Sdn Bhd. Mr Lim was the main driving force behind the formulation and implementation of Yinson’s corporate and business strategies until the baton of managing the day-to-day work of Yinson was handed over to Mr Lim Chern Yuan in 2014. He remains the largest shareholder in Yinson and continues to oversee Yinson’s direction and overall performance. He is the spouse of Madam Bah Kim Lian, brother of Mr Lim Han Joeeh, and father of Mr Lim Chern Yuan and Mr Lim Chern Wooi.

**Directorships of other public companies**  
• nil





### MR LIM CHERN YUAN

**Age 37 | Male | Malaysian**

Group Chief Executive Officer  
Non-Independent Executive Director

#### Board Committee positions held

Member of Board Risk Management Committee  
Member of Employees' Share Scheme Committee

#### Date of appointment

Executive Director – 28 September 2009  
Group Chief Executive Officer – 3 January 2014

Mr Lim Chern Yuan started his career in Yinson as a Business Development Executive in 2005 and was promoted to Senior General Manager two years later before taking on his current role in 2014. Under his leadership, Yinson grew to become a global FPSO operator and more recently, diversified into renewables and green technologies. He oversees the overall performance of Yinson together with the Group Executive Chairman and Senior Management team, and holds a key role in conceptualising, communicating and executing Yinson's short to long-term business strategies. He holds a Bachelor of Commerce from University of Melbourne, Australia. He is the son of Mr Lim Han Weng and Madam Bah Kim Lian, and brother of Mr Lim Chern Wooi.

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#### Directorships of other public companies

- nil



### DATO' WEE HOE SOON @ GOOI HOE SOON

**Age 61 | Male | Malaysian**

Senior Independent Non-Executive Director

#### Board Committee positions held

Chairman of Audit Committee  
Chairman of Employees' Share Scheme Committee  
Member of Board Risk Management Committee  
Member of Nominating & Remuneration Committee

#### Date of appointment

Independent Non-Executive Director – 11 August 2016

Dato' Gooi has over 35 years of experience in the fields of accounting and corporate finance and has been instrumental in the successful implementation of mergers and acquisitions and debt restructuring exercises involving listed companies. He was the Deputy Chairman of Avenue Capital Resources Bhd, having earlier been its Group Managing Director and the CEO/ Executive Director-Dealing of its subsidiary, Avenue Securities Sdn Bhd. Dato' Gooi later served as Chairman of the board of directors of EON Bank Bhd (and its holding company, EON Bhd) and thereafter as a board member of AIA Bhd. He was formerly also a director of Bank Negara Malaysia. He is currently a board member of the Securities Commission Malaysia and a member of the Investment Panel of Employees' Provident Fund of Malaysia ("EPF"). Dato' Gooi is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.

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#### Directorships of other public companies

- Red Ideas Holdings Berhad
- Perusahaan Sadur Timah Malaysia Berhad

## BOARD OF DIRECTORS

**MADAM BAH KIM LIAN**

Age 69 | Female | Malaysian  
Non-Independent Executive Director

**Date of appointment**

Founder/ First Director/ Executive Director – 9 March 1993

Madam Bah Kim Lian assisted Mr Lim Han Weng, the Group Executive Chairman, in the general administration of the Group's operations and maintains a close relationship with Yinson's clients and affiliates. As a founder of Yinson alongside Mr Lim, Madam Bah has seen the transformational growth of the Group since its establishment. Upon Yinson's move into the offshore production industry, she took on the role of supporting the Group Executive Chairman in overseeing Yinson's direction and overall performance, providing valuable insights from her years of experience serving the Group. Madam Bah sits on the board of several subsidiaries of Yinson Group. She is the spouse of Mr Lim Han Weng, sister-in-law of Mr Lim Han Joeeh, and mother of Mr Lim Chern Yuan and Mr Lim Chern Wooi.

**Directorships of other public companies**

- nil

**DATO' MOHAMAD NASIR  
BIN AB LATIF**

Age 63 | Male | Malaysian  
Independent Non-Executive Director

**Board Committee positions held**

Chairman of Board Risk Management Committee  
Member of Audit Committee

**Date of appointment**

Non-Independent Non-Executive Director – 11 August 2016  
Independent Non-Executive Director – 1 January 2020

Dato' Mohamad Nasir started his career with EPF in 1982 and held several positions before being promoted to Deputy Chief Executive Officer (Investment), the position he held till his retirement on 31 December 2019. The positions he had held in EPF include State Enforcement Officer (1990-1995), Senior Research Officer, Manager and Senior Manager in the Investment and Economics Research Department (1995-2003), and General Manager of the International Equity Investment Department (July 2009-2013). He holds a Bachelor in Social Science from Universiti Sains Malaysia, a Certified Diploma in Accounting and Finance by Association of Chartered Certified Accountants ("ACCA") and a Master of Science in Investment Analysis from the University of Stirling, United Kingdom. He is currently the Chairman of the Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) ("KWAP").

**Directorships of other public companies**

- PLUS Malaysia Berhad
- Malaysian Resources Corporation Berhad
- United Plantations Berhad
- RHB Bank Berhad
- Malaysia Airports Holdings Berhad
- RHB Islamic Bank Berhad



### **PUAN ROHAYA BINTI MOHAMMAD YUSOF**

**Age 56 | Female | Malaysian**  
Non-Independent Non-Executive Director

#### **Date of appointment**

Non-Independent Non-Executive Director – 1 January 2020

Puan Rohaya is the Chief Investment Officer of EPF, appointed in January 2020. She joined EPF Investment Division as Head of Corporate Finance in 2008 and was appointed in 2011 as Head of Capital Market Department overseeing global and domestic fixed income. In 2017, she was appointed as Head of Private Market, whose primary function is to invest in Private Equity, Infrastructure, Global and Regional Real Estates. In January 2020, she was appointed as Chairman of Institutional Investors Council Malaysia (IIC), a platform for institutional investors to shape and influence the adoption of corporate governance culture in the Malaysian capital market through, amongst others, the effective adoption of the Malaysian Code for Institutional Investors (MCII). She is currently on the Board of Trustees of Yayasan Khazanah. Puan Rohaya started her career with Arthur Anderson & Co. as a Senior Financial Consultant in the Audit Division. In 1990, she joined Maybank Investment Bank (previously known as Aseambankers) and was promoted to the position of Executive Vice President, Corporate Investment Banking in 2005.

#### **Directorships of other public companies**

- Malaysian Resources Corporation Berhad
- Projek Lebuhraya Usahasama Berhad
- United Plantations Berhad



### **DATUK ABDULLAH BIN KARIM**

**Age 69 | Male | Malaysian**  
Independent Non-Executive Director

#### **Board Committee positions held**

Member of Nominating & Remuneration Committee  
Member of Audit Committee  
Member of Board Risk Management Committee  
Member of Employees' Share Scheme Committee

#### **Date of appointment**

Independent Non-Executive Director – 16 October 2018

Datuk Abdullah has over 39 years of experience in the oil & gas industry, having had a long career with Petroliaam Nasional Berhad ("PETRONAS") which he joined in 1977. Datuk Abdullah served as Project Engineer (1981) and General Manager, Engineering Division (1991) of PETRONAS Carigali Sdn. Bhd. ("PETRONAS Carigali"), a wholly-owned subsidiary of PETRONAS. He was appointed as Managing Director/ CEO of OGP Technical Services Sdn Bhd (1995), then assumed the position of Managing Director/ CEO of Malaysia LNG Group of Companies (1999). He was also Vice President, Exploration & Production Business of PETRONAS (2004). Datuk Abdullah assumed the position of Managing Director/ CEO (March 2007) and President/ CEO (July 2010) of PETRONAS Carigali that involved in the exploration, development and production of oil & gas in Malaysia and 23 countries worldwide. He was appointed as the Vice President and Venture Director of Domestic LNG Projects (2012) and retained this position until his retirement on 1 July 2016. He holds a Bachelor in Mechanical Engineering from University of Western Australia, Australia.

#### **Directorships of other public companies**

- Icon Offshore Berhad
- Uzma Berhad
- Ranhill Utilities Berhad



## BOARD OF DIRECTORS


**RAJA DATUK ZAHARATON BINTI  
RAJA ZAINAL ABIDIN**

Age 73 | Female | Malaysian  
Independent Non-Executive Director

**Board Committee positions held**

Chairman of Nominating & Remuneration Committee  
Member of Audit Committee  
Member of Board Risk Management Committee  
Member of Employees' Share Scheme Committee

**Date of appointment**

Independent Non-Executive Director – 11 August 2016

Raja Datuk Zaharaton served the Government of Malaysia in various capacities for 34 years from 1971 to 2005, principally in the capacity of policy analysis and financial evaluation. Raja Datuk Zaharaton's last post in the Government was Director General of the Economic Planning Unit (EPU), Prime Minister's Department. Upon retirement, the Government of Malaysia appointed her as Chairman of Technology Park Malaysia Corporation Sdn Bhd from January 2006 to December 2008. Following that, the Government appointed her as Chairman of Ninebio Sdn Bhd from January 2009 for a two-year period. She is also a Director of her family-owned company, Kumpulan RZA Sdn Bhd and its subsidiary Raza Sdn Bhd. She holds a Bachelor in Economics from University of Malaya, Malaysia, and a Master in Economics from University of Leuven, Belgium.

**Directorships of other public companies**

- Taliworks Corporation Berhad
- Media Prima Berhad and Group


**PUAN SHARIFAH MUNIRA  
BT. SYED ZAID ALBAR**

Age 42 | Female | Malaysian  
Independent Non-Executive Director

**Date of appointment**

Independent Non-Executive Director – 1 January 2020

Puan Sharifah Munira began her career with Astro Radio Sdn Bhd as an executive in the Legal and Compliance Department in 2005 until she was promoted to the role of Manager for the same department in 2008. Puan Munira later took up the position of Senior Legal Counsel in Usaha Tegas Sdn Bhd in 2011. She was appointed as General Manager, Corporate Finance & Strategy of Malaysian Resources Corporation Berhad from 2017 to 2018. Puan Munira is an alumna of Presbyterian Ladies' College in Melbourne, Australia, where she completed her International Baccalaureate in 1997. She holds a Bachelor of Laws degree from Deakin University, Melbourne, Australia. She is also a member of the Institute of Corporate Directors Malaysia.

**Directorships of other public companies**

- nil



### MR LIM HAN JOEH

**Age 62 | Male | Malaysian**

Non-Independent Non-Executive Director

#### **Date of appointment**

Executive Director – 30 January 1996

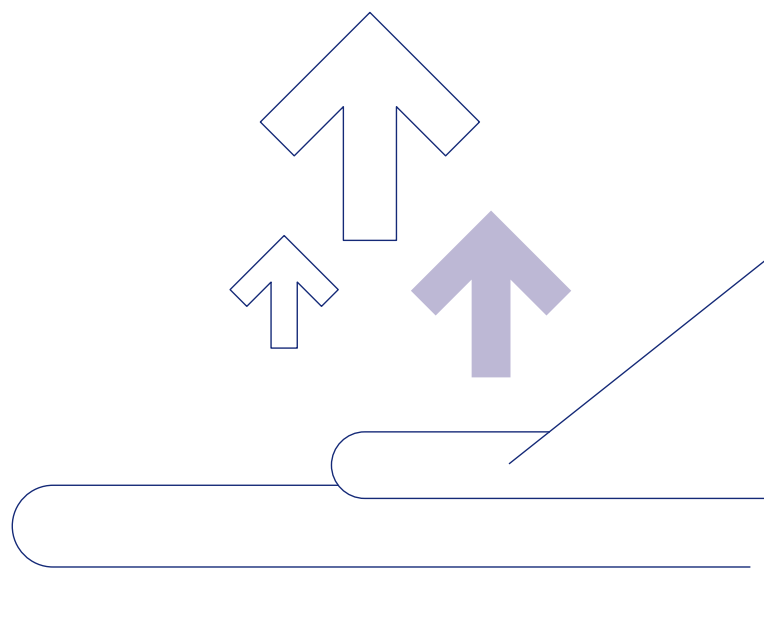
Non-Executive Director – 11 August 2016

Mr Lim Han Joeeh holds a Bachelor of Civil Engineering from Monash University, Melbourne, Australia. After graduating from university in 1984, he took up the position of Operations Manager in Yinson Transport (M) Sdn Bhd before assuming the position of Executive Director of Yinson Corporation Sdn Bhd in 1986. He was also appointed as an Executive Director in Yinson Holdings Berhad from 1996 to 2016, after which he was redesignated as a Non-Independent Non-Executive Director. He is the brother of Mr Lim Han Weng and brother-in-law of Madam Bah Kim Lian.

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#### **Directorships of other public companies**

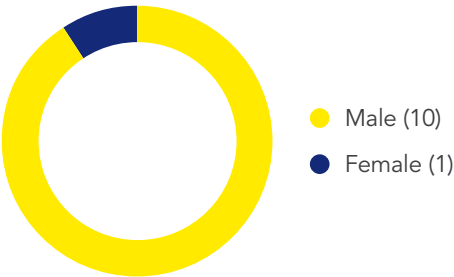
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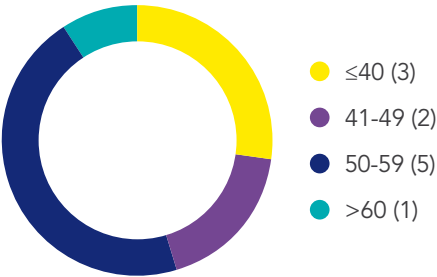
Save as disclosed, the Directors have no family relationship with any Director and/ or major shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence other than traffic offences within the past five years or at all.

# SENIOR MANAGEMENT

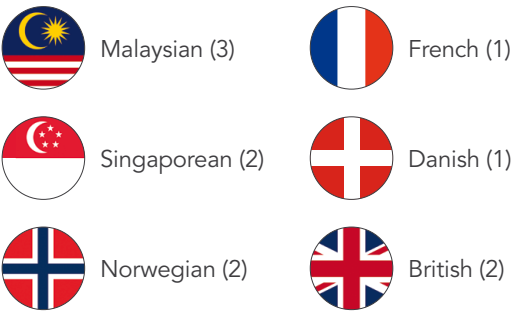
## Gender Diversity



## Age Diversity



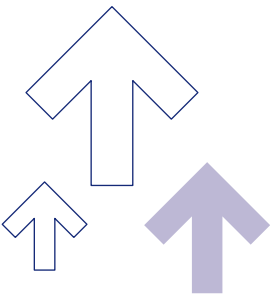
## Nationality



### MR LIM CHERN YUAN

Age 37 | Male | Malaysian  
Group Chief Executive Officer

Mr Lim Chern Yuan started his career in Yinson as a Business Development Executive in 2005 and was promoted to Senior General Manager two years later before taking on his current role in 2014. Under his leadership, Yinson grew to become a global FPSO operator, and more recently, the Group’s diversification into renewables and green technologies. He oversees the overall performance of Yinson together with the Group Executive Chairman and Senior Management team, and holds a key role in conceptualising, communicating and executing Yinson’s short to long-term business strategies. He holds a Bachelor of Commerce from University of Melbourne, Australia. He is the son of Mr Lim Han Weng and Madam Bah Kim Lian, and brother of Mr Lim Chern Wooi.







### MR DANIEL BONG MING ENN

Age 40 | Male | Singaporean

**Group Chief Strategy Officer**  
**Head of Group Corporate Advisory**

Mr Daniel Bong started his career in international audit and advisory firms, covering engagements within a wide spectrum of industries. He moved on to a local real estate investment fund, covering corporate finance and corporate planning. In 2011, he joined Yinson as General Manager in Corporate Finance and Strategy Development, and was thereafter promoted to Group Chief Strategy Officer on 3 January 2014. He currently oversees the Group Corporate Advisory Office, working closely with the Group Executive Chairman, Group Chief Executive Officer and respective business division CEOs to conceptualise, communicate and execute Yinson's short to long-term business and corporate strategies. He oversees the corporate finance and investments, strategy development, corporate legal, governance, risk management and compliance, sustainability and corporate communications functions, as well as manages the Group's business and financing partnerships. Daniel also maintains oversight of the Group's tax, treasury and financial reporting functions through reporting from the Group Chief Financial Officer. He has been instrumental to Yinson's growth, particularly in driving the transition from a logistics and trading company to the current global energy infrastructure, renewables and technology company. He is a Chartered Accountant with both the Malaysian Institute of Accountants and Institute of Singapore Chartered Accountants, and a Fellow of the ACCA as well. He is a gold medalist and first prizewinner of ACCA final papers in 2003. He also holds a Master of Science in Accounting and Financial Management. He is expected to graduate from INSEAD Advanced Management Programme in 2021.



### MRS LOUISA RACHEL BRADY

Age 49 | Female | British

**Group HR Director**

Mrs Louisa Brady has over 25 years of HR leadership experience across global FTSE 100 FMCG and Defence industries. Louisa commenced her career in Unilever from 1990 to 2005, moving to BAE Systems for the following 15 years, before joining Yinson in April 2020 as Group HR Director. With proven capability across organisational development, employee engagement, learning and change management, Louisa's value to the executive table is in enabling international growth strategies to be realised through their people. Having led HR teams across EMEA, APAC and the Middle East, Louisa values difference and inclusivity, to create connectiveness across organisations. She is a Chartered Member of the Institute of Personnel and Development in the United Kingdom.

## SENIOR MANAGEMENT

**MR ANDREW CHOY WEI NUNG**

**Age 57 | Male | Singaporean**  
**General Counsel, Group Legal**

Mr Andrew Choy is experienced in legal practice in the upstream oil & gas industry, with a firm grounding in commercial and corporate work. He was appointed Head of Legal of Yinson's Offshore Production Division on 1 February 2014 and thereafter, General Counsel on 1 January 2018. He is primarily responsible for providing advice and support to Yinson on all legal issues and documentation. Andrew was appointed as the Honorary Consul of the Republic of Ghana in Singapore on 31 January 2018 and is the author of The Singapore Corporate Director's Manual. Andrew's qualifications include Member of the Honourable Society of Gray's Inn (London); Barrister-at-Law (England and Wales); Advocate & Solicitor (Singapore); Arbitrator (Chartered Institute of Arbitrators); and Certified Auditor for Quality Management System (ISO 9001:2008), International Safety Management (ISM), and International Ship and Port Facility Security (ISPS), and is a certified Practitioner in Personal Data Protection (Singapore).

**MR GUILLAUME FRANÇOIS JEST**

**Age 57 | Male | French**  
**Group Chief Financial Officer**

Mr Guillaume Jest has over 26 years of finance leadership experience, with a strong record of building tax, treasury and financial reporting teams through periods of change in multicultural environments. He brings a wealth of experience spanning across FMCG, industrial, chemical and pharmaceutical companies, most extensively in Asia. Guillaume held the role of International Financial Controller Latin America, South Europe and Asia regions for Laboratoires Servier, Paris, from 1994 to 2000. He moved on to work with Nestlé Waters until 2007, taking up the positions of Controller for China and Indonesia respectively for three years each. He also served as Executive Committee member in Nestlé Waters Indonesia. He then spent his time between 2008 to 2020 in Koch Industries, an American conglomerate. From 2008 to 2017, he held the position of Director, Asia and Europe with Koch Audit and Advisory in Singapore, providing strategic consulting services to Asia and Europe offices and developing strategies to improve operating processes. Prior to joining Yinson on 1 December 2020, Guillaume was an Executive Committee member and the Finance Director of Guardian Industries, Africa, Middle East, India and Asia, in Bahrain, building and leading a high-performance tax, treasury and finance team spanning across seven countries. Guillaume graduated from Harvard Business School, General Management Program and holds a Master of International Management from the Ecole Supérieure de Commerce de Paris, France.



### MR EIRIK ARNE WOLD BARCLAY

Age 49 | Male | Norwegian

**Group Executive Vice President,  
New Ventures and Technology**

Mr Eirik Barclay has worked in the offshore oil industry since 1999, starting his career with Schlumberger Oilfield Services as a Field Engineer before moving on to work for Aker Kvaerner Process Systems. He has previously held the positions of CEO of Songa Floating Production and Vice President, Business Development of BW Offshore. Eirik held the position of CEO at Fred. Olsen Production ASA when Yinson acquired the company in 2014, after which he was appointed Chief Executive Officer of Yinson's Offshore Production Division. With effect from 1 May 2020, he was redesignated as Group Executive Vice President, New Ventures and Technology. He holds a Master of Engineering from Norwegian University of Science & Technology, Norway, and a Master in Energy Management ESCP/ IFP Paris and BI (Oslo).

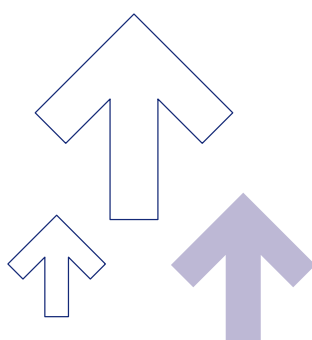


### MR FLEMMING GRØNNEGAARD

Age 51 | Male | Danish

**Chief Executive Officer,  
Offshore Production**

Mr Flemming Grønnegaard started his career with Maersk Ship Design as a Project Engineer before moving on to work for APM Terminals as Director of Crane and Engineering Services. Flemming has worked in the offshore oil/ shipping industry since 2001, having previously held the positions of Vice President, Operations at Teekay Petrojarl, and Group Technical Director at Svitser (A.P. Moller Maersk). He was appointed Chief Operations Officer of Yinson's Offshore Production Division in April 2015. With effect from 1 May 2020, he was redesignated as Chief Executive Officer, Offshore Production in place of Mr Eirik Barclay. He holds a Master of Engineering from Danish Technical University, Denmark.





## SENIOR MANAGEMENT

**MR ROLF MARTHIN NORMANN**

Age 54 | Male | Norwegian

**Chief Operations Officer,  
Offshore Production**

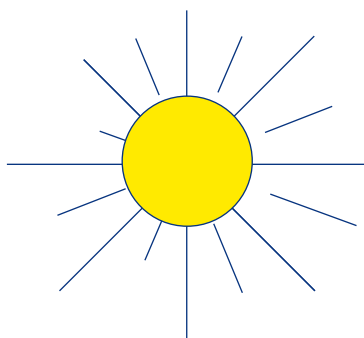
Mr Rolf Normann brings with him vast experience from offshore energy projects including FPSOs, offshore drilling and offshore wind. He has over 30 years of experience and has held several key project management positions including 10 years as Senior Project Manager in BW Offshore. He also took on the roles as Project Director in Fred. Olsen Energy, Project Director in Golar LNG and Chief Executive Officer in Fred. Olsen Ocean. From 1 May 2020 he was appointed as Chief Operations Officer in Yinson's Offshore Production Division. Rolf holds two master's degrees; a Master of Science in Mechanical Engineering from Norwegian University of Science and Technology; and an Executive Master of Business Administration from BI Norwegian Business School, and Nanyang Technological University, Singapore.

**MR DAVID CHARLES BRUNT**

Age 58 | Male | British

**Chief Executive Officer,  
Renewables**

Mr David Brunt has over 36 years of experience within a variety of energy industries. He worked in the offshore oil & gas industry from 1985 until 2013, starting his career with ConocoPhillips and holding a variety of international positions in operations, technology and major projects. In 1997, he joined Petroleum Geo-Services as Manager Development Projects. From November 2001 until April 2013, he held leading positions at Deepwater Composites, Aker Kvaerner Subsea and Fred. Olsen Production ASA. David moved into the renewable energy business in 2013 as Chief Executive Officer at Fred. Olsen Renewables AS. He was subsequently appointed as Chief Executive Officer of Yinson's Renewables Division on 1 October 2019. He holds a Master of Chemical Engineering and Master of Arts (Engineering) from University of Cambridge, United Kingdom.





### **DATO' MOHAMED SABRI BIN MOHAMED ZAIN**

**Age 65 | Male | Malaysian**  
**Chief Executive Officer,**  
**Yinson Energy**

Dato' Mohamed Sabri Zain has 43 years of experience in the international oil & gas industry. He started his career with Petronas Malaysia in 1978. He took on the role of General Manager for International Operations before being appointed as President of White Nile Petroleum Operating Company in Sudan in 2008. He joined MISC Berhad as Vice President of Offshore Business in 2010. In 2013, he was appointed President for GOM Resources Sdn Bhd and Puncak Oil & Gas Sdn Bhd. He joined Yinson on 16 May 2014 as Chief Executive Officer of Yinson Energy Sdn Bhd. Dato' Sabri holds a Bachelor of Science in Petroleum Engineering from University of Wyoming, United States of America. He also completed INSEAD Senior Management Development Programme in 1998.



### **MR LIM CHERN WOUI**

**Age 35 | Male | Malaysian**  
**Chief Executive Officer,**  
**Offshore Marine**

Mr Lim Chern Wooi started his career in Yinson as Business Development Executive in June 2008. He was promoted to Chief Executive Officer for Yinson's Offshore Marine Division on 3 January 2014. He oversees the operation and business of Yinson's Offshore Marine Division including Offshore Support Vessels, tugs and barges. He holds a Bachelor of Applied Science and Master in Business Administration, both from RMIT University, Melbourne, Australia. He is also a Certified Auditor for Quality Management System (ISO 9001:2008); Environmental Management System (ISO 14001:2004); Occupational Health and Safety Management System (OHSAS 18001:2007); International Safety Management (ISM), and International Ship and Port Facility Security (ISPS). He is the son of Mr Lim Han Weng and Madam Bah Kim Lian, and brother of Mr Lim Chern Yuan.

Save as disclosed, the Senior Management have no family relationship with any Director and/ or major shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence other than traffic offences within the past five years or at all.

# OUR GLOBAL PRESENCE



- **BRAZIL**  
(Rio de Janeiro)
- FPSO Anna Nery  
\*on schedule for deployment in 2023



- **GHANA**  
(Accra and Takoradi)
- FPSO John Agyekum Kufuor



- **INDIA**  
(Rajasthan)
- Rising Bhadla 1&2 Solar Plants
- Nokh Project  
\*on schedule for commissioning in 2022



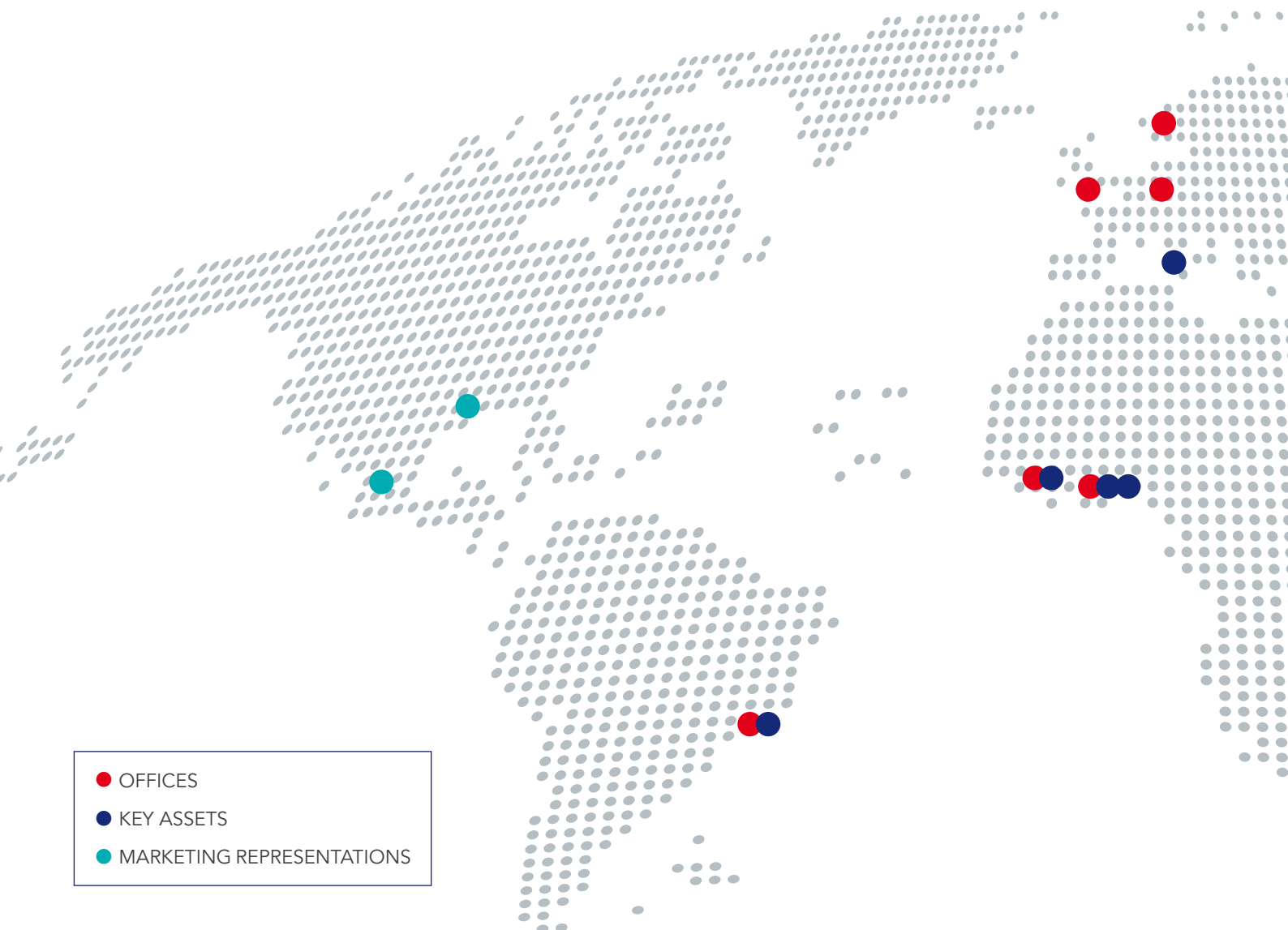
- **NIGERIA**  
(Port Harcourt)
- FPSO Adoon
- FPSO Abigail-Joseph



- **NORWAY**  
(Oslo)
- Operations Headquarters
- Renewables Headquarters



- **SINGAPORE**  
Projects Headquarters  
Green Technologies Headquarters



- OFFICES
- KEY ASSETS
- MARKETING REPRESENTATIONS



## OUR GLOBAL PRESENCE



- **ITALY**  
Renewable development projects



- **MALAYSIA**  
(Kuala Lumpur)  
Global Headquarters



- **MEXICO**



- **NETHERLANDS**  
(The Hague)



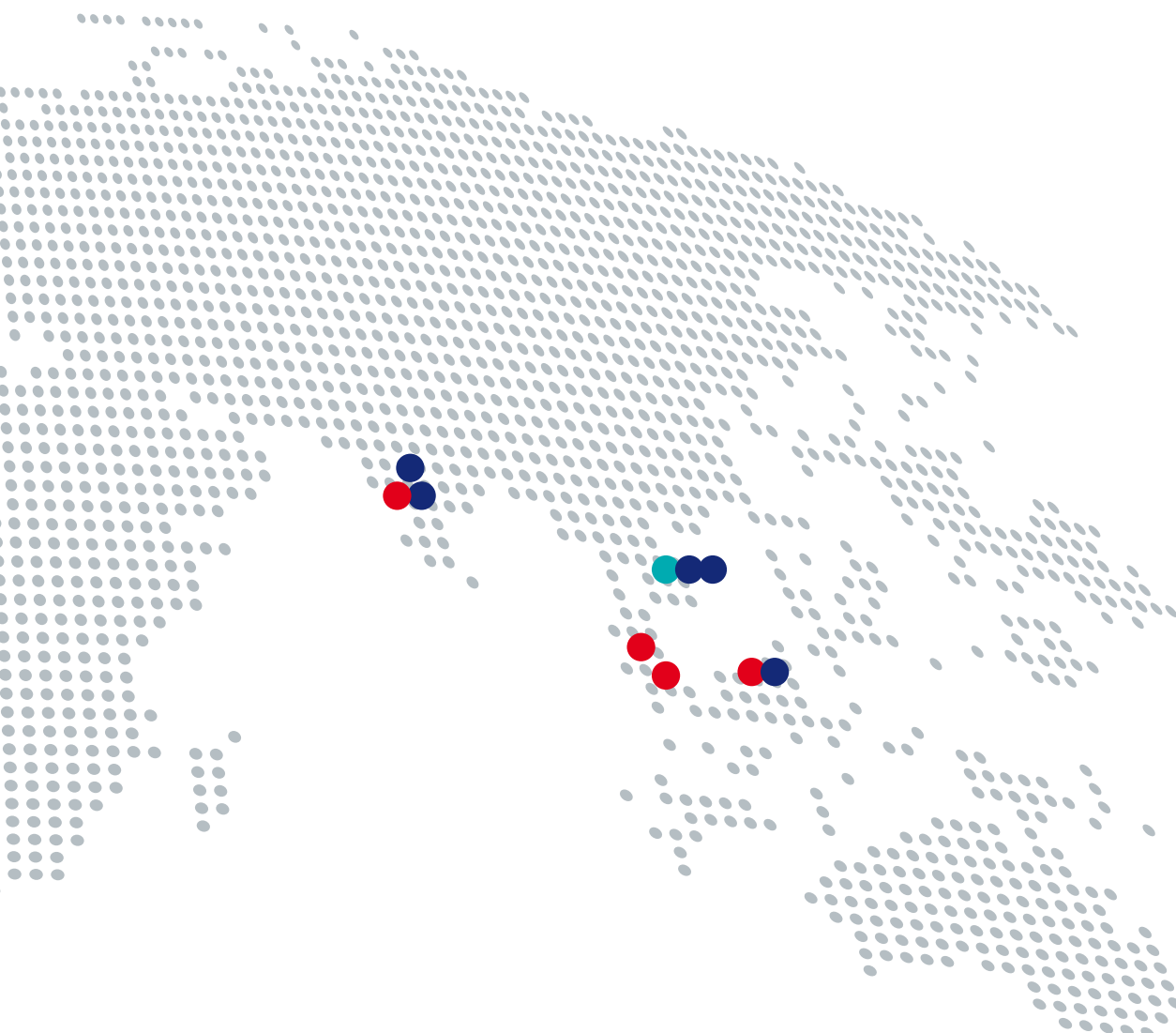
- **UNITED KINGDOM**  
(London)



- **USA**  
(Houston)



- **VIETNAM**  
(Ho Chi Minh City)
  - FSO PTSC Bien Dong 01
  - FSO PTSC Lam Son



# KEY ASSETS

## OFFSHORE PRODUCTION ASSETS



	FPSO ADOON Block OML 123, Nigeria	FPSO PTSC BIEN DONG 01 Block 05-2/05-3, Vietnam	FPSO PTSC LAM SON Block 1-2/97, Vietnam
<b>Charterer</b>	Addax Petroleum	PTSC	PTSC
<b>Storage capacity</b>	1,700,000 barrels	350,000 barrels	350,000 barrels
<b>Mooring</b>	Spread	Internal turret	External turret
<b>Production capacity</b>	Oil : 60,000 BOPD Liquid : 140,000 BLPD Gas Comp. : 7 MMSCFD Water Inj. : 50,000 BWPD	-	Oil : 18,000 BOPD Liquid : 31,000 BLPD Gas Comp. : 35 MMSCFD Water Inj. : 15,000 BWPD
<b>Contract commencement</b>	17 October 2006	4 June 2013	1 July 2017
<b>Contract duration</b>			
Firm	8 years (2006 – 2014)	10 years (2013 – 2023)	4 years (2017 – 2021)
Options	Up to 8 years (2015 – 2022)	5 + 2 + 2 + 1 years (2024 – 2033)	-
Remaining tenure as at 31 January 2021 (including options)	1 year 8 months	12 years 4 months	5 months
<b>Ownership</b>	100% Yinson	51% PTSC; 49% Yinson	51% PTSC; 49% Yinson
<b>Uptime</b>	Above 99%	Above 99%	Above 99%

## KEY ASSETS



FPSO JOHN AGYEKUM KUFUOR OCTP Block, Ghana	FPSO HELANG Block SK10, Malaysia	FPSO ABIGAIL-JOSEPH Block OML 83 & 85, Nigeria	FPSO ANNA NERY Campos Basin, Brazil (on schedule for deployment in 2023)
ENI	JX Nippon	FIRST E&P	Petrobras
1,400,000 barrels	550,000 barrels	870,000 barrels	1,600,000 barrels
Spread	Internal turret	Spread	Spread
Oil : 58,000 BOPD Liquid : 75,000 BLPD Gas Inj. : 165 MMSCFD Gas Exp. : 210 MMSCFD Water Inj. : 55,000 BWPD	Oil : 12,000 BOPD Liquid : 17,000 BLPD Gas Comp. : 180 MMSCFD	Oil : 50,000 BOPD Liquid : 60,000 BLPD Gas Lift : 15 MMSCFD Gas Inj. : 39 MMSCFD	Oil : 70,000 BOPD Liquid : 250,000 BLPD Gas Comp. : 142 MMSCFD Water Inj. : 240,000 BWPD
4 June 2017	6 December 2019	28 October 2020	2023
15 years (2017 – 2032)	8 years (2019 – 2027)	7 years (2020 – 2027)	25 years (2023 – 2048)
5 x 1 years (2033 – 2037)	10 x 1 years (2028 – 2037)	2 + 6 x 1 years (2028 – 2035)	-
16 years 4 months	16 years 10 months	14 years 9 months	25 years from deployment scheduled in 2023
74% Yinson; 26% Japanese consortium	100% Yinson	100% Yinson	75% Yinson; 25% Sumitomo
Above 99%	Above 98%	Above 99%	-

### ABBREVIATIONS

BOPD : Barrels of oil per day  
 BLPD : Barrels of liquid per day  
 BWPD : Barrels of water per day  
 MMSCFD : Million standard cubic feet per day



## KEY ASSETS

## RENEWABLES ASSETS



	RISING BHADLA 1&2 SOLAR PLANTS	NOKH PROJECT
<b>Asset holding and management company</b>	Rising Sun Energy Private Limited ("RSE")	Rising Sun Energy (K) Private Limited ("RSEK")
<b>Counterparty</b>	NTPC Limited	NTPC Limited
<b>Location (Country)</b>	Bhadla Solar Park, Rajasthan, India	Nokh Solar Park, Rajasthan, India
<b>Generation capacity</b>	140MW(AC)/ 175MWp(DC)	190MW(AC)/ TBA
<b>Photovoltaic (PV) module type</b>	Solar panels (Canadian Solar and JA Solar)	-
<b>Mounting structure</b>	Seasonal tilt (5°/30°)	TBA
<b>Inverters</b>	ABB	-
<b>Grid connection</b>	132 kV (Physical and Metered)	33kV (Physical); 220 kV (Metered)
<b>Long-term estimated annual electricity production (P50 – 2020)</b>	298 GWh/year	-
<b>Commercial operations date</b>	2017	Scheduled to take place in 2022
<b>Power purchase agreement terms</b>	25 years (2017 – 2042)	25 years (2022 – 2047)
<b>Ownership</b>	95% Yinson	80% Yinson
<b>Plant availability</b>	Above 99%	-

## ABBREVIATIONS

MW : Megawatt  
 MWp: Megawatt peak  
 kV : Kilovolt  
 GWh : Gigawatt-hour

## OFFSHORE MARINE ASSETS



	YINSON HERMES	PTSC LAM KINH	YINSON PERWIRA	PTSC HUONG GIANG
<b>Vessel type</b>	AHTS; DPS-1	AHTS; DPS-1	AHTS; DPS-2	PSV; DPS-2
<b>Length overall</b>	59.25m	60.00m	70.70m	69.9m
<b>Accommodation</b>	42 pax	40 pax	40 pax	50 pax
<b>Horsepower</b>	5,150 BHP	5,150 BHP	10,800 BHP	5,400 BHP
<b>Bollard pull/ Clear deck space</b>	68 tonnes	60 tonnes	128 tonnes	600m <sup>2</sup>



## ABBREVIATIONS

AHTS : Anchor handling tug supply  
 LOA : Length overall  
 BHP : Brake horsepower  
 PSV : Platform supply vessel



# STRATEGY REVIEW



**DANIEL BONG**  
Group Chief Strategy Officer  
Head of Group Corporate Advisory

In FYE 2021, we undertook an exercise to refresh our strategy framework in line with our growth into new business areas and territories.

As always, our Vision, Mission and Core Values sit at the pinnacle of the framework, providing guidance and direction for decisions made at every level. We also identified elements that make up 'Yinson's Edge' – these are our unique strengths that we leverage on to differentiate ourselves so we can propel Yinson forward. We work hard to maintain our edge, as this is the key to staying ahead in a competitive landscape, ensuring we can continue delivering value to our stakeholders.

The concept of 'leadership by altitudes' is an apt way to describe our approach to the development of our new strategic framework. At 50,000 feet, we see the big picture. At 50 feet, we get a good tactical view close to the ground. At 5 feet we see a good picture of ourselves. We were cognisant of not getting 'altitude sickness', i.e. being stuck in one altitude. If we get stuck at 50,000 feet we risk having vision without action; getting stuck at 50 feet can blind us to the opportunities and threats, causing us to dwell in the fallacy of our comfort zones; and remaining at 5 feet causes us to micromanage business frameworks that are already established, living in the glory of past successes. By overcoming 'altitude sickness' and manoeuvring between the various altitudes, we are able to develop a consistent and balanced strategy that can be executed well in the present in order to bring value far into the future.

The strategy refresh took into consideration the transition necessary under the global climate action agenda, where a carbon-constrained economy is the new prevailing socio-economic paradigm. This transition will not take place overnight and will definitely require large-scale capital reallocations. Capital is finite, so we need to make good capital allocation decisions during this transitional period with regards to our various businesses, considering their respective positions within the growth-share framework. During this period, we will adopt a broad-based approach to business ventures and financial partnerships whilst balancing our sustainability commitments. It is absolutely necessary for Yinson to consider the latent demands of our stakeholders, in relation to both internal and external decarbonisation actions.



*Social & Relationships Capital, pg 130*

In FYE 2020 and FYE 2021 we established our Renewables and Green Technologies Divisions. At the same time, we launched various decarbonisation initiatives towards achieving our Climate Goals. One example is the development of a fully electrified harbour craft concept model by the Green Technologies Division, powered by advanced hydrofoil technology. Upon commercialisation, we believe we can provide the harbour craft industry with an option that significantly reduces energy costs and carbon footprint.



*Business review, pg 52; Yinson's Climate Goals, pg 72*



We have identified six Group-level strategies, which are operationalised at Division-level through Divisional goals and strategies. We believe that the alignment between our Group and Divisional strategies can create synergies that unlock even greater efficiencies and value. The foundation of the framework lies on the strength of our business units and Corporate team, which lend vital support for the execution of our strategy.

Divisional goals and strategies were carefully formulated by the Board and Senior Management in alignment with the Group's seven UN SDG commitments. Each Division is unique, presenting its own opportunities to bring value to and through the six Capitals. For instance, Offshore Production's goal of achieving a long-term EBITDA of USD500 million will not be a walk in the park. With US Crude plunging below zero for the first time in history in April 2020 amidst the Covid-19 induced supply glut and UK Export Financing withdrawing support of fossil-related projects in line with the Climate Ambition Summit in December 2020, Yinson faced an uphill task to close financing for the construction of FPSO Anna Nery. Despite the reluctance of many financial institutions to provide financing support for carbon related projects, we were eventually successful in closing the financing for a USD400 million bridge loan in September 2020, with strong support of our local and international house banks. We do not take such successes for granted. Learning from this experience, we aim to obtain committed funding before signing the charter contracts for future offshore production projects.

We are optimistic that the investments into our newer businesses will bring long-term value to our stakeholders, and that they will become equal pillars and contributors of

value to the Group. This will be achieved through a sensible and dynamic capital allocation strategy and by continuing to uphold our value proposition as a strong solutions provider to our clients to grow our market share. We are cognisant that there is a cost to break the barrier to entry in this competitive market and grow our renewables presence, but our Renewables Division will not participate where price is the sole competitive factor. With green technologies, we adopt a different strategy from the venture capital market where investors generally invest in a wide range of opportunities in the hope of finding the next unicorn. Instead, we take a targeted approach in developing the Green Technologies Division, where we leverage on our existing strengths and geomarkets to build profitable, disruptive businesses, based on clean technologies and digitalisation in the space of energy, mobility and marine.

We are proud of the value we have generated despite the many challenges faced this year and optimistic about plans we have put in place to continue our growth. With the strategy refresh presenting an even clearer direction, Yinson will continue to create value for our stakeholders, both internal and external.

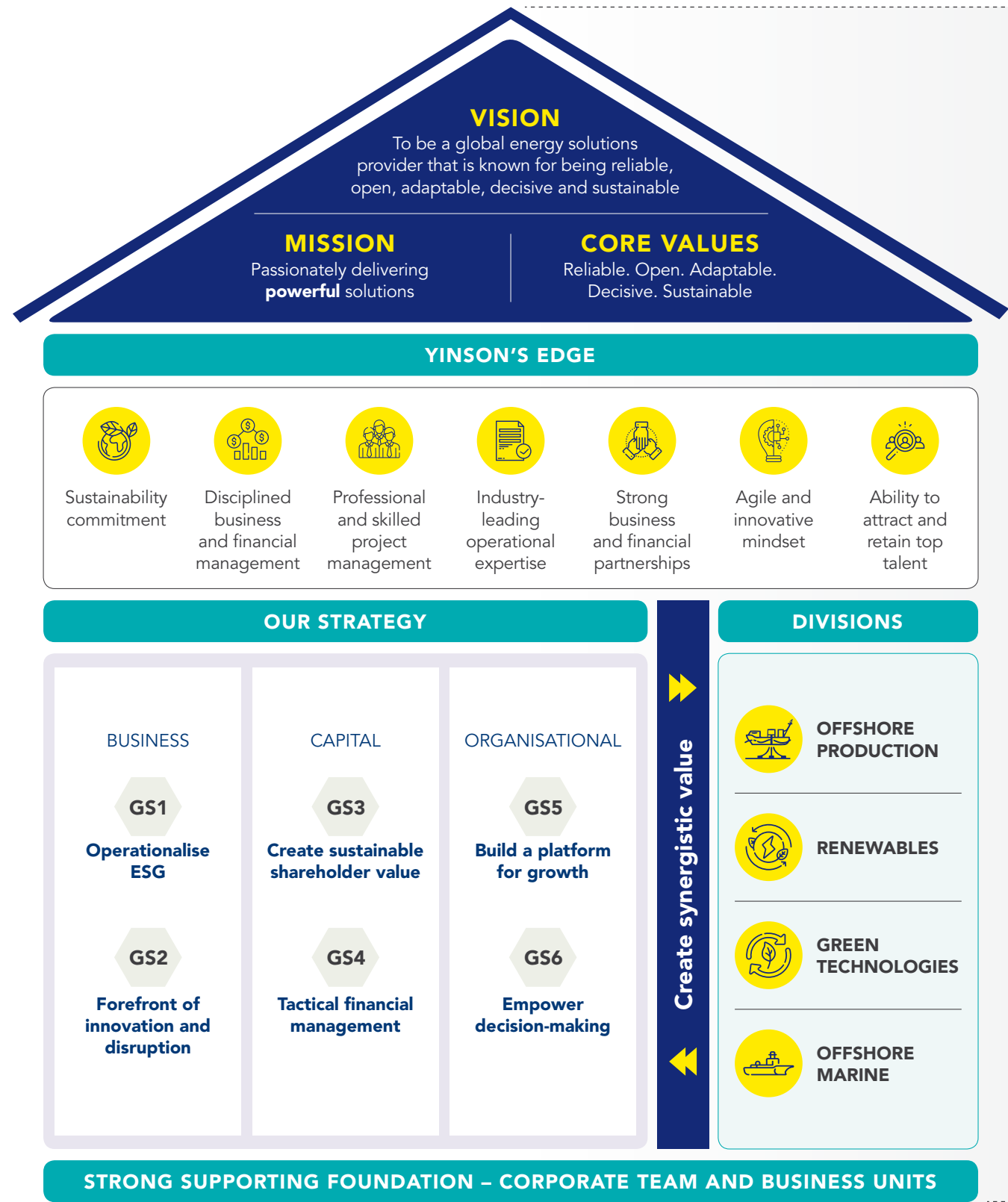
In closing, Yinson will adhere closely to our strategy framework, which emphasises the importance of adaptability to stay ahead in this fast-changing, complex, diversified and volatile economic environment. We will maintain a steady balance of forward-thinking vision, tactical execution and self-awareness to safeguard ourselves against 'altitude sickness'.

**DANIEL BONG**  
Group Chief Strategy Officer  
Head of Group Corporate Advisory



YINSON'S STRATEGIC FRAMEWORK AND EDGE

YINSON'S STRATEGIC FRAMEWORK AND EDGE



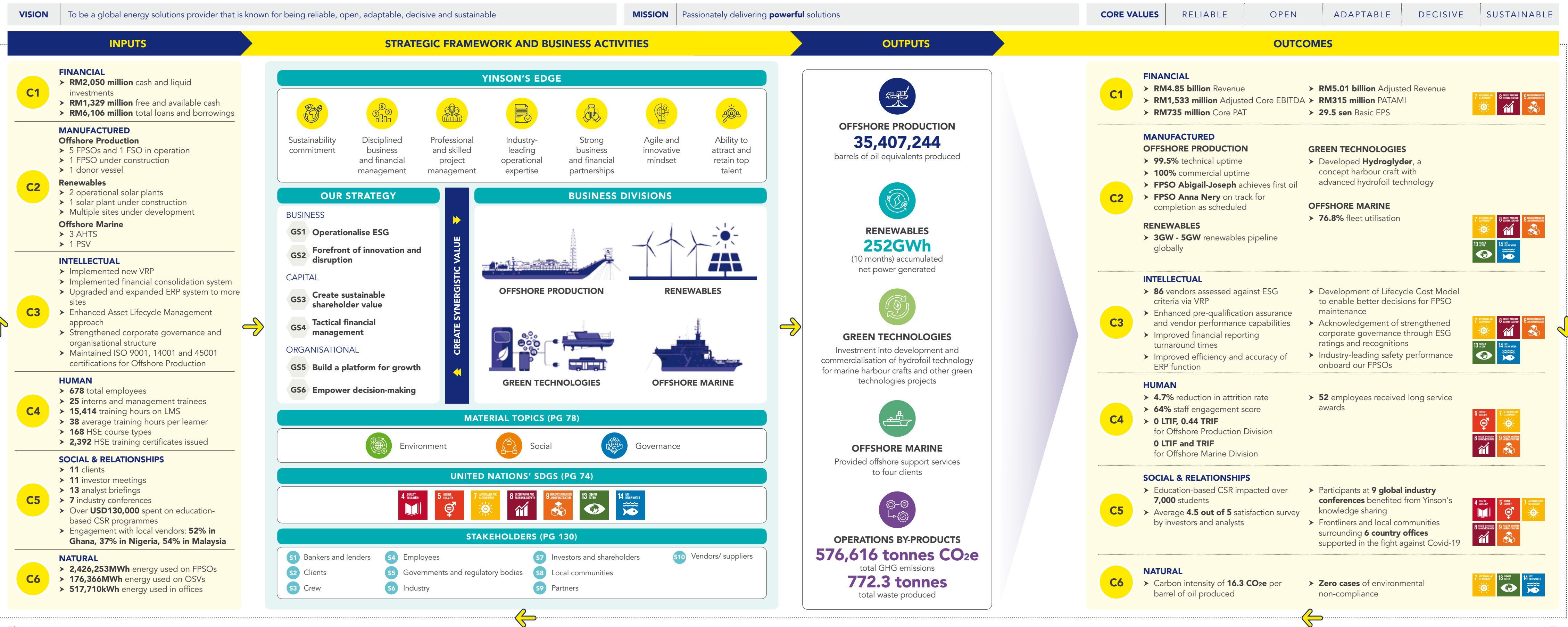
DIVISIONAL GOALS AND STRATEGIES

BUSINESS DIVISIONS	GOALS	STRATEGIES	
		Short to medium-term (1 to 5 years)	Long-term (6 to 10 years)
 OFFSHORE PRODUCTION	<ul style="list-style-type: none"><li>• Increase portfolio of profitable assets, creating long-term EBITDA of USD500 million.</li><li>• Lead the way towards net zero with responsible solutions.</li><li>• Execute projects on time and on budget, to support a strong brand reputation.</li><li>• Deliver on our promises to clients and stakeholders on high quality operations.</li><li>• Maintain a safe workplace at all times.</li><li>• Build strong leadership team, skilled workforce and corporate culture.</li></ul>	<ul style="list-style-type: none"><li>• Continue to build a sustainable pipeline of conversion and redeployment projects, including through mergers and acquisitions.</li><li>• Proactively drive ESG initiatives to fulfill Group goal of reducing carbon intensity by 30% by 2030.</li><li>• Invest in asset lifecycle management via a proactive digitalisation strategy.</li><li>• Enhance learning opportunities, invest in leadership, safety and corporate culture development.</li></ul>	<ul style="list-style-type: none"><li>• Continuous development of our asset portfolio, creating a strong order book with stable cashflows.</li><li>• Optimise capital structure and expand liquidity pool to capture market opportunities.</li><li>• Continuously evaluate the effectiveness of our supply chain and project execution philosophy.</li></ul>
 RENEWABLES	<ul style="list-style-type: none"><li>• Be a significant standalone business within Yinson.</li><li>• Participate in the full renewables value chain.</li><li>• Participate globally by identifying and focusing on key core markets with scale/ value potential.</li><li>• Deliver additional value through efficient capital recycling.</li></ul>	<ul style="list-style-type: none"><li>• Develop significant presence in three markets and 3GW project pipeline by FYE 2023.</li><li>• Deliver growth both organically and through acquisitions with focus on growth in core markets.</li><li>• Build a lean and experienced team.</li><li>• Leverage internal teams both locally and globally, investing in training and development.</li></ul>	<ul style="list-style-type: none"><li>• Establish operations in five to seven markets, with a combined development and operating portfolio of 5 to 10GW, by FYE 2029.</li><li>• Achieve optimised operations through digitalisation and innovation.</li><li>• Adopt efficient capital recycling strategies and build strong equity and refinancing partnerships.</li></ul>
 GREEN TECHNOLOGIES	<ul style="list-style-type: none"><li>• Establish green technologies as a major revenue stream for Yinson.</li><li>• Develop profitable, disruptive businesses, based on clean technologies and digitalisation.</li><li>• Achieve a net carbon zero business.</li></ul>	<ul style="list-style-type: none"><li>• Identify and invest in strategic green technology companies and develop assets within the marine, mobility and energy segments.</li><li>• Relentlessly drive innovation in alignment with government incentives and global energy megatrends.</li><li>• Build low-carbon businesses serving commercial and industrial customers, supporting their own net zero ambitions.</li></ul>	<ul style="list-style-type: none"><li>• Accelerate business growth by working with like-minded partners and attracting investment capital.</li><li>• Establish Yinson as a recognised brand within net carbon zero technologies and businesses.</li><li>• Develop a net carbon zero solutions platform capable of adapting and incorporating novel technologies.</li></ul>
 OFFSHORE MARINE	<ul style="list-style-type: none"><li>• Maintain a strong utilisation rate.</li><li>• Maintain an industry-leading safety and performance track record.</li><li>• Create further value through synergistic merger opportunities.</li></ul>	<ul style="list-style-type: none"><li>• Achieve strong utilisation rate through active client engagement.</li><li>• Adopt industry best practises to meet safety and operational targets.</li><li>• Streamline business and seek synergistic mergers for value creation.</li></ul>	<ul style="list-style-type: none"><li>• Establish industry-leading improvements in safety and performance processes.</li><li>• Execute synergistic mergers for overall value creation of the Group.</li></ul>



## HOW YINSON GENERATES VALUE

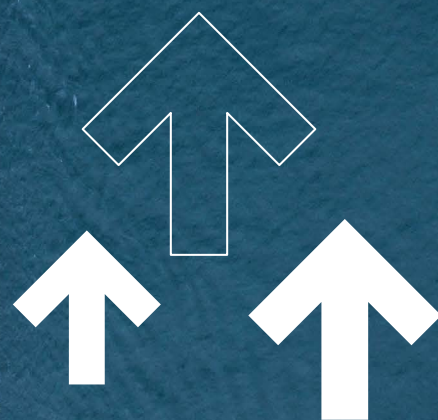
## HOW YINSON GENERATES VALUE





# BUSINESS REVIEW

- 53 Offshore Production
- 56 Renewables
- 58 Green Technologies
- 60 Offshore Marine





# OFFSHORE PRODUCTION



## OFFSHORE PRODUCTION



FLEMMING GRØNNEGAARD  
CEO Offshore Production

### OFFSHORE PRODUCTION HIGHLIGHTS FYE 2021

#### SAFETY

**0 LTIF, 0.44 TRIF**

for Offshore Production Division  
as a whole

**6,785,649**

exposure hours

**0 LTIF, 0 TRIF**

for assets under construction

#### PERFORMANCE

**100%**

commercial uptime

**99.5%**

technical uptime

**99.8%**

5-year technical uptime

#### MILESTONES

**First oil**

achieved for FPSO Abigail-Joseph  
on 28 October 2020

**All construction  
milestones met**

for FPSO Anna Nery conversion  
to date

**Zero-Emissions  
FPSO**

concept developed

## OFFSHORE PRODUCTION

### MARKET OVERVIEW

Brent crude oil price hovered above USD50 per barrel in January 2021 and subsequently exceeded the USD60 mark in February 2021. In March, the price increased to USD70 per barrel and has since then stabilised at the mid USD60 level. The oil price surge, given better demand outlook coupled with storage rundown, is likely to persist. Whilst market conditions in 2021 remain complex due to a high dependence on oil production from OPEC+, global crude oil demand is still expected to rebound to pre-pandemic levels, resulting in a projected petroleum and liquid fuels production of 97 million barrels per day in 2021 and 101 million barrels per day in 2022.

While crude oil prices were heavily impacted in 2020 by both Covid-19 and competition for market share by OPEC+ producers, the recovery will be led by oil supply management efforts, primarily by OPEC+ and global demand growth that provides sufficient support for ongoing investments in new supply sources.

### ZERO-EMISSION FPSO CONCEPT

One of Yinson's commitments is to seek and develop solutions for clean and responsible production of hydrocarbons. We continuously research and seek opportunities to lower our environmental footprint for FPSOs in operation as well as for new projects.

In the period under review, Yinson developed the Zero-Emissions FPSO Concept. Both future and existing technologies have been included in the design, and Yinson is ready to provide the next generation of FPSOs to the market. The concept features combined cycle technology; designs of closed flare and venting system; implementation of carbon capture solutions; as well as the potential of receiving power from renewable energy sources.

We are looking forward to engaging with our customers and existing clients to provide responsible solutions that will benefit all stakeholders.

### SAFETY PERFORMANCE

Through the tremendous effort made, and significant resources deployed, we were able to maintain an industry-leading safety performance in FYE 2021. We recorded Zero LTIs on board all our operating FPSOs, with a highlight being FPSO Adoon achieving another year without LTI, making it 9 years in total. We also recorded zero LTIs for our assets under construction, which chalked up nearly 3.5 million man hours in FYE 2021. Performance-wise, we maintained commercial and technical uptimes of 100% and 99.5% respectively in FYE 2021 across the operating fleet.

These are truly commendable performances, especially given the various challenges arising from the Covid-19 pandemic. My heartfelt thanks go out to our projects team, operations team and crew for their tireless efforts.

### PROJECTS UPDATES

One highlight of the year was undoubtedly FPSO Abigail-Joseph's achievement of first oil on 28 October 2020, marking the commencement of its firm charter period of 7 years, with options to extend for a further 8 years. The unit set sail from the Keppel Benoi shipyard in Singapore on 26 February 2020 after a 7-month conversion period – making it one of the fastest deliveries of a brownfield FPSO modification project in the world. This fast-track upgrade was made possible through an innovative redeployment strategy that utilised an existing vessel in our fleet, FPSO Allan.

Due to the Covid-19 circuit breaker enforced in Singapore, the naming ceremony for FPSO Abigail-Joseph was not able to take place. Nevertheless, the vessel's arrival and start-up was still a much-celebrated milestone, as the vessel is Nigeria's first wholly indigenously developed greenfield oil & gas project. We are pleased to report that FPSO Abigail-Joseph has been producing steadily without any major challenges, achieving a technical uptime of over 99% in its first two full quarters of operations. We are grateful to our client, First Exploration & Petroleum Development Company Limited ("FIRST E&P") for their support, and letting Yinson be a part of the great work they are doing in Nigeria.

The conversion of FPSO Anna Nery remains on track with a successful accumulation of more than 4.6 million manhours without any LTIs thus far. Her first dry docking campaign was successfully completed in Q3, and second dry docking campaign is currently underway. Module fabrications at our four sites are progressing well, with the first module on track for delivery in Q3 2021. Despite the Covid-19 pandemic, delivery of critical long lead equipment to our topside subcontractors and shipyard in China is taking place smoothly as planned.

Adaptability and learning from our experiences has always been a hallmark of Yinson's project execution strategy. FPSO Helang was Yinson's first project to have its entire shipyard works (vessel repair, life extension and topside integration), alongside with partial topside fabrication, performed in China. The experience gave us insight into the vast availability of top tier facilities in China that are well suited to FPSO projects, and allowed us to build relationships with subcontractors and vendors who were eager to demonstrate their capabilities and develop partnerships for future projects.

We factored in the positive experiences and strong relationships gained from the FPSO Helang conversion when reviewing the original project execution strategy for FPSO Anna Nery, which had been developed several years ago. Following the review, we made a strategic decision to move all fabrication works to China instead of splitting fabrication between China, Singapore and Indonesia. It was a big adjustment with great effort required from all levels across the business. However, I am pleased that these changes have contributed to cost savings of around 10% and a 5 to 6-month schedule improvement. The savings are mainly



## OFFSHORE PRODUCTION DIVISION'S PRIORITIES AND OUTCOMES



attributed to an improved shipyard works methodology, topside fabrication savings, reduction in vessel and module transportation and reduction in manpower. China's exemplary management of the Covid-19 pandemic also allowed smooth progress on our fabrications site, which was a significant factor that helped the FPSO Anna Nery project to remain on schedule.

### BUSINESS DEVELOPMENT AND OUTLOOK

Due to the postponement of oil & gas developments in 2020, the number of FPSO awards for 2020 ended at an all-time low. Yinson was not spared, with Aker Energy cancelling the Pecan Project in Q1 FYE 2021 and Petrobras postponing the Parque das Baleias project until FYE 2022 – both projects that we had been hopeful to secure in FYE 2021.

During this time, some oil companies revisited and optimised their development strategies to reduce capital expenditure and make projects more financially robust, thereby increasing demand for leased FPSOs compared to owned units. However, most postponed projects have now resumed, and a significant increase in awards are anticipated in FYE 2022 and beyond. This bodes well for Yinson, as the anticipated increase in project awards against the limited number of FPSO contractors may allow us to be more selective and obtain more balanced commercial contracts.

We are fortunate that Yinson remained relatively resilient throughout the volatility of the market since the Group's revenue comes primarily from long-term fixed priced contracts with reputable oil companies. During this uncertain time, we exercised great prudence with our resources, adhered closely to our business strategy and prioritised maintaining the special skillset needed to execute FPSO redeployments. One of the investments we made in FYE 2021 was to sign an exclusive purchase option for

FPSO Nganhurra, a high spec unit built by Samsung in 2006 owned by Woodside and Mitsui. We believe FPSO Nganhurra to be an excellent fit for several tenders which we are, or expect to be, participating in, thereby increasing our bidding strength and ability to efficiently deliver the project. Having strategically managed our manpower, capital and material resources throughout the downturn in FYE 2021, Yinson is now in a strong position to capitalise on the anticipated FPSO market growth ahead.

Our JV company with PTSC, PTSC CRD, received full settlement totalling USD66.3 million for the termination of Ca Rong Do field development in Vietnam, bringing closure for Yinson on this series of events. The contract was initially awarded to PTSC CRD in 2017. However, it was terminated due to a force majeure event in 2018. Once again, as a result of our robust contractual terms, the Group was fully compensated for costs incurred during the project's initial Engineering, Procurement and Construction stage, and mitigating works.

Yinson's Offshore Production team undertook a strategic development process in FYE 2021 to adapt the Division's strategy and action plans to align with the Group's, and capitalise on opportunities presented by the changing external environment. Six priority areas were identified under the key tranches of 'finance', 'operations' and 'enablers'; and corresponding initiatives and measures determined. Inputs were sought from all areas of the Division in this strategic development process, as we believe that employee-led strategies are the key to building a sense of ownership for the Division's success.

**FLEMMING GRØNNEGAARD**  
**CEO Offshore Production**

# RENEWABLES



## RENEWABLES



**DAVID BRUNT**  
CEO Renewables

### RENEWABLES HIGHLIGHTS FYE 2021

#### 9 countries

Active development locations or management offices

#### 1 out of 1

Competitive auctions won/competed

#### 140MW

Operational solar plants

#### 190MW

Solar plant under construction

#### 3 to 5GW

Global development pipeline

#### USD735 million

Contracted revenues from PPAs

### MARKET OVERVIEW

Globally, investments in the energy transition continued to grow in 2020, with about USD501.3 billion invested – a 9.3% increase compared to 2019. This included investments in renewables, energy storage, electric vehicles charging infrastructure, hydrogen production and carbon capture and storage projects. Renewable energy captured the largest portion of the total investments made, with a 60.5% share (around USD303.5 billion). Of this, the solar and wind energy sectors accounted for the biggest spend, receiving USD148.6 billion and USD142.7 billion respectively.

Renewable energy continues to hold significant potential in the energy market. Energy derived from renewable sources is expected to meet nearly 13% of total energy demand by 2025. Solar PV and wind energy are currently forecasted to

grow at a compound annual growth rate of around 22 to 25% in the near term. The cost of renewable energy generation continued falling in FYE 2021, and in many economies is now a less expensive source of new electricity than fossil fuels. Governance and regulations are also a strong driver. Policymakers worldwide are facing increasing pressure to make our energy system more sustainable and climate friendly, plus, many governments are looking to green economy investments to revitalise infrastructure development following the downturn caused by Covid-19.

### STRATEGY FOR GROWTH

Yinson aims to participate in the global transition to a greener energy system, as we believe that it will not only create a better world for our future generations, but deliver a strong, sustainable performance for the Group in the years to come.

The Renewables Division has focused on establishing a platform for growth in the renewables segment including both operating assets and a strong greenfield development pipeline. Our objective is to deliver value across the full lifecycle and value chain, such that the pipeline delivers projects for construction and to enable growth of the operational asset portfolio. The primary focus has been on onshore solar and onshore wind energy assets, though this is not exclusive and other technologies including offshore wind and hydropower are also under evaluation.

## RENEWABLES UPDATES

In line with the Group's aspirations, we are pleased to report that Yinson's Renewables Division has achieved some significant milestones since being established in October 2019.

We made our first foray into the renewable energy space in March 2020 with the 37.5% acquisition of RSE, an India incorporated company with two operational solar plants in the Bhadla Solar Park, Rajasthan, India. In December 2020, we increased our stake in RSE to 95%, effectively securing controlling stake. The acquisition provided us a strong platform from which to grow Yinson's renewables business in India – an important growth market for us, with strong fundamentals underpinning the market potential. The acquisition also saw us welcoming the dynamic team in RSE to the Yinson family, bringing strong local connections, experience and manpower to drive renewables projects in India.

Our investment into RSE quickly bore fruit. On 2 March 2021, we won a contract to develop and operate a 190MW solar project in the Nokh Solar Park, Rajasthan through our 80% owned subsidiary, RSEK. With this, we secured the second major asset in our renewables portfolio and further

consolidated our position in India. The 25-year PPA for this project was signed with NTPC Limited on 30 March 2021. Initial project activities are already underway as per schedule, for the plant to be operational by 2022. The Nokh Solar Park is just 30km away from Bhadla, which creates significant efficiencies in terms of manpower and resources.

## PROJECT PIPELINE

During FYE 2021, we established a strong pipeline of development projects with a global footprint. In building our pipeline, we keep a strong focus on risk diversification across the portfolio while limiting it to selected core markets with potential for scale. Careful market selection is based on growth potential, the regulatory environment, and good market access with potential for strong counterparties.

In addition to greenfield development we will continue to participate in solar park auctions in India and will evaluate acquisition candidates where these give opportunity to more quickly establish a presence in a core market.

Current contracted revenues from PPAs are approximately USD356 million for the Bhadla plants, and USD370 million for the Nokh Project (commencing from 2022), with these contracts lasting until 2042 and 2047 respectively. We will continue to develop our pipeline to deliver growth and to position renewables to be a major revenue stream for Yinson, providing a source of stable long-term returns to our investors and shareholders.

**DAVID BRUNT**  
CEO Renewables

## RENEWABLES DIVISION'S ACTIVE OPPORTUNITIES





# GREEN TECHNOLOGIES



## GREEN TECHNOLOGIES



**EIRIK BARCLAY**  
Group Executive Vice President,  
New Ventures and Technology

### MARKET OVERVIEW

The outlook for this business division is promising. The global green technology and sustainability market is expected to grow from USD11.2 billion in 2020 to USD36.6 billion by 2025, at a compound annual growth rate of 26.6%. The increasing focus on green technologies worldwide is driven by rising awareness about the harmful effects of GHG gas emissions, and accelerated by many government-led initiatives to encourage investments in electric mobility, infrastructure and alternative energy. Global megatrends, such as the rapid drop in costs of batteries, renewables, autonomous technologies and computer storage have also contributed to green tech's growth.

### STRATEGY FOR GROWTH

Yinson's Green Technologies Division was established in September 2020, with the purpose of accelerating the transition to a net carbon-zero world through investments in green technologies, towards a better future for all. Our immediate focus is primarily in the geographical markets that we currently operate in and within the marine, transport and energy business segments.

In the longer run, Yinson aims to build a digital ecosystem that will unite customers with their needs. This management model will integrate all the support services and provide a holistic infrastructure of green energy supply.

### GREEN TECHNOLOGIES DIVISION'S STRATEGY FOR SELECTING PROJECTS



**Build on existing strengths** by tapping into synergies between business divisions and corporate.



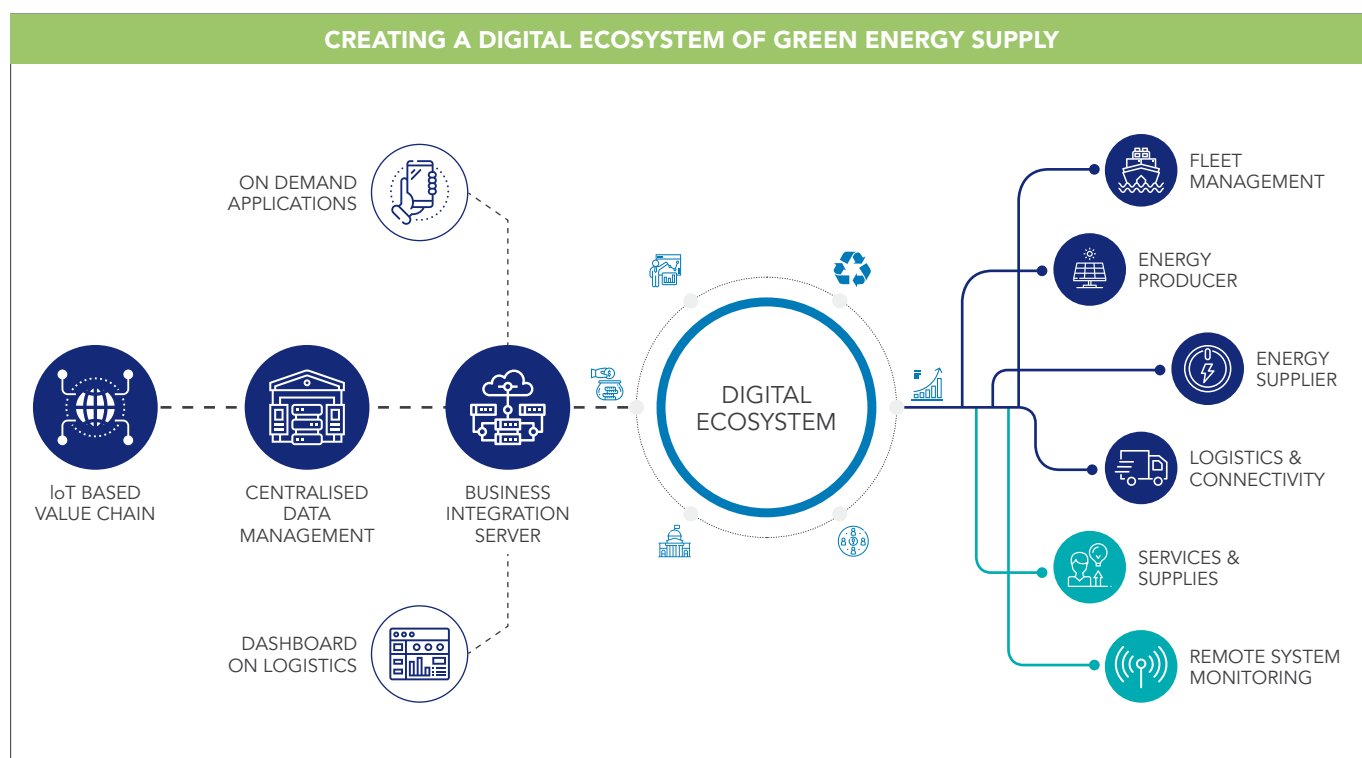
**Align with governmental incentives and strategies** such as the Paris Agreement and governmental grants.



**Select projects that are sustainable and net carbon zero.**



**Target megatrends** such as falling costs of batteries, renewables, autonomous technologies and energy storage systems.



### GREEN TECHNOLOGIES UPDATES

The Division was started up in September 2020 and officially launched during Singapore Marine Technology Conference 2021. During the event, we were able to engage with various stakeholder groups on our value proposition and demonstrate some of the technologies that we are investing in.

It is early days yet for the Division, but we are pleased to have embarked on several exciting initiatives which are starting to yield positive outcomes.

In FYE 2021, we invested in Norwegian startup tech company, Lift Ocean AS, on the development and commercialisation of hydrofoil technology for marine harbour crafts. A concept model of the Hydroglyder, a harbour craft equipped with the advanced hydrofoil technology, was developed in April 2021, with simulations showing a reduction in energy costs of up to 90% while achieving cruising speeds of 25 knots and providing superior comfort for passengers. We have initiated the development of a prototype to a commercial hydrofoil electric vessel to be tested by early 2022.

We entered into an agreement with global maritime industry company, Wilhelmsen, for a fast-forward programme which provides exclusive access to 3D printing technology

and products. To further unlock the value of 3D printing technology, we participated in a Wilhelmsen-led Joint Industry Project being one of 11 projects awarded by the Maritime and Port Authority of Singapore under its Maritime Innovation and Technology Fund, which shares a total of SGD1.652 million in co-funding. Yinson joins global leading original equipment manufacturers, class society, technology partners and other forward-leaning end users in this consortium. We believe this digitalisation initiative can reduce total cost of ownership, risks and environmental impacts while improving efficiency, thus, generating greater value to all our stakeholders in the long term.

We are also evaluating a number of strategic investments in the e-mobility sector with a view to establish our presence in the electrification of land transport, charging infrastructure and autonomous technologies.

Yinson is actively pursuing several other initiatives in the green technologies space. We look forward to sharing more developments soon.

**EIRIK BARCLAY**  
Group Executive Vice President,  
New Ventures and Technology

# OFFSHORE MARINE



## OFFSHORE MARINE



**LIM CHERN WOOI**  
CEO Offshore Marine

### OFFSHORE MARINE DIVISION'S HIGHLIGHTS FYE 2021

**Covid-free**

across all assets

**Zero LTIs**

across all assets

**76.8%**

average fleet utilisation rate

**2**

safety awards received

Our Offshore Marine Division's fleet utilisation rates dropped to 76.8% in FYE 2021 compared to 92.7% in the previous financial year. We experienced lower demand resulting from the slowdown in offshore activities and movement restrictions arising from the Covid-19 pandemic. As we position ourselves for the global energy transition, the Group will be seeking to streamline our offshore marine business through synergistic mergers with strategic partners.

During the low season, we focused on maintaining strong operational and safety performance, upskilling our crew, upgrading our assets and exploring business development opportunities. In Q3, Yinson Hermes underwent a successful 19-day drydock and engine overhaul in Singapore after serving for nearly 5 years in Gabon. The asset also received bollard pull certification in Labuan, Malaysia, shortly after.

In Q4, Yinson Perwira successfully completed drydock, including engine and underwater equipment overhaul, in Singapore. Dynamic Positioning Failure Modes and Effects Analysis trial and bollard pull certification were completed at Batam prior to redelivery to Labuan.

Our efforts were acknowledged through the receipt of two Marine Vessel Safety and Operational Excellence Awards from client, Repsol Oil and Gas Malaysia Limited. The awards were in recognition of the commendable performance by PTSC Huang Giang and PTSC Lam Kinh, which had maintained 100% uptime and achieved around 10,000 safe manhours.

**LIM CHERN WOOI**  
CEO Offshore Marine



# EXTERNAL ENVIRONMENT

- 62 External environment
- 69 Covid-19: Yinson's new normal





## EXTERNAL ENVIRONMENT

The geopolitical landscape, economic conditions and social factors can impact our business and our capacity to create value for our stakeholders over the long term. We have identified eight external themes and outlined our strategic approach to ensure that we are positioned to manage the risks and capitalise on the opportunities associated with each of these themes.

Deep structural changes are necessary for the world to achieve the ambitious target set by the Paris Agreement to limit global warming to within 1.5°C above pre-industrial levels. Corporations worldwide are urged to control their environmental impacts and take part in the global movement towards a low-carbon, climate-resilient business environment or face dire climate-driven issues. Referencing key recommendations from the TCFD, we frame these eight external themes against the backdrop of climate change-driven transition risk: policy & legal, technology, market and reputational risks.





## GLOBAL ECONOMY

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>The Covid-19 pandemic saw global economies locking down and crude prices plummeting.</li> <li>With the reopening of borders, resumption of normal activities and vaccine rollout programmes in place, the global economy is gradually recovering. However, the reboot of the economy back to pre-pandemic levels comes with its own set of challenges and opportunities.</li> <li>There is a growing push towards a greener economy.</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain disruptions and business continuity challenges could affect most businesses and economies.</li> <li>While lenders are unlikely to entirely cut off exposure to the oil &amp; gas sector due to the global green agenda, investors may favour pathways that support a greener economy.</li> </ul>	<ul style="list-style-type: none"> <li>Companies with robust business continuity plans could adapt to the 'new normal' and build resilience for future challenges.</li> <li>In a low interest rate environment where there is significant dry powder in the market, companies with long-term projects and stable returns are increasingly attractive to new partners and investors.</li> <li>The rise of green loans and sustainability-linked lending provides exciting opportunities for businesses which adopt a sustainability focus.</li> <li>The growing green economy segment provides synergistic opportunities for companies with marine and energy backgrounds looking to diversify.</li> <li>Establishment of climate-based strategies and action plans, as well as improved disclosures of ESG items will align outcomes to stakeholder expectations.</li> </ul>	<ul style="list-style-type: none"> <li>At Yinson, we believe that energy is the backbone of economic growth.</li> <li>We leverage on our strengths and knowledge in the energy space to strategically diversify and adapt our businesses to ensure we build a profitable, sustainable and resilient portfolio of assets. This includes diversification into renewables in 2019 and green technologies in 2020.</li> <li>Yinson actively seeks opportunities to create synergies between our financial strategies and Group-wide ESG practices, such as through sustainability-linked financing opportunities and green bonds.</li> <li>Yinson mitigates supply chain risks by integrating ESG into procurement practices.</li> <li>We continuously enhance our strategy towards achieving our Carbon Goals and improving overall ESG disclosures.</li> <li>At a strategic level, we manage transition risks relating to climate change by considering regulatory, reputational and market risks.</li> </ul>	<p>Stakeholder groups</p> <p>Materiality</p> <p>Capitals</p>



## EXTERNAL ENVIRONMENT



## OIL &amp; GAS MARKET

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>Oil &amp; gas demand was severely impacted in 2020 due to Covid-19. However, demand has increased in 2021, surpassing the OPEC compliant supply since Q3 2020. Oil prices have risen to pre-Covid-19 levels.</li> <li>Many oil &amp; gas developments that were postponed in 2020 are now progressing due to rising demand and pricing.</li> <li>As global energy demand continues to rise, the long-term outlook for oil &amp; gas remains promising, even alongside an increasing contribution from renewables to the energy mix.</li> </ul>	<ul style="list-style-type: none"> <li>A prolonged pandemic may cause short-term risks of further delays in the development of new oil &amp; gas projects.</li> <li>In the longer-term, accelerated development of alternative energies may cause a shift away from oil &amp; gas earlier than predicted, resulting in an earlier decline in consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Many delayed projects have reached an improved maturity, which means less uncertainty and lower risks.</li> <li>Current trends in energy transition, as well as the lag in oil &amp; gas reserve replacements, could lead to even higher oil prices – allowing more projects to develop and become economically viable.</li> </ul>	<ul style="list-style-type: none"> <li>Yinson will continue to strengthen our project execution capacity, while continuously adhering to our Project Execution Philosophy, thus limiting our vulnerability to changing market conditions.</li> </ul>	<p>Stakeholder groups</p> <p>S1 S2 S3</p> <p>S4 S6 S7</p> <p>S8 S9 S10</p> <p>Materiality</p> <p>M4 M6</p> <p>M7 M11</p> <p>Capitals</p> <p>C1 C2 C5</p>



## FPSO MARKET

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>Due to the postponement of oil &amp; gas developments in 2020, the number of FPSO awards for the year ended at an all-time low. However, most postponed projects have now resumed and a significant increase in awards are anticipated in 2021 and beyond.</li> </ul>	<ul style="list-style-type: none"> <li>Delays in project awards due to a prolonged pandemic.</li> <li>Execution risk due to the pandemic's potential impact on subcontractors and fabrication yards.</li> </ul>	<ul style="list-style-type: none"> <li>With an anticipated increase in project awards expected against a backdrop of limited specialist FPSO contractors in the market, there is potential for FPSO contractors to be more selective and obtain more balanced commercial contracts.</li> </ul>	<ul style="list-style-type: none"> <li>The FPSO lease market has, as always, been relatively resilient towards external economic impact due to the long-term nature of its contracts.</li> <li>Yinson's unique Project Execution Philosophy limits our vulnerability to a volatile FPSO market.</li> </ul>	<p>Stakeholder groups</p> <p>S1 S2 S3</p> <p>S4 S6 S7</p> <p>S8 S9 S10</p> <p>Materiality</p> <p>M4 M7</p> <p>M8 M11</p> <p>Capitals</p> <p>C1 C2 C5</p>



## FPSO MARKET (CONT'D.)

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>Some oil companies revisited and optimised their development strategies in 2020 to reduce capital expenditure and make projects more financially robust. The exercise also increased demand for leased FPSOs compared to owned units and shows a trend towards acceptance of contractor standards.</li> <li>Many oil companies are considering FPSO redeployment opportunities as this can result in considerable operational cost savings and quicker delivery schedules.</li> </ul>	<ul style="list-style-type: none"> <li>Financing could be more challenging as providers may prioritise other investments.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing interest from clients and financiers for environmentally friendly FPSOs will benefit contractors who focus on energy efficiency and minimisation of emissions.</li> <li>Increased opportunities for companies that strategically target redeployment projects.</li> </ul>	<ul style="list-style-type: none"> <li>We have prioritised maintaining the special skillset needed to execute FPSO redeployment projects efficiently and are well positioned to take on several such projects.</li> <li>Yinson has continuously increased our focus on environmentally sustainable FPSO solutions and is taking further major steps in 2021.</li> <li>Developed Zero-Emissions FPSO Concept.</li> </ul>	



## REGULATIONS

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>Policymakers worldwide face an increasingly urgent task of making the energy system more sustainable and climate-friendly.</li> <li>2020 saw a rise in Covid-19 driven regulatory changes to increase occupational health and safety ("OHS") requirements on FPSOs.</li> <li>The International Maritime Organisation ("IMO") adopted a resolution that obligates maritime operators to update their safety management systems to appropriately address cyber risks by their 2021 annual verification.</li> </ul>	<ul style="list-style-type: none"> <li>Possible adoption of carbon tax across different jurisdictions.</li> <li>Multilateral governance pressures on corporations to provide mandatory climate disclosures may adversely affect corporations who are not adequately prepared.</li> <li>Regulatory changes to comply to Covid-19 driven OHS standards may lead to changes in working practices that affect continuity of operations.</li> <li>Corporations may find it challenging to comply with the increased technical upgrades and documentation required to manage cyber threats.</li> </ul>	<ul style="list-style-type: none"> <li>Worldwide policies towards a more climate-friendly energy system has opened up new business opportunities in energy efficiency and renewables, hence creating a demand for more emissions-friendly assets.</li> <li>Companies that demonstrate exemplary compliance to Covid-19-driven OHS and cyber security regulations may become industry leaders in those areas, inspiring investor confidence and building business resilience.</li> </ul>	<ul style="list-style-type: none"> <li>Yinson has diversified our business interests beyond oil &amp; gas to become a mixed energy solutions company.</li> <li>Yinson is performing technical assessments to determine the most feasible methods to reduce Group-wide carbon emissions.</li> <li>Where possible, Yinson aims to adopt practices that go beyond local and regional compliance obligations, in accordance to our strategic plan. This applies to all regulations including the increased OHS requirements due to Covid-19, and the IMO cyber security regulation.</li> </ul>	<p>Stakeholder groups</p> <p>S1 S2 S3 S5 S6 S7 S9</p> <p>Materiality</p> <p>M3 M4 M6 M7 M8 M15 M19 M20 M21</p> <p>Capitals</p> <p>C1 C2 C3 C4 C6</p>

## EXTERNAL ENVIRONMENT



## RENEWABLE ENERGY MARKET

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>The Paris Agreement has driven many countries to set harder targets for implementing alternative and renewable energy sources to replace fossil-based sources. Earlier initiatives had built a strong platform for renewables to become a viable and cost-effective alternative.</li> <li>Total lifecycle costs of renewable generation in many economies are falling below the base operations costs of fossil energy sources, positioning renewables as the generation source of choice.</li> <li>Governments are increasingly focused on green economy investments as a means to revitalise infrastructure investment following the economic downturn caused by the pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>Increased competition as more investors and corporations move into the renewables segment.</li> <li>Low-cost capital investors searching for stable yields drive down margins.</li> <li>The intermittent nature of renewable energy generation, when combined with an increased share of energy supply coming from these sources, can lead to renewable assets being exposed to curtailment risk or lower captured power prices in some markets.</li> </ul>	<ul style="list-style-type: none"> <li>Renewables are still early on the growth 'S-curve' with significant expansion anticipated.</li> <li>Investments are underpinned by strong government policies, international agreements and public opinion.</li> <li>Increased availability of low-cost capital drives opportunities for co-investment and/or capital recycling.</li> <li>Increasing numbers of risk averse renewables investors, who are seeking stable yield, opens the field up for players with capability to manage development and construction risk.</li> </ul>	<ul style="list-style-type: none"> <li>Yinson has established its renewables footprint through investments and new projects in India, one of the global leaders in renewable energy growth. Simultaneously, we keep a strong focus on developing a diversified portfolio in a few selected core markets.</li> <li>Careful market selection is based on growth potential, governmental and regulatory policy regimes and good market access with potential for strong counterparties.</li> <li>A key aspect of Yinson's growth plans focuses on greenfield asset development in markets where we assess the consenting risk to be manageable and where we can deliver greater total value to our stakeholders.</li> </ul>	<p>Stakeholder groups</p> <p>S1 S5 S6</p> <p>S7 S9</p> <p>Materiality</p> <p>M7</p> <p>Capitals</p> <p>C1 C2 C6</p>



## GREEN TECHNOLOGIES MARKET

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>Rising awareness about the harmful effects of greenhouse gas ("GHG") emissions is spurring low-carbon electricity demand, which is driving the global green technology and sustainability market.</li> </ul>	<ul style="list-style-type: none"> <li>New and novel green technologies can prove challenging to commercialise, caused in part by high product costs.</li> <li>A lack of affordable and reliable research institutions could delay the development of green technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Green technologies is an emerging segment, with the decarbonisation of the transport industry offering exciting opportunities.</li> <li>Investments are supported by government funding and incentives.</li> </ul>	<ul style="list-style-type: none"> <li>Yinson established its Green Technologies Division in 2020. It aims to build a profitable global business, which, through investments in green technologies, accelerates the transition to a net carbon-zero world, making the world a better place to live for current and future generations.</li> </ul>	<p>Stakeholder groups</p> <p>S1 S5 S6</p> <p>S7 S9</p> <p>Materiality</p> <p>M7</p> <p>Capitals</p> <p>C1 C2 C6</p>





## GREEN TECHNOLOGIES MARKET (CONT'D.)

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>The global green technology and sustainability market is expected to grow from USD11.2 billion in 2020 to USD36.6 billion by 2025, at a compound annual growth rate of 26.6%.</li> <li>Growth accelerated in 2020/ 21, in response to significant government-led investments in the mobility, infrastructure and alternative energy industries following the economic downturn.</li> <li>Decarbonising the transport segment is a priority.</li> </ul>	<ul style="list-style-type: none"> <li>Corporations that do not adapt their business models to align with green consumer choices risk the longer-term viability of their businesses.</li> </ul>	<ul style="list-style-type: none"> <li>The economic environment is poised for breakthrough technologies in existing business models.</li> </ul>		



## INFORMATION TECHNOLOGY

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>The Covid-19 pandemic caused unprecedented demand for adaptive information technology ("IT") services and resources requirements to facilitate the needs of workforces operating remotely.</li> </ul>	<ul style="list-style-type: none"> <li>Companies may struggle to adapt to or afford the technological resources that support remote working, thus experiencing loss in productivity and failure of business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Companies that have invested in digitalisation and technology are able to thrive and move ahead more easily in this 'new norm' compared to their peers.</li> </ul>	<ul style="list-style-type: none"> <li>Pre-pandemic, Yinson had already transitioned to a cloud-based collaborative platform and implemented video communication tools in alignment with the Group's direction to enable employees to work from home. This enabled a smooth rollout of our business continuity plans when movement restrictions were enforced.</li> </ul>	<p>Stakeholder groups</p> <p>S2 S3 S4</p> <p>S6</p> <p>Materiality</p> <p>M7 M17</p> <p>Capitals</p> <p>C3 C5</p>

## EXTERNAL ENVIRONMENT



## INFORMATION TECHNOLOGY (CONT'D.)

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>There has been a worldwide demand for technological improvements and resources to enable this 'new normal'.</li> <li>Technology emerged as a key enabler for businesses to ensure resilience and the smooth rollout of business continuity plans.</li> </ul>	<ul style="list-style-type: none"> <li>Companies and industries face greater cyber security risks, for example from the increasing number of phishing emails sent out during the pandemic.</li> <li>Inability to physically attend to IT hardware problems may cause further drops in productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Companies that have invested in robust IT governance, such as cyber security awareness and information security, are less likely to be susceptible to cyberattacks, thus, supporting business continuity.</li> <li>Companies with flexible working policies pre-pandemic were able to more seamlessly adapt to the new remote working culture.</li> </ul>	<ul style="list-style-type: none"> <li>Cyber security and information security have always been a priority for Yinson. We invest in solutions to protect us against cyber attacks and run a robust cyber security awareness training programme for all employees.</li> <li>Yinson continues to prioritise digitalisation in all our workflows for increased efficiency and business resilience.</li> </ul>	



## CHANGES IN CONSUMER BEHAVIOUR

OVERVIEW	RISKS	OPPORTUNITIES	YINSON'S STRATEGIC RESPONSE	IMPACT
<ul style="list-style-type: none"> <li>Key findings from a poll conducted by Ernst &amp; Young in the US indicates that while majority agree on the value of the oil &amp; gas industry to the economy and modern lifestyle, they are sceptical of the industry's ability to protect the environment and consumer pocketbooks.</li> <li>The same report also indicates that younger consumers expect the oil &amp; gas industry to better evidence positive social and environmental impacts.</li> </ul>	<ul style="list-style-type: none"> <li>Challenges in attracting talent, especially from the younger generation.</li> <li>Dwindling interest in Petroleum Engineering (or other related courses) may narrow the pool of graduates for injection into the FPSO industry's workforce.</li> <li>Oil &amp; gas industry's ESG efforts risks perception of 'greenwashing'.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing thoughtful and impactful ESG initiatives and communications to protect the industry with integrity and increase positive perceptions.</li> <li>Be an early and serious innovator of engineering design and systems that address environmental concerns and communicate such innovation with impact.</li> </ul>	<ul style="list-style-type: none"> <li>With sustainability as a key value driver, we are committed to embedding sustainability in all aspects of our business and across all divisions.</li> <li>We actively design our key assets and their operational processes to take environmental concerns into consideration towards achieving our Group sustainability targets.</li> <li>We aim to create stronger, more effective consumer connections which recognise consumer values and concerns by providing regular, open and transparent updates on our ESG commitments.</li> <li>Our diversification into renewables and green technologies addresses this perception.</li> </ul>	<p>Stakeholder groups</p> <p>S8</p> <p>Materiality</p> <p>M7 M16 M18</p> <p>Capitals</p> <p>C4 C5</p>

# COVID-19: YINSON'S NEW NORMAL

When Covid-19 hit, Yinson activated its business continuity plans across the globe to ensure we could continue delivering vital energy products to countries and communities in this time of crisis. The safety of our employees and crew took top priority, and we worked hard to continue delivering on our commitment to all our stakeholders.

## EMPLOYEES

When lockdowns were announced, all Yinson employees worked from home. This was a smooth transition, as the Company had already implemented an elective work from home policy prior to the pandemic, supported by a cloud-based collaboration platform. As restrictions were lifted, we began a phasic approach to reopening our offices, ensuring we complied with all necessary multinational government regulations.

Building awareness was an important part of our fight against Covid-19. Internally, we ran extensive information campaigns on virus prevention and mitigation, derived from information and guidelines issued by national health authorities, flag states and International SOS. A special section on our corporate intranet, YNet, was set up to provide a centralised location for related updates and resources.

We also adapted our people processes to incorporate important adjustments as a result of the ongoing pandemic, including:

- Working from home continues to be fully supported across all offices.
- Flexibility to adjust working hours beyond core working hours.
- Masks to be worn in the office, and social distancing observed.
- Sanitising to take place more frequently.
- Contact tracing, health declaration and temperature checks taken.
- Staggered arrival times to prevent crowding.

Regular risk assessments were carried out in cooperation between the local management teams and employees. The Singapore office, for example, established a Covid-19 Action Committee which conducted weekly meetings to ensure they had appropriate measures in place and complied with regulatory requirements. The Norway office utilised their Working Environment Committee to facilitate risk assessments and decide on measures to be implemented.

Management issued Covid-19 vaccinations guidelines to the Group on 2 April 2021 affirming the Group's commitment to the highest standards of health and safety, and recognising its obligation to provide a safe working environment for all employees and visitors. Management strongly encouraged voluntary use of approved vaccines and affirmed its commitment to providing employees with access to qualified practitioners for those who wish to consult further on the benefits and risks, whilst respecting the right of those who may not wish to or are unable to receive the vaccine. The guidelines also affirmed a commitment to complying with and implementing guidance from the applicable national governments and the World Health Organisation.

Employee engagement levels and productivity remained strong and consistent during the year.



*Information Technology, External environment, pg 67; Information Technology, Intellectual Capital, pg 110; Global consistency, pg 116; Conducive and healthy work environments, pg 118; Covid-19 support for employees, pg 118; Local workforce, pg 122; Employees, pg 130*

## OFFSHORE PRODUCTION AND CREW

Yinson devoted considerable time and resources to prevent Covid-19 infections amongst crew, and ensure a safe and healthy working environment.

During the onset of the pandemic, it took some time to put appropriate quarantine arrangements and testing processes in place. While these arrangements were being made, some crew had to stay offshore for prolonged periods of time. Our crewing managers kept close contact with the manning agencies, crew and their families, to provide information and ensure that everybody felt safe and secure. We are deeply appreciative of our crew and their families for their kind understanding and for remaining patient throughout this period.



## COVID-19: YINSON'S NEW NORMAL

Regional office teams in Port Harcourt, Accra and Miri devoted significant resources towards organising and managing quarantine arrangements for crew, as well as ensuring adherence to evolving national requirements. All units established Covid-19 procedures for prevention and case management.

Throughout the pandemic, we cooperated closely with our clients, to ensure safe and consistent practices amongst internal and external stakeholders.

A number of positive cases were revealed during quarantine and testing onshore, preventing further spread of the virus onboard. All cases were treated and made a full recovery, except one. Unfortunately, one individual did not recover, despite being evacuated to his home country and receiving best available care.

Despite the tremendous effort made, and significant resources deployed, four crew members tested positive for Covid-19 onboard one of the FPSOs at end January 2021. The crew members were immediately isolated and evacuated to shore and provided medical treatment in hospital. Other appropriate mitigating actions were concurrently implemented onboard. All affected crew have recovered, and the unit was declared Covid-19-free four weeks later. Yinson and our clients have provided ongoing support to all affected crew and their families. All vessels are now Covid-free.

Operational uptime has not been affected by the Covid-19 cases offshore and precautionary measures remain in force on board all our units.



Operations, pg 100; Offshore health and safety, pg 125; Crew, pg 130; Clients, pg 132

### COMMUNITIES

Yinson continued to support our frontliners and local communities. Since the start of the pandemic, Yinson has contributed over RM1.2 million in medical protective equipment and other needed supplies to support the fight against Covid-19. As the situation improved and restrictions were lifted, we shifted our focus to contribute actively to post-recovery efforts. One of the needs that came to light post-recovery was that many families, especially from the lower income group, did not have laptops or computers to enable their children to attend online classes. Yinson responded by donating USD13,500 worth of laptops and computer equipment to support this need.



Local communities, pg 136; United in the fight against Covid-19, pg 138

### VIRTUAL STAKEHOLDER ENGAGEMENT

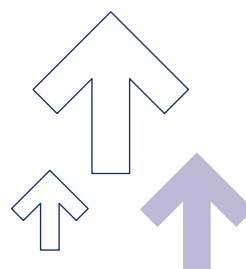
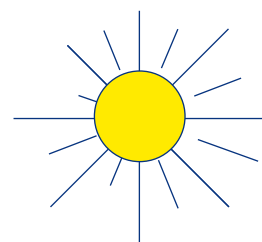
Strengthening Yinson's ability to connect and collaborate virtually with our external stakeholders was a key adaptation the Group went through to enable business continuity. With the support of our global IT team, we worked closely with our stakeholder groups to bring meetings and events online to maintain stakeholder engagement levels. We explored tools for enhancing online meeting effectiveness, and upskilled our employees to use them. Some key virtual stakeholder engagements in FYE 2021 include:

- Continued participation in industry exhibitions and conferences as exhibitors and speakers, using virtual conference platforms.
- Broadcasted the 27<sup>th</sup> AGM virtually, with shareholders tuning in and voting via a dedicated secure platform.
- Investor meetings and analyst briefings held virtually.
- Participated in virtual career fairs and student-focused events, allowing live chats with students.
- Facilitated site audits and visits virtually.
- Brought corporate events such as signing ceremonies to a virtual platform.

Covid-19 drove Yinson to step up our digitalisation efforts, allowing business processes to take place with limited reliance on physical presence. Focus was placed on automation; integrity of data collection, storage and transfer; collaboration platforms; cyber security; ease of use and workflow improvements.



Business systems and processes, pg 110; Digitalisation, pg 123; Social & Relationships Capital, pg 130



# SUSTAINABILITY STATEMENT

- 72 Yinson's Climate Goals
- 73 Approach to sustainability
- 74 Alignment to the United Nations Sustainable Development Goals
- 77 Approach to stakeholder engagement
- 78 Materiality



## YINSON'S CLIMATE GOALS

# CARBON NEUTRAL BY 2030

# NET ZERO BY 2050

**YINSON IS DETERMINED TO DO OUR PART IN THE GLOBAL MOVEMENT TOWARDS A LOW-CARBON, CLIMATE RESILIENT ENVIRONMENT.**

Climate change is a global agenda. The UN IPCC warns us that we need to limit the global temperature increase to well below 2°C and pursue further efforts to cap the increase to within 1.5°C to avoid catastrophic consequences to natural and human systems. Various sources, including the Science Based Targets (SBTi) state that global greenhouse gas emissions need to peak as soon as possible, with measured steps taken to remove emissions from the atmosphere to arrive at a global state of net zero by 2050.

In line with our Core Value of Sustainable, Yinson aspires to be part of the solution towards solving the global climate issue. Climate action is an important driver of our Group strategy development, operationalised throughout our Business Divisions.

With due consideration to the urgency of the climate situation, we aim to take thoughtful and measured steps towards achieving our Climate Goals. We look forward and committed to share our progress on our targets in future disclosures.

### OUR COMMITMENTS

#### CARBON NEUTRAL BY 2030

- Measure and verify our GHG emissions
- Deploy emission reduction measures where reasonably practicable
- Utilise high-quality offsets to balance residual GHG emissions by 2030

#### NET ZERO BY 2050

- Focus investments into nature-based and technology-based carbon removal projects
- Actively invest into zero or low-carbon technologies
- Commit business operations in alignment with the Paris Agreement

### OUR CLIMATE GOALS ARE OPERATIONALISED THROUGH A THREE-PRONGED FRAMEWORK



#### CARBON REDUCTION

- Reduce GHG emissions from Scope 1, 2 and 3
- Limit carbon intensity of FPSOs
- Source renewable energy to replace usage of grid electricity



#### CARBON COMPENSATION

- Invest in zero or low-carbon technologies
- Increase capacity of renewable energy generation



#### CARBON REMOVAL

- Invest into nature-based carbon removal solutions such as afforestation and reforestation
- Utilisation of technology-based carbon removal solutions such as Direct Air Capture (DAC) and Carbon Capture, Utilisation and Storage (CCUS)

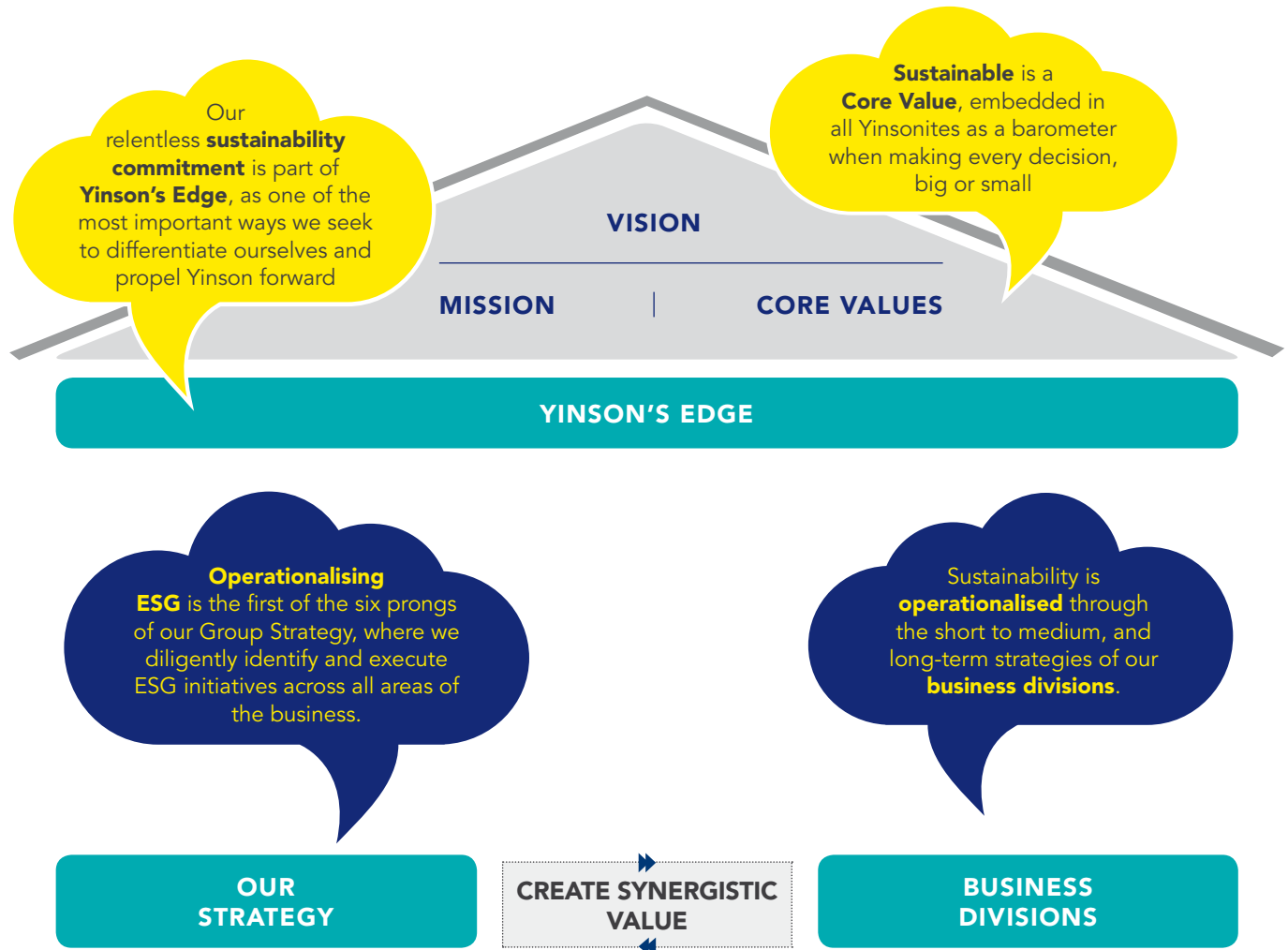


Strategy review, pg 46; Affordable and clean energy, pg 74; Industry, innovation and infrastructure, pg 76; Climate action, pg 76; Sustainability governance, pg 108; Carbon emissions management, pg 145



# APPROACH TO SUSTAINABILITY

OUR PROGRESSIVE FOCUS ON SUSTAINABILITY IS REFLECTED IN EVERY ASPECT OF WHAT WE DO



We continue to structure our Report based on the International Integrated Reporting Council's <IR> Framework and align our indicators with the GRI Standards to highlight the value that we create for our stakeholders.

As reviewed by the Sustainability Committee on a quarterly basis at minimum, we seek to operationalise our sustainability commitments through various initiatives under the broad spectrum of ESG. A cross-functional ESG Taskforce was established in FYE 2021 to further drive specific environmental initiatives and ensure strategic alignment with operations.



Sustainability governance, pg 108

# ALIGNMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 17 UN SDGs are a blueprint to achieve a better and more sustainable future for all. In FYE 2021, in line with our enhanced sustainability focus, we expanded our SDG commitments, with due consideration to Inter-agency and Expert Group on SDG (IAEG-SDGs) recommendations.



## QUALITY EDUCATION

SDG targets	FYE 2021 progress
<ul style="list-style-type: none"> <li><b>4.3</b> By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</li> <li><b>4A</b> Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.</li> <li><b>4B</b> By 2020, substantially expand globally the number of scholarships available to developing countries, particularly, the least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training, and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries.</li> <li><b>4C</b> By 2030, substantially increase the supply of qualified teachers, including through international co-operation for teacher training in developing countries, especially least developed countries and small island developing States.</li> </ul>	<p>Over USD130,000 spent on high-impact education-based Corporate Social Responsibility ("CSR") programmes impacting close to 7,000 students.</p> <ul style="list-style-type: none"> <li>• Provided scholarships to the second cohort in the Yinson Scholars Programme.</li> <li>• Sponsored second Teach for Malaysia Fellow.</li> <li>• Donated consumables to the Yinson Welding Training Centre in the Takoradi Technical Institute.</li> <li>• Provided off-grid solar system to Pretea Municipal Assembly Basic School.</li> <li>• Provided ICT Centre for Kejabil Municipal Assembly Junior High School.</li> <li>• Contributed to Futurestars' CSR initiatives in Accra.</li> <li>• Ongoing usage of Yinson Hall in Nkroful as an educational and recreational facility.</li> </ul>



Local workforce, pg 122; Corporate Social Responsibility, pg 136



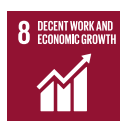
## AFFORDABLE AND CLEAN ENERGY

SDG targets	FYE 2021 progress
<ul style="list-style-type: none"> <li><b>7.1</b> By 2030, ensure universal access to affordable, reliable and modern energy services.</li> <li><b>7.2</b> By 2030, increase substantially the share of renewable energy in the global energy mix.</li> </ul>	<p>Contributed towards a cleaner global energy system through our Renewables Division and social activities in Ghana.</p> <ul style="list-style-type: none"> <li>• Acquired 140MW Rising Bhadla 1&amp;2 Solar Plants.</li> <li>• Won contract to build and operate 190MW solar project in Nokh Solar Park.</li> <li>• Provided 5kW off-grid solar system for the Pretea Municipal Assembly Basic School.</li> </ul> <p>Positive contribution to economy and living standards in developing countries through the provision of a stable and affordable energy supply, for example in Ghana through the contribution of FPSO JAK to the Sankofa Gas Project, supported by World Bank.</p>



Yinson's Climate Goals, pg 72; Renewables, pg 101; Corporate Social Responsibility, pg 136

## ALIGNMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



### DECENT WORK AND ECONOMIC GROWTH

SDG targets	FYE 2021 progress
<ul style="list-style-type: none"> <li>• <b>8.2</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.</li> <li>• <b>8.5</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</li> <li>• <b>8.6</b> By 2020, substantially reduce the proportion of youth not in employment, education or training.</li> <li>• <b>8.8</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</li> </ul>	<ul style="list-style-type: none"> <li>• Created economic value for employees – both onshore and offshore.</li> <li>• Adhered to the highest standards of labour rights in all our employment practises.</li> <li>• Trained 25 interns and management trainees across all offices.</li> <li>• Zero LTIs recorded across the Offshore Production and Offshore Marine Divisions in FYE 2021.</li> <li>• Improved employee physical wellbeing through continuous enhancements in our safety practices.</li> </ul>



Human Capital, pg 112; Governance, pg 154



### LIFE BELOW WATER

SDG targets	FYE 2021 progress
<ul style="list-style-type: none"> <li>• <b>14.1</b> By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</li> <li>• <b>14.2</b> By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.</li> <li>• <b>14.C</b> Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of 'The future we want'.</li> </ul>	<ul style="list-style-type: none"> <li>• Operated within maritime operational regulatory requirements through our stringent environment-driven processes.</li> <li>• FPSO produced water discharges performed within the 15 ppm mark, a much-reduced amount below current regulations of 29 ppm.</li> </ul>



Natural Capital, pg 143



## ALIGNMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



## GENDER EQUALITY

SDG targets	FYE 2021 progress
<ul style="list-style-type: none"> <li><b>5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</li> </ul>	<ul style="list-style-type: none"> <li>Maintained gender diversity in our Board with 40% consisting of females, fulfilling MCCG best practice recommendations.</li> <li>Improved gender diversity in our Senior Management team.</li> </ul>



Diversity and inclusion, pg 114



## INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG targets	FYE 2021 progress
<ul style="list-style-type: none"> <li><b>9.4</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Developed Zero-Emissions FPSO Concept.</li> <li>Established Green Technologies Division that will look into low-emissions technologies to align ourselves with a greener business landscape.</li> </ul>



Business review, pg 52; Yinson's Climate Goals, pg 72



## CLIMATE ACTION

SDG targets	FYE 2021 progress
<ul style="list-style-type: none"> <li><b>13.2</b> Integrate climate change measures into national policies, strategies and planning.</li> </ul>	<ul style="list-style-type: none"> <li>Established Climate Goals to be carbon neutral by 2030 and net zero by 2050.</li> <li>Aligned the Group to global narratives of climate change through our investments into renewables, green technologies and internal carbon reduction strategies.</li> </ul>



Green Technologies Market, pg 66; Yinson's Climate Goals, pg 72; Sustainability governance, pg 108; Natural Capital, pg 143

# APPROACH TO STAKEHOLDER ENGAGEMENT

Yinson seeks to create shared value with all our stakeholders through the building of long-term, sustainable relationships. Below is a summary of the shared value that we aim to provide and receive from our 10 key stakeholder groups. The methods, frequency and details of Yinson's engagement with each stakeholder group is listed in greater detail in the Social & Relationships chapter of this Report.



Social & Relationships Capital, pg 130



	VALUE PROPOSITION	WHY THEY ARE IMPORTANT TO US
<b>BANKERS AND LENDERS</b>	Investment opportunities	Financial capital
<b>CLIENTS</b>	Professional services as an energy solutions provider	A market for our professional services
<b>CREW</b>	Attractive and safe work onboard our floating assets	Skills for the successful ongoing operations of our floating assets
<b>EMPLOYEES</b>	Attractive work packages and an employee-driven work environment	Skills required to deliver on our Vision, Mission and strategy
<b>GOVERNMENTS AND REGULATORY BODIES</b>	Economic development	Our license to operate
<b>INDUSTRY</b>	Contribution of knowledge and skills for industry development	Contribution of knowledge and skills for Yinson's development
<b>INVESTORS AND SHAREHOLDERS</b>	Investment opportunities	Financial capital
<b>LOCAL COMMUNITIES</b>	Economic and social development	Our local operating environment
<b>PARTNERS</b>	Long-term partnerships that leverage on Yinson's unique strengths	Long-term partnerships that leverage on our partners' unique strengths
<b>VENDORS/ SUPPLIERS</b>	Purchase of goods and services for Yinson's continuous operations	Goods and services for Yinson's continuous operations

# MATERIALITY

## MATERIALITY PROCESS

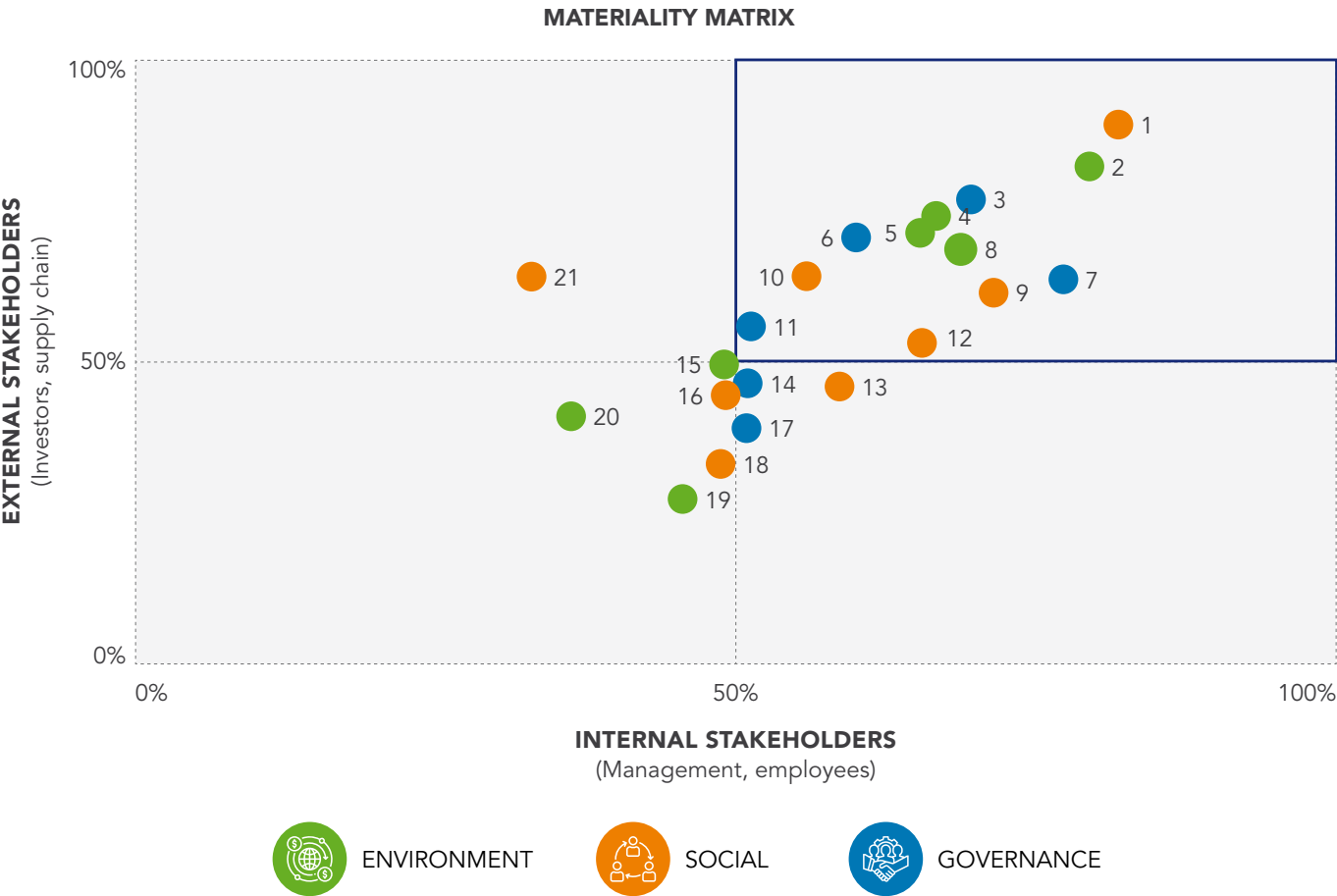
- Yinson’s material matters are set out within our Materiality Matrix, which was derived as follows:
- Topics were benchmarked against current industry trends globally.
  - The importance of each topic and how they impact our ability to create value was ascertained through engagements with about 100 internal and external stakeholders.
  - External stakeholders included bankers, suppliers and investors, while internal stakeholders included Yinson’s management and employees.
  - In view of the evolving landscape of sustainability-driven topics, Yinson will undertake further materiality assessments as necessary to ensure that we continuously operate in line with stakeholder expectations.

Yinson has strategically focused our efforts on managing the top 12 material topics as highlighted within Quadrant 1 of the matrix.

### Increased emphasis on material matters due to Covid-19



 Covid-19: Yinson’s new normal, pg 69





ENVIRONMENT						
MATERIAL TOPICS	FURTHER INFORMATION	LINK TO YINSON'S STRATEGY				
M2	<ul style="list-style-type: none"><li>Yinson's Climate Goals [pg 72]</li><li>Offshore Production governance [pg 104]</li><li>Pollution management [pg 149]</li></ul>	GS1	GS5	GS6		
M4	<ul style="list-style-type: none"><li>Yinson's Climate Goals [pg 72]</li><li>Offshore Production governance [pg 104]</li><li>Carbon emissions management [pg 145]</li></ul>	GS1	GS2	GS5	GS6	
M5	<ul style="list-style-type: none"><li>Yinson's Climate Goals [pg 72]</li><li>Offshore Production governance [pg 104]</li><li>Pollution management [pg 149]</li></ul>	GS1	GS5	GS6		
M8	<ul style="list-style-type: none"><li>Yinson's Climate Goals [pg 72]</li><li>Business systems and processes [pg 110]</li><li>Energy management [pg 148]</li></ul>	GS1	GS5	GS6		
M15	<ul style="list-style-type: none"><li>Pollution management [pg 149]</li></ul>	GS1	GS5	GS6		
M19	<ul style="list-style-type: none"><li>Natural Capital [pg 143]</li></ul>	GS1	GS5	GS6		
M20	<ul style="list-style-type: none"><li>Approach to sustainability [pg 73]</li><li>Natural Capital [pg 143]</li></ul>	GS1	GS5	GS6		

SOCIAL					
MATERIAL TOPICS	FURTHER INFORMATION	LINK TO YINSON'S STRATEGY			
M1	<ul style="list-style-type: none"> <li>Covid-19: Yinson's new normal [pg 69]</li> <li>Offshore Production governance [pg 104]</li> <li>Business systems and processes, Offshore Production [pg 105]</li> <li>Conducive and healthy work environments [pg 118]</li> <li>Offshore health and safety [pg 125]</li> </ul>	GS1	GS3	GS5	GS6
M9	<ul style="list-style-type: none"> <li>Diversity and inclusion [pg 114]</li> <li>Global consistency [pg 116]</li> <li>Conducive and healthy work environments [pg 118]</li> </ul>	GS1	GS5	GS6	
M10	<ul style="list-style-type: none"> <li>Diversity and inclusion [pg 114]</li> <li>Global consistency [pg 116]</li> <li>Governance [pg 154]</li> </ul>	GS1	GS5	GS6	
M12	<ul style="list-style-type: none"> <li>Governance [pg 154]</li> <li>Learn@Yinson [pg 123]</li> <li>E-appraisal system [pg 123]</li> <li>Yinson L.E.A.D. [pg 124]</li> <li>Offshore health and safety [pg 125]</li> </ul>	GS1	GS2	GS3	
		GS4	GS5	GS6	
M13	<ul style="list-style-type: none"> <li>Diversity and inclusion [pg 114]</li> </ul>	GS1	GS5	GS6	
M16	<ul style="list-style-type: none"> <li>Industry [pg 134]</li> <li>Corporate Social Responsibility [pg 136]</li> <li>Engagement with local vendors [pg 142]</li> <li>Local student development initiatives [pg 140]</li> </ul>	GS1	GS3		

## MATERIALITY

SOCIAL		
MATERIAL TOPICS	FURTHER INFORMATION	LINK TO YINSON'S STRATEGY
M18	<ul style="list-style-type: none"> <li>Clients [pg 132]</li> <li>Governments and regulatory bodies [pg 132]</li> <li>Investors and shareholders [pg 135]</li> <li>Bankers and lenders [pg 131]</li> <li>Partners [pg 141]</li> </ul>	GS1 GS3
M21	<ul style="list-style-type: none"> <li>Governance [pg 154]</li> <li>ESG integration into procurement practises [pg 107]</li> <li>Sustainability governance [pg 108]</li> </ul>	GS1 GS6
GOVERNANCE		
MATERIAL TOPICS	FURTHER INFORMATION	LINK TO YINSON'S STRATEGY
M3	<ul style="list-style-type: none"> <li>Governance [pg 154]</li> <li>ESG integration into procurement practises [pg 107]</li> <li>Corporate tax governance [pg 108]</li> <li>Sustainability governance [pg 108]</li> <li>Whistleblowing [pg 109]</li> </ul>	GS1 GS5 GS6
M6	<ul style="list-style-type: none"> <li>Approach to sustainability [pg 73]</li> <li>Sustainability governance [pg 108]</li> </ul>	GS1 GS3 GS4 GS5 GS6
M7	<ul style="list-style-type: none"> <li>Covid-19: Yinson's new normal [pg 69]</li> <li>Approach to sustainability [pg 73]</li> <li>Our Capitals [pg 81]</li> </ul>	GS1 GS2 GS3 GS4 GS5 GS6
M11	<ul style="list-style-type: none"> <li>Covid-19: Yinson's new normal [pg 69]</li> <li>ESG integration into procurement practises [pg 107]</li> <li>Vendors/ suppliers [pg 141]</li> <li>Engagement with local vendors [pg 142]</li> </ul>	GS1 GS3 GS4
M14	<ul style="list-style-type: none"> <li>Governance [pg 154]</li> <li>ESG integration into procurement practises [pg 107]</li> <li>Sustainability governance [pg 108]</li> <li>Whistleblowing [pg 109]</li> </ul>	GS1 GS5 GS6
M17	<ul style="list-style-type: none"> <li>Covid-19: Yinson's new normal [pg 69]</li> <li>Information technology, External environment [pg 67]</li> <li>Information technology, Business systems and processes [pg 110]</li> <li>Digitalisation, Human Capital [pg 123]</li> </ul>	GS1 GS2 GS3 GS4 GS5 GS6



# OUR CAPITALS

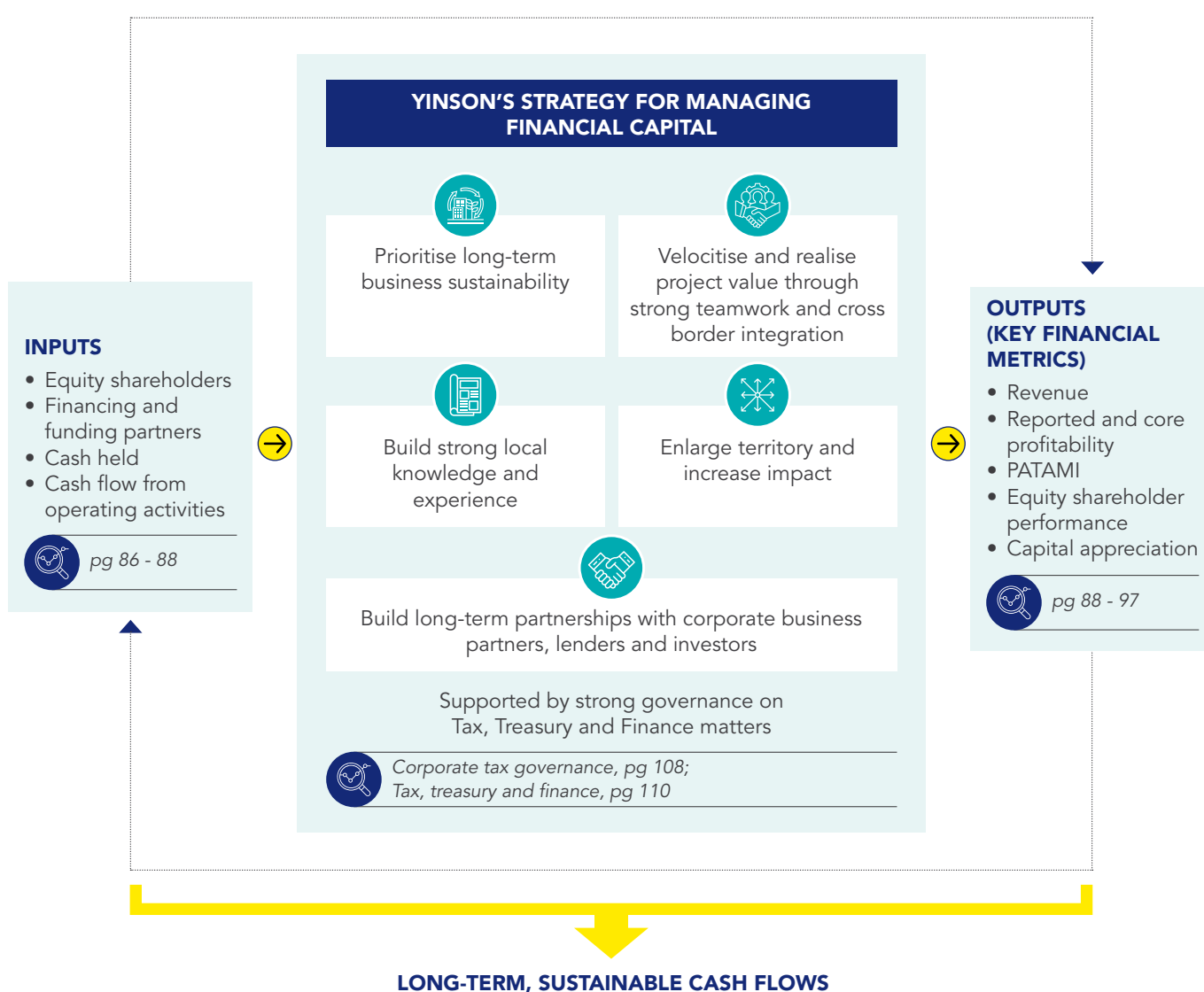
- 82** Financial Capital
- 98** Manufactured Capital
- 103** Intellectual Capital
- 112** Human Capital
- 130** Social & Relationships Capital
- 143** Natural Capital
- 152** Trade-offs in our Capitals









# FINANCIAL CAPITAL

Financial Capital is a critical input in executing business activities, supporting our other Capitals and ensuring Yinson's long-term business viability. Our overarching strategy for managing our Financial Capital guides the management of our financial inputs and outputs towards achieving long-term, sustainable cash flows.



STRATEGY	PROGRESS IN FYE 2021	FOCUS FOR FYE 2022
<p>Prioritise long-term business sustainability</p>	<ul style="list-style-type: none"> <li>Secured RM200 million sustainability-linked financing ("SLF") from HSBC Amanah Malaysia.</li> <li>Embarked on corporate credit rating exercise.</li> <li>Achieved recognition for strong financial governance practices.</li> <li>Updated and enhanced Group Investment Policies for Offshore Production, Renewables and Corporate Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>Meet targets to become eligible for improved pricing from the HSBC Amanah Malaysia SLF.</li> <li>Complete corporate credit rating exercise.</li> </ul>
<p>Velocitise and realise project value through strong teamwork and cross border integration</p>  <p>Bankers and lenders, pg 131</p>	<ul style="list-style-type: none"> <li>Completed the refinancing of USD800 million project finance of FPSO JAK.</li> <li>Secured USD400 million bridge financing for FPSO Anna Nery project.</li> <li>Corporate team deployed to London to strengthen Renewables team.</li> <li>Provided corporate support for winning Nokh Project.</li> </ul>	<ul style="list-style-type: none"> <li>Secure project financing for FPSO Anna Nery and Nokh Project.</li> <li>Continue developing and delivering velocitisation initiatives to improve project returns and recycle capital into new projects.</li> </ul>
<p>Build strong local knowledge and experience</p>  <p>Corporate tax governance, pg 108; Local workforce, pg 122; Learn@Yinson, pg 123</p>	<ul style="list-style-type: none"> <li>Strengthened awareness and compliance with local tax laws.</li> <li>Utilised new Learning Management System ("LMS") to improve local knowledge and competencies.</li> </ul>	<ul style="list-style-type: none"> <li>Continue strengthening local knowledge and experience.</li> <li>Continue strengthening local governance.</li> </ul>
<p>Enlarge territory and increase impact</p>  <p>Renewables, pg 101</p>	<ul style="list-style-type: none"> <li>Expanded Global Corporate Advisory Office into the Netherlands and Brazil.</li> <li>Provided corporate support and advice for successful acquisition and integration for RSE, India.</li> <li>Achieved recognition for innovative financing deals.</li> </ul>	<ul style="list-style-type: none"> <li>Continue providing corporate support for expansion into new business areas and territories.</li> </ul>
<p>Build long-term partnerships with corporate business partners, lenders and investors</p>  <p>Investors and shareholders, pg 135; Bankers and lenders, pg 131; Partners, pg 141</p>	<ul style="list-style-type: none"> <li>Concluded agreement for Sumitomo to participate in the FPSO Anna Nery project with Sumitomo taking a 25% stake.</li> <li>Concluded agreement with "K" Line for their participation in the FPSO Anna Nery project with around a 10% stake upon final acceptance and achievement of stable operations.</li> <li>Expanded network of banking partners as evident in FPSO JAK refinancing exercise and FPSO Anna Nery bridge loan.</li> <li>Carried out Investor Relations Survey.</li> </ul>	<ul style="list-style-type: none"> <li>Continue building long-term partnerships with corporate business partners, lenders and investors.</li> <li>Continue expanding network of bankers and lenders.</li> </ul>

## FINANCIAL CAPITAL

### AWARDS RECEIVED IN FYE 2021 IN ACKNOWLEDGEMENT OF YINSON'S MANAGEMENT OF FINANCIAL CAPITAL

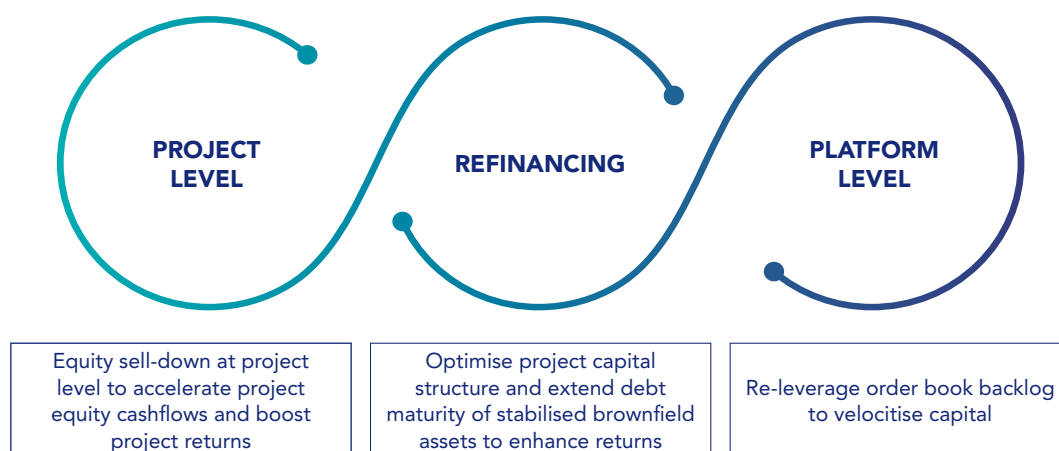
- FinanceAsia's 2020 Asia's Best Companies Survey – Malaysia's Best Mid-Caps Company
- Asiamoney Asia's Most Outstanding Companies Poll 2020 – Most Outstanding Company in Malaysia (Energy Sector)
- Institutional Investor's 2020 All-Asia Executive Team Rankings – Most Honoured Company
- Institutional Investor's 2020 All-Asia Executive Team Rankings – Best CEO (Oil & Gas sector)
- Asset Triple A Awards 2020 – Best Syndicated Loan in Malaysia, in recognition of the USD400 million bridge loan facility for the FPSO Anna Nery project
- 2019 ASEAN Corporate Governance Scorecard Award
- The Edge Billion Ringgit Club 2020 – 'Highest Returns on Equity over Three Years'
- The Edge Billion Ringgit Club 2020 – 'Highest Growth in Profit After Tax Over Three Years'

### GROUP INVESTMENT POLICIES

Yinson's Group Investment Policies were updated in FYE 2021 and adopts a new internal framework to determine the target minimum returns on investments. Under the framework, returns are correlated to a project's risk factors such as counterparty, contractual legal terms, technical requirements, operational requirements, political environment, tax, ESG, project partners involved and strategic considerations. Additionally, any project-specific risk factors are also discussed by Yinson's Management Committee when making investment decisions. The updated framework allows a balance to be achieved between the commercial expectations from an investment and Yinson's strategic goal of achieving sustainable growth.

Separate policies were adopted for the Offshore Production and Renewables business divisions to take into account that the value chain for these businesses differ significantly. Additionally, an investment policy for Corporate Treasury was created, setting out the parameters for the management of Yinson's free cash, with the objective of capital preservation and liquidity. The Board and management will continually review the policies to keep up to date with best practices.

### CAPITAL STRATEGY



Yinson adopts the above tactical strategies to enhance returns of our investments and accelerate the return of our Financial Capital to be deployed into new projects. Through the deployment of these capital strategies, Yinson was able to grow our business and fund the capital requirements of the last three FPSO projects without any further fundraising from the equity market since 2015, while continuing to provide our shareholders a stable dividend return.



## HISTORICAL UPSTREAMING OF YINSON'S ASSETS



## Strength of relationships with our financing and funding partner group

The uncertainty in the global markets along with movement control orders imposed in many countries due to the Covid-19 situation resulted in delays, or even the cancellation of many business transactions globally.

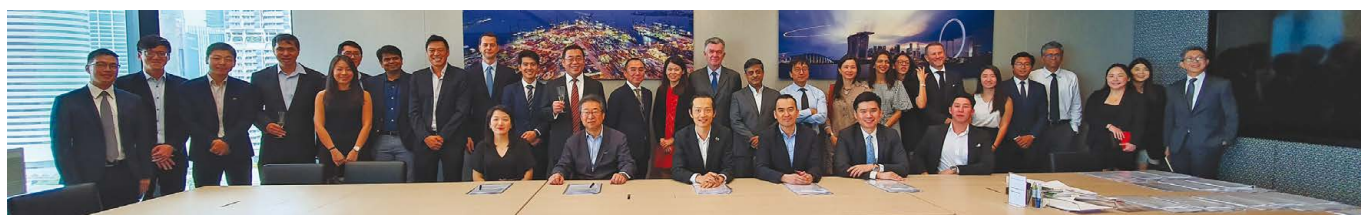
Despite these challenges, Yinson successfully closed two significant financing transactions in FYE 2021, namely the completion of the USD800 million refinancing exercise for FPSO JAK in April 2020, and the signing and completion of the USD400 million bridge loan financing agreement for FPSO Anna Nery in September 2020.

Both transactions received strong support from our financing partners, which is a testament of our lenders' confidence in Yinson despite the challenging business conditions in the midst of a pandemic and the decline in oil price.

For FPSO JAK refinancing transaction, in addition to our existing financing partners, CIMB Bank Berhad, Maybank Investment Bank Berhad, Natixis, Overseas-Chinese Banking Corporation Limited, Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited, we also welcomed the following new financing partners:

- Credit Industriel et Commercial
- Clifford Capital Pte Ltd
- DBS Bank Ltd
- MUFG Bank Ltd
- Societe Generale
- The Korea Development Bank
- Sumitomo Mitsui Banking Corporation

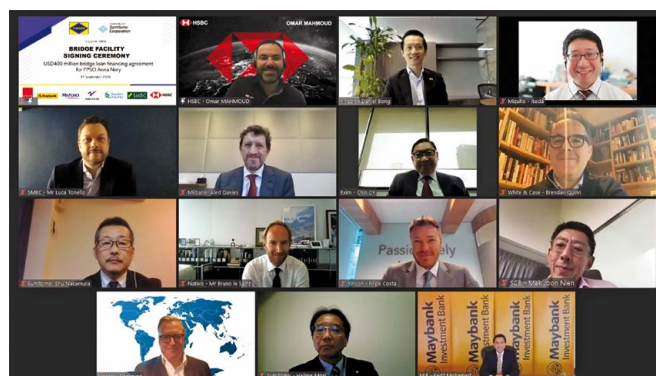
Furthermore, the FPSO Anna Nery financing transaction was oversubscribed by the participating banks which includes Export-Import Bank of Malaysia Berhad, Maybank International Labuan Branch, Mizuho Bank Ltd, Natixis, Standard Chartered Bank (Singapore) Limited, Sumitomo Mitsui Banking Corporation and The Hongkong and Shanghai Banking Corporation Limited.



USD800 million refinancing of FPSO JAK signing ceremony



USD400 million bridge loan financing for FPSO Anna Nery virtual ceremony



## FINANCIAL CAPITAL

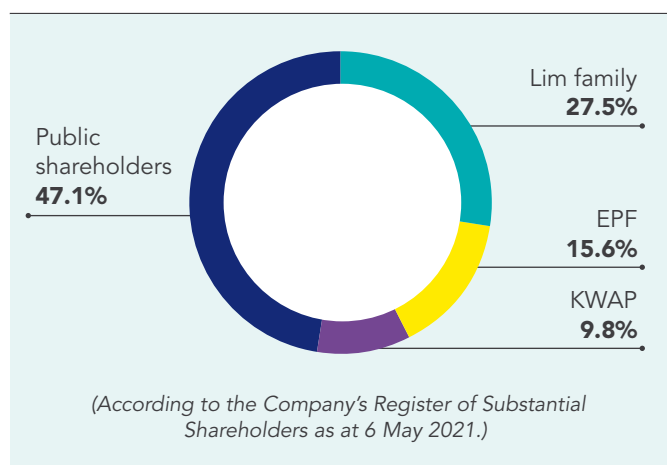
### INPUTS

#### Equity shareholders

Yinson's shares are listed on the Main Market of Bursa Malaysia Securities Berhad (KLSE:YINSON).

Yinson's top three shareholders own 52.9% of stock, while other public shareholders make up the remaining 47.1%. Our founder serves as Yinson's Group Executive Chairman, while both the EPF's Chief Investment Officer and KWAP's Chairman of the Investment Panel currently sit on Yinson's Board. The founding Lim family has subscribed to all rights issues raised. In 2015, EPF fully subscribed to Yinson's private placement of RM169.8 million.

#### YINSON'S SHAREHOLDINGS BY CATEGORY



#### Financing and funding partners

We optimise our capital structure by tapping the financial markets and through resourceful deployment of our internally-generated funds to finance our capital requirements. Since our fundraising exercise with the Group's ordinary shareholders in 2015, we have successfully delivered FPSO JAK, FPSO Helang and FPSO Abigail-Joseph, and are well on track towards the delivery of FPSO Anna Nery in 2023.

##### Platform level

We include perpetual securities and sukuk mudharabah as part of Yinson's long-term equity structure. These instruments are classified as equity yet do not dilute our existing shareholders. Yinson has successfully expanded its capital structure with five issuances since its inaugural exercise in 2015.

#### EQUITY AND PERPETUAL SECURITIES



On top of these, we have also successfully raised corporate borrowings. In FYE 2021, we successfully raised USD139 million of term loans from our relationship banks, made possible through our careful cultivation of the relationships over the years via open and honest communication, which has allowed the banks to better understand our business and appreciate its robustness. Corporate facilities enable us to be flexible when providing funding for our equity requirements, which in turn allow us to pursue business opportunities in a timely manner. We have also successfully raised RM200 million SLF from HSBC Amanah Malaysia, as we continue to make progress in the areas of ESG.

##### Project level

Over the years, we have built relationships with a network of banks active in FPSO financing. Despite the challenging financing environment in FYE 2021, we successfully raised a USD400 million bridge loan for FPSO Anna Nery, as well as the USD800 million refinancing for FPSO JAK.

To navigate the challenging oil & gas financing landscape, we constantly innovate and explore other modes of financing such as project level preference shares, non-recourse project equity or junior loans for our offshore production projects, which may open up fresh pockets of funding liquidity from different pools of financiers including infrastructure or credit funds.

The appetite for renewables-based projects has grown in the current financing market as we accelerate the transition into cleaner sources of energy. We are actively seeking the best financing solutions on top of the usual project financing with our international banking network. For instance, local currency financing in India could be an attractive solution as it offers a natural hedge and longer tenure financing for our Indian assets, potentially unlocking a new pocket of liquidity for current and future projects.

As an alternative to project financing, green bonds are also an increasingly attractive source of funding due to the growing liquidity resulting from increased appetite from ESG-focused investors. Infrastructure funds are also potential partnership candidates for our renewables-based projects, which we believe will help to accelerate our growth in the industry, thereby enhancing shareholder returns.

The capital requirements of the Green Technologies Division are expected to be relatively small over the next few years as we identify the right opportunities to commercialise and scale. Coupled with the dynamic nature of this business, we believe funding the business with our internally-generated funds is the best strategy until the business reaches critical mass.

### Cash and cash equivalents

CASH AND LIQUID INVESTMENTS (RM MILLION)		FREE AND AVAILABLE CASH (RM MILLION)	
<b>FYE 2021</b>	<b>2,050</b>	<b>FYE 2021</b>	<b>1,329</b>
FYE 2020	1,465	FYE 2020	886
FYE 2019	1,290	FYE 2019	724
FYE 2018	717	FYE 2018	291
FYE 2017	661	FYE 2017	505

Yinson's free and available cash position of RM1,329 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. 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. Our strategy for managing liquidity includes:

- Maintaining an appropriate mix of high-quality liquid investments and adequate cash buffers to meet unexpected cash outflows.
- Maintaining 5-year cash flow projections to match the allocation of long-term financial capital with project capital expenditure needs.
- Using reasonable assumptions on continuing operations and financing of projects secured, Yinson's liquidity is sufficient for at least the next 5 years.
- Conducting regular stress testing to assess cash flow vulnerability under stressed situations and deploying the necessary action plans.

### Cash flows from operating activities

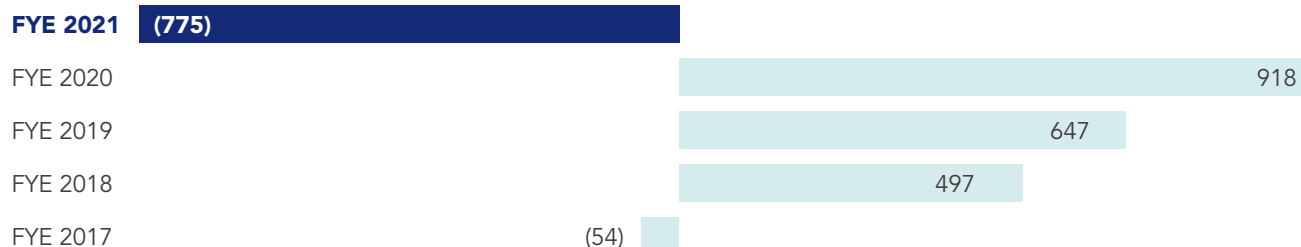
EPCIC (RM MILLION)		NON-EPCIC AND OTHERS (RM MILLION)	
<b>FYE 2021</b>	<b>(1,373)</b>	<b>FYE 2021</b>	<b>598</b>
FYE 2020	473	FYE 2020	445
FYE 2019	152	FYE 2019	495
		FYE 2018	497
		FYE 2017	(54)



## FINANCIAL CAPITAL

**NET CASH FLOWS (USED IN)/ GENERATED FROM OPERATING ACTIVITIES**

(RM MILLION)



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 over the past years. In FYE 2021, the Group's overall deficit in operating activities cash flow position originated from the timing mismatch of recognised revenue from EPCIC activities performed for FPSO Abigail-Joseph and FPSO Anna Nery and the associated cash inflows that will only be received by the Group throughout the lease period. FPSO Abigail-Joseph commenced its lease on 28 October 2020, while FPSO Anna Nery is expected to commence its lease in Q1 2023. Excluding the cash flow effect of EPCIC activities, the net cash flows generated from operating activities in FYE 2021 would have been RM598 million.

During the financial year, 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 195 to 199.

**OUTPUTS (KEY FINANCIAL METRICS)****Revenue****EPCIC**  
(RM MILLION)**FYE 2021** 3,394

FYE 2020 1,551

**NON-EPCIC**  
(RM MILLION)**FYE 2021** 1,408

FYE 2020 917

FYE 2019 991

FYE 2018 880

FYE 2017 500

**GROUP REVENUE**  
(RM MILLION)**FYE 2021** 4,849

FYE 2020 2,519

FYE 2019 1,035

FYE 2018 910

FYE 2017 543

To enhance understanding of the Group's financial performance, we disclose the contribution of EPCIC activities to the Group. Since the prior financial year, the Group's awarded lease contracts were systematically classified under International Financial Reporting Standards ("IFRS") as finance leases for accounting purposes. EPCIC recognition applies to projects which are of finance lease in nature, where 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.

This accounting treatment accelerates recognition of lease revenues and profits into the construction phase of the asset, whereas 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.

The lease classification and timing of EPCIC revenue recognition (where relevant) for the Group's FPSOs and FSOs 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 (Q4 FYE 2020)
FPSO Abigail-Joseph	Finance lease	Yes	Point in time (Q3 FYE 2021)
FPSO Anna Nery	Finance lease	Yes	Over time
Owned through joint venture arrangements			
FPSO PTSC Lam Son	Operating lease	No	
FSO 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.

In FYE 2021, the Group experienced significant revenue growth with FPSO Helang completing its first full year of lease charter ("Non-EPCIC operation activities"), FPSO Abigail-Joseph giving rise to the recognition of a one-off outright sales upon achieving first oil in October 2020 and FPSO Anna Nery progressively completing its engineering and construction works ("EPCIC operation activities"). Collectively, these contributed to a reported revenue of RM4,849 million in FYE 2021 – 92% higher than in FYE 2020.

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.

#### REVENUE (EPCIC)

FPSO Abigail-Joseph and FPSO Anna Nery are the two EPCIC projects undertaken by the Group in FYE 2021. FPSO Abigail-Joseph was successfully completed and commenced its lease charter on 28 October 2020 with a one-off non-recurring revenue contribution of RM1,095 million upon handover of the rights of use to the charterer. Meanwhile, the ongoing FPSO Anna Nery project contains an EPCIC component where such revenue is recognised over time, based on the progress of construction until Q1 2023.

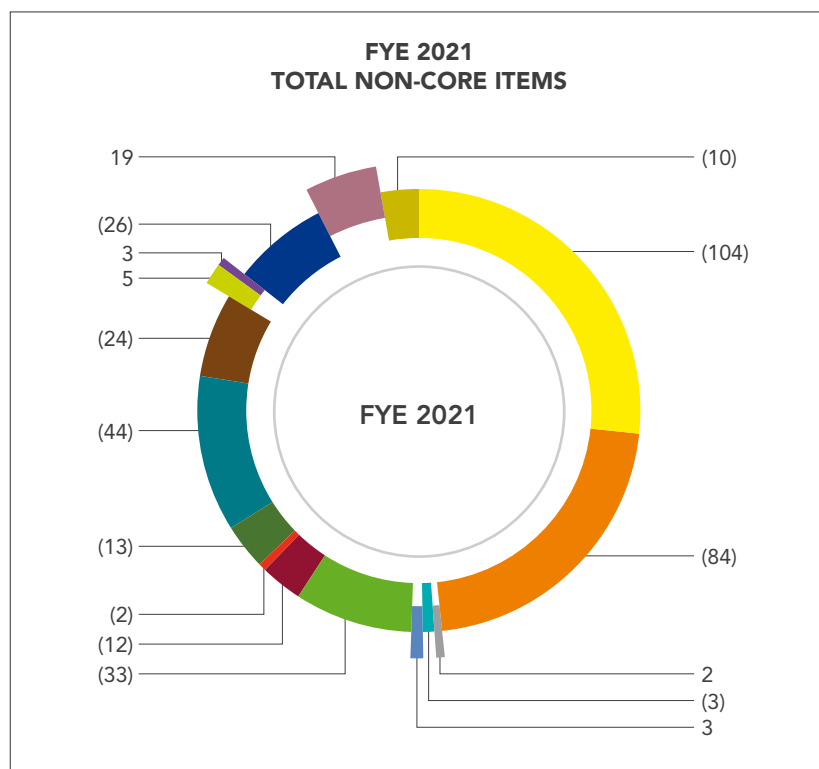
#### REVENUE (NON-EPCIC)

The Non-EPCIC component represents the Group's FPSO/ FSO operating activities. The Group has five operating FPSOs and one operating FSO on charter lease as at FYE 2021. FYE 2021 witnessed fresh revenue contribution from FPSO Abigail-Joseph since 28 October 2020 and full year's revenue contribution from FPSO Helang, propelling non-EPCIC revenue beyond the RM1 billion mark to RM1,408 million.

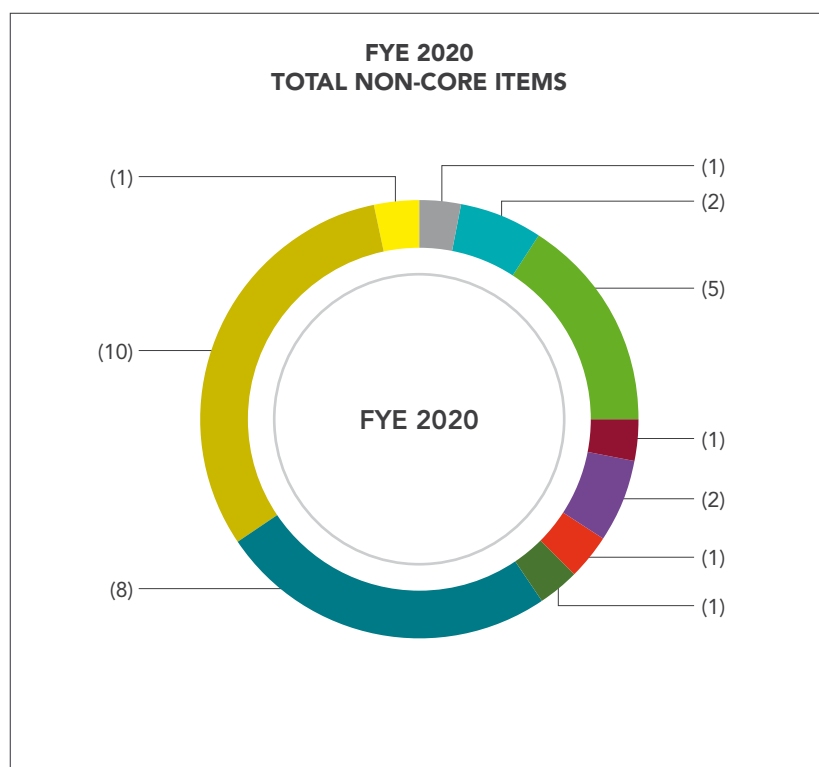
## FINANCIAL CAPITAL

## Profitability

## REPORTED AND CORE PAT (RM MILLION)

Reported PAT : **RM412 million**Total Non-Core Items : **(RM323) million**Core PAT : **RM735 million**

(104)	Contract acquisition costs written off
(84)	Deal deposit and bad debts written off
2	Fair value gain on marketable securities
(3)	Fair value loss on investment properties
3	Gain on remeasurement on step-up acquisition of RSE
(33)	Impairment loss on property, plant and equipment
(12)	Impairment loss on tax recoverable
(2)	Loss on disposal of other investments
(13)	Net loss on foreign exchange
(44)	One-off charge-out of transaction costs related to refinancing of loan
(24)	Other operating expenses
5	Reversal of impairment loss on receivables
3	Reversal of impairment loss related to joint ventures
(26)	Share of joint venture's impairment loss on property, plant and equipment
19	Variation compensation income (net of related costs)
(10)	Warranty costs provided for a project

Reported PAT : **RM261 million**Total Non-Core Items : **(RM32) million**Core PAT : **RM293 million**

(1)	Fair value loss on derivatives
(2)	Fair value loss on investment properties
(5)	Impairment loss on property, plant and equipment
(1)	Impairment loss on receivables
(2)	Impairment loss on tax recoverable
(1)	Loss on disposal of other investments
(1)	Loss on disposal of property, plant and equipment
(8)	One-off sharing of joint venture's shortfall in insurance claims
(10)	Warranty cost provided for a project
(1)	Others



**PAT AND EBITDA (GROUP) (RM MILLION)****Reported PAT**

<b>FYE 2021</b>	<b>412</b>
FYE 2020	261
FYE 2019	264
FYE 2018	292
FYE 2017	194

**Core PAT**

<b>FYE 2021</b>	<b>735</b>
FYE 2020	293
FYE 2019	296
FYE 2018	346
FYE 2017	229

**Reported EBITDA**

<b>FYE 2021</b>	<b>1,236</b>
FYE 2020	770
FYE 2019	801
FYE 2018	650
FYE 2017	273

**Core EBITDA**

<b>FYE 2021</b>	<b>1,491</b>
FYE 2020	793
FYE 2019	832
FYE 2018	695
FYE 2017	316

**Adjusted Core EBITDA**

<b>FYE 2021</b>	<b>1,533</b>
FYE 2020	865
FYE 2019	897
FYE 2018	823
FYE 2017	533

The Group's profitability benchmark indicators continued to grow in FYE 2021 despite businesses globally being severely affected by the Covid-19 pandemic. The Group's EBITDA was RM1,236 million and PAT was RM412 million, which is 61% and 58% higher than the previous financial year respectively. In addition, the Management uses profitability benchmark indicators of Core EBITDA and Core PAT to measure operational performance, where non-core financial elements are excluded in its calculation. These two indicators are 88% and 151% higher at RM1,491 million and RM735 million respectively. Notably among the non-core financial elements are RM84 million relating to a deal deposit written off upon the lapse of the Ezion acquisition proposal, RM33 million of impairment loss for certain offshore support vessels ("OSV") and a Very Large Crude Carrier ("VLCC") of the Group and RM104 million of contract acquisition costs written off for various projects which the Group participated in.

## FINANCIAL CAPITAL

## PAT AND EBITDA (EPCIC) (RM MILLION)

## Reported PAT

**FYE 2021** 302

FYE 2020 7

## Core PAT

**FYE 2021** 310

FYE 2020 7

## Reported EBITDA

**FYE 2021** 468

FYE 2020 7

## Core EBITDA

**FYE 2021** 476

FYE 2020 7

EPCIC business activities contributed significantly with an increase of RM295 million to record a PAT of RM302 million. FPSO Abigail-Joseph delivered a one-off PAT of RM105 million and FPSO Anna Nery contributed RM197 million through progression of its construction work.

## PAT AND EBITDA (NON-EPCIC) (RM MILLION)

## Reported PAT

**FYE 2021** 325

FYE 2020 259

FYE 2019 317

FYE 2018 412

FYE 2017 217

## Core PAT

**FYE 2021** 528

FYE 2020 283

FYE 2019 331

FYE 2018 399

FYE 2017 237

## Reported EBITDA

**FYE 2021** 943

FYE 2020 743

FYE 2019 821

FYE 2018 738

FYE 2017 268

## Core EBITDA

**FYE 2021** 1,079

FYE 2020 758

FYE 2019 815

FYE 2018 717

FYE 2017 296

Non-EPCIC business activities comprise leasing of vessels and marine-related services, which are areas that the Group has extensive experience and a strong track record. FPSO Abigail-Joseph is Yinson's newest operating asset, which officially went on charter in October 2020.

In FYE 2021, EBITDA and PAT grew by 27% and 25% respectively. Besides the added contribution from FPSO Abigail-Joseph's lease commencement, the growth is also driven by FPSO Helang completing its first full financial year of operations as well as contributions from charter arrangements of two VLCC tankers during the year. Contribution from VLCC tankers in the coming financial year will be lower as the Group has resolved to retain only one VLCC tanker for prospective projects in our pipeline.

**PATAMI****Reported PATAMI**  
(RM MILLION)

<b>FYE 2021</b>	<b>315</b>
FYE 2020	210
FYE 2019	235
FYE 2018	292
FYE 2017	197

**Core PATAMI**  
(RM MILLION)

<b>FYE 2021</b>	<b>637</b>
FYE 2020	241
FYE 2019	266
FYE 2018	346
FYE 2017	232

**Basic Earnings Per Share**  
(sen)

<b>FYE 2021</b>	<b>29.5</b>
FYE 2020	19.5
FYE 2019	21.4
FYE 2018	26.8
FYE 2017	18.1

It is the Group's strategy to invite strategic partners to participate in our projects to manage our overall portfolio mix and maximise shareholder value. Thus, shareholders should refer to Profit after Tax and Minority Interests ("PATAMI") to determine the amount of profit attributable to them. In FYE 2021, the Group entered into a collaboration arrangement for the FPSO Anna Nery project with Japan Offshore Facility Investment 1 Pte Ltd (wholly owned by Sumitomo); who took a 25% equity stake share allotment at a consideration of USD25 million.

The Group recorded higher PATAMI and Core PATAMI in FYE 2021 of RM315 million and RM637 million respectively due to factors disclosed in the previous profitability section. The Group's Basic Earnings Per Share ("EPS"), computed based on PATAMI, reflected similar trends.

**LEVERAGE INDICATORS****Gearing ratio**  
(TIMES)

<b>FYE 2021</b>	<b>1.52</b>
FYE 2020	1.01
FYE 2019	0.87
FYE 2018	1.14
FYE 2017	1.41

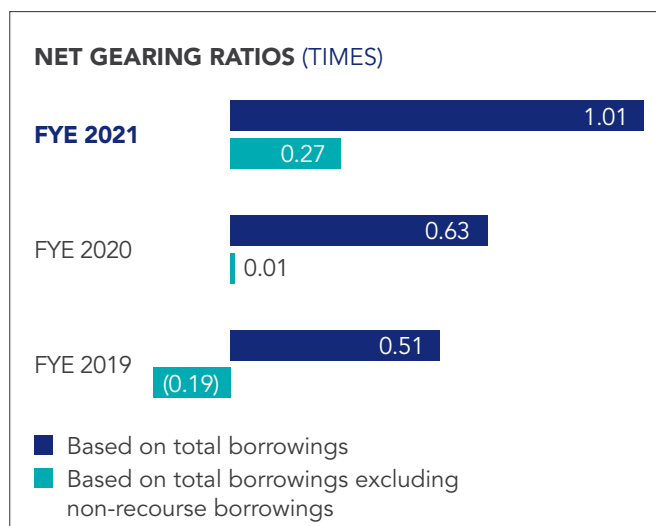
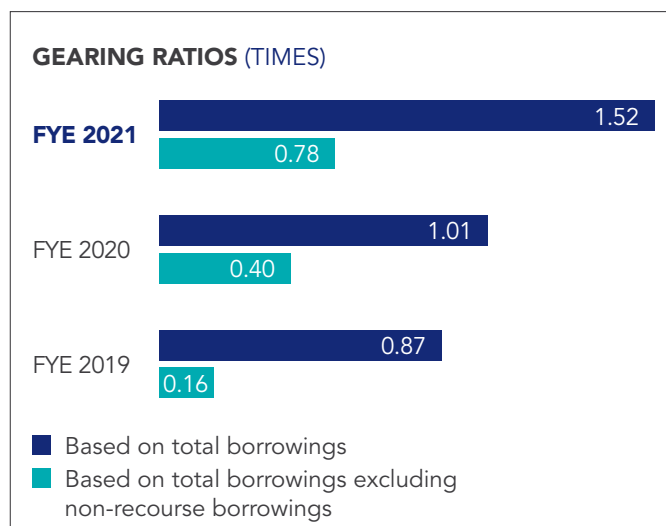
**Net Gearing ratio**  
(TIMES)

<b>FYE 2021</b>	<b>1.01</b>
FYE 2020	0.63
FYE 2019	0.51
FYE 2018	0.87
FYE 2017	1.14



## FINANCIAL CAPITAL

Adjusted Net Debt (RM MILLION)		Adjusted Net Debt / Adjusted Core EBITDA (TIMES)	
<b>FYE 2021</b>	<b>4,102</b>	<b>FYE 2021</b>	<b>2.68</b>
FYE 2020	2,475	FYE 2020	2.86
FYE 2019	1,854	FYE 2019	2.07
FYE 2018	2,242	FYE 2018	2.73
FYE 2017	3,136	FYE 2017	5.89



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 1.01 times in FYE 2021 in tandem with the progressive execution of the FPSO Anna Nery project and upsized refinancing exercise of FPSO JAK. This ratio will continue trending upwards until the beginning of 2023, when FPSO Anna Nery is expected to commence its 25-year lease tenure.

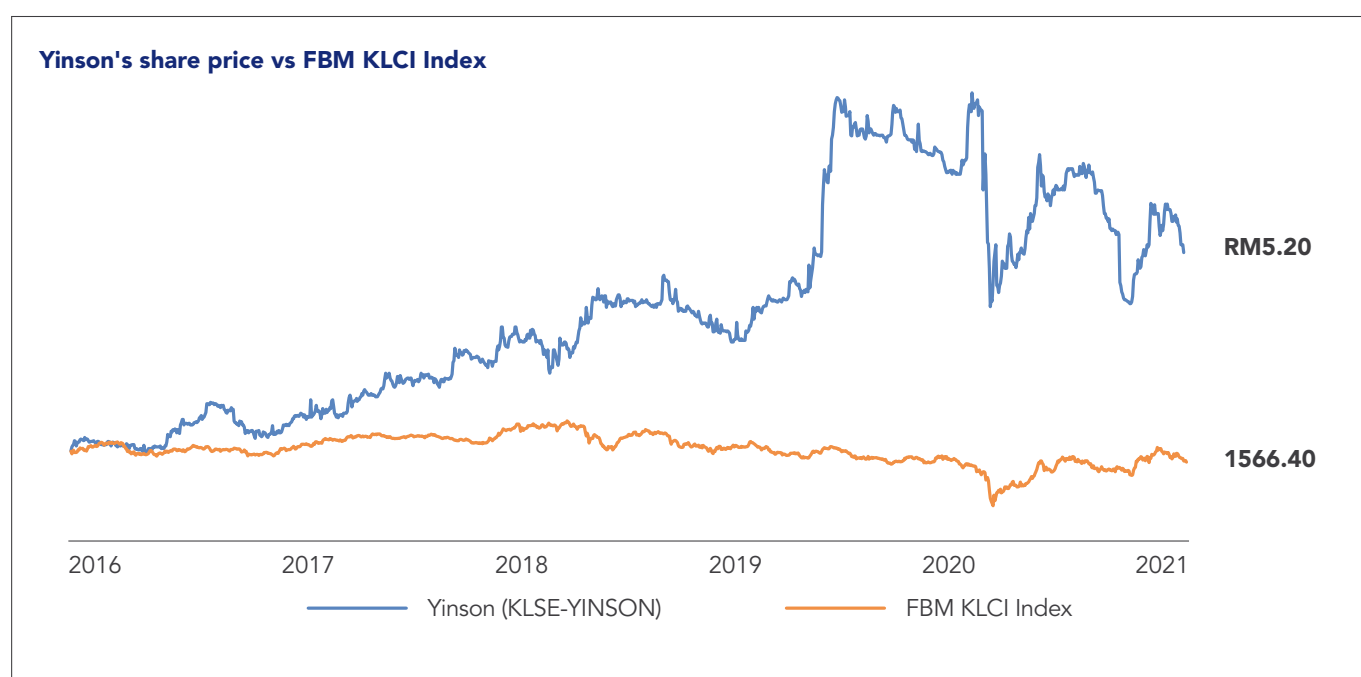
Although Net Gearing Ratio has increased, debt levels remain manageable. As at 31 January 2021, RM3,919 million of loans and borrowings are project financing loans for FPSO JAK and FPSO Helang, which are structured to ensure smooth repayment over the course of the firm charter period. Project financing 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. As at the issuance date of this Report, the project financing loans for FPSO JAK and FPSO Helang are non-recourse, where the project financing loan for FPSO Helang became non-recourse on 3 February 2021. Had the project financing loan for FPSO Helang become non-recourse on 31 January 2021, the Group's Gearing ratio and Net Gearing ratio would have been 0.54 times and 0.03 times respectively.

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 next year's ratio to be higher than 2.68 times as recorded on 31 January 2021, as the FPSO Anna Nery project nears completion.

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.

### Equity shareholder performance

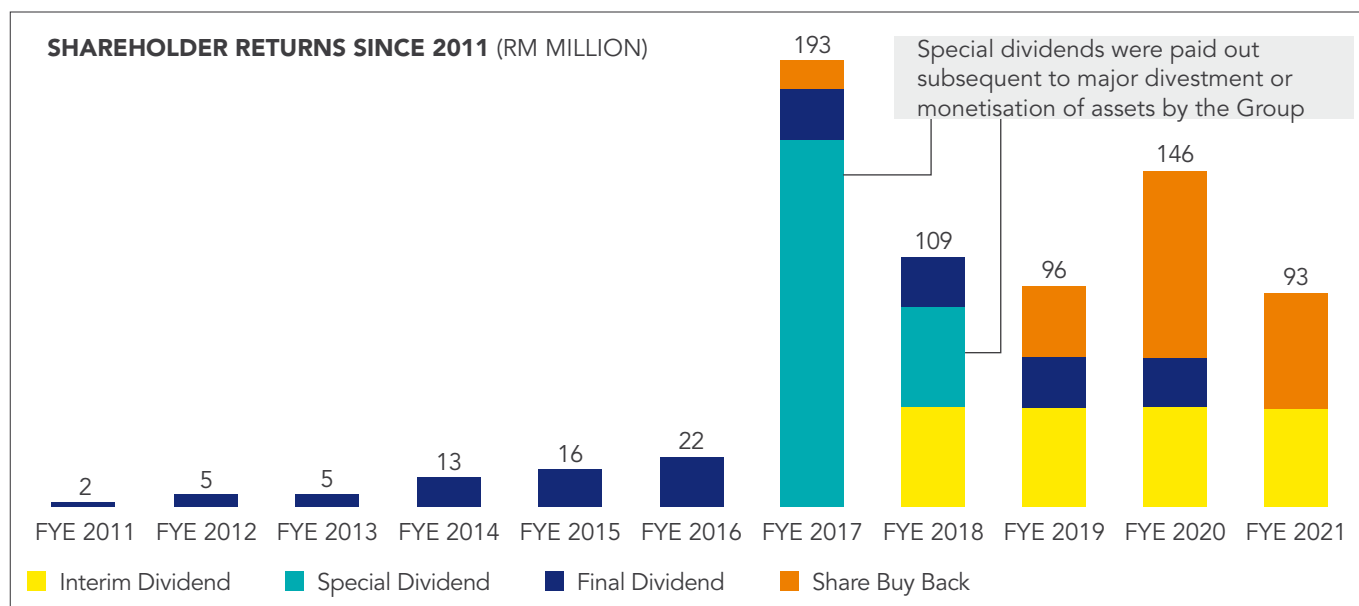
#### 5-YEAR PERFORMANCE



Source: Investing.com (2021)

- The market continues to rebound given the improving macro-economic fundamentals, ample liquidity and bullish sentiment in most sectors after the setback from last year due to the Covid-19 pandemic, tracking positive performance on the benchmark of FBM KLCI with an upward trend.
- With Yinson's high earning visibility, diversified portfolio and sustainable business model, we remain resilient to the slump in the equity market, which tumbled to its lowest in March 2020, and are well-positioned to steer on the oil market volatility.
- In tandem with this, Yinson's capability in delivering long-term growth for our investors is evident, with our share price appreciating by 1.95 times since FYE 2016, from the share price of RM2.67 as at 2 February 2016 to RM5.20 as at 29 January 2021.
- In comparison, the FBM KLCI's performance remained flat with a minor decrease from 1653.18 to 1566.40 over the same period.

## FINANCIAL CAPITAL



Source: Bloomberg

Since venturing into Offshore Production in 2011, Yinson has maintained a steady return to our shareholders through various transformation phases, despite periods of economic volatility.

Since FYE 2011 to FYE 2021 Yinson's returns to shareholders are as follows:

- RM700 million of shareholder returns in total.
- 54.85 sen per share or RM525 million in dividends on a cumulative basis. Of this amount, 18.6 sen per share, or RM203 million relate to special dividends paid out subsequent to major divestment or monetisation by the Group.
- RM175 million in share buy backs.

### Capital appreciation

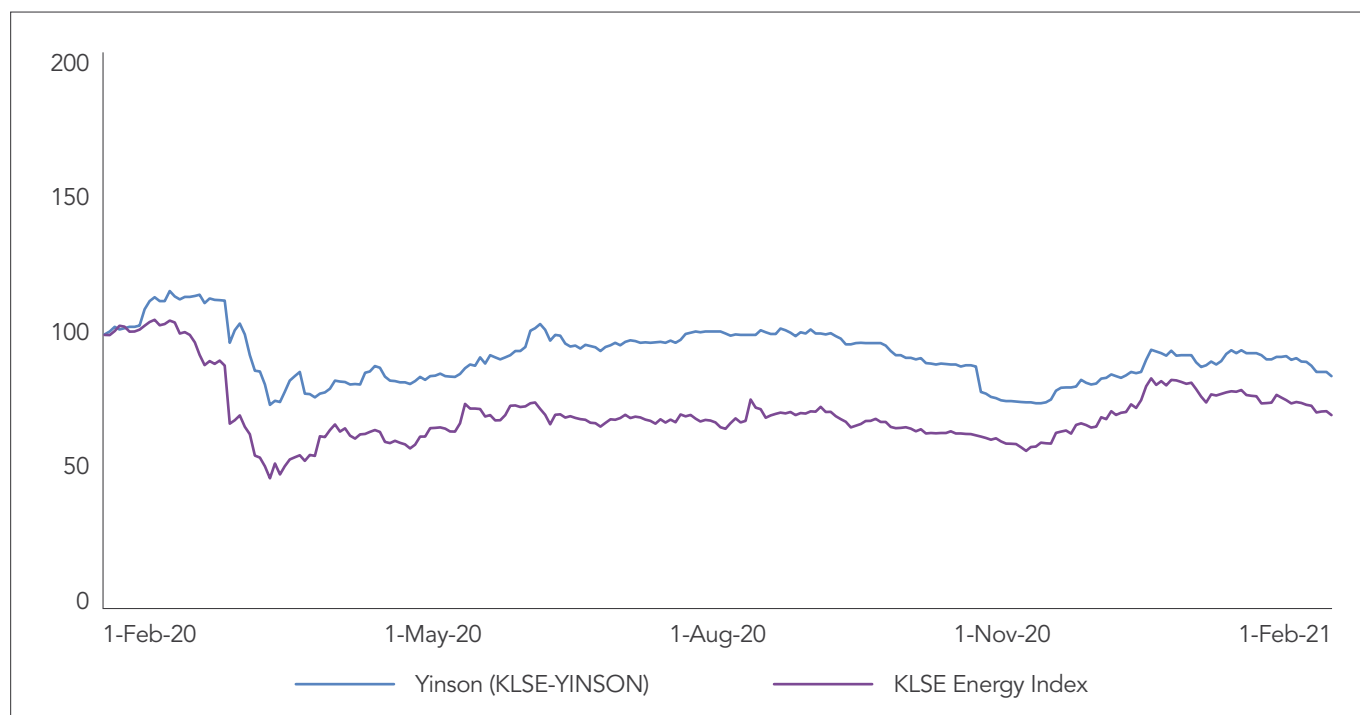
#### YINSON'S SHARE PRICE AGAINST BRENT CRUDE PRICE



Source: Investing.com (2021)

- Yinson's share price was resilient despite the sharp drop in the Brent crude oil price caused by the Covid-19 pandemic and political instability. The share price resilience was backed by strong fundamentals and long-term contracts secured by the Group.
- As oil demand increased, the crude oil price rebounded to approximately USD60 per barrel.
- Resurgence and stabilisation of oil price had some positive effect on Yinson which should translate to more FPSO activities.

#### YINSON'S SHARE PRICE AGAINST THE KLSE ENERGY INDEX



Source: Investing.com (2021)

- Yinson's share price movement trended similarly to that of the Kuala Lumpur Stock Exchange ("KLSE") Energy Index during FYE 2021.
- Increased renewable energy initiatives and oil price were reflected in the KLSE Energy Index's uptrend from March 2020, where other oil & gas counters followed suit.








# MANUFACTURED CAPITAL

Yinson's Manufactured Capital consists of our physical key assets. Our strategy for managing our Manufactured Capital centres around strong governance, prudent capital management, the experience and skills of our team, and investment into digitalisation.

Yinson's Manufactured Capital	YINSON'S STRATEGY FOR MANAGING MANUFACTURED CAPITAL			Outcomes
	Acquisition and development	Construction	Operations	
<b>Offshore Production</b> <ul style="list-style-type: none"> <li>• 5 FPSOs and 1 FSO in operation</li> <li>• 1 FPSO under construction</li> <li>• 1 donor vessel</li> </ul>	<ul style="list-style-type: none"> <li>• Secure quality projects in the world's most active offshore production regions.</li> <li>• Establish respectable portfolios within the FPSO industry, creating a strong order book with stable, long-term cashflows.</li> <li>• Actively attract and velocitise capital.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver projects on time and on budget.</li> <li>• Create a sustainable and agile organisation to manage changing project requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain industry-leading safety and operational performance through digital transformation and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain strong fleet uptime.</li> <li>• Achieve targeted revenue and economic growth.</li> </ul>
<b>Renewables</b> <ul style="list-style-type: none"> <li>• 2 operational solar plants</li> <li>• 1 solar plant under construction</li> <li>• Multiple sites under development</li> </ul>	<ul style="list-style-type: none"> <li>• Grow global portfolio (pipeline) of greenfield development projects centred around selected core markets.</li> <li>• Market selection criteria: Strong market fundamentals and/ or potential, ability for scale, good counterparties, quality projects, risk/ reward balance including diversification.</li> <li>• Project selection based on resource and partner quality, and ability to deliver value through the value chain.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage projects through local teams with support from core team.</li> <li>• Deliver projects on time and on budget.</li> <li>• Ensure quality through effective equipment selection and contractors/ service providers good coordination with operations team.</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve best-in-class operational and safety performance through hands-on asset management.</li> <li>• Drive improvement through digitalisation and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>• Exceed contractual or budgeted power sales.</li> <li>• Delivery of world class renewables assets.</li> <li>• Strong pipeline for further growth.</li> </ul>
<b>Offshore Marine</b> <ul style="list-style-type: none"> <li>• 3 AHTS</li> <li>• 1 PSV</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in Asia Pacific region bids focusing on Malaysian market to support PETRONAS and Petroleum Arrangement Contractors.</li> <li>• Secure quality and long-term projects that can bring stable cashflows.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure delivery of project (drydock) on time and on budget.</li> <li>• Maintain strong workforce and efficient organisation to manage challenging OSV market.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement robust frameworks and governance.</li> <li>• Achieve optimised operations through digitalisation and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve high fleet utilisation.</li> </ul>

## OFFSHORE PRODUCTION DIVISION

	PROGRESS IN FYE 2021	FOCUS FOR FYE 2022
<b>Acquisition</b>  <i>Group Investment Policies, pg 84; Industry, pg 134</i>	<ul style="list-style-type: none"> <li>Signed exclusive purchase option for FPSO Nganhurra in preparation for a new FPSO redeployment project.</li> <li>Parque das Baleias FPSO award was deferred to FYE 2022, rebid is anticipated to be delivered in May 2021.</li> <li>Built up a solid base of project targets, including several to be bid in FYE 2022.</li> <li>Participated in virtual exhibitions and marketing activities.</li> </ul>	<ul style="list-style-type: none"> <li>Secure a good redeployment project for FPSO Nganhurra.</li> <li>Secure one FPSO conversion contract.</li> <li>Get in position to secure one to two more projects in FYE 2023.</li> <li>Continue building a solid base of project targets for the years to come.</li> <li>Continued marketing efforts for Offshore Production Division.</li> </ul>
<b>Development</b>  <i>Offshore health and safety, pg 125</i>	<ul style="list-style-type: none"> <li>FPSO Abigail-Joseph achieved first oil on 28 October 2020.</li> <li>FPSO Anna Nery achieved 1 million man hours LTI-free.</li> <li>Construction of FPSO Anna Nery progressed according to project schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Progress with conversion works for FPSO Anna Nery as per project schedule.</li> <li>Prepare internal infrastructure for possible project awards.</li> </ul>
<b>Operations</b>  <i>Covid-19: Yinson's new normal, pg 69; Offshore health and safety, pg 125</i>	<ul style="list-style-type: none"> <li>FPSO Abigail-Joseph achieved first export on 12 January 2021.</li> <li>FPSO Helang achieved 1 million barrels on 12 November 2020.</li> <li>FPSO Atoon achieved 9 years LTI-free.</li> <li>Brazil and Netherlands offices operational and staffed as per project schedule for FPSO Anna Nery project.</li> <li>Health and safety measures intensified as a response to Covid-19 risks.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain excellent fleet uptime records for all FPSOs in operation.</li> <li>Improve and maintain safety records for all FPSOs in operation.</li> <li>Continually adapt to safety and operations risks due to Covid-19.</li> </ul>

## Project phase updates

Our assets under construction during FYE 2021, FPSO Abigail-Joseph and FPSO Anna Nery, were not spared from the global supply chain disruption and movement control restrictions. Throughout the year, our crew's health, safety and wellbeing remained our top priority, and we worked closely with our vendors, clients and regulators to manage challenges arising from Covid-19.

## FPSO ABIGAIL-JOSEPH OVERVIEW

Activity	Date
Contract award	28 February 2019
First delivery of steel and pipe materials	9 July 2019
Vessel arrival at shipyard	28 July 2019
Completion of demolition scope	15 September 2019
Installation of metering skid and steel integration	7 October 2019
Completion of dry dock	5 December 2019
Completion of riser balcony structural work	7 December 2019
Accommodation ready for habitation	14 December 2019
Flash Gas/ HP compressors skids installation and integration	27 December 2019
Departure to field	26 February 2020
Hook-up commenced	13 August 2020
Hook-up completed	7 September 2020
Received First Oil Certificate	28 October 2020
Completion of tanks and hull coating	3 January 2021

## MANUFACTURED CAPITAL

### FPSO ANNA NERY OVERVIEW

Activity	Date
Contract award/ Letter of Intent ("LOI") issued (effective date)	11 October 2019
Award shipyard contract	13 March 2020
Issue purchase order for long lead items	15 March 2020
Vessel arrival at shipyard	16 March 2020
Entered into definitive contract	23 March 2020
First steel cut at module fabrication yard	1 June 2020
Hazard and operability (HAZOP) study completed	27 July 2020
Completion of first drydocking	12 October 2020
Commencement of second drydocking	25 April 2021

### Operations phase updates

Yinson maintained strong operations and safety performance despite the various challenges brought about by Covid-19 pandemic in FYE 2021, as outlined below:

- Achieved average technical uptime of 99.5% and average commercial uptime of 100% for the six assets that were in operation in FYE 2021.
- Achieved average 5-year technical uptime of 99.8% for the assets that were in operation since FYE 2017.
- Significant resources were deployed to minimise Covid-19 risk on board our assets and maintain our fleet uptimes.
- Several Covid-19 cases were detected on board two of our assets and were swiftly addressed. Performance of the assets were maintained.



Covid-19: Yinson's new normal, pg 69

### AVERAGE FLEET TECHNICAL UPTIME FOR ASSETS THAT WERE IN OPERATION IN FYE 2021

	Q1	Q2	Q3	Q4	FYE 2021 average
FPSO Adoon	100%	100%	100%	100%	100%
FPSO Abigail-Joseph	N/A	N/A	N/A	99.1%	99.1%
FPSO JAK	99.9%	100%	99.9%	100%	99.9%
FPSO Helang	99.2%	99.9%	93.5%	99.6%	98.1%
FPSO PTSC Lam Son	100%	99.9%	99.9%	100%	100%
FSO PTSC Bien Dong 01	100%	100%	100%	100%	100%

\* FPSO Abigail-Joseph's first full quarter of operations was Q4 FYE 2021.

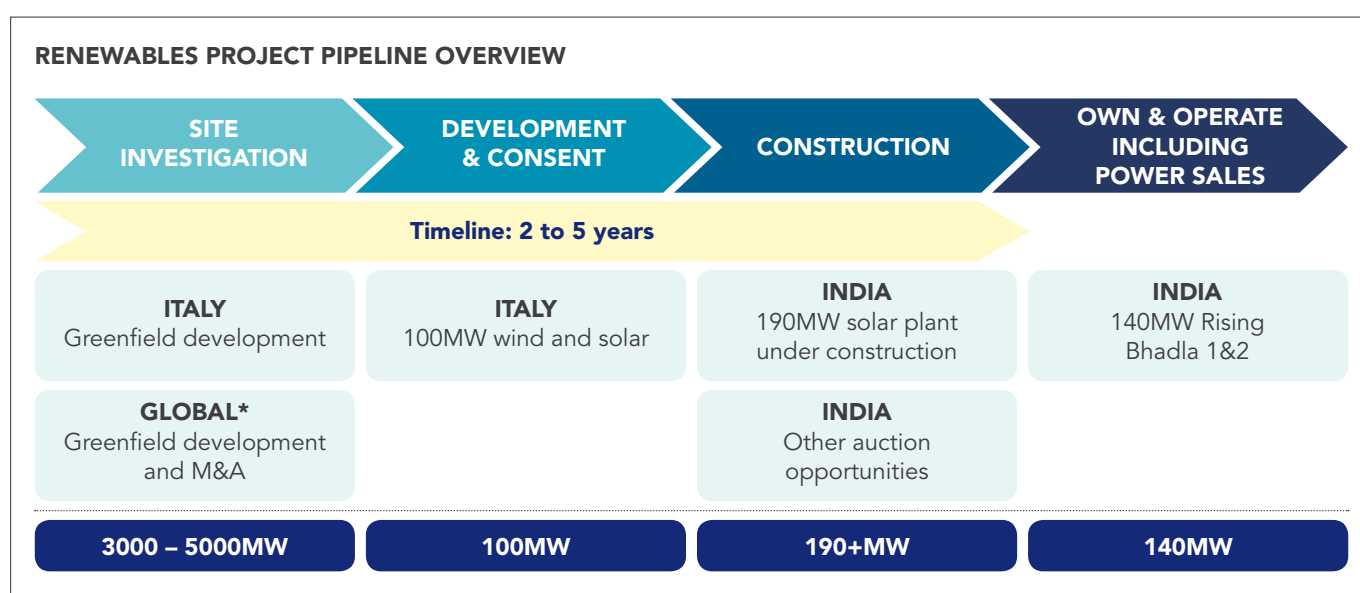
### 5-YEAR AVERAGE FLEET TECHNICAL UPTIME FOR ASSETS THAT WERE IN OPERATION

	Q1	Q2	Q3	Q4
<b>FYE 2017</b>	99.9%	99.9%	99.9%	99.9%
<b>FYE 2018</b>	100.0%	99.9%	99.7%	99.9%
<b>FYE 2019</b>	99.9%	100.0%	100.0%	99.4%
<b>FYE 2020</b>	100.0%	100.0%	100.0%	100.0%
<b>FYE 2021</b>	99.8%	99.8%	98.7%	99.8%

## RENEWABLES DIVISION

	PROGRESS IN FYE 2021	FOCUS FOR FYE 2022
<b>Acquisition and development</b>	<ul style="list-style-type: none"> <li>Acquisition of 95% of RSE, that owns the Rising Bhadla 1&amp;2 Solar Plants in the Bhadla Solar Park, Rajasthan.</li> <li>Secured contract for the construction and operation of a 190MW solar plant in the Nokh Solar Park, Rajasthan. The contract was won by Yinson's 80% owned subsidiary, RSEK through a reverse auction process.</li> <li>Established strong global pipeline of greenfield renewable energy projects in new regions.</li> </ul>	<ul style="list-style-type: none"> <li>Expand renewables presence in existing and new regions.</li> <li>Drive early stage projects forward through consenting process to achieve ready-to-build status.</li> <li>Continue building strong pipeline of renewables projects in core markets, with scale and value potential.</li> <li>Participate in further auctions to build and operate assets in solar parks.</li> </ul>
<b>Construction</b>	<ul style="list-style-type: none"> <li>Construction of the Nokh Project kicked off and is on track for completion in Q2 2022.</li> <li>Development process started at multiple sites globally.</li> </ul>	<ul style="list-style-type: none"> <li>Progress with development of Nokh Project as per project schedule towards completion in Q2 2022.</li> <li>Continue development in multiple sites.</li> <li>Prepare for construction of new ready-to-build projects.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>Exceeded generation and revenue budget for operating solar plants.</li> <li>Kicked off integration of RSE with Yinson.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain good performance for operating assets while looking for improvement opportunities.</li> <li>Complete smooth integration of RSE with Yinson.</li> </ul>

Yinson's renewables project pipeline spans the entire value chain from site investigation; development & consent; construction; and owning & operating including power sales. The Renewables Division was established in late 2019 and has already established an operating portfolio with installed capacity of 140MW, to grow to at least 330MW in FYE 2022. The size of our pipeline, which is already 3 to 5GW, illustrates the potential for future organic growth over the medium to longer term. This may be supplemented by further auction opportunities in India in the short to medium time frame.

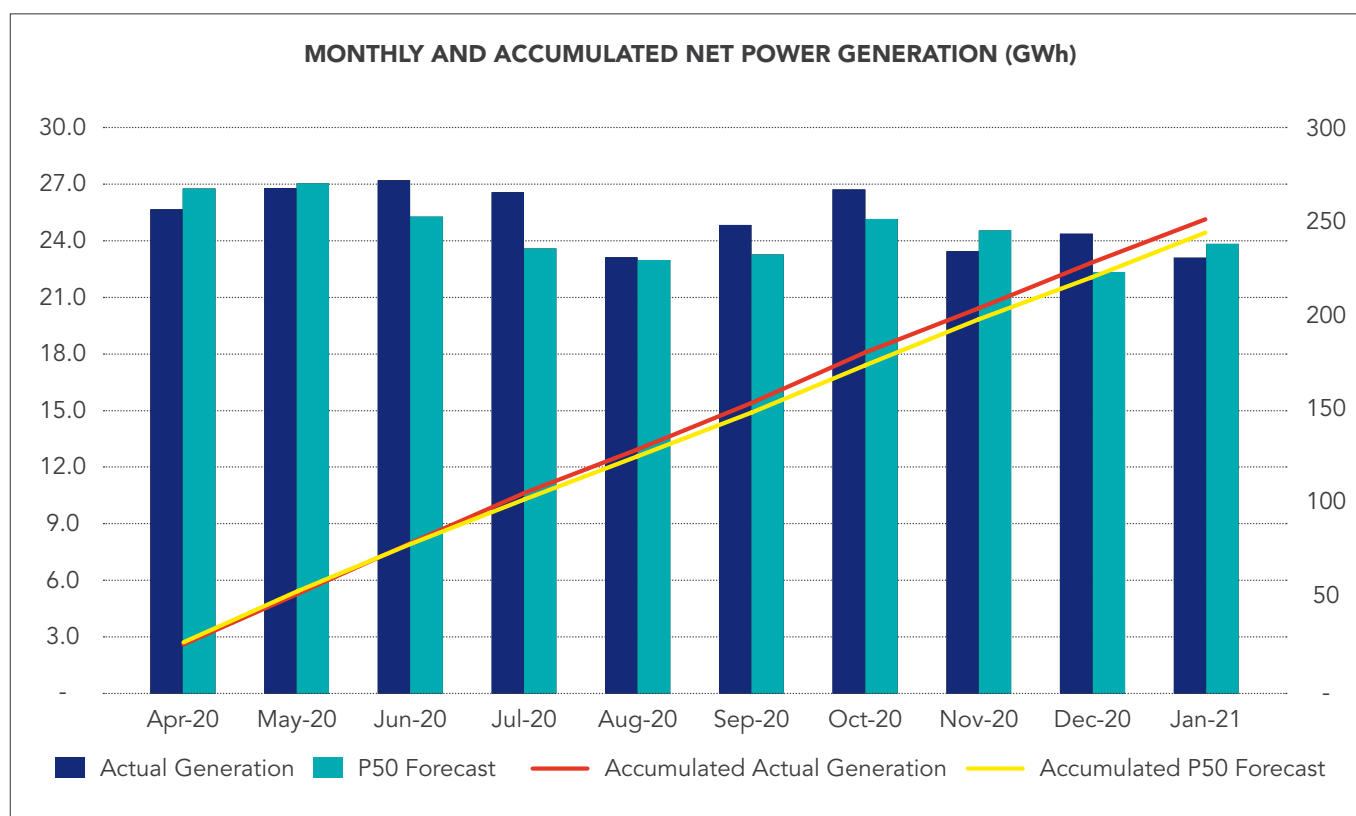


\* Global: Europe, Australia, New Zealand, Vietnam, Latin America



## MANUFACTURED CAPITAL

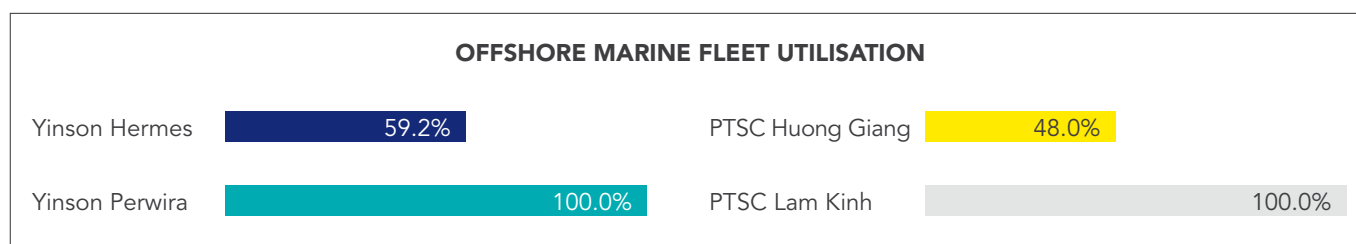
Our operating assets at the Bhadla Solar Park were acquired during the course of FYE 2021 and were only consolidated following completion of the second phase of the acquisition in December 2020. The operational performance since initial acquisition is illustrated in the chart below and demonstrates strong and stable performance, with budgeted generation exceeded over the year.



\*100% basis, site meter.

### OFFSHORE MARINE DIVISION

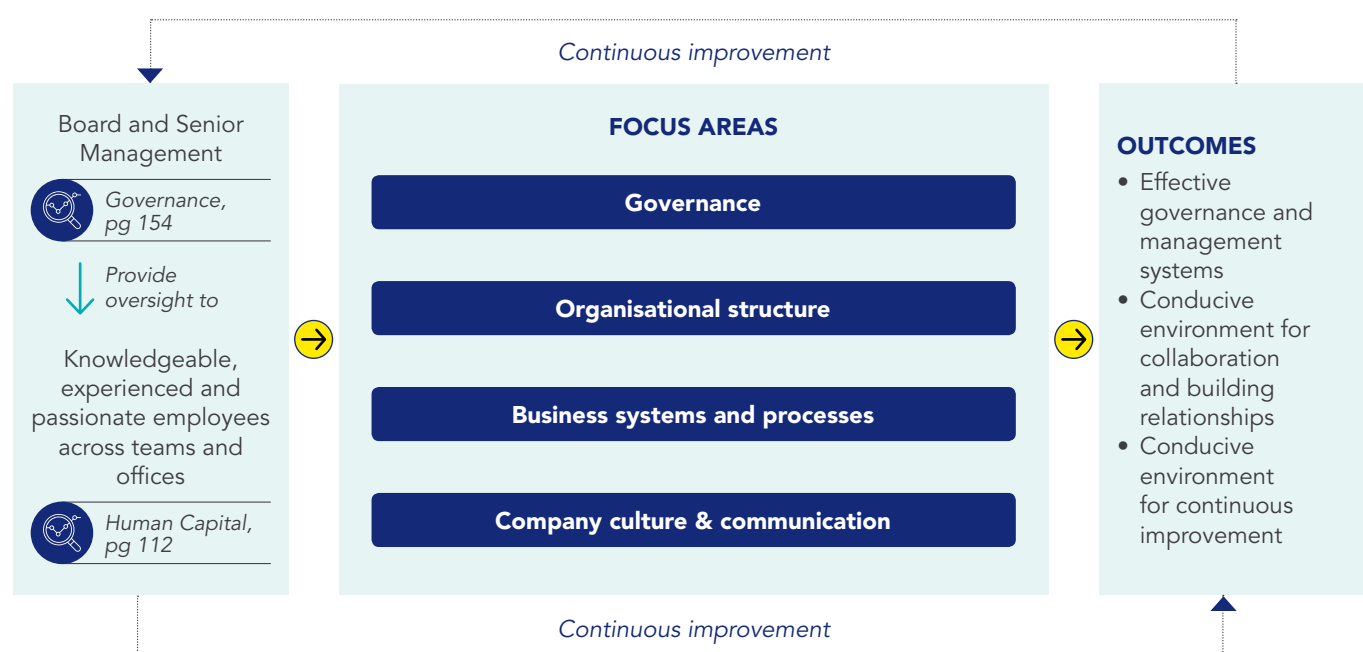
- Yinson's OSVs achieved an average utilisation rate of 76.8% in FYE 2021, dropping from FYE 2020's utilisation rate of 92.69%. The drop in utilisation was a result of lower demand due to the slowdown in offshore activities and movement restrictions arising from the Covid-19 pandemic.
- During the low season, we organised for vessel upgrades and overhauls, and certification processes to be carried out. For example, in Q3 FYE 2021, Yinson Hermes underwent a 19-day drydock and engine overhaul and received bollard pull certification.
- No new assets were acquired in FYE 2021.



# INTELLECTUAL CAPITAL

Yinson's Intellectual Capital encompasses the collective knowledge of our employees and the systems and structures that support them. We manage our Intellectual Capital through effective management systems, built on the specialised knowledge and experience of our people, and a conducive corporate culture.

## YINSON'S STRATEGY FOR MANAGING INTELLECTUAL CAPITAL



### PROGRESS IN FYE 2021

### FOCUS FOR FYE 2022

#### GOVERNANCE

##### Corporate governance

- Implemented or updated several Group-level governance policies and procedures.
- Developed plan to implement governance training on our LMS.
- Achieved recognition for strong governance.
- Made progress on bridging gaps identified by ESG rating agencies.
- Internal Anti-Bribery & Anti-Corruption ("ABAC") procedures enhanced towards achieving ISO 37001 standards.

- ESG integrated into procurement practices.

- Set up a Data Governance Policy and Management team to oversee handling of data across the Group, including audit data governance regime, awareness and training.
- Implement governance training on LMS.
- Continuous improvements in ESG rating scores, with a focus on higher-weightage ESG themes.
- Holistically improve ABAC practices against ISO 37001 requirements.

- Roll out ESG assessments to all registered suppliers.
- Enhance vendor ESG assessments.

## INTELLECTUAL CAPITAL

PROGRESS IN FYE 2021	FOCUS FOR FYE 2022
<b>GOVERNANCE</b>	
<p>Data protection and information security</p> <ul style="list-style-type: none"> <li>• Data Protection Officers ("DPO"s) mobilised and trained in all country offices.</li> <li>• Personal Data Protection Act ("PDPA") notifications and Privacy Notices updated on Yinson website.</li> <li>• Developed plan to perform gap analysis on country-specific data privacy compliance.</li> <li>• Explored enhancements for document control system.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing training for DPOs.</li> <li>• Maintenance of PDPA notifications and privacy notices on Yinson website.</li> <li>• Complete gap analysis on country-specific data privacy compliance and begin implementing measures to address them.</li> <li>• Strengthen corporate-level document control system.</li> </ul>
<p>Offshore production governance</p> <ul style="list-style-type: none"> <li>• Kicked off Yinson Management System ("YMS") Revitalisation project.</li> <li>• Maintained ISO 9001, 14001 and 45001 certifications for YMS and continually improved compliance with the standards. All audit programmes executed as planned.</li> <li>• Revised all policies; and revised or developed several key management system procedures.</li> <li>• Executed Corporate Standards Revitalisation project, with most standards revised and republished.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain ISO certifications and improve compliance with the standards.</li> <li>• Execute YMS Revitalisation project, including employee training and familiarisation.</li> </ul>
<b>ORGANISATIONAL STRUCTURE</b>	
<ul style="list-style-type: none"> <li>• 29 existing experts mobilised to new territories to encourage knowledge transfer and corporate culture adoption. Some transfers were delayed due to movement control orders in various countries.</li> <li>• Internal entity reorganisation exercise largely completed.</li> <li>• Appointed Group HR Director and Group Chief Financial Officer to Senior Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to mobilise our talent across Yinson to support knowledge transfer and career development.</li> <li>• Complete internal entity reorganisation exercise.</li> </ul>
<b>BUSINESS SYSTEMS AND PROCESSES</b>	
<p>Tax, Treasury and Finance</p> <ul style="list-style-type: none"> <li>• Implemented Phase 1 of Treasury Management System.</li> <li>• Implement financial consolidation system, Sigma, to improve reporting turnaround time.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement Phase 2 of Treasury Management System.</li> <li>• Implement tax deadline monitoring dashboard and analytics.</li> </ul>
<p>Enterprise Resource Planning</p> <ul style="list-style-type: none"> <li>• Enterprise Resource Planning ("ERP") system, IFS, upgraded to latest version, enhanced and expanded to more sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Roll out barcode and offline scanner functions.</li> <li>• Implement ERP integration platform to enable more seamless connection with supporting systems.</li> <li>• Gear up internal capacity and capability to support rapid growth of Renewables Division into new markets and geographical areas.</li> <li>• Implement ERP system in India.</li> </ul>

## PROGRESS IN FYE 2021

## Offshore Production

- Asset Lifecycle Management approach established in alignment with relevant strategies.
- Established Working Group for Data Management for data assurance and availability.
- Implemented automated monthly and quarterly operations performance dashboards for the fleet.
- Introduced 3D printing of spare parts as part of supply chain optimisation.
- Optimised processes relating to spare parts registration and controls through the asset lifecycle.
- Established ORA Department within Operations.
- Introduced and implemented Technical Authorities.
- Implemented EMS for full environmental impact monitoring and control.

- Implemented and fully released new ISO 9001 qualified Vendor Registration Process ("VRP") system.

## FOCUS FOR FYE 2022

- Establish objective, data-driven decision-making processes.
- Develop a lifecycle roadmap for asset management practices across the organisation.
- Implement a fully integrated mechanical completion solution.
- Strengthen ORA governance and effectiveness.
- Establish a value chain for data from source to end user.
- Continue tracking progress towards Group-wide environmental targets.

- Register all offshore production suppliers into new VRP system.
- Complete supplier performance ratings for major suppliers.

## Information Technology

- Completed Phase 2 of Yinson's Global Network Revamp.
- Rolled out digitalisation projects to improve workflow efficiencies across the Group.
- Strengthened cyber security awareness across the Group.
- Completed migration from on-premise to cloud-based communication and collaboration platform.
- Completed the IT Infrastructure set up for relocation of Kuala Lumpur office and new locations in Brazil and Netherlands.

- Extend Group-wide IT infrastructure to cover FPSO project sites.
- Explore and embark on new Robotic Process Automation projects and workflow approval systems.
- Embark on using new technology to enhance IT support levels.
- Review, improve and enhance the cyber security environment.

## CORPORATE CULTURE AND COMMUNICATION

- Corporate culture workshops revamped to be fully virtual.
- Communication Handbook to provide guidance on dealing with external communications relating to Yinson developed and made available to all employees.
- Group-wide town halls adapted to become fully virtual.
- Pulse survey and focus group sessions held.

- Roll out virtual corporate culture workshops across the Group.
- Implement Communications Handbook and brand training on LMS.
- Regular pulse survey and focus group sessions with employees.



## INTELLECTUAL CAPITAL

### GOVERNANCE

#### Corporate governance recognitions received in FYE 2021

- Received 2019 ASEAN Corporate Governance Scorecard Award.
- Maintained a constituent of the FTSE4Good Index Series.
- Inclusion in Bursa Malaysia's Green Lane Policy.
- Placed amongst top 26-50% of Malaysian public listed companies in FTSE Russell's ESG Rating system.
- Placed amongst top 30% of Sustainalytics ESG Risk Ratings Energy Services industry group.

#### Intellectual property

In FYE 2022, we aim to strengthen the management of intellectual property ("IP") at Yinson through the implementation of a Global Initiative for IP. The initiative will include:

- Training and awareness programmes for employees to identify and understand IP.
- Securing of IP, including trademarks, copyrights, designs and patents.
- Development of IP Management Plan and Strategy.

#### Corporate governance policies and procedures established or updated in FYE 2021

- Sanction Policy
- Information Security Policy & Procedure
- Data Privacy & Procedure
- Hedging Policy & Procedure
- Investment (Renewables) Policy & Procedure
- Investment (Offshore Production) Policy & Procedure
- Stakeholder Communication Policy & Procedure
- Corporate Disclosure Policy & Procedure

#### Governance training and awareness

The following modules will be administered through LMS in FYE 2022:

- Code of Conduct and Business Ethics ("COBE")
- ABAC
- Policy Pledging

#### ESG ratings

We intend to continuously improve on our ESG Ratings



SUSTAINALYTICS

MSCI



FTSE4Good

0

Governance-related fines, penalties or settlements imposed in FYE 2021

0

Number of complaints received involving privacy breach or leaked customer information

1

Number of whistleblowing case received and under review

### Anti-Bribery & Anti-Corruption

Yinson considers corruption and bribery to be among our top risk areas. Our approach towards the matter is detailed in our ABAC Policy, available on the Yinson website. Yinson is undertaking various initiatives towards certifying our Anti-Bribery Management System (ABMS) to ISO 37001 standards, including implementation/ completion of the following:

- due-diligence processes that utilise screening reports.
- regular internal training and assessments that require all employees to familiarise themselves with all established principles.
- requirement for all employees to undergo annual sign-offs as written expressions of agreement to our policies, including ABAC.
- gap analysis exercise to determine Yinson's internal state of readiness in relation to ISO 37001 standards. A gap analysis report was developed and serves as Yinson's guiding document towards ISO certification.

Certification process will be initiated upon completion of enhancements.



Approach to sustainability, pg 73; Top 5 Risks, pg 170

## ESG integration into procurement practices

In FYE 2021 we enhanced our VRP to include ESG considerations alongside commercial considerations. All vendors were assessed on the following:

- **Commercial considerations** cover quality planning, continual improvement processes and design considerations.
- **ESG considerations** cover themes such as employee training, adequacy of health and safety management systems, safety cultures and pollution prevention.

### VENDOR ESG ENGAGEMENT PROCESS

VRP flags vendors who do not meet our established criteria



Yinson's compliance personnel engage with vendors for reconciliation exercises

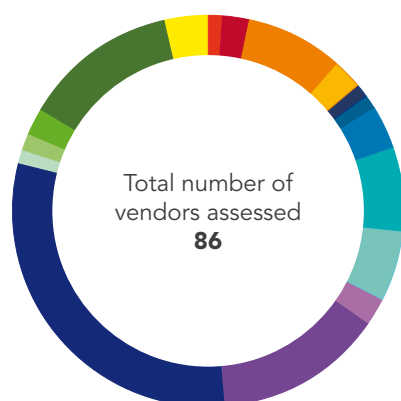


Reconciliation exercise determines if added measures need to be fulfilled by the vendors



Yinson works with vendors towards completing the assessment process

### VENDORS ASSESSED UNDER ESG CRITERIA BY COUNTRIES OF ORIGIN



● Brazil	1	● Nigeria	2
● Canada	2	● Norway	12
● China	7	● Singapore	26
● Germany	2	● South Korea	1
● Hong Kong	1	● Spain	1
● India	1	● Sweden	2
● Italy	3	● United Kingdom	11
● Malaysia	6	● United States	3
● Netherlands	5		



Vendor Registration Platform, pg 111; Vendors/ suppliers, pg 141

## Data protection and information security

### POLICIES INTRODUCED IN FYE 2021 TO ENHANCE DATA PROTECTION AND INFORMATION SECURITY

#### Data Privacy Policy & Procedure

- Approved on 23 June 2020.
- Aims to ensure universally applicable, worldwide standards for handling personal data.
- Information session open to all employees and information made available on YNet.

#### Information Security Policy & Procedure

- Approved on 12 June 2020.
- Aims to ensure universally applicable, worldwide standards for handling information within Yinson.
- Information session open to all employees and information made available on YNet.

## INTELLECTUAL CAPITAL

### Offshore production governance

In FYE 2021 our Offshore Production Division certified our HSE Management System to the stringent standards of ISO 45001: 2018.

- As part of the annual third party audit programme, DNV-GL carried out transition audits from OHSAS 18001 to ISO 45001 at relevant sites in Asia, Africa and Europe and offshore units in Q1 and Q2 of 2020.
- The main difference between the standards is that ISO 45001 concentrates on the interaction between an organisation and its business environment, while OHSAS 18001 focuses on managing OHS hazards and other internal issues.
- ISO 45001 provides a single, clear framework for the organisation to improve our OHS performance. Directed at the top management of the organisation, it aims to provide a safe and healthy workplace for employees and visitors. To achieve this, it is crucial to control factors that may result in illness, injury, and in extreme cases – death, by mitigating adverse effects on a person's physical, mental and cognitive wellbeing.

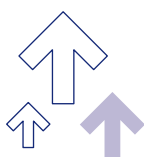
The YMS Revitalisation project kicked off in FYE 2021, with the aim of strengthening the accessibility and integrity of management system documents.

- The system will be moved to a more robust platform that provides stronger features for document review and control, improved navigation and search functionalities.
- This will also enable new and harmonised environmental impact reporting across the fleet, providing better tracking of progress towards environmental improvement targets.
- A full review of YMS documents will be conducted to ensure compliance with rules and regulations, and in alignment with the Division's Project Execution Model.

### Corporate tax governance

Yinson balances tax compliance with business activities and ethical, social and development-related expectations. Our Whistleblowing Policy & Procedure also contains mechanisms for reporting malpractices in relation to taxes. The following table outlines our approach to managing tax in terms of compliance, management and governance, tax strategy, and how we manage our relationships with tax authorities.

 *Financial Capital, pg 82*



<b>Compliance</b>	In line with our 'Compliance First' philosophy, Yinson is committed to paying taxes and fulfilling our tax reporting obligations in compliance with relevant laws and regulations, including the accurate and timely submission of tax returns and other required documents. We conduct our business ethically and in a transparent manner taking into account social norms at all relevant locations.
<b>Tax management and governance</b>	Yinson aims to accurately identify tax risk such as changes in tax law and practice at the start of a transaction and on an ongoing basis thereafter. Further, we practice an open culture of information sharing between management and related departments to mitigate tax risk. We leverage the expertise and experience of external tax specialists to understand and implement evolving best practices.
<b>Tax strategy</b>	Yinson's tax strategy aims to optimise its tax obligation and eliminate double taxation in compliance with applicable laws and regulations, thus serving the interests of our shareholders and other stakeholders. It is imperative to maintain Yinson's corporate reputation, thus Yinson will not conduct any transaction with the motive of tax avoidance.
<b>Relationship with tax authorities</b>	We act with honesty, sincerity and full transparency when dealing with any relevant tax authority. Yinson develops relationships with tax authorities via various means by using available methods to obtain tax certainty such as rulings or the use of advanced pricing arrangements.

### Sustainability governance

- The Board maintains oversight of sustainability strategies through our Sustainability Committee, which is chaired by our Group CEO.
- The committee is made up of our key senior management personnel, with main responsibilities covering management of all strategic initiatives toward achievement of Group-wide sustainability-related goals.
- The committee meets quarterly every year, touching on key issues relating to the trends and upcoming action plans toward sustainability. In the review period, the committee was engaged in approval of the Group-wide Climate Goals; discussions on implementing possible carbon reduction initiatives; ESG ratings; as well as the creation of an ESG Taskforce to operationalise strategic initiatives requiring cross-functional skill sets.



*Yinson's Climate Goals, pg 72; Climate action, pg 76; Natural Capital, pg 143*

## Whistleblowing

### Whistleblowing

We are committed to upholding our stakeholders' trust by adhering to the highest ethical standards of business conduct and promoting a culture of transparency, integrity and accountability.

#### Whistleblowing channels

- Whistleblowing channels and information can be found on:
  - Yinson website.
  - Yinson corporate intranet.
  - Yinson Annual Reports.
  - High traffic areas in Yinson's office premises.
- Disclosure and detailed steps on our website have been enhanced to better guide stakeholders on the steps to whistleblow.



Scan the QR code for more information on whistleblowing at Yinson.

#### 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.
5. Audit Committee Chairperson to review and decide on outcome.
6. Communicate outcome to the whistleblower.

#### Who can whistleblow


All stakeholders including business partners, general public, employees, third-parties and vendors are encouraged to come forward and express observations of any improper conduct (misconduct or criminal offence) being committed, or is about to be committed within Yinson through our designated channels, without fear of unfair treatment or reprisal.

#### Number of active cases being investigated

One whistleblowing report is under investigation for this year. Due to confidentiality, we will not be disclosing information on our findings until the conclusion of the case; and only if appropriate.

#### Blow the whistle at

+60111-662 2738  
 Department: Yinson's Governance, Risk Management and Compliance

 [whistleblow@yinson.com](mailto:whistleblow@yinson.com)



Scan the QR code to access the whistleblowing form on our website.

## ORGANISATIONAL STRUCTURE

In 2018, Yinson embarked on an internal entity reorganisation exercise with the overarching purpose of streamlining entities according to business divisions, with a designated company identified as the intermediary holding company. The identified intermediary company would have sufficient sized balance sheets that will eventually provide corporate guarantee to its subsidiaries. The revised structure allows greater clarity for both internal and external stakeholders, improves efficiency and tax structures, and positions Yinson for the growth ahead.

The exercise is largely complete, with intermediary holding companies successfully set up for our Offshore Production, Offshore Marine, Renewables and Green Technologies Divisions. Some final transactions, including the liquidation of several entities, are on schedule to be completed in FYE 2022.



## INTELLECTUAL CAPITAL

### BUSINESS SYSTEMS AND PROCESSES

#### Tax, treasury and finance

A key enhancement to Yinson's treasury management in FYE 2021 was the introduction of a Treasury Management System, as described below:

- Phase 1 of the Treasury Management System was implemented, providing a central platform to monitor our liquidity, receivables, payables and debt.
- We aim to implement Phase 2 of the system this year, which will link the system to our banking network, allowing payments to be processed via this single platform instead of through the different banking portals.

In terms of tax management, Yinson is currently implementing a deadline monitoring dashboard and analytics to drive better business insights. This is expected to be completed in FYE 2022. Another focus for FYE 2022 is to improve the information gathering process from multiple locations around the world into one centralised platform.



Financial Capital, pg 82

#### Enterprise Resource Planning

Various enhancements were made to our ERP system, IFS, in FYE 2021 as follows:

- Upgraded to a new version of ERP system, with ongoing updates regularly applied.
- ERP system adopted by new countries; Brazil and Nigeria.
- ERP system expanded from two to three offshore units.
- Improved user experience and usability of ERP system by applying several configurations. Tailor-making information and functionality to Yinson-specific needs rather than purely generic screens and functions.
- Prepared connection to cloud-based document system for projects, to go live in FYE 2022.
- Implemented dashboards in all major areas to empower users with control of their data and outstanding tasks.
- Improved control on updates of master-data.

#### Offshore production systems

Data Management and lifecycle efficiency has been a key focus for our Offshore Production Division, driving solutions that improve efficiency, reduce costs and extend the lifespan of our assets. Highlights for FYE 2021 include the following initiatives:

##### Lifecycle Cost Model

- Initiated development of a Lifecycle Cost ("LCC") model based on ISO 15663.
- The model assesses the economic viability of various alternatives by calculating their life cycle cost to support decision-making.

- LCC model was deployed in the project and tender phase in FYE 2021. Future development plans include the automation of LCC calculations and expansion of the model to include environmental and social impacts.

##### Data Management

In FYE 2021, Yinson centralised all engineering information through a data management system and implemented a global engineering solution, allowing Yinson to reduce the time, cost and risk of capital project engineering. Yinson also established a working group for data management to drive data management improvements across the lifecycle phases. Key improvements from the data management system include:

- Centralised database for project engineering information.
- Visualisation platform for operational data.
- Time-stamped sensor data.
- Automatic transfer of operational data to offshore reporting applications.

##### 3D printing of spare parts

- In FYE 2021, Yinson entered into an agreement with Wilhelmsen to receive exclusive access to technologically advanced 3D printing services, for both on-demand and catalogue products.
- Over time, 3D printing our spare parts locally will significantly reduce total cost of ownership, time, environmental impact and carbon footprint.
- Yinson received our first on-demand 3D printed spare part for FPSO Helang in January 2021. The process was proven to be time efficient while maintaining the quality and integrity of the spare part.
- Since then, we have implemented the purchase process of 3D printed parts in our supply chain management system.

#### Information technology

The Covid-19 pandemic caused a worldwide demand for technological improvements and resources to enable the 'new normal' of working remotely. Yinson's IT team supported this transition by:

- Expediting the transition to a fully cloud-based communication and collaborative platform.
- Providing hardware and software support to employees from the comfort of their own homes.
- Providing IT support for virtual or hybrid meetings and events including Board Meetings, AGM, town halls and business meetings.
- Providing training and resources for upskilling employees to embrace the new systems.

Key digitalisation initiatives rolled out in FYE 2021:

- Robotic Process Automation for automated scanning of invoices and documents.
- Centralised IT request and requisition systems.

Key cybersecurity strengthening initiatives include:

- Phishing awareness campaign.
- Implementation of phishing simulation programme.
- Information Security Policy & Procedure training.
- User phishing reporting.

### Vendor Registration Platform

In FYE 2021, Yinson fully released our new ISO 9001-qualified Vendor Registration Platform ("VRP") system, enhancing our capabilities relating to pre-qualification assurance and vendor performance. Key features and the benefits of the VRP system are as follows:

- Elimination of paperwork and vetting/ verification burden.
- Automation of vendor management process.
- Standardisation and transparency to vendor management.
- Screening of third party sanctions and negative media monitoring.
- Third party audit capabilities.
- Enhanced visibility of supplier performance.
- Demonstration of Yinson compliance.
- Demonstration of ISO compliance.
- Live and current approved contractor/ supplier list.
- Reporting/ business analytics/ insights.
- Compliance and Health, Safety, Environment and Quality ("HSEQ") risk assessments for suppliers.

In FYE 2022, we will focus on:

- Pre-qualifying and/ or registering all suppliers for the Offshore Production Division into our platform.
- Providing pre-qualification audit information through web application for real-time inspection/ audit data.
- Complete supplier performance ratings for major suppliers providing goods and services for the FPSO Anna Nery project and our operating assets.



ESG integration into procurement practices, pg 107;  
Vendors/ suppliers, pg 141

### Company culture and communication

Corporate culture workshops are organised for all new joiners to build a deep understanding of our Core Values. In FYE 2021 we enhanced our corporate culture workshops as follows:

- Adapted to be fully virtual, enabling colleagues from various offices to participate.
- Utilised our new LMS to host video content and assessment modules.
- Increased engagement by using online tools for interaction and visualisation.
- Adapted content to be reflective of our newer business divisions and increased diversity.

A Communication Handbook was developed and provided to all employees as a guideline for handling external communications concerning the Group. Developing a consistent understanding and practice when it comes to external communications is an important way to safeguard Yinson's reputation and information security. Information contained within the Handbook includes:

- Highlighting content relating to external communications within Yinson's ABAC, COBE, Information Security, Data Privacy and HLR policies that must be adhered to by all employees.
- Yinson's official spokespersons and their roles.
- Yinson's official communication channels and how to interact with them.
- Procedures for press releases, advertising, testimonials.
- Guidelines for sharing photos and videos taken at Yinson events.
- Guidelines for handling negative comments.
- Channels for reporting communication inaccuracies that employees come across.
- Dos and don'ts for posting work-related content on social media.

We also continued various employee engagement activities and developed tools and systems to enhance collaboration and communication, elaborated in detail within the Human Capital chapter.



# HUMAN CAPITAL

Our Human Capital consists of our employees and crew. Yinson launched our HR Transformation Plan in FYE 2021, which aims to provide employee-driven solutions that are relevant, add value, and enable our people to succeed. Our strategy for managing our Human Capital centres on focus areas and initiatives that contribute to our transformation aims.

## YINSON'S HR TRANSFORMATION PLAN

### OUR PEOPLE VISION

PROVIDING EMPLOYEE-DRIVEN SOLUTIONS THAT ARE RELEVANT, ADD VALUE AND ENABLE OUR PEOPLE TO SUCCEED

Leads to our transformation aims

### TRANSFORMATION AIMS

#### GLOBAL CONSISTENCY

HR expectations, services and policies that are consistent across the Group and easily translatable for Divisional leaders to use

#### LOCAL PRESENCE

Delivering solutions and support that enable managers across the globe to be involved and accountable for people decisions

#### DIGITALISATION

Providing security, insight and scalability for growth through innovative technology

#### AGILITY

Creating a HR framework that can adapt through change and is sustainable to support future business needs

Leads to our focus areas and initiatives

### FOCUS AREAS

Technology

Reward and Recognition

Governance

Resourcing

Talent & performance management

Learning & development

HR capability

Underpinned by a strong commitment to diversity and inclusion

TRANSFORMATION AIM	PROGRESS IN FYE 2021	FOCUS FOR FYE 2022
<b>Global consistency</b>	<ul style="list-style-type: none"> <li>• Group-wide employee survey deployed, achieving 96% completion rate and 64% engagement score.</li> <li>• Held focus groups and pulse surveys on employee engagement topics.</li> <li>• Long service awards extended to include all offices.</li> <li>• Established Succession Planning Management approach for the business.</li> <li>• Commenced Total Rewards Strategy Project, determined our rewards philosophy and developed our approach to compensation benchmarking.</li> <li>• Implemented Group Travel and Expense Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Total Rewards Strategy Project.</li> <li>• Implement Succession Planning Management approach.</li> <li>• Establish learning pathways.</li> <li>• Develop leadership competency framework.</li> </ul>
<b>Local presence</b>	<ul style="list-style-type: none"> <li>• Provided conducive and healthy work environments.</li> <li>• Incorporated learnings from Covid-19 to enhance employee flexibility.</li> <li>• 29 employees moved internationally to support knowledge transfer.</li> <li>• Established internship programmes in Singapore and Norway.</li> <li>• Ghana and Nigeria base offices achieved targets for localisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to drive local health and wellbeing initiatives.</li> <li>• Delivery of successful internship programmes in Oslo and Singapore.</li> <li>• Continue meeting targets for localisation.</li> </ul>
<b>Digitalisation</b>	<ul style="list-style-type: none"> <li>• Launched 'Learn@Yinson', our new LMS.</li> <li>• Commenced HR Technology Review.</li> <li>• Developed HR Technology Roadmap.</li> <li>• Completed rollout of e-appraisal system Group-wide.</li> </ul>	<ul style="list-style-type: none"> <li>• Utilise data analytics from LMS to continuously enhance employee learning experiences.</li> <li>• Monthly learning initiatives via LMS.</li> <li>• Implementation of a Global HR Information System.</li> </ul>
<b>Agility</b>	<ul style="list-style-type: none"> <li>• Offshore crew recruited to fully support projects and operations.</li> <li>• Revamped our League of Extraordinary Apprentices Programme ("L.E.A.P. ").</li> <li>• Launched Yinson Leadership Enhancement and Development ("L.E.A.D. ") Programme.</li> <li>• Maintained strong safety performance across projects and operations.</li> <li>• Continued Safety Culture Transformation Programme ("SAYFR") with coaching sessions, an X-lab webinar and launch of digital apps. Piloted new digital apps aboard one FPSO.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce Yinson Work Life Balance Guidelines.</li> <li>• Evaluate L.E.A.P. and identify goals for FYE 2023 including extension to other Yinson locations.</li> <li>• Graduate at least 50 mid-level managers from Yinson L.E.A.D. by Q1 FYE 2023.</li> <li>• Maintain strong safety performance across projects and operations.</li> <li>• Roll out new digital apps to other operating FPSOs under SAYFR.</li> </ul>



## HUMAN CAPITAL

### HUMAN CAPITAL HIGHLIGHTS FYE 2021

#### Enhancement of HR policies and procedures

- Employee Handbook (Malaysia) updated to provide greater flexibility in working hours and work-from-home arrangements, and further improve medical and leave benefits.
- Established Grievance Policy and Disciplinary Policy for Malaysia.
- Revised our employment contract, recruitment application and new hire forms across Malaysia and Singapore.
- Group Travel and Expenses Policy and Procedure implemented to address inconsistencies of approach to travel and expenses across Yinson's countries of operation.
- Revised and updated the Succession Planning and Management Planning Policy and Procedure.
- Developed policies for Brazil which include Employee Handbook and International Assignment Guide as well as procedures to support timesheets, expense claims and annual leave.

#### Long service awards

- 46 employees achieved 5 years' service
- 1 employee achieved 10 years' service
- 4 employees achieved 15 years' service
- 1 employee achieved 20 years' service

0

Reports of discrimination cases received

0

Identified incidents of violations involving the rights of indigenous peoples

100%

Percentage of employees receiving regular performance and career development reviews

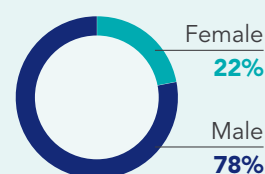
678

Employees  
+48% from FYE 2020

9.6%

3-year average attrition rate for Yinson

#### Employee diversity



### DIVERSITY AND INCLUSION

A strong commitment to diversity and inclusion underpins our HR Transformation Plan. We believe that our diversity is our strength, and it helps us to excel on a global playing field.

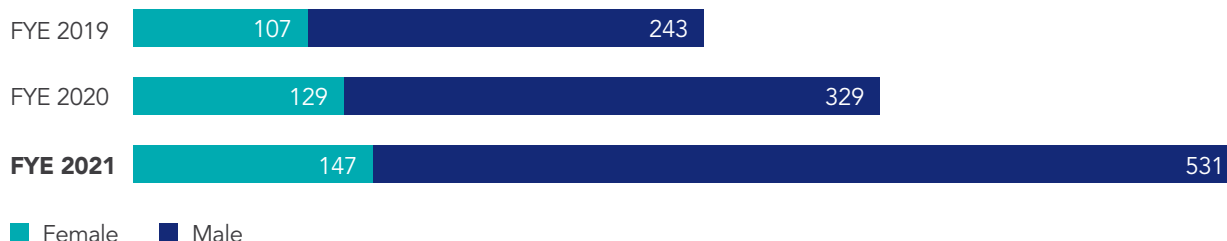
Our approach towards strengthening our diversity profile through all levels of the Group is grounded on our Human & Labour Rights ("HLR") Policy, which affirms our commitment to international human rights principles. We actively implement Group-wide measures to prevent and remedy violations of HLR where identified. Training programmes are being developed to ensure employees understand the content of the HLR Policy.

Future reporting on diversity and inclusion will include data from our India office, which was acquired by the Group in Q4 FYE 2021.



Gender equality, pg 76

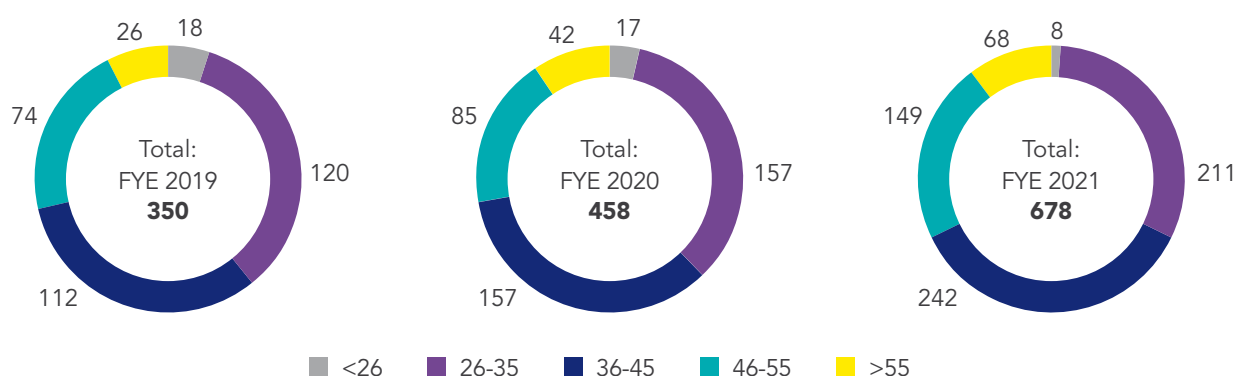
#### EMPLOYEE DISTRIBUTION BY GENDER



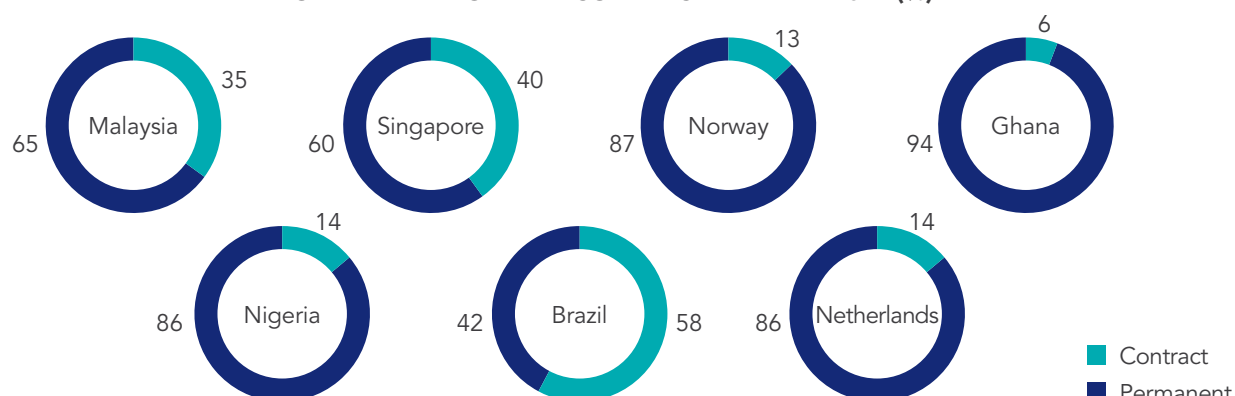
## EMPLOYEE DISTRIBUTION BY COUNTRY

	FYE 2019	FYE 2020	FYE 2021
Malaysia	91	116	161
Singapore	99	157	183
Norway	42	54	64
Ghana	108	116	175
Nigeria	10	11	76
Brazil	0	4	10
Netherlands	0	0	6
United Kingdom	0	0	3
<b>TOTAL</b>	<b>350</b>	<b>458</b>	<b>678</b>

## EMPLOYEE DISTRIBUTION BY AGE GROUP



## EMPLOYEE BREAKDOWN BY CONTRACT TYPE FYE 2021 (%)



\* We adjusted our basis for contract type definition in FYE 2021 and present the above data as a fresh baseline

## HUMAN CAPITAL

FYE 2021 overview:

- Our total number of employees increased 48% to 678 during FYE 2021.
- We now have employees in three new countries – India, Netherlands and the UK. Employees from our new India office will be reported in our diversity and inclusion statistics from FYE 2022.
- We seek to improve the ratio of female to male employees, particularly at management level, through talent acquisition and succession planning.

In line with our commitment to Gender equality (SDG 5), Yinson aims to take action towards providing equal/ equitable pay across the Group. Our Total Rewards Strategy Project commenced in FYE 2021 and will continue through FYE 2022. The findings from this project will determine the actions that will be taken.

Other initiatives we aim to implement in FYE 2022 towards improving diversity and inclusion include:

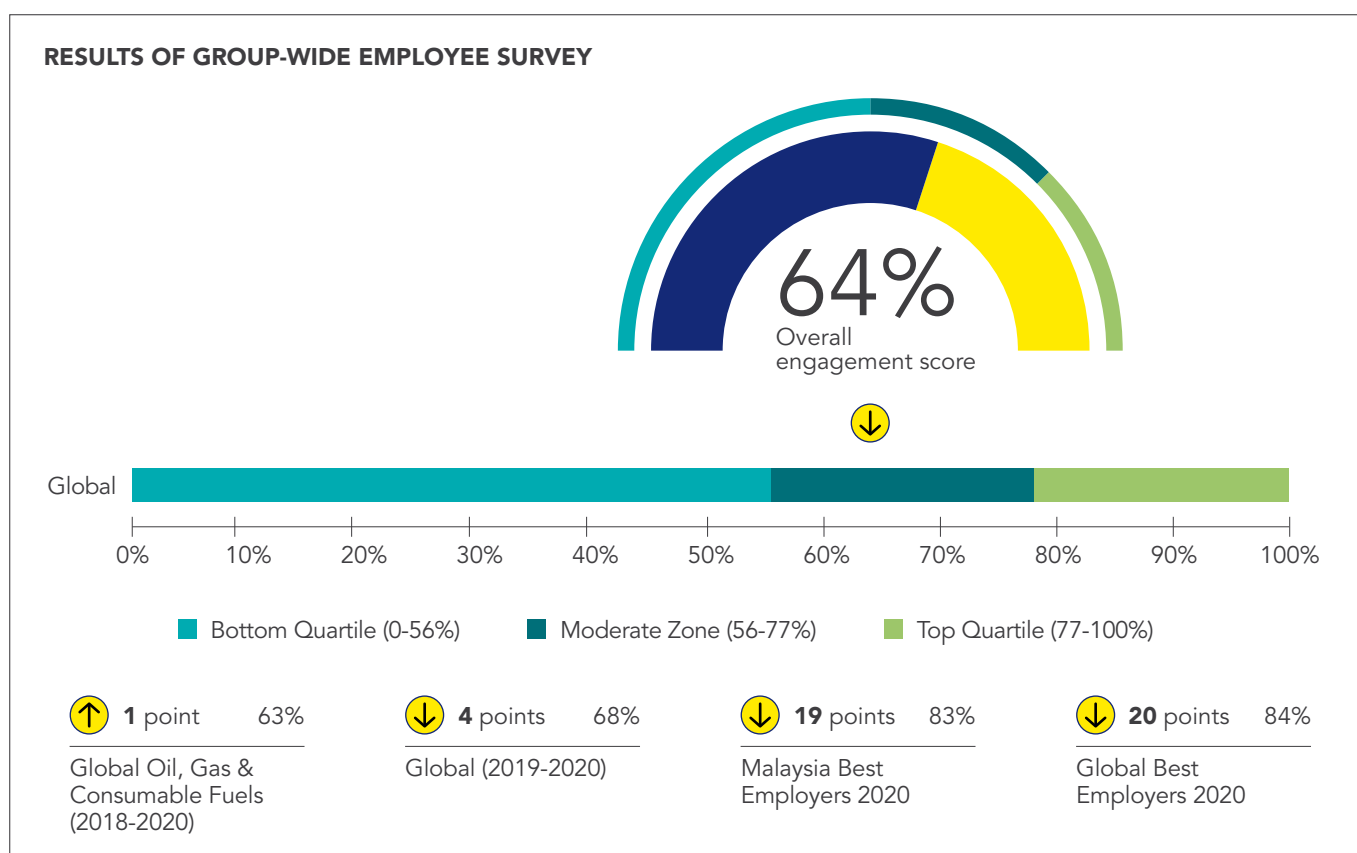
- Improving awareness of diversity and inclusion among employees through our LMS.
- Providing coaching and awareness training for hiring managers on diversity and inclusion.
- Evaluating the level of diversity in our succession plans.



Covid-19: Yinson's new normal, pg 69; Total Rewards Strategy Project, pg 117; Risk Management and Internal Control Structure, pg 171

## GLOBAL CONSISTENCY

### Employee survey



- The FYE 2021 survey aimed to understand any movement in the factors that inform employee engagement and enable Yinson to address employee feedback.
- Achieved 64% overall engagement score, up 1% from the FYE 2020 survey.
- Overall engagement score for Yinson is similar to industry norms.
- Achieved 96% completion rate across all offices.
- Engagement Focus Areas are Talent & Staffing, Performance Management, Reward & Recognition, Brand and Work Life Balance.
- Focus Groups will be held in FYE 2022 to gain employee feedback. Areas of focus and actions will be developed and integrated into initiatives under the HR Transformation Plan.

### Attrition rates

Country	FYE 2019	FYE 2020	FYE 2021
Malaysia	21.8%	23.5%	19.0%
Brazil	0.0%	0.0%	0.0%
Ghana	0.9%	0.9%	0.0%
Netherlands	0.0%	0.0%	13.0%
Nigeria	0.0%	9.1%	0.0%
Norway	0.6%	0.4%	0.0%
Singapore	1.1%	7.6%	7.1%
United Kingdom	0.0%	0.0%	0.0%

\* An error was found in the calculation of the Malaysia attrition rate for FYE 2019 and FYE 2020, these have been corrected in the above chart. Attrition rates have a high variance for offices with lower employee numbers, such as our Nigeria and Netherlands offices.

- Group-wide attrition rate improved from 12.3% to 7.6% during FYE 2021.
- Yinson aims to maintain low attrition rates by providing employee-driven solutions that are relevant, add value and enable our people to succeed.
- This will be achieved through Group initiatives as well as locally driven activities. This chapter of the Report elaborates on these initiatives.

### Total Rewards Strategy Project

During FYE 2021 we launched a programme of work to review our current approach to rewards across the business. This project will continue through FYE 2022 and has the following objectives:

- Formulate Group-wide total rewards philosophy.
- Develop methodology for external compensation benchmarking.
- Conduct external compensation benchmarking exercise across the organisation.
- Generate pay analysis and develop an action plan for equal/ equitable pay based on the findings.
- Introduce a methodology for job evaluation.
- Develop a global job grading framework.
- Review approach between achievement of company strategy and goals with reward.

### Succession planning

During FYE 2021 our approach to succession planning was reviewed, following which Yinson identified the key aims and objectives which will commence during FYE 2022. These are:

- To ensure the Group is prepared with a talent pool with capabilities to fulfill leadership roles and responsibilities.
- To raise external awareness that Yinson invests in people development and advancement.
- To identify and develop the required competency capabilities through planned and intentional learning, and development initiatives.
- To review and identify future assessment procedures that will be implemented across the Group.



## HUMAN CAPITAL

### LOCAL PRESENCE

#### Conducive and healthy work environments

##### YINSON OFFICES

Every Yinson office is designed to be conducive for working and collaboration. Features of Yinson offices include the below:

- Energy efficient.
- Family-friendly.
- Equipped with modern technology to enable efficient collaboration internally and externally.
- Open concept, incorporating modern design.
- Filled with natural light.
- Well-ventilated.
- Close to public transportation.
- Close to public amenities and eateries.
- Provides recreational areas.
- Provides facilities for recycling.
- Provides employees with healthy meals and snacks.

##### COVID-19 SUPPORT FOR EMPLOYEES

Covid-19 changed the way we work. Across all offices, Yinson supported employee health and wellbeing in the following ways:

- A marked enhancement in flexible working arrangements.
- Providing Covid-19 updates.
- Providing mental health support and wellbeing programmes via International SOS mobile app and LMS.
- Provision of equipment to support working from home.
- Access to Covid-19 testing for employees and dependents.
- Face masks for employees.
- Regular follow-up and review of the Covid-19 flexible working arrangements.
- Employees encouraged to utilise annual leave despite the pandemic.
- Extended holiday carryover arrangements due to the impact of the pandemic.
- Deployed 'Your Mental Health & Building Resilience' course via LMS.
- Held virtual team building events across our offices to keep employees connected.



*Covid-19: Yinson's new normal, pg 69*

##### SNEAK PEEK: GLOBAL HEADQUARTERS IN KUALA LUMPUR

Our global headquarters in Kuala Lumpur moved into new premises in FYE 2021. In addition to incorporating the high standards for working and collaboration adhered to by all Yinson offices, our global headquarters are Leadership in Energy and Environmental Design ("LEED") gold-certified, with our interior design certified to the standards of LEED for Interior Design and Construction (version 4) ("LEED V4 ID+C"), one of the most widely-used green building rating systems in the world.



Under the certification system, our new office covers:

- Convenient access to quality public transit.
- Maintained standards for indoor air quality.
- Utilisation of low-emitting materials in design and daily usage.
- Lighting considerations that reinforce circadian rhythms.
- Quality scenic views.



*Office renovations, pg 148*

#### Oasis initiative

In FYE 2021, Yinson's Group Corporate Advisory ("GCA") started an initiative called Oasis, which groups GCA members across the globe into 'families', with 'guardians' appointed to facilitate family activities and foster team spirit. Oasis aims to build healthy and meaningful cross-country and cross-departmental relationships across GCA outside of work, in turn contributing to overall employee engagement and mental health, leading to a smoother execution of business activities. There are currently eight families, and activities include coaching and mentorship, one-on-one catchups, birthday celebrations, virtual meet-ups and social outings.





## HUMAN CAPITAL

### Health and wellbeing initiatives in our offices

While Yinson provides employee support at Group-level, our offices are also empowered to adapt the support as needed to best suit local office needs.

#### KUALA LUMPUR



- Undertook flexible working survey to understand employees' views on flexible working arrangements.
- Introduced core working hours of 10am to 4pm, providing more flexibility on start and finish times.
- Provided employee choice for half day holidays during major festivals.
- Amended eligibility for compassionate leave to start from first day of employment.
- Built a workout studio and shower room to encourage employees to exercise and stretch anytime of the day.

#### SINGAPORE



- Fresh fruits in the pantry throughout the week and waffles every Friday.
- 'Mental Health & Resilience Briefing', with availability of on-demand counselling.
- 'Workplace Outreach Wellness Webinar' by Singapore Health Promotion Board.
- 'Eat with Family Day' occurs on the last Friday of every month and the office closes one hour earlier.
- Employees discouraged from holding meetings on Fridays after 4pm.
- Covid-19 special incentives for employees seconded to work in China.
- Provided employee choice for half day holidays during major festivals.

#### OSLO



- Established a Working Environment Committee for employee representatives to meet and make recommendations together with the Management.
- Continued the Oslo Sports & Social Club to plan and organise social and sports activities. Adapted to virtual team site to improve daily informal communication in the office.
- Started a physical workout programme.
- Health insurance mobile apps made available for all employees.
- Updated health insurance programme to include access to a mental health module.
- Held wellbeing webinars.
- Instituted practise of not having meetings during lunch.

#### PORT HARCOURT



- Held 'Bi-annual Safety Campaign Week' with a focus on 'Effective Fatigue Management'.
- Provided corporate membership of the Python Golf Course in Port Harcourt where employees can enjoy a game or a walk.

#### MIRI



- Provided 'workout passes' entitling employees to free hourly gym activities.
- Installed showers and changing rooms in the office to encourage exercising before coming to work.
- Introduced healthy lunch and snacks programme.

#### ACCRA AND TAKORADI



- Made health insurance mobile app available.
- Provided access to a psychologist during the pandemic.
- Office fitness sessions.

#### RIO DE JANEIRO



- Celebration of important dates, such as birthdays and company milestones.
- The recently renovated office premises were designed to ensure wellbeing was considered, with relaxation areas, refreshment facilities and showers.

#### THE HAGUE



- Launched Employee Handbook that includes information on all disability, accident and health-related insurance entitlements.
- Contracted an independent health and wellbeing advisor to provide support for creating a safe workplace.
- Published articles on health and wellbeing.
- Organised team building, social events and recognition during special occasions such as Christmas and Easter.
- Our bike promotion plan resulted in all employees cycling to work (sometimes in combination with the train) and nobody using cars.
- Subsidised monthly fees for building gym facility.

#### DELHI AND BHADLA



- Provided access to medical practitioners for employees and their families during the pandemic.
- On becoming part of the Yinson Group, provided with access to all learning materials on our LMS which includes International SOS.







## HUMAN CAPITAL

### Local workforce

We aim to create a sustainable local workforce in the areas where we operate to strengthen the local economy and enable transfer of talent. In addition to developing our own internal local workforce, Yinson also invests in providing quality education and training to local communities through various CSR programmes across the globe.

In Ghana and Nigeria, hiring a local workforce is part of the local content requirements. We are committed to meeting, and where possible, surpassing the local content requirement targets in line with our aim of creating a sustainable local workforce in support of local economic development.



*Covid-19: Yinson's new normal, pg 69; Quality education, pg 74; Social & Relationships Capital, pg 130; Corporate Social Responsibility, pg 136; Local student development initiatives, pg 140*

### INTERNSHIP AND TRAINEE PROGRAMMES

Ghana internship programme	4 interns	<ul style="list-style-type: none"> <li>One national service placement, three Field Ready placements.</li> <li>6-months classroom-based, 6-months practical.</li> </ul>
Nigeria trainee programme	12 trainees	<ul style="list-style-type: none"> <li>100% trainees absorbed into Yinson's workforce.</li> <li>12-month programme with 12 weeks shipyard training in Singapore.</li> </ul>
Oslo internship programme	6 interns	<ul style="list-style-type: none"> <li>Five summer internships running from 1 June to 31 August 2021 in HSEQ, Operations, Procurement, Engineering and Commercial.</li> <li>One HR internship running from 1 October 2020 to 31 December 2021.</li> </ul>
Singapore internship programme	2 interns	<ul style="list-style-type: none"> <li>One intern within Marine Engineering and one within Naval Architect on a 27-week programme.</li> </ul>
L.E.A.P. (Malaysia)	1 trainee	<ul style="list-style-type: none"> <li>Programme enhanced in FYE 2021, and relaunched in March 2021.</li> </ul>



*League of Extraordinary Apprentices Programme, pg 125*

### YINSON GHANA LOCAL EMPLOYEES

Yinson Ghana is on track to meeting our local content commitments and has surpassed the requirements set by the Ghana Government.

	% of local employees in Yinson Ghana				Regulations	
	2017 (start of operations)	2021	2022 commitment	10-year projection	5 years in operation	10 years in operation
Management	29%	83.3%	80%	80%	50% - 60%	70% - 80%
Offshore	42%	67.3%	80%	80%	50% - 60%	70% - 80%
Onshore staff	80%	100%	100%	100%	90%	100%

### YINSON NIGERIA LOCAL EMPLOYEES

Yinson Nigeria is on track to meeting our local content commitments and the requirements set by the Nigeria Government.

	% of local employees in Yinson Nigeria				Regulations	
	2019 (start of operations)	2021	2022 commitment	10-year projection	5 years in operation	10 years in operation
Management	100.0%	100.0%	100%	100%	87.7%	87.7%
Offshore	79.9%	78.1%	80%	80%	84.8%	84%
Onshore staff	100.0%	100.0%	100%	100%	90%	100%

## DIGITALISATION

## Learn@Yinson

## Learn@Yinson's Top 5 courses

1. Supporting Your Mental Health While Working from Home
2. Building Resilience
3. Getting Started in Learn@Yinson
4. Stress Management
5. Coronavirus Awareness

**15,414**

training hours achieved  
since LMS launch  
(as of 5 April 2021)

**38**

average training hours per  
learner since LMS launch  
(as of 5 April 2021)

In February 2021, we launched a new LMS, called Learn@Yinson, to host learning resources for all employees.

- The system supports professional and personal growth and development by providing tools and learning pathways to gear towards future growth, business sustainability and create a culture of learning.
- Employees receive 24/7 access to Yinson's internally developed learning content as well as external modules provided in partnership with LinkedIn Learning and International SOS.
- The system can track learning progress, completions and record certificates for compliance purposes.

We plan to utilise data analytics from the system to continuously enhance employee learning experiences through the following:

- Better governance in relation to tracking, monitoring and reporting learning progress, completions and certifications.
- Greater insights into employee learning behaviour to provide better and more tailored content according to employees' interests, roles and competencies.
- Rewarding top learners through the system's gamification features.

## HR Technology Review

- In September 2020, a HR Technology Review was launched to assess the current level of functionality against the needs of the business.
- The outcome of this review has led to the establishment of a 4-year HR Technology Roadmap which underpins and enables the HR Transformation Programme.
- In FYE 2022, Yinson aims to introduce a Global HR Information System.

## HR TECHNOLOGY REVIEW GOALS



## E-appraisal system

- In FYE 2021, adoption of our online appraisal system was expanded to include all offices, from only two offices the year before.
- Our approach to performance management will be reviewed as part of our transition to a Global HR Information System, utilising technology to improve employee experience and enable more regular and frequent feedback on performance.
- This will be underpinned by providing learning and support on the purpose of the performance review and equipping line managers with the required skills.
- Regular formal performance reviews are undertaken for all permanent employees.

## HUMAN CAPITAL

### AGILITY

#### Yinson L.E.A.D.

The Yinson L.E.A.D. Programme was launched in October 2020 with the kick-off of a 12-month programme focusing on mid-level managers. We ran the first of three physical workshops planned for the financial year, which took place in our three head offices in Kuala Lumpur, Singapore and Oslo.

#### PURPOSE OF YINSON L.E.A.D.

- Develop Yinson leaders of the future.
- Cultivate greater engagement, development focus and improved organisational performance.
- Create a common language and terminology on leadership/ management.
- Reinforce Yinson's corporate culture, internal relationships and build networks.
- Establish the foundation for greater integration and collaboration across Yinson offices.

#### YINSON L.E.A.D. FOR MID-LEVEL MANAGERS 12-month programme, kicked off in October 2021

#### FOCUS AREAS

- Transformational leadership
- Strengths-based leadership
- Leadership development
- Communication, coaching and feedback

#### MAIN SKILLS DEVELOPED

- Giving and receiving feedback
- G.R.O.W coaching
- Leadership communication
- Planning and organising
- Time management

#### PARTICIPANTS

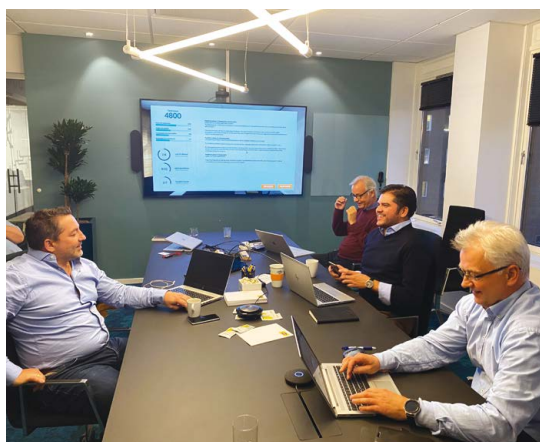
- **18** Oslo
- **22** Singapore
- **13** Kuala Lumpur

#### COURSE COMPONENTS

- **3** physical workshops
- **6-8** online workshops
- Learning groups and digital training including gamification

#### FYE 2022 TARGETS

- 50 L.E.A.D. graduates
- Satisfaction rates of above 80%
- Extension of course to country offices



### League of Extraordinary Apprentices Programme

In FYE 2021, we refined L.E.A.P. to remain as relevant as possible to the changing external environment and provide a more holistic learning experience for apprentices. Key improvements to the programme are as follows:

- Enhanced learning roadmap, utilising blended learning approach.
- Virtual platform for screening gates for consistency and convenience of candidates.
- Shortened programme to 2-year duration.
- Improved remuneration and benefits.

In FYE 2022, Yinson aims to recruit apprentices for Corporate Advisory, Engineering and Human Resources under L.E.A.P.



*Internship and trainee programmes, pg 122*

### OFFSHORE HEALTH AND SAFETY

Health and Safety ("HSE") is Yinson's most material topic, and the safety of our crew onboard our offshore assets remains the top priority. While we take all measures to control risk, we understand that emergencies can still happen. We target to have zero health and safety issues across our assets. The disclosures in this section relate to employees and crew employed by our Offshore Production Division, which consists of offshore and onshore employees, including contractors.

#### HSE governance

HSE matters are governed by a robust framework which starts at the top and includes the elements below.

Senior Management team	<ul style="list-style-type: none"> <li>• Takes managerial responsibility for internal HSE governance. HSE performance and initiatives are reported internally to Senior Management monthly.</li> </ul>
HSE policies	<ul style="list-style-type: none"> <li>• Yinson has two policies related to HSE – our Health &amp; Safety Policy, and Environmental Policy. Both these policies were revised in FYE 2021, and declare Yinson's commitment to the highest standards with respect to HSE aspects.</li> </ul>
HSE Management System	<ul style="list-style-type: none"> <li>• An integrated system that outlines key procedures for identifying, analysing, evaluating and managing requirements in accordance to both HSE and quality standards.</li> <li>• Conforms to all guidelines and standards established for our industry, including International Safety Management Code, International Ship and Port Security Code, ISO 45001, ISO 31000, ISO 9001 and ISO 14001.</li> </ul>
Stop Work Policy	<ul style="list-style-type: none"> <li>• Outlines Management's principles toward supporting any individual's decision to stop work should potential risks of safety, health and environment issues surface.</li> </ul>
Training and competency requirements	<ul style="list-style-type: none"> <li>• Ensures employees have the required competencies to safely conduct the tasks within their responsibilities both in the normal course of work and emergency situations.</li> </ul>
Internal audit	<ul style="list-style-type: none"> <li>• Ensures procedures are properly kept and adhered to.</li> <li>• Conducted annually at all locations.</li> </ul>
HSE disclosures	<ul style="list-style-type: none"> <li>• HSE performance and initiatives reported externally annually.</li> <li>• All data indicators that are deemed relevant to the industry are disclosed.</li> </ul>



## HUMAN CAPITAL

### Operationalising HSE

In terms of HSE, contractors are covered under the same principles, procedures and targets applicable to our employees. Safety controls of our operations for all personnel, including contractors, are safeguarded by a robust framework which include the elements below.

VRP	<ul style="list-style-type: none"> <li>Contractors are pre-screened or qualified through our VRP and assessed on a risk-based approach.</li> <li>Vendors are presented with checklists to ascertain their ability to provide appropriate safety controls.</li> </ul>
HSE Manual	<ul style="list-style-type: none"> <li>Outlines criteria to ensure capabilities, experience, plans and equipment or services align with safety requirements.</li> </ul>
Project HSE Plan	<ul style="list-style-type: none"> <li>Outlines requirements for all relevant personnel to comply with all applicable HSE regulations, standards, codes, recommendations and guidelines as per statutory, government or other applicable regulations.</li> </ul>
Safety training and development	<ul style="list-style-type: none"> <li>Set out in a training schedule covering topics such as risk assessments, safety conditions and behaviour, and permits to work.</li> <li>Training registers are maintained.</li> </ul>
HSE Coordination Committee	<ul style="list-style-type: none"> <li>Form plans to coordinate work activities as per HSE requirements, including HSE hazards and controls and HSE incidents.</li> <li>Monitor HSE performance and review issues throughout the cycle of our operations.</li> <li>Meet daily when hazardous works are carried out, or as required.</li> <li>Analyse upcoming HSE activities.</li> </ul>
HSE Reporting	<ul style="list-style-type: none"> <li>Adopted Kelvin TOP-SET methodology used for incident investigations to identify incident causes, make recommendations, and prevent recurrence.</li> <li>The HSE Management System helps to standardise and to simplify incident investigation procedures.</li> <li>This training is provided for all HSE personnel and others that may take the lead in investigations.</li> <li>Safety performance metrics are monitored and reported regularly.</li> <li>Internal HSE reporting standard covers aspects including incidents, near misses, experience transfers and observations.</li> <li>A detailed workflow is set out for incident reporting.</li> <li>Risk and severity levels are qualitatively and quantitatively defined with investigation owners designated.</li> </ul>

### Emergency response programmes

The nature of our industry requires that we commit towards managing emergencies, however unlikely they may be. Our approach towards Emergency Response Programmes are set out within our ISO 45001-certified HSE Management System and include the following elements.

Defined Situations of Hazard and Accidents	<ul style="list-style-type: none"> <li>Sets out the most relevant risks and corresponding action plans.</li> <li>Defines structured processes, including linking specific managerial responsibilities to designated personnel based on the actual/ potential severity of the incident.</li> </ul>
Emergency preparedness programmes	<ul style="list-style-type: none"> <li>Established with key management positions directly involved in the response teams.</li> </ul>
Emergency response plans	<ul style="list-style-type: none"> <li>In place for both site-specific and head office to prepare and respond to all emergencies.</li> <li>Clearly lists managerial responsibilities for specific events.</li> <li>Highlights communication protocols, linking key personnel to specific stakeholder communications. For example, communications relating to search and rescue, clients or insurance are tied to specific functional personnel.</li> <li>Site specific plans apply to Yinson-controlled sites.</li> </ul>
Local emergency response teams	<ul style="list-style-type: none"> <li>Supports all units from the base offices with overall coordination responsibility from head office.</li> <li>Specifies a first line response team, whose priority is safeguarding personnel, environment and assets.</li> <li>Drills are conducted on a weekly basis in accordance to pre-defined programmes on all units.</li> <li>Head office emergency response team aims to conduct one exercise with each unit per year.</li> </ul>

### Safety Culture Transformation Programme

The SAYFR, which started in 2015, aims to build a culture where our people embrace failure, as we believe this is the most effective way to prevent mistakes from escalating into major incidents.

Several plans for the programme were delayed due to the Covid-19 situation. However, we successfully launched several initiatives in FYE 2021. Three digital apps were piloted in January 2021 aboard FPSO JAK and were positively received. The apps will be rolled out to the remaining offshore units in FYE 2022. The apps will generate data which provides opportunities for analysis and identification of improvement areas in our safety culture.

#### SAYFR PROGRAMME HIGHLIGHTS

##### X-LAB WEBINAR

An X-lab (experience laboratory) was conducted with the offshore and onshore management teams. The session introduced the digital apps, as well as insights and training into the leadership skills that are important for successful project implementation.

##### COACHING SESSIONS FOR MANAGERS

Individual coaching sessions were provided to help leaders understand how they can best use their skills to lead the team.

##### DIGITAL APPS

**25,248** playthroughs of the learning modules recorded  
**Launched** on board FPSO JAK

##### **SAYFR ME** *Personal development for leaders*

Analyses the user's personality type and leadership behaviours, and provides tailor-made reports with specific action points for implementing leadership behaviours.

##### **SAYFR TEAM** *Operationalising safety as a Team*

Actual accidents and high-risk situations are presented and supported with questions to be discussed in the workshop. Sessions conclude with prioritisation of a set of goals for the team to work towards.

##### **SAYFR WE** *Practise preferred behaviour within the organisation*

Employees practise safe behaviours within the organisation through mini games and engaging dialogues. The gamification is designed to make behaviours 'stick' through repetitions and bite-sized modules.



## HUMAN CAPITAL

## HSE PERFORMANCE

## HSE performance: Offshore Production Division

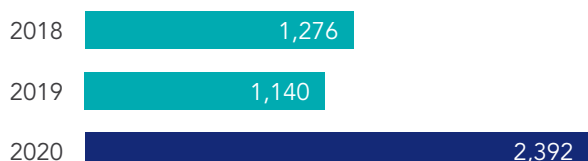
<p><b>0 LTIF   0.44 TRIF</b> for Offshore Production Division as a whole</p> <hr/> <p><b>0 LTIF   0 TRIF</b> for assets under construction</p>	<p><b>HSE MILESTONES</b> 10 September 2020 Award ceremony for 1 million man hours without LTI for FPSO Anna Nery 18 November 2020 9 years LTI-free for FPSO Adoon</p>
<p><b>TRAININGS</b></p> <p><b>ISO 9001+19011 Quality Lead Auditor course (May 2020)</b> Approved by Norwegian certification authority, conducted remotely with 25 participants from Norway, Nigeria, Ghana and Malaysia.</p> <p><b>ISO 9001:2015 Quality Management System Internal Auditor training (March 2020)</b> Organised in Singapore with 15 key participants.</p> <p><b>Security assessment and training for FPSO Abigail-Joseph (August 2020)</b> Organised by Castor Vali to improve preparedness and attention and strengthen client engagement.</p>	<p><b>State-level ISPS table-top exercise (November 2020)</b> FPSO Helang participated in state-level ISPS table-top exercise (ex-Sarawak) 2020, organised by Marine Department Malaysia.</p> <p><b>Induction for new employees (October 2020)</b> All process owners delivered updated induction modules describing all main work processes within the Offshore Production Division, including HSEQ. This included recording of videos that have been made available on the LMS.</p> <p><b>FPSO HSEQ Forum</b> Six forum meetings between some of the leading FPSO players in the industry took place last year, with focus on sharing best practises to manage Covid-19 and other relevant topics within HSEQ.</p>

	FYE 2019	FYE 2020	FYE 2021
Fatalities	0	0	0
LTI ("Lost Time Injury")	0	3	0
MTC ("Medical Treatment Case")	0	3	1
RWC ("Restricted Work Case")	0	2	2
FAC ("First Aid Case")	9	3	2
LTIF ("Lost Time Injury Frequency")	0	0.29	0.00
TRIF ("Total Recordable Injury Frequency")	0	0.58	0.44

HSE EXPOSURE HOURS			
Offshore employees	2,723,760	3,015,168	2,616,048
Onshore employees	4,283,572	7,269,192	533,068
Contractors	N/A	N/A	3,636,533
<b>Total</b>	<b>7,007,332</b>	<b>10,284,360</b>	<b>6,785,649</b>

## Notes:

1. LTIF and TRIF is per 1 million manhours, and considering 24 hours per person per day for all offshore crew.
2. Contractors were counted separately for the first time in FYE 2021.
3. The LTIF and TRIF is calculated for the Offshore Production Division. This includes offshore employees, onshore employees and contractors; covering both projects and operations phases.

**HSE TRAINING: NUMBER OF COURSE TYPES****HSE TRAINING: NUMBER OF CERTIFICATES ISSUED****TOP 10 MANDATORY TRAINING COURSES ABOARD OPERATING VESSELS**

Course name	Number of certificates issued
Basic offshore safety induction and emergency training (BOSIET)	60
Helicopter underwater escape training	37
Advanced firefighting	23
Survival craft and rescue boats	21
Personal survival techniques	19
Basic prevention and firefighting	13
Personal safety and social responsibility	12
First aid and elementary first aid	11
Basic training for oil tanker	8
Helicopter landing officer	4



Covid-19: Yinson's new normal, pg 69; Offshore Production Division, pg 99; Crew, pg 130

**HSE performance: Offshore Marine Division**

- Maintained strong HSE performance with zero LTIs, RWCs, FACs, Loss of Primary Containments ("LOPC"), illnesses or disease or high potential near miss cases.
- Two near miss cases and three property damage cases were recorded.
- Despite the pandemic challenges, our vessels were free from any Covid-19 positive cases throughout FYE 2021.

Three campaigns were run in FYE 2021:

- Regulus Safety Charter campaign on the company's safety rules.
- Monsoon Campaign to increase vigilance during the monsoon period.
- Drop Objects Campaign to prevent drop incidents amongst vessels.

Awards received in FYE 2021:

- PTSC Huong Giang - Marine Vessel Safety and Operational Excellence Award.
- PTSC Lam Kinh - Marine Vessel Safety and Operational Excellence Award.
- Both vessels had maintained 100% uptime and achieved around 10,000 safe manhours.

	FYE 2019	FYE 2020	FYE 2021
Incident reports	3	3	5
Recordable cases	0	0	2
LTIs	0	0	0
Observation cards	1,610	2,806	3,114











## SOCIAL & RELATIONSHIPS CAPITAL

Our Social & Relationships Capital consists of our relationships with our stakeholders and aims to strengthen our bonds of trust with society. It leverages off shared values and behaviours, and provides us with our social license to operate.

### YINSON'S STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	FREQUENCY AND METHODS OF ENGAGEMENT	MORE INFORMATION
<b>S1</b> <b>Bankers and lenders</b>	<ul style="list-style-type: none"> <li>DAILY: Yinson website and social media</li> <li>REGULARLY: One-on-one engagements, communication and dialogue</li> <li>BASED ON NEED: Road shows, site visits, stakeholder engagement event (sYnergy)</li> </ul>	 <p><i>Financial Capital, pg 82; Bankers and lenders, pg 131</i></p>
<b>S2</b> <b>Clients</b>	<ul style="list-style-type: none"> <li>MONTHLY: Milestone meetings and updates</li> <li>DAILY: Scheduled reports, Yinson website and social media</li> <li>REGULARLY: Client forums and events, site visits</li> <li>BASED ON NEED: Kick-off meetings, engagement, communication and dialogue</li> </ul>	 <p><i>Covid-19: Yinson's new normal, pg 69; Manufactured Capital, pg 98; Clients, pg 132</i></p>
<b>S3</b> <b>Crew</b>	<ul style="list-style-type: none"> <li>YEARLY: Annual Officer's Conference</li> <li>QUARTERLY: Group-wide town halls</li> <li>MONTHLY: Shipboard safety meetings</li> <li>DAILY: Corporate intranet (YNet), on-the-job learning and communication</li> <li>REGULARLY: Crew activities, training and development programmes, Safety Culture Transformation Programme, Management visits, inspections</li> </ul>	 <p><i>Covid-19: Yinson's new normal, pg 69; Offshore health and safety, pg 125</i></p>
<b>S4</b> <b>Employees</b>	<ul style="list-style-type: none"> <li>YEARLY: Employee engagement survey</li> <li>BIANNUAL: Employee performance review</li> <li>QUARTERLY: Group-wide town halls</li> <li>DAILY: Corporate intranet (YNet), on-the-job learning and communication</li> <li>REGULARLY: Office-wide town halls, employee activities</li> <li>BASED ON NEED: Focus groups, pulse surveys, family-friendly offices and activities, training and development programmes</li> </ul>	 <p><i>Covid-19: Yinson's new normal, pg 69; Human Capital, pg 112</i></p>
<b>S5</b> <b>Governments and regulatory bodies</b>	<ul style="list-style-type: none"> <li>DAILY: Compliance with applicable legislations, submission of reports, Yinson website and social media, regular engagement, communication and dialogue</li> <li>REGULARLY: Participation in government and regulatory events, competency trainings</li> <li>BASED ON NEED: Consultation on regulatory matters; announcements and disclosures; work and resident permit issuances; kick-off, engagement and clarification meetings, audits and inspections</li> </ul>	 <p><i>External environment, pg 62; Governments and regulatory bodies, pg 132; Governance, pg 154,</i></p>
<b>S6</b> <b>Industry</b>	<ul style="list-style-type: none"> <li>REGULARLY: Participation as exhibitors and speakers at industry conferences; features, editorials and advertisements in industry publications; and networking events</li> </ul>	 <p><i>Acquisition and development, pg 98; Industry, pg 134</i></p>

## SOCIAL & RELATIONSHIPS CAPITAL

STAKEHOLDER GROUP	FREQUENCY AND METHODS OF ENGAGEMENT	MORE INFORMATION
<b>S7</b> <b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• YEARLY: Annual Reports, AGMs</li> <li>• QUARTERLY AND BASED ON NEED: Analyst briefings, press releases</li> <li>• DAILY: Investor Relations web portal, Yinson website and social media, regular engagement, communication and dialogue</li> <li>• REGULARLY: Investor conferences, one-on-one engagements</li> <li>• BASED ON NEED: Extraordinary General Meetings, circulars</li> </ul>	 <i>Financial Capital, pg 82; Investors and shareholders, pg 135</i>
<b>S8</b> <b>Local Communities</b>	<ul style="list-style-type: none"> <li>• DAILY: Yinson website and social media</li> <li>• REGULARLY: CSR activities, engagement with local vendors, local trainee programmes, press releases, community development programmes</li> </ul>	 <i>Covid-19: Yinson's new normal, pg 69; Local workforce, pg 122; Corporate Social Responsibility, pg 136; Local student development initiatives, pg 140; Engagement with local vendors, pg 142;</i>
<b>S9</b> <b>Partners</b>	<ul style="list-style-type: none"> <li>• BASED ON NEED: Site visits, stakeholder engagement event (sYnergy), collaboration on announcements and press releases</li> <li>• DAILY: Regular engagement, communication and dialogue</li> </ul>	 <i>Financial Capital, pg 82; Partners, pg 141</i>
<b>S10</b> <b>Vendors/ suppliers</b>	<ul style="list-style-type: none"> <li>• DAILY: VRP, Yinson website and social media, regular engagement, communication and dialogue</li> <li>• REGULARLY: Supplier and industry conferences</li> <li>• BASED ON NEED: Tenders and requests for proposals, site visits, vendor audit</li> </ul>	 <i>ESG integration into procurement practices, pg 107; Vendor Registration Platform, pg 111; Vendors/ suppliers, pg 141</i>

### BANKERS AND LENDERS

Initiating, building, and maintaining strong relationships with our bankers and lenders is imperative to continue our journey as a leading global energy infrastructure and technology company. Despite the many challenges Covid-19 brought along over the past year, we maximised our efforts to maintain and improve current relationships, while initiating new ones.

Key engagements in FYE 2021 include:

- Virtual signing ceremony with all lenders supporting the USD400 million bridge loan facility raised to support FPSO Anna Nery.
- Facilitated yard visits for the advisors of the lenders for their evaluation of participating in the project finance facility for FPSO Anna Nery.
- Established several new relationships with banks focused on sustainable and green lending to better align our fundraising strategy with Yinson's Core Values. Yinson hopes to secure green bond financing or a facility of a similar nature for the purpose of propelling Yinson's Renewables Division forward in both existing and new markets.
- Engaged and expanded our network of local lenders in the Indian market to optimise the debt at the project company of our existing 140MW solar plants, Rising Bhadla 1&2.
- Initiated fundraising for Yinson's second renewables project in India, a 190MW grid-connected solar plant in Nokh Solar Park, receiving great interest from our long-term relationship banks to support our sustainability journey.
- To maintain relationships with our principal bankers and lenders, our in-country teams have locally engaged in safe-distanced physical meetings to ensure that our engagements are not solely done via virtual communication. We believe that human interaction is still the best way to interact and communicate.

## SOCIAL & RELATIONSHIPS CAPITAL

### CLIENTS

Yinson seeks to conduct our business with reputable clients, which allows us to limit or remove counterparty risk.

Yinson's FPSO market has, as always, been relatively resilient to volatility in the oil & gas market. Yinson's strategy for expanding our client base amidst this positive trend is found within the External Environment and MD&A sections of this Report.



External environment, pg 62; MD&A, pg 17

BUSINESS DIVISION	CLIENT DESCRIPTION	CLIENT LIST	KEY CLIENT ENGAGEMENTS IN FYE 2021
<b>Offshore Production</b>	Oil companies engage us to build and operate assets for the extraction of hydrocarbons at their fields.	<ul style="list-style-type: none"> <li>• Eni Ghana (a wholly owned subsidiary of Eni SpA) ("Eni")</li> <li>• Petróleo Brasileiro S.A.</li> <li>• JX Nippon Oil and Gas Exploration (Malaysia) Limited</li> <li>• PTSC</li> <li>• Addax Petroleum ("Addax")</li> <li>• FIRST E&amp;P</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly operations meetings with all clients.</li> <li>• Senior operations management meetings with senior management of Addax and Eni.</li> <li>• Safety coordination meetings.</li> <li>• Start-up planning meetings for FPSO Abigail-Joseph.</li> <li>• Ad hoc contractual meetings with clients as and when required.</li> </ul>
<b>Renewables</b>	Large power utilities or other power trading counterparties engage us to provide power to the relevant power grid, generated from renewable assets.	<ul style="list-style-type: none"> <li>• NTPC Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Site visits.</li> <li>• Regular engagement, communication and dialogue.</li> <li>• Monthly joint meter reading verification.</li> <li>• Scheduled reports.</li> </ul>
<b>Offshore Marine</b>	Offshore asset owners engage us to support their asset operations through services such as cargo and personnel transfer, provision of food and accommodation, anchor handling, tanker lifting, static tow and rig moves.	<ul style="list-style-type: none"> <li>• Repsol Oil &amp; Gas Malaysia Limited</li> <li>• Malaysia Vietnam Offshore Terminal (L) Limited</li> <li>• PETRONAS Carigali Sdn Bhd/ Uzma Bhd</li> <li>• PTT Exploration and Production Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Annual client survey and feedback review, annual Health Safety Security Environment and CEO forums.</li> <li>• Monthly virtual meeting, on hire/ off hire site survey.</li> <li>• Quarterly site engagement.</li> </ul>

### GOVERNMENTS AND REGULATORY BODIES

Yinson ensures our compliance with applicable legislation in order to maintain our license to operate. We are committed to providing information in a transparent and reliable manner that allows the correct assessment of the issues inherent to our business.

KEY ASSET	REGULATORY BODIES ENGAGED	METHODS OF ENGAGEMENT
<b>FPSO JAK</b> Host country: Ghana Flag country: Singapore	<ul style="list-style-type: none"> <li>• Petroleum Commission</li> <li>• Ghana Revenue Authority</li> <li>• Ghana Immigration Service</li> <li>• Environmental Protection Agency</li> <li>• Registrar General's Department</li> <li>• District Assemblies</li> <li>• Ghana Maritime Authority</li> <li>• Bank of Ghana</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory training and briefings.</li> <li>• Compliance with quarterly and annual reports on local content.</li> <li>• Application for regulatory approvals and consents.</li> <li>• Annual audits and monitoring and inspection.</li> <li>• Work and resident permit issuances.</li> <li>• Access to the vessel and operations bases in Accra and Takoradi to conduct assessments to issue our various permits and licenses.</li> </ul>

## SOCIAL & RELATIONSHIPS CAPITAL

KEY ASSET	REGULATORY BODIES ENGAGED	METHODS OF ENGAGEMENT
<b>FPSO Adoon</b> Host country: Nigeria Flag country: Singapore	<ul style="list-style-type: none"> <li>Department of Petroleum Resources</li> <li>Nigerian Content Development and Monitoring Board</li> </ul>	<ul style="list-style-type: none"> <li>Obtaining and annual renewal of permits to operate.</li> <li>Kick-off, engagement and clarification meetings as required.</li> <li>Submission of various performance and compliance reports.</li> <li>Quarterly reviews and annual audits.</li> </ul>
<b>FPSO Abigail-Joseph</b> Host country: Nigeria Flag country: Marshall Islands		
<b>FPSO Helang</b> Host country: Malaysia Flag country: Malaysia	<ul style="list-style-type: none"> <li>Marine Department of Malaysia</li> <li>Department of Occupational Safety and Health</li> <li>Department of Environment Malaysia</li> <li>Malaysian Communications and Multimedia Commission</li> <li>Civil Aviation Authority of Malaysia</li> <li>Malaysia Petroleum Management, PETRONAS</li> </ul>	<ul style="list-style-type: none"> <li>Regular inspections, audits and surveys.</li> <li>Applicable license fees.</li> <li>Compliance with applicable regulations.</li> <li>Competency training as stipulated in the regulations.</li> <li>Meetings and engagements.</li> </ul>
<b>Rising Bhadla 1&amp;2 solar plants &amp; Nokh Project</b> Rajasthan, India	<ul style="list-style-type: none"> <li>Ministry of New and Renewable Energy, India</li> <li>Rajasthan Solarpark Development Company, India</li> <li>Chief Electrical Inspector to Government, India</li> <li>Department of Labour, Government of Rajasthan</li> <li>Central Electricity Regulatory Commission, India</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, briefings and correspondence.</li> <li>Regular engagement, communication and dialogue.</li> <li>Regular (annual) inspections.</li> </ul>
<b>Green Technologies</b>	<ul style="list-style-type: none"> <li>Marine and Port Authority of Singapore</li> <li>Malaysian Green Technology and Climate Change Centre</li> <li>Malaysian Ministry of International Trade and Industry</li> <li>Singapore Economic Development Board</li> <li>Singapore Maritime Institute</li> <li>Singapore Flag State Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and engagements.</li> </ul>
<b>PTSC Lam Kinh</b> <b>PTSC Huong Giang</b> <b>Yinson Hermes</b> <b>Yinson Perwira</b> Host countries: Malaysia Flag countries: Malaysia	<ul style="list-style-type: none"> <li>Marine Department of Malaysia</li> <li>Malaysian Communications and Multimedia Commission</li> <li>Malaysia Ministry of Transport</li> <li>Ministry of Health of Malaysia</li> <li>Immigration Department of Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Regular inspections, audits and surveys.</li> <li>Applicable license fees.</li> <li>Compliance with applicable regulations.</li> <li>Competency training as stipulated in the regulations.</li> <li>Meetings and engagements.</li> </ul>





## SOCIAL & RELATIONSHIPS CAPITAL

### INDUSTRY

Yinson is committed to sharing our knowledge with, and learning from, our peers in the industry to enhance overall industry excellence. Movement restrictions arising from the Covid-19 pandemic disrupted plans for almost all physical gatherings in FYE 2021. Many events were cancelled, while others were downscaled and switched to virtual platforms. Yinson continued to participate wherever possible, in alignment with our strategic objectives.

EVENT AND DATE	YINSON'S PARTICIPATION
<b>FPSO Network</b> 22 July 2020	<ul style="list-style-type: none"> <li>Filipe Costa, Managing Director for Yinson Boronia Production, was a panel speaker for the webinar entitled 'Harnessing Technology Advancements to Navigate Disruptions in Project Schedule and Supply Chain'.</li> </ul>
<b>FPSO World Congress 2020</b> 1 - 4 September 2020	<ul style="list-style-type: none"> <li>Filipe Costa participated as a panel speaker for the opening keynote panel entitled 'Evaluating the Impact of Covid-19 on the Global FPSO Market, \$30 Billion of E&amp;P Investments and its Project Deliverables'.</li> <li>Filipe Costa presented a case study in the FPSO Design, Construction and Engineering Track entitled 'Japan Country Spotlight: Navigating Local Cultural and Content Challenges for Successful FPSO Construction in Japan.'</li> </ul>
<b>Offshore Technology Conference Houston 2020</b> 4 - 7 May 2020	<ul style="list-style-type: none"> <li>Dr Mayang Kusumawardhani, Lifecycle Efficiency Specialist, presented a paper entitled 'Accelerating Petroleum Project Delivery Through a Lean Operational Readiness Structure'.</li> </ul>
<b>FYIstival: The African Edition</b> 17 September 2020	<ul style="list-style-type: none"> <li>Andrew Choy, General Counsel, Group Legal, participated as panel speaker on the topic 'Spotlighting Opportunities for Doing Business in West Africa'.</li> </ul>
<b>DNV GL FPSO Seminar</b> 8 October 2020	<ul style="list-style-type: none"> <li>Alvaro Takiuti, FPSO Anna Nery Regulatory Compliance Manager, presented on the topic 'Delivering an FPSO in Brazil: Regulatory Challenges'.</li> </ul>
<b>Offshore Technology Conference Asia 2020</b> 4 - 6 November 2020	<ul style="list-style-type: none"> <li>Dr Mayang Kusumawardhani presented a paper entitled 'Calculating Initial Spare Parts Inventory in Petroleum Projects with Cost-Benefit Analysis'.</li> </ul>
<b>FPSO Brasil Congress 2020</b> 9 - 10 November 2020	<ul style="list-style-type: none"> <li>Filipe Costa was a panelist for the Industry Power Panel on the topic 'Harnessing Local Industry Capacity to Meet the Increasing Demand of FPSOs in Brazil.'</li> </ul>
<b>12<sup>th</sup> Prefabrication and Modular Construction Asia Summit 2021</b> 15 - 18 March 2021	<ul style="list-style-type: none"> <li>Filipe Costa participated as a panelist on the topic: How can Project Stakeholders &amp; Owners Better Achieve Project Outcomes following the Covid-19 Impact?</li> <li>Filipe Costa presented on the topic, 'Best Practices in Synchronizing Engineering, Procurement &amp; Construction to Fast-Forward FPSO Project Execution through the Modularization Approach'.</li> </ul>
<b>Singapore Maritime Week 2021</b> 22 - 24 April 2021	<ul style="list-style-type: none"> <li>Eirik Barclay, Executive Vice President of New Ventures and Technology, participated as a panel speaker in the Industry Panel on 'Harbour Craft – Electrification and Digitalisation'.</li> </ul>

Yinson also contributed content to business and industry media throughout the year, including features within Oil & Gas Innovation, Business Focus Magazine and Upstream Online.

## INVESTORS AND SHAREHOLDERS

We believe in engaging openly and extensively with our investors and shareholders so they can make informed decisions about the Group.

### INVESTOR MEETINGS HELD IN FYE 2021 TO DATE

DATE	TITLE
May 2020	Citi Virtual Pan Asia Investor Conference
July 2020	Maybank Invest ASEAN 2020
July 2020	Invest Malaysia (CIMB)
September 2020	RHB Regional Virtual Conference
September 2020	26 <sup>th</sup> Annual CITIC CLSA Investors Forum
October 2020	JPM Asean Infrastructure and Energy Day
December 2020	KAF Virtual Series
January 2021	CGS-CIMB 13 <sup>th</sup> Annual Malaysia Virtual Corporate Day
January 2021	Virtual ASEAN Energy Day
March 2021	Kenanga Renewable Energy Day
March 2021	Maybank Kim Eng Green Energy Corporate Days

### ANALYST BRIEFINGS HELD IN FYE 2021 TO DATE

DATE	TOPIC	NUMBER OF ATTENDEES
24 February 2020	Briefing on LOI award for Pecan project	42
2 March 2020	Briefing on Ezion Holdings Ltd proposed acquisition	30
26 March 2020	Briefing on Q4 FYE 2020 results	46
1 April 2020	Briefing on part-acquisition of RSE	38
25 June 2020	Briefing on Q1 FYE 2021 results	45
24 August 2020	Briefing on increased stake in RSE	48
29 September 2020	Briefing on Q2 FYE 2021 results	54
7 October 2020	Finance lease teach-in	16
19 October 2020	Briefing on Parque das Baleias award postponement	41
22 December 2020	Briefing on Q3 FYE 2021 results	48
4 March 2021	Briefing on LOA for Nokh solar project	62
25 March 2021	Sell-side briefings on Q4 FYE 2021 results	9
26 March 2021	Buy-side briefing on Q4 FYE 2021 results	50

Other investor engagement highlights in FYE 2021:

- Website corporate calendar function enhanced to include more investor events.
- Investor relations survey carried out with analysts and fund managers.
- Introduced additional quarterly result briefings for sell-side analysts.
- Adapted analyst and fund manager briefings to be completely virtual.

## SOCIAL &amp; RELATIONSHIPS CAPITAL

## KEY FINDINGS OF YINSON'S INVESTOR RELATIONS SURVEY

Are you able to easily access Yinson's management for comments or feedback?  
(1 = not accessible, 5 = very accessible)

**4.62 out of 5**

With the materials presented, is it easy to reconcile Yinson's core profit?

**Yes: 85%**  
**No: 15%**

Does Yinson's management provide information readily, openly and honestly?  
(1 = not open and transparent, 5 = very open and transparent)

**4.69 out of 5**

Overall, how do you rate Yinson's corporate presentation  
(1 = not informative, 5 = very informative)

**4.5 out of 5**

Overall, how do you rate Yinson's quarterly results pack  
(1 = not informative, 5 = very informative)

**4.35 out of 5**

Does Yinson's corporate presentation provide sufficient information for you to gauge our business outlook?  
(1 = not sufficient, 5 = very sufficient)

**4.46 out of 5**

## LOCAL COMMUNITIES

## Corporate Social Responsibility

As a global organisation whose operations touch the lives of individuals all over the world, we are committed to good corporate citizenship in every community we operate in. In this Report, we highlight several key CSR initiatives that took place in FYE 2021.



To view a complete description of all CSR initiatives run by Yinson offices across the globe, please go to [www.yinson.com/csr](http://www.yinson.com/csr)



## GHANA

Yinson Scholars Programme

- An annual scholarship programme for students in Takoradi in the Western Region of Ghana established in 2019.
- Selected second batch of 10 senior high school students as recipients of financial assistance.
- To date, 20 students from low income households in Yinson's host communities near Takoradi; namely Apowa, Kejabil and Pretea have benefited from this programme.
- The scholarship covers a monthly stipend and necessities such as trunks, chop boxes, exercise books, textbooks, pillows, calculators, school bags and shoes.

Off-grid rooftop solar system

- Provided a 5kW off-grid rooftop solar system for the Pretea Municipal Assembly Basic School in Ahanta West, an institution that is currently not connected to the national grid.
- Created a more conducive and comfortable learning environment for 312 students.
- Provided each of the school's 12 classrooms with lights and ceiling fans, washroom lights, and 20 security lights for the perimeter.
- Supplied a refrigerator and fire extinguishers for each of the three classroom blocks.

ICT Centre

- Collaborated with local community leaders to provide an ICT Centre at the Kejabil Municipal Assembly Junior High School.
- The centre serves students in four schools in Kejabil and surrounding communities.
- Provided 18 desktop computers, a printer, a projector, a projection screen, a server, ceiling fans, an air conditioner, UPS units, cables and other computer accessories.
- Yinson's IT specialist holds regular seminars with the IT instructors of the four schools to help them improve their skills in the subject, with the first seminar taking place in April 2021.



Scan this QR code to view a video on the Yinson Scholars Programme.



### GHANA

#### Futurestars

- Futurestars School Rehabilitation Programme has transitioned into an annual donation where Yinson supports Futurestars, a registered United Kingdom charity, with RM35,000 for various charity initiatives to meet the needs of the communities.

#### Yinson Welding Training Centre

- Built in 2017 to house welding and mechanical equipment provided by the Ministry of Energy with funding from the World Bank.
- Provides new technical knowledge to its students, and its special courses will enable more students to get better qualifications to enter the workforce, including the oil & gas industry.
- About 600 students graduate from the welding programme annually.
- The centre started training staff from local companies but had to stop because of the Covid-19 pandemic.
- Yinson contributed USD460,000 to build the centre and provides USD15,000 worth of welding consumables annually to support the facilitation of ongoing training.



### MALAYSIA

#### Teach for Malaysia

- Sponsorship of our second Teach for Malaysia ("TFM") Fellow, Ann Anak Siden, who teaches in a high-need school in the interiors of Semporna, Sabah.
- The school is categorised as a Band 5 school with poor classroom facilities, causing interruptions of class.
- Students in the school where Ann was teaching charted a 6.84% improvement in academic performance in 2020.
- Our first TFM Fellow, Divyang Hong, completed his tenure and went on to join TFM full-time. During his two years as a TFM fellow, Divyang directly impacted over 200 students through attendance improvement programmes such as 'Seindah Yinson' and SPLAT, a debate training platform.

#### Dive clean-up at Barracuda Point, Miri

- In August 2020, Yinson Miri sponsored a dive clean up focused on removing ghost nets in and around the Barracuda Point dive site in Miri, Sarawak.
- Yinson, along with volunteer divers from Miri Divers, Future Ocean Borneo and Lions Club of Miri Centennial, successfully removed drifting plastic waste and an abandoned mooring line from the dive site.



### NIGERIA

#### Yinson University Scholarships

- Established in 2019, a total of eight university freshmen have received these scholarships and begun their tertiary education.
- The scholars are from the communities where FPSO Adoon operates in.
- Expansion plans are underway to include scholars from communities where FPSO Abigail-Joseph operates (KEFFES Community) and eventually the local community located in Takoradi; namely Apowa, Kejabil and Pretea.

#### Learning Needs Drive

- Donated 80 sets of school furniture in December 2020 to the Effiat and Mbo host communities where FPSO Adoon is operating, for the use of students in primary and secondary schools within the vicinity.



### INDIA

#### Rapid Action Project

- RSE has pledged a donation of 3 lakhs 85 thousand (INR) to Rapid Action Project, a programme by Wildlife Trust of India that addresses diverse wildlife emergencies across India.
- The funds will be used during times of natural calamity emergencies, to protect and conserve over 70 species of wildlife.



## SOCIAL & RELATIONSHIPS CAPITAL

### UNITED IN THE FIGHT AGAINST COVID-19

As the Covid-19 pandemic entered into its second wave in many places around the world, Yinson shifted our focus to contribute actively to post recovery efforts, including the donation of laptops to families from lower income groups to enable children to attend online classes.

- Provided RM3,000 worth of food items to frontliners at three hospitals in Kuala Lumpur, Malaysia, in partnership with local health food provider, Salad Atelier.
- Donated 1,350 personal hygiene items to Malaysia's Sungai Buloh Hospital to cater for the personal hygiene needs of their staff and patients.
- Sponsored 10,000 items of PPE, 34,000 face masks and RM90,000 worth of fabric for PPE to the Malaysian Red Crescent Society.
- Sponsored 3,500 items of medical protective clothing and 1,000 face masks to Sultanah Aminah Hospital, Malaysia.
- Donated medical protective equipment to the Miri General Hospital, Malaysia, in partnership with Singapore-based Apex Sealing Technologies.
- Donated 6,000 surgical face masks to Ghana's National Commission for Civic Education.
- Donated Biological Safety Cabinet for quicker and safer Covid-19 testing to Korle-Bu Teaching Hospital in Accra, Ghana.
- Donated 10,500 N95 masks to the National School of Public Health Sergio Arouca and National Institute of Infectology (Fiocruz) in Brazil.
- Donated 5,000 face shields which were procured by an orphanage, 'Rumah Pengasih Warga Prihatin' to Malaysian Red Crescent Society.
- Donated 4,000 masks and 900 sterile surgical gowns to be used as PPE to Tung Shin Hospital in Kuala Lumpur.
- Donation of 7 boxes of KN95 face masks to selected public health centres in Nigeria.
- Donated 48 laptops to families with children who need to attend online classes via a Singaporean NGO, Engineering Good.
- Donated 11 laptops to students in S.J.K. (C) Serdang Baru 1 in Malaysia, enabling them to attend online classes during the pandemic's lockdown period.
- Donated 1,050 PPE kits for use in government hospitals in Sawai Madhopur District, Rajasthan.





SOCIAL & RELATIONSHIPS CAPITAL





## SOCIAL & RELATIONSHIPS CAPITAL

### Local student development initiatives

We continued building and developing partnerships with local tertiary education institutions in FYE 2021 with the aim of sharing our value proposition with students and raising awareness on career prospects in our industry.

INITIATIVE	DETAILS	ESTIMATED ATTENDEES
Field Ready Ventilator Challenge	<ul style="list-style-type: none"> <li>Organised as part of Field Ready's employability programme for engineering students in Ghana, Mozambique and Nigeria.</li> <li>Participants were tasked to design a simple, low-cost and scalable ventilator as a positive response to the Covid-19 pandemic.</li> <li>The challenge was judged by 25 engineering and scientific experts from the government, engineering industry and academia from eight countries.</li> <li>Yinson Ghana's interns won the challenge with their design. The team is now working on refining the design and to manufacture a prototype.</li> </ul>	56 participants
Integrated Work Study Programme IWSP with SIT	<ul style="list-style-type: none"> <li>Yinson is Industry Partner in SIT's IWSP, through which we are committed to provide students with unique learning opportunities.</li> <li>Through IWSP, students benefit from applied learning, exposure to real-world environment and smooth transition to jobs.</li> <li>Aside from supporting IWSP activities, Yinson provides successful internship applicants with a 26-week long internship at our Singapore office.</li> </ul>	36 students applied for internship programme with Yinson
SIT Virtual Career Nexus Fair	<ul style="list-style-type: none"> <li>Yinson participated in the virtual exhibition, with our booth providing information about Yinson and the oil &amp; gas industry.</li> <li>Around 50 students had one-to-one engagements with Yinson's engineers to find out more about engineering careers in the oil &amp; gas industry.</li> </ul>	2,500 attendees
Malaysians of Melbourne University ("MoMU")	<ul style="list-style-type: none"> <li>Yinson continued our platinum sponsorship of MoMU in FYE 2021. Campus engagement was limited due to the impact of Covid-19.</li> <li>The engagement included social media posts, newsletters, articles and a series of events throughout the year.</li> <li>On 3 April 2021, we jointly organised a webinar entitled 'Demystifying Sustainability', with speakers from Yinson including Group Chief Strategy Officer, Daniel Bong and Group HR Director, Louisa Brady.</li> </ul>	40 participants attended the webinar
Sunway University	<ul style="list-style-type: none"> <li>In FYE 2021 Yinson participated in the sponsorship of Sunway University's Employment Guide, which was distributed to students.</li> </ul>	1800 e-copies distributed
Women in Science and Engineering Forum	<ul style="list-style-type: none"> <li>On 11 February 2020, Yinson Ghana participated in the Women in Science and Engineering Forum organised by Field Ready Alliance, themed 'Science and Engineering: Embracing the Career I Love'.</li> <li>The Forum celebrates and honours women in science and engineering roles by giving them a platform to empower and motivate women.</li> <li>Process Engineer Semiratu Abdallah participated as a guest speaker, and spoke to students about her experiences, the challenges she faced and how she overcame them.</li> </ul>	Not available

## SOCIAL & RELATIONSHIPS CAPITAL

### PARTNERS

Forming alliances with reliable business partners has been a key success for Yinson, enabling us to achieve shared goals to grow our businesses, increase our access to capital, and to strengthen our bidding capabilities. This has allowed the Group to bid for larger contracts and venture into new regions.

PARTNER	NATURE OF PARTNERSHIP	ENGAGEMENTS IN FYE 2021
Sumitomo	Sumitomo owns a 25% stake in the FPSO Anna Nery project.	Ongoing daily communication in relation to FPSO Anna Nery and FPSO JAK. Ad hoc discussions on potential new partnerships under the memorandum of understanding.
Japanese consortium consisting of Sumitomo, "K" Line, JGC Holdings Corporation and Development Bank of Japan Inc	The consortium owns a 26% stake in FPSO JAK.	Semi-annual engagements to update and discuss developments regarding FPSO JAK and potential new partnership opportunities.
PTSC	PTSC owns 51% of FSO PTSC Bien Dong 01 and FPSO PTSC Lam Son, and manages the operations of the assets.	Regular engagements to ensure that our existing assets, FPSO Lam Son and FSO Bien Dong 01 are operating as expected and for potential new opportunities going forward.
"K" Line	"K" Line entered into an agreement with Yinson to own around a 10% stake in FPSO Anna Nery upon final acceptance of the FPSO as well as the FPSO achieving stable operations, which is expected to be met in 2023.	Signing of the transaction documents in relation to "K" Line's equity ownership in FPSO Anna Nery, alongside ongoing communication on key developments in the project.
Partnered with the co-founder of RSE which is now a jointly held subsidiary company. Ongoing and future projects are with the same partner with new jointly held entities (subsidiaries) set up for each project.	RSE is the owner of the Bhadla 1&2 solar plants. RSEK is constructing the Nokh solar plants, which it will also own and operate. Our partner owns 5% and 20% of RSE and RSEK respectively.	Ongoing daily engagement for Bhadla operations and construction of the Nokh solar plants. In addition, there is an in-depth integration exercise ongoing which leverages the strengths of both companies to achieve greater efficiencies. Includes considerations for infrastructure, business, corporate support and corporate systems.
Oil and Marine Agencies Ghana Limited ("OMA")	OMA is our local partner for the operations & maintenance ("O&M") of FPSO JAK. OMA owns a 51% stake in our joint O&M entity.	Daily engagements to ensure high operational uptime of FPSO JAK. We also work closely with OMA for new business opportunities in Ghana within the energy sector.
Geoplex Drillteq Limited ("Geoplex")	Geoplex is our local partner for the O&M of FPSO Adoon and FPSO Abigail-Joseph. Geoplex owns a 60% stake in our joint O&M entity.	Regular engagements to ensure that FPSO Adoon and FPSO Abigail-Joseph are operating as expected and for potential new opportunities going forward.

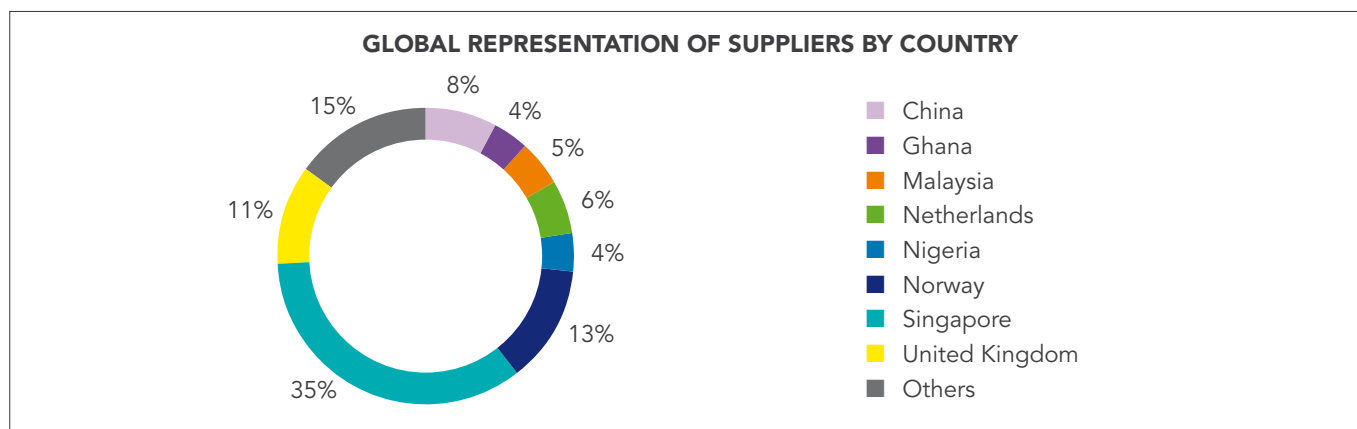
### VENDORS/ SUPPLIERS

Yinson focuses on building deep, long-term working relationships with our key suppliers, and welcomes engagements with new vendors. We believe this enables us to make stronger vendor choices, thus enhancing our ability to deliver on our commitments to our stakeholders.

All vendor engagements were performed virtually in FYE 2021 due to Covid-19.



## SOCIAL &amp; RELATIONSHIPS CAPITAL



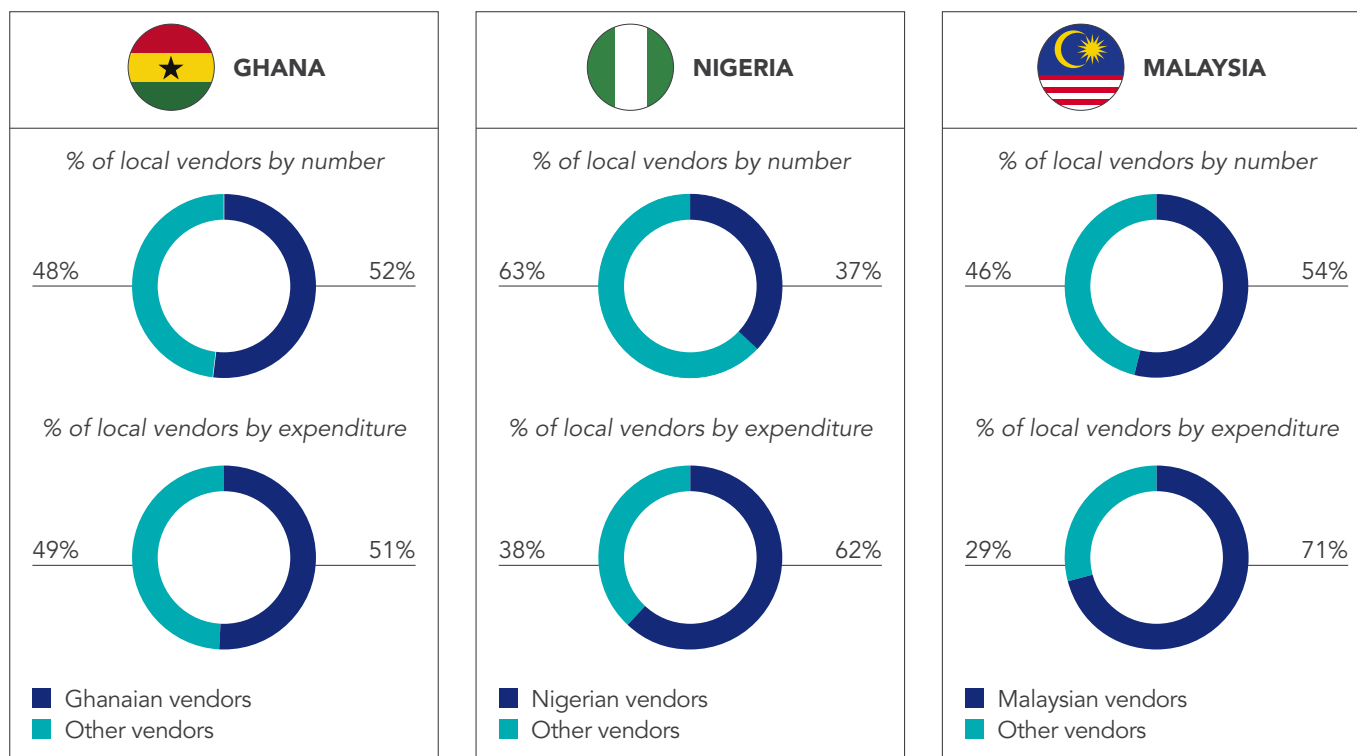
\* As at 31 January 2021 based on connections in VRP (Offshore Production Division).

**Engagement with local vendors**

As we have long-term commitments in the countries we operate in, we continuously work to strengthen our supply chain through local suppliers and resources. We contract both local and foreign suppliers, defined relative to the locations where our vessels are operating, or will be operating.

FYE 2021 updates on local vendor engagement for areas where our offshore production assets are based:

- Yinson improved our engagement with local suppliers, making our supply chain increasingly sustainable for the future.
- We focused on further developing relationships with key local vendors to reduce the impact of the pandemic situation to our supply chain.
- The pandemic has resulted in both positive and negative impacts in use of our suppliers in various areas of operations. Suppliers who adapted to the restrictions by for example adopting new strategic organisational structures, improving competencies and products available in the local market, were able to strengthen their standing as a local supplier.
- Vessels in operation during the financial year were FPSO JAK, FPSO Adoon and FPSO Helang. FPSO Abigail-Joseph went on charter on 28 October 2021, at which point it moved on to the operations phase.



\* Figures are for calendar year 2020.

# NATURAL CAPITAL

Our Natural Capital consists of the naturally occurring resources used in, or affected by, our business activities. Yinson is aware of its multifaceted environmental footprint stemming from its business operations. We remain unwavering in our commitment towards managing our impact towards the natural environment.

## YINSON'S STRATEGY FOR MANAGING NATURAL CAPITAL

### GOVERNANCE

Governance responsibility of our Natural Capital lies principally with the Sustainability Committee which provides oversight of our environment-driven initiatives.

### APPROACH

Our approach is governed by our publicly available Environmental Policy, which includes the following commitments:

- Protection of the environment via appropriate measures taken.
- Implementation and maintenance of an effective management system in conformance to ISO 14001.
- Improving environment performance and energy efficiency by minimising consumption of resources and reducing waste generated offshore and onshore.
- Prevention of accidental discharges to land, air and water.
- Conforming to interested parties' expectations and applicable regulatory and other related requirements.

### OPERATIONALISATION

Our policies are operationalised through our ISO 14001-certified EMS. Key areas covered by the EMS include:

- Identifying and controlling activities of significant environmental impact.
- Compliance with environmental regulations.
- Adequate regular training programmes for employees and contractual staff.
- Recording environmental performances.
- Continuous improvement cycles.
- Corrective actions to be undertaken as necessary.
- Incident investigations as necessary.

Our robust Emergency Response Plans ensure appropriate measures are undertaken under any environment-related emergency scenarios. This leads to an overall protection of the surrounding biodiversity where we operate.

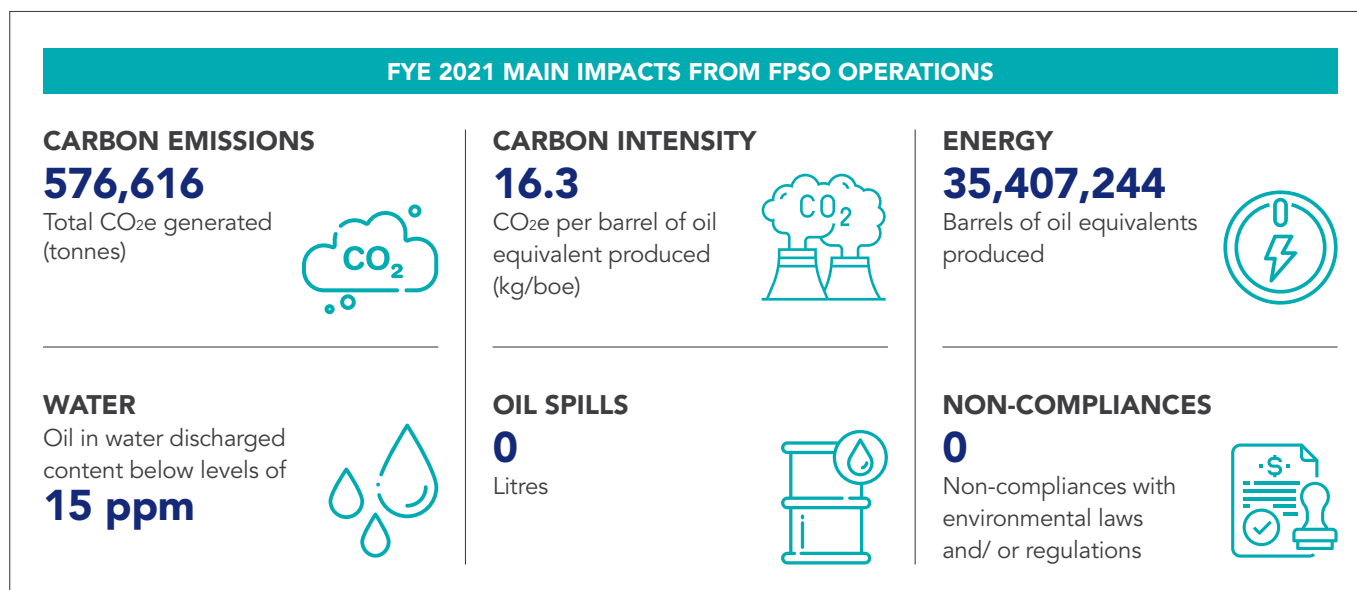
### QUALITY ASSURANCE

To ensure highest quality for all data indicators, our methodologies are based on internationally recognised practices and standards:

- Emission figures calculated based on Environmental and Emissions Monitoring System (EEMS)-Atmospheric Emissions Calculations (UKOG).
- Reporting of GHG emissions performed in accordance with the GHG Protocol.
- GHG equivalent conversion based on the Global Warming Potential (GWP) factors from IPCC's fifth Assessment Report.
- Reporting of other information based on guidance from GRI or the IPIECA.



## NATURAL CAPITAL



GOALS	PROGRESS IN FYE 2021
Improve monitoring and disclosure of environment-related impacts.	Baseline data ascertained for all key environment aspects.
Implement phasic approach to monitoring carbon footprint.	Measurement criteria standardised as per GHG Protocol requirements.
Consolidate baseline for reporting, towards setting of targets.	Established Climate Goals to be carbon neutral by 2030 and net zero by 2050.
Improve environmental awareness across all Yinson offices and locations.	Global headquarters in Kuala Lumpur moved to a certified green building with office space certified to the standards of LEED Gold V4 ID+C.
Identify more efficient methods of managing carbon dioxide equivalents ("CO <sub>2</sub> e") or carbon emissions.	Kickstarted feasibility assessments on potential technologies to minimise global carbon footprint.

FYE 2021 will serve as our base year in terms of environment-based datasets. This primarily stems from an enhanced monitoring system with a focus on high-impact environment aspects. As such, all disclosures for FYE 2021 shall be continuously tracked and disclosed for clarity and tracking purposes moving forward.

Yinson's equity share ownership is applied when calculating disclosures relating to our offshore production assets or FPSOs. For clarity, this covers carbon emissions scope 1: FPSOs; venting and flaring; energy consumption: FPSOs; non-GHG air emissions: FPSOs; slop and produced water discharged; and wastes produced: FPSOs. Yinson has 100% ownership of FPSO Adoon, FPSO Helang and FPSO Abigail-Joseph; 74% ownership of FPSO JAK; and 49% ownership of FPSO PTSC Bien Dong 01 and FPSO PTSC Lam Son.

## ABBREVIATIONS

kg	: Kilogram
boe	: Barrel of oil equivalent
MMscf	: Million standard cubic feet
Gj	: Gigajoules
MWh	: Megawatt-hour
bblw	: Barrels of water
ppm	: Parts per million

## CARBON EMISSIONS MANAGEMENT

## CARBON EMISSION REDUCTION TARGETS

*Offshore production assets in operation*

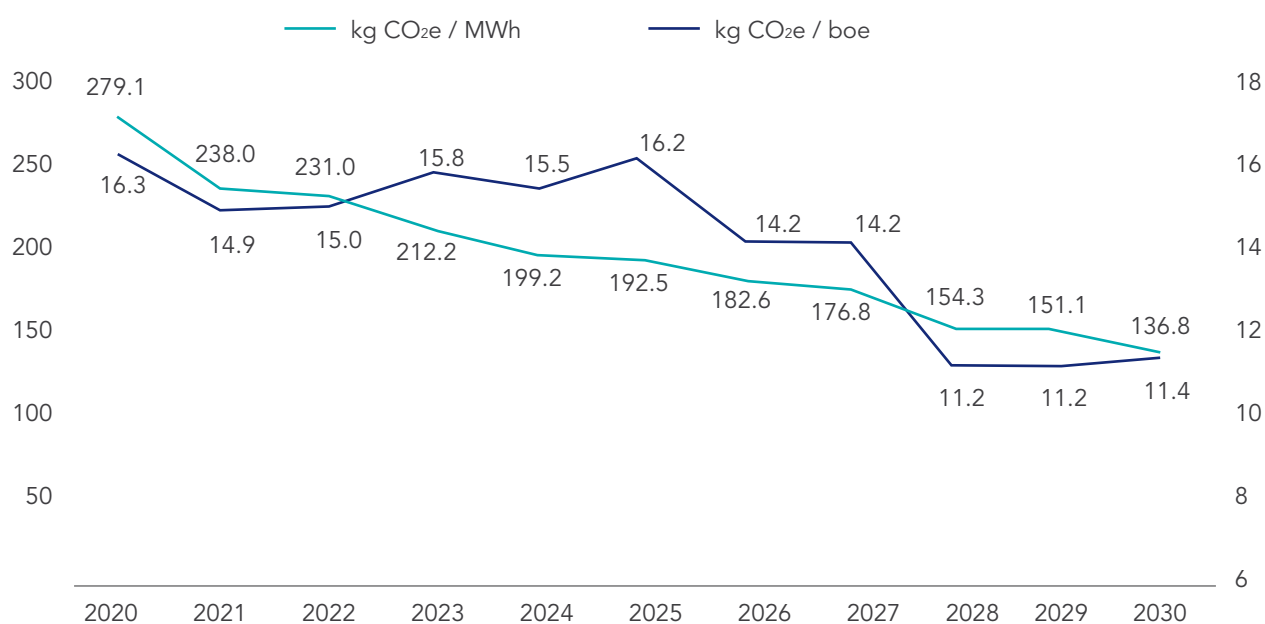
Remove regular flaring on two-thirds of operating units by 2030

Reduce CO<sub>2</sub>e/boe-intensity by 30% by 2030

Reduce CO<sub>2</sub>e/MWh-intensity by 50% by 2030

The achievement of our committed carbon emission reduction targets will require significant operational changes. We have undertaken thorough internal calculations and assessments to arrive at the following intensity scenarios in this decade. Our projections relating to CO<sub>2</sub>e/MWh intensity considers contribution from the Renewables Division to the total energy production mix.

## CARBON INTENSITY PROJECTIONS



## ZERO-EMISSION FPSO CONCEPT

Yinson has developed a concept for a zero-emission FPSO which incorporates both future and existing technologies, to support the Group's ambition of leading the way in the decarbonisation of the FPSO industry. Through the concept Yinson is ready to provide the next generation of FPSOs to the market.

## FEATURES OF THE CONCEPT

Combined cycle technology

Designs of closed flare and venting system

Implementation of carbon capture solutions

Potential of receiving power from renewable energy sources

The development of this concept is also in alignment with Yinson's Climate Goals to be carbon neutral by 2030 and net zero by 2050.





## NATURAL CAPITAL

The captured boundaries for carbon emissions are as follows, and will be further enhanced as we progress in our sustainability journey. New indicators are added this year as we dive in deeper towards transparently highlighting the various GHGs that we emit during operations.

<b>Scope 1</b> All our owned assets, covering FPSOs, OSVs and Renewables	<b>Scope 2</b> Purchased electricity	<b>Scope 3</b> Business air travel
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<b>Total carbon emissions (tonnes)</b>	<b>FYE 2020</b>	<b>FYE 2021</b>
Scope 1 (tonnes, total)	265,416 <sup>1</sup>	576,616
Scope 2 <sup>2</sup>	204	273
Scope 3 <sup>3</sup>	5,422	1,137

<sup>1</sup> In FYE 2020, carbon emissions from FPSO JAK and FPSO Adoon were summed up to 346,167 tonnes. These figures are restated this year to incorporate the equity-share approach for a more accurate view of our carbon footprint. The changes in Scope 1 carbon emissions stem from an increase in scope for our assets, along with internal data assurance activities undertaken for the year.

<sup>2</sup> Scope 2 carbon emissions increased due to an increase in coverage to include new offices. Having said that, overall office energy usage was reduced in the year due to the pandemic.

<sup>3</sup> Scope 3 emissions are reduced primarily because of pandemic-induced air travel restrictions.



External environment, pg 62; Yinson's Climate Goals, pg 72

### CARBON EMISSIONS SCOPE 1: FPSOs

<b>Item</b>	<b>FPSO Abigail-Joseph</b>	<b>FPSO Adoon</b>	<b>FPSO JAK</b>	<b>FPSO Helang</b>	<b>FPSO PTSC Lam Son</b>	<b>FSO PTSC Bien Dong 01</b>	<b>TOTAL</b>
CO <sub>2</sub> - Carbon dioxide (tonnes)	39,155	32,973	270,620	81,273	58,272	3,928	486,222
CH <sub>4</sub> - Methane (tonnes)	338	437	1,674	241	174	198	3,063
N <sub>2</sub> O - Nitrous oxide (tonnes)	2	2	19	5	4	0	32
CO <sub>2</sub> e (tonnes)	49,824	47,870	318,345	89,946	63,074	7,557	576,616
CO <sub>2</sub> e per barrel of oil equivalent produced	50.7	8.9	14.5	17.1	92.3	6.3	16.3

Reporting boundaries include:

- Direct emissions estimate calculated for financial year.
- The emissions from unit plant combustion processes are calculated through monthly environmental reporting system for each unit.
- Gas flaring is calculated through monthly environmental reporting system for each unit.

**CARBON EMISSIONS SCOPE 1: OSVs**

	Yinson Hermes	Yinson Perwira	PTSC Huong Giang	PTSC Lam Kinh	TOTAL
CO <sub>2</sub> - Carbon dioxide (tonnes)	6,819	22,655	7,579	10,253	47,307
CH <sub>4</sub> - Methane (tonnes)	0.4	1.3	0.4	0.6	2.7
N <sub>2</sub> O - Nitrous oxide (tonnes)	0.5	1.6	0.5	0.7	3.3
Total CO <sub>2</sub> e (tonnes)	6,820	22,658	7,580	10,254	47,313

**CARBON EMISSIONS SCOPE 2: PURCHASED ELECTRICITY**

Office	Total CO <sub>2</sub> e (tonnes)
Kuala Lumpur	119.5
Miri	39.7
Singapore	56.7
Oslo	1.1
Accra	6.0
Takoradi	12.4
Nigeria	6.2
Netherlands	13.8
India	17.7
TOTAL	273.1

These figures are converted using operating margin values of grid emissions, compiled by Institute for Global Environmental Strategies (IGES).

**CARBON EMISSIONS SCOPE 3: BUSINESS AIR TRAVEL**

Office	CO <sub>2</sub> e from business travels (tonnes)
Kuala Lumpur	148
Miri	0
Singapore	459
Oslo	468
Accra	61
Takoradi	1
Nigeria	0
Netherlands	0.3
TOTAL	1,137.3

Figures from our office in India and UK employees will be included in future reporting.

**VENTING AND FLARING**

	FPSO Abigail-Joseph	FPSO Adoon	FPSO JAK	FPSO Helang	FPSO PTSC Lam Son	FSO PTSC Bien Dong 01	TOTAL
Volume of gas vented from cargo tanks (MMscf)	15.3	40.4	103.2	10.0	5.2	9.1	183.2
Total flared gas under equity share approach (MMscf)	479.9	134.9	749.7	317.1	147.2	-	1,828.7

- Gas flaring is calculated through the monthly environmental reporting system for each unit.
- Estimated cold vent emissions and volume calculated through monthly environmental reporting system for each unit.

## NATURAL CAPITAL

### ENERGY MANAGEMENT

Our energy consumption is broken down into two categories: offshore and onshore usage. Offshore usage relates to FPSO energy consumption for hydrocarbon processing and related business activities; and OSV energy consumption towards providing offshore support services. Onshore usage relates to daily office activities including cooling and heating.

Primary energy consumption calculations are completed as recommended by IPIECA CCE-6 and GRI 302. The factors used to calculate the energy contents are adopted from IPIECA's Sustainability Reporting Guidance for the Oil & Gas Industry (4<sup>th</sup> ed. 2020).

We are in discussions with an external party to test a new energy efficiency-based notation on an upcoming project. The notation is not yet available for use, representing an exciting opportunity to be at the forefront of adopting the new standard. This is similar to the ISO 50001 standard to manage energy use and reduce emissions from FPSOs.



#### OFFICE RENOVATIONS: WALKING THE TALK

In line with our commitment to environmental sustainability, we moved our global headquarters in Kuala Lumpur to a Green Building Index GBI certified building; with office interior renovations designed and certified to the strict standards of LEED Gold V4 ID+C. This takes into consideration environment-friendly office features including location and transportation; water efficiency; energy and atmosphere; materials and resources. Further, we opted for holistic changes in office equipment and materials to favour environment-friendly alternatives. With this, we aim to embed the environmental sustainability mindset amongst employees while running their day-to-day business activities.



Conducive and healthy working environments, pg 118

### ENERGY CONSUMPTION: FPSOs

	FPSO Abigail-Joseph	FPSO Adoon	FPSO JAK	FPSO Helang	FPSO PTSC Lam Son	FSO PTSC Bien Dong 01	TOTAL
Energy used (Gj)	143,717	402,088	5,265,476	1,041,056	1,744,596	137,578	8,734,512
Energy used (MWh)	39,921	111,691	1,462,632	289,182	484,610	38,216	2,426,253

Energy used is calculated through monthly environmental reporting system for each unit (established in 2020).

### ENERGY CONSUMPTION: OSVs

	Yinson Hermes	Yinson Perwira	PTSC Huong Giang	PTSC Lam Kinh	TOTAL
Energy used (MWh)	25,423	84,461	28,256	38,225	176,366

## ENERGY CONSUMPTION: OFFICES

Office	Energy consumption (kWh)
Kuala Lumpur	185,266
Miri	41,113
Singapore	138,848
Oslo	59,459
Accra	10,753
Takoradi	22,248
Nigeria	11,109
Netherlands	30,428
India	18,486
<b>TOTAL</b>	<b>517,710</b>

Less purchased electricity was consumed in FYE 2021 as many employees worked from home due to the pandemic.

## POLLUTION MANAGEMENT

We are committed to manage and reduce all potential pollutants from our assets.

	Air Emissions	Effluents	Waste
<b>Yinson's definition</b>	Not all emissions to air are categorised as GHGs. Through our operations, we have identified generation of other air emissions including nitrogen oxides, sulphur dioxide, sulphur oxides, carbon monoxide, and volatile organic compounds.	Effluents are liquid waste that need to be discharged according to relevant standards, including HSE considerations, offshore oil & gas development regulations, and those set out in key industry documents. FPSO effluents include produced water, slop water, seawater used for cooling purposes and sewage.	Wastes are items that are discarded after use onboard our vessels. This includes plastics, metal, lining and packing materials.
<b>How Yinson manages the pollutant</b>	<ul style="list-style-type: none"> <li>• Monitor nitrogen oxides, sulphur dioxide, sulphur oxides, carbon monoxide and volatile organic compounds onboard our vessels. Take measures to meet regulatory requirements on emissions levels.</li> <li>• Commit to exploring and, as far as possible, selecting low-emission technologies and engines for utilisation onboard our assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and measure effluents onboard all our vessels.</li> <li>• Maintenance of detailed procedures to ensure overboard discharges meet regulatory requirements and internal ISO 14001 standards to mitigate applicable biodiversity impacts.</li> <li>• Undertake relevant improvement initiatives wherever possible including taking additional voluntary steps to clean effluents before disposal.</li> </ul>	<ul style="list-style-type: none"> <li>• Enforce Waste Management Plan which details strict internal processes to ensure waste is managed in alignment to all relevant environmental standards.</li> </ul>



## NATURAL CAPITAL

### Air emissions

#### NON-GHG AIR EMISSIONS: FPSOs

	FPSO Abigail-Joseph	FPSO Adoon	FPSO JAK	FPSO Helang	FPSO PTSC Lam Son	FSO PTSC Bien Dong 01	TOTAL
CO - Carbon monoxide (tonnes)	74.7	41.0	347.6	110.2	73.5	9.7	656.8
NOx - Nitrogen oxides (tonnes)	20.4	48.1	499.2	142.5	108.2	73.2	891.6
SO <sub>2</sub> - Sulphur dioxides (tonnes)	2.8	7.7	2.2	4.2	0.5	0.4	17.9
nmVOCs - (non-methane) Volatile organic compounds (tonnes)	21.8	6.4	36.9	15.3	7.3	4.1	91.7

Reporting boundaries include:

- Direct emissions calculated estimate for financial year.
- Emissions from unit plant combustion processes are calculated through monthly environmental reporting system for each unit (established in 2020).
- Gas flaring is calculated through monthly environmental reporting system for each unit.

#### NON-GHG AIR EMISSIONS: OSVs

	Yinson Hermes	Yinson Perwira	PTSC Huong Giang	PTSC Lam Kinh	TOTAL
CO - Carbon monoxide (tonnes)	33.5	111.2	37.2	50.3	232.1
NOx - Nitrogen oxides (tonnes)	126.6	420.5	140.7	190.3	878.1
SO <sub>2</sub> - Sulphur dioxides (tonnes)	8.5	28.3	9.5	12.8	59.1
nmVOCs - (Non-methane VOCs) Volatile organic compounds (tonnes)	4.3	14.2	4.7	6.4	29.6

### Water and effluents

Through the production process, Yinson's FPSOs discharge produced water, slop and seawater (used for cooling purposes) to sea during daily operations. The World Bank requires that produced water discharges containing oil and grease to be below 30 ppm. We have successfully reduced our produced water discharges to levels of 15 ppm across all our vessels, hence going below regulatory requirements. This is a feature created by design, whereby the discharge system for slop tanks (which is used for storage and eventual discharge of produced water and slop) is designed to only allow discharge after confirmation of slop tank oil in water levels to be below 15 ppm.

#### SLOP AND PRODUCED WATER DISCHARGED

	FPSO Abigail-Joseph	FPSO Adoon	FPSO JAK	FPSO Helang	FPSO PTSC Lam Son	FSO PTSC Bien Dong 01	TOTAL
Slop and produced water discharged (bblw)	5,022	42,994,814	593,405	577,132	814,856	6,851	44,992,082
Oil in water content (ppm)	<15	7.37	<15	10.93	<15	<15	<15

## Waste and materials

Wastes are produced in all our daily operations and are managed according to specified guidelines. Each FPSO has corresponding Waste Management Plans to ensure management of waste produced is undertaken in a safe manner, in compliance with international and national regulations as well as internal guidelines that align to all environmental criteria stipulated by all stakeholders.

Wastes are mandated for segregation into groups for disposal to shore waste management facilities. Any persons found to be in non-compliance of such procedures are made liable to disciplinary actions that potentially include dismissal. A garbage record book is kept for discharge of waste operations, with a receipt of correct disposal kept.

In FYE 2020, we disclosed indicators for office-based print paper and FPSO-based materials such as chemicals used, empty bottles and print paper purchased. We underwent an internal rationalisation for the mentioned items and decided to focus more on items with higher environmental impact to be in closer alignment with industry practices, as well as interests of the broader community. We have thus shifted our focus towards indicators on wastes – which are the by-products of all materials used onboard all our vessels.

### WASTE PRODUCED: FPSOs

	FPSO Abigail-Joseph*	FPSO Adoon	FPSO JAK	FPSO Helang	FPSO PTSC Lam Son	FSO PTSC Bien Dong 01	TOTAL
Waste delivered for recycling (tonnes)	78.4	22.0	30.1	0.1	-	-	130.6
Non-hazardous organic waste macerated and discharged (tonnes)	1.7	10.9	18.4	33.6	14.3	10.4	89.3
Non-hazardous waste incinerated (tonnes)	26.5	7.2	-	-	-	-	33.7
Non-hazardous residual waste sent onshore for disposal (tonnes)	20.8	40.7	61.4	52.7	23.6	10.9	210.1
Hazardous waste sent onshore for disposal (tonnes)	-	17.6	3.7	28.1	14.5	4.5	68.4
TOTAL WASTE (tonnes)	127.4	98.3	113.6	114.4	52.3	25.9	531.9

\* FPSO Abigail-Joseph went through commissioning and start-up during FYE 2021, which had an impact on the waste generated.

### WASTE PRODUCED: OSVs

	Yinson Hermes	Yinson Perwira	PTSC Huang Giang	PTSC Lam Kinh	TOTAL
Non-hazardous organic waste macerated and discharged to sea (tonnes)	7.8	9.1	6.5	7.3	30.7
Non-hazardous residual waste sent onshore for disposal (tonnes)	78.2	12.6	82.8	36.1	209.7

### WASTE COLLECTED AT KUALA LUMPUR OFFICE FOR THE BEAUTIFUL GATE FOUNDATION

#### Total collection (kg)

2018	1,254
2019	1,197
2020	3,014

## TRADE-OFFS IN OUR CAPITALS

We are mindful of the interdependencies that exist between our Capitals, and aim to allocate resources in a way that optimises their use and creates long-term value. When considering trade-offs between our Capitals, we balance short-term impacts against long-term value creation and adhere closely to our business strategies and corporate vision.

TRADE OFF	HOW YINSON MANAGES THE TRADE OFF
 <p>A preference towards keeping our liquid assets and bank balances high could restrict investments into improving our <b>Manufactured Capital</b>, <b>Intellectual Capital</b> and <b>Human Capital</b>. However, the more prudent approach to financial management inspires stakeholder confidence, boosting our <b>Social &amp; Relationships Capital</b>.</p>	<p>Yinson seeks to apply a sustainability mindset in decision-making when it comes to management of our Financial Capital. To safeguard our future and ensure the long-term sustainability of Yinson, we enhanced our Group Investment Policies in FYE 2021 to set out a framework for making investment decisions for our business divisions, taking into account that the value chain for these businesses differ significantly. The Corporate Treasury Investment Policy was also created with the objective of capital preservation and liquidity.</p>
 <p>There is a possibility that by remaining largely reliant on revenue generated from our Offshore Production business, we impact on our <b>Natural Capital</b>. However, these positively impact <b>Human Capital</b>, <b>Social &amp; Relationships Capital</b> and <b>Financial Capital</b> through employment, ability to deliver value to our stakeholders and fiscal returns. Our contribution to the global oil &amp; gas supply chain brings stable and affordable energy to the developing countries where we operate, such as Ghana and Nigeria, facilitating economic activities and improving quality of life.</p>	<p>Yinson is committed to reducing the negative impacts of our operations on Natural Capital. This can be seen in Yinson's diversification into renewables in 2019 and green technologies in 2020, together with the newly established Climate Goals to be carbon neutral by 2030 and net zero by 2050.</p>
 <p>Maintaining a high level of governance awareness amongst employees and ensuring sound governance systems and processes impacts on <b>Human Capital</b> and <b>Financial Capital</b> such as through increased spending on corporate governance enhancements and training; increased cyber security protocols and enhancing our vendor screening process. However, robust compliance management enhances our <b>Intellectual Capital</b> by ensuring business continuity and continuous improvements in our governance processes.</p>	<p>Yinson is committed to continually strengthening our corporate governance standards, for example, through the enhancement of disclosures within this Report, provision of corporate governance training on our LMS and maintenance of a robust corporate governance framework. Yinson has also launched a new VRP that integrates both commercial and ESG considerations.</p>
 <p>Our investments towards attracting and retaining talent, such as through training and development, employee benefits and creating an enjoyable work environment, impacts on our <b>Financial Capital</b>. However, investing in our employees has significant benefits in terms of our <b>Intellectual Capital</b> and <b>Social &amp; Relationships Capital</b> as it enables us to attract and retain the right people to develop and execute our business processes and engage with our stakeholders.</p>	<p>Yinson seeks to become an employer of choice by providing employee-driven solutions that are relevant, add value and enable our people to succeed. We have developed a HR Transformation Plan that has translated into initiatives such as our LMS, Total Rewards Strategy Project and Succession Planning Management approach.</p>
 <p>Investing in improving our environmental indicators and monitoring impacts our <b>Financial Capital</b>. However, investments into ESG indicators improves the long-term outlook of our business by allowing us to manage our <b>Natural Capital</b> better, thus inspiring better management of our <b>Social &amp; Relationships Capital</b> due to increased stakeholder confidence.</p>	<p>Yinson is committed to continuously improving our environmental disclosures. We implemented an EMS that is certified to ISO 14001 standards, enabling full environmental impact monitoring and control. We have also participated in a sustainability-linked loan which allows Yinson to receive a preferential financing rate upon meeting targets related to our ESG performance.</p>



# GOVERNANCE

- 154 Corporate Governance Overview Statement
- 170 Statement on Risk Management and Internal Control
- 175 Report on Audit Committee
- 178 Statement on Director's Responsibility





# CORPORATE GOVERNANCE OVERVIEW STATEMENT

This statement provides the view of Yinson's Board on corporate governance ("CG") as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG"). This statement should be read together with the Company's CG Report. The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during FYE 2021.

The Board acknowledges the importance of sound CG practices and believes that this improves long-term success and performance. We are committed to setting the appropriate tone at Board-level and achieving high standards of CG practices, values and business conduct across Yinson.

The Board is satisfied that Yinson has complied with the provisions and applications of the main MCCG principles for FYE 2021 except for Practice 7.2 (The Board discloses on a named-basis the top five (5) senior management's remuneration).

Explanations on the application and departure of the Practice, including the related measures and timeframes to apply the departure Practices are provided in the CG Report.

## RESOURCES ON YINSON'S CORPORATE WEBSITE

The following documents referred to within this statement are found on our Company's website at [www.yinson.com](http://www.yinson.com).

- CG Report
- Board Charter
- Terms of References for Board Committees
- Nominating Policy and Procedure
- Remuneration Policy and Procedure
- Code of Conduct and Business Ethics ("COBE") Policy and Procedure
- Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure
- Whistleblowing Policy and Procedure
- Diversity Policy and Procedure
- External Auditors Policy and Procedure
- Stakeholder Communication Policy and Procedure
- Corporate Disclosure Policy and Procedure
- Summary of the minutes of Annual General Meeting ("AGM") including Question and Answer session

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Part I - Board Responsibilities

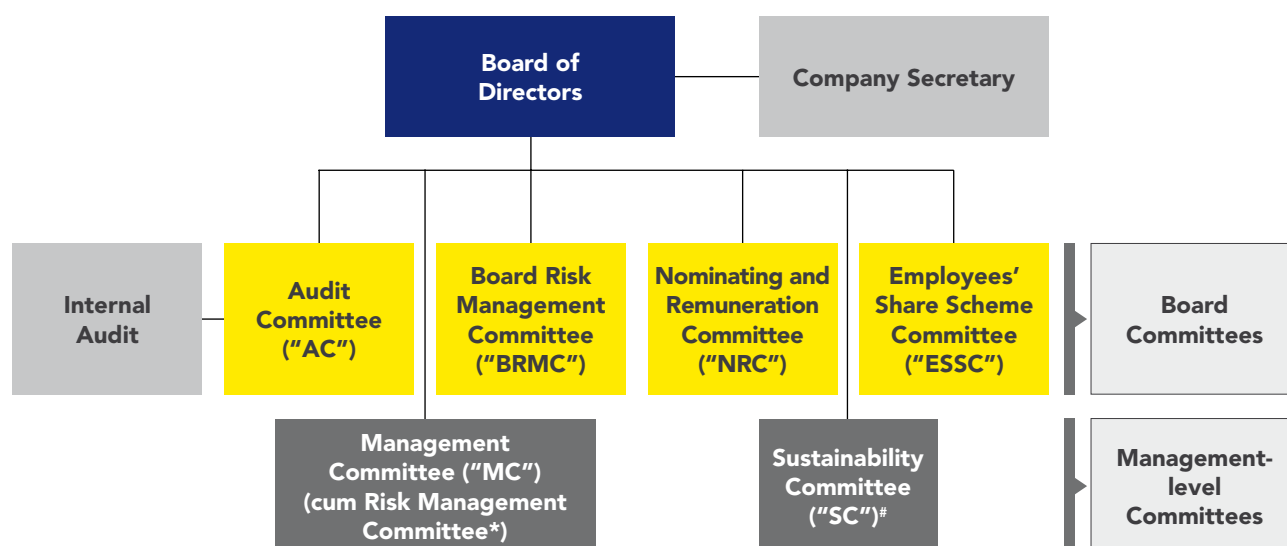
#### Intended Outcome 1.0

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

#### The Board

The Board is responsible for good governance within the Group's business and the creation of long-term stakeholders' value. To ensure effective discharge of the Board's functions and responsibilities, the Board delegates specific responsibilities and functions to various Board Committees and Management-level Committees with a reporting structure as depicted on the next page. The function, roles and responsibilities of the Board Committees and Management-level Committees are clearly defined in their respective terms of reference, which are reviewed periodically, or as and when required.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT



\* Risk Management Committee reports risk matters to Board members through the BRMC.

# SC reports sustainability matters to Board members through the BRMC with effect from 25 March 2020.

### Board's Main Responsibilities

- Review and adopt strategic plans developed by Management, ensuring that business sustainability, including environmental, economic, social and governance aspects, is safeguarded.
- Ensure the Group's businesses are managed properly, including monitoring of Management's performance.
- Identify the Group's key risk factors and ensure appropriate internal controls and mitigating measures are implemented to manage such risks.
- Ensure strong Board and Senior Management appointments and that a robust succession plan is in place.
- Oversee the development and implementation of an Investor Relations Programme or Stakeholder Communication Policy.
- Ensure the adequacy and integrity of the Group's management information and internal control systems.
- Ensure the integrity of the Group's financial and non-financial reporting.

The role of Chairman and Group CEO are held by different individuals. The roles and responsibilities of Board members and Company Secretary are clearly defined in the Board Charter, summarised as follows:

### Board-level roles and responsibilities

<b>Chairman</b>	<ul style="list-style-type: none"> <li>• Provide leadership and direction to the Board to achieve Board effectiveness.</li> <li>• Liaise between Board and Management as well as Shareholders.</li> </ul>
<b>Group CEO</b>	<ul style="list-style-type: none"> <li>• Formulate and implement Group's business strategies.</li> <li>• Oversee implementation of policies and decisions adopted by the Board.</li> <li>• Supervise day-to-day management, operations and business development of the Group.</li> </ul>
<b>Non-Independent Non-Executive Directors</b>	<ul style="list-style-type: none"> <li>• Monitor Company's performance by overseeing Management's performance.</li> <li>• Constructively challenge and contribute to the development of the Company's strategies. Their vast experience allows them to bring valuable external perspectives that contribute significantly to the Board's deliberations and decisions.</li> </ul>
<b>Independent Non-Executive Directors</b>	<ul style="list-style-type: none"> <li>• Provide objective and independent views and advice to safeguard the interests of the Company and Minority Shareholders.</li> <li>• Provide a broader view, independent assessments and opinions on Management proposals and strategies.</li> </ul>
<b>Senior Independent Non-Executive Director</b>	<ul style="list-style-type: none"> <li>• Highlight concerns of the Board that are sensitive to the Chairman.</li> <li>• Act as an alternate contact person for Shareholders or other stakeholders for matters that cannot be resolved via normal channels of contact with the Chairman or Group CEO.</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

**Company Secretary**

- Advise the Board on corporate disclosures and compliance with relevant regulatory requirements, guidance and legislations.
- Assist in the monitoring and application of CG developments and practices.
- Provides updates and advice on statutory and regulatory requirements that may affect the Company and Directors' duties and responsibilities.

**Board meetings and access to information**

Directors are supplied with relevant information and reports, enabling informed decisions to be made and responsibilities to be effectively discharged.

Board and Board Committee meetings are scheduled and communicated in advance prior to each calendar year to encourage maximum attendance rates. Meeting notices and papers, wherever possible, are uploaded to a digital meeting software and disseminated to Board and Board Committees' members at least seven (7) days prior, allowing convenient direct access and sufficient time to review, consider and prepare for the meetings. The deliberations and decisions of the Board and Board Committees are recorded in minutes and circulated for confirmation/ notation. The Board has direct access to the Senior Management and Company Secretaries and may obtain independent professional advice, if necessary, in accordance with procedures in the Board Charter.

The attendance of the Directors at the Board and Board Committee meetings as well as the Annual General Meeting ("AGM") during FYE 2021 are as follows:

Name	Type of Meeting				
	Board	AC	BRMC	NRC	AGM
Lim Han Weng	7/7				1/1
Lim Chern Yuan	7/7		4/4		1/1
Bah Kim Lian	7/7				1/1
Lim Han Joeh	7/7				1/1
Dato' Mohamad Nasir bin AB Latif	7/7	1/1*	4/4		1/1
Dato' Wee Hoe Soon @ Gooi Hoe Soon	7/7	5/5	4/4	4/4	1/1
Raja Datuk Zaharaton binti Raja Zainal Abidin	7/7	5/5	4/4	4/4	1/1
Datuk Abdullah bin Karim	5/7	4/5	4/4	4/4	1/1
Rohaya binti Mohammad Yusof	7/7				1/1
Sharifah Munira bt. Syed Zaid Albar	7/7				1/1

\* Appointed as a Member of Audit Committee with effect from 1 October 2020.

**Intended Outcome 2.0**

There is demarcation of responsibilities between the board, board committees and management. There is clarity in the authority of the board, its committees and individual directors.

A clear demarcation of responsibilities between the Board, Board Committees and Management-level Committees is defined in the Board Charter. The Board Charter outlines the governance structure, authority and reserved matters for the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Board Committees' roles and responsibilities

<b>AC</b>	<ul style="list-style-type: none"><li>• Oversee integrity of financial reporting, and internal control and risk management processes.</li><li>• Review and monitor internal audit functions ("IA function") and external auditors.</li></ul>
<b>BRMC</b>	<ul style="list-style-type: none"><li>• Identify key risks factors and ensure implementation of an effective risk management system.</li><li>• Review adequacy and integrity of internal control and management information system.</li></ul>
<b>NRC</b>	<ul style="list-style-type: none"><li>• Build an effective Board through selection, nomination and evaluation of the Board, Board Committees and individual Directors' performance.</li><li>• Ensure strong and balanced Board composition by reviewing diversity of skills, knowledge, experiences, backgrounds and gender.</li><li>• Review remuneration packages of Directors and Senior Management.</li></ul>
<b>ESSC</b>	<ul style="list-style-type: none"><li>• Implement and administer the Employees' Share Scheme ("ESS") with regard to the granting, allocation and maintenance of shares to Executive Directors, Senior Management and employees of the Group.</li></ul>

During the financial year under review, key activities performed by the Board, Board Committees and Management-level Committees are as follows:

### Key activities of the Board, Board Committees and Management-level Committees

<b>Board</b>	<ul style="list-style-type: none"><li>• Approved Budget and strategic business plans.</li><li>• Reviewed, approved and received updates on business projects.</li><li>• Reviewed and approved various Charters, Terms of References, Policies and Procedures, and Revised Limit of Authority.</li><li>• Reviewed and approved Annual Report content and CG Report.</li><li>• Approved declaration of interim dividend and recommended final dividend for shareholders' approval at AGM.</li><li>• Reviewed and approved Sustainability Policy and strategies.</li><li>• Approved Board Evaluation and recommended re-election of Directors at AGM.</li><li>• Approved quarterly financial results.</li><li>• Approved Audited Financial Statements.</li><li>• Approved Enterprise Risk Management ("ERM") plan and Risk Register.</li><li>• Approved Key Risk Indicators and Action Plans of the top five (5) risks of the Group.</li><li>• Received Internal Audit Plan.</li><li>• Received Internal Audit Reports and Internal Audit Budget.</li><li>• Received External Auditors' Report.</li><li>• Reviewed and approved the Long-term Incentive Plan.</li><li>• Reviewed and approved the Register of Recurrent Related Party Transactions.</li><li>• Reviewed shares purchased pursuant to renewal of share buy-back authority.</li><li>• Reviewed solvency position of the Company for dividend and share buy-back.</li><li>• Recommended the re-appointment of External Auditors at AGM.</li><li>• Reviewed and approved Executive Benchmarking Peer Group.</li><li>• Established good CG practices.</li></ul>
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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

<b>AC</b>	<ul style="list-style-type: none"> <li>Reviewed Internal Audit Plan and Internal Audit Reports.</li> <li>Reviewed quarterly financial results.</li> <li>Reviewed Audit Planning Memorandum for external audit and External Auditors' Report.</li> <li>Reviewed the application of major accounting policies and practices in compliance with approved accounting standards.</li> <li>Reviewed Audit Fees.</li> <li>Reviewed and approved Internal Audit Budget.</li> <li>Reviewed Audited Financial Statements.</li> <li>Reviewed Register on Recurrent Related Party Transactions.</li> <li>Reviewed risk profile and the adequacy and effectiveness of the Group's risk management, internal control system and management information system.</li> <li>Reviewed the extent of compliance with established internal policies, standards, plans, procedures, laws and regulations.</li> <li>Conducted private sessions with external auditors and internal auditors without presence of the Executive Directors and Management.</li> <li>Evaluated performance of external auditors.</li> <li>Reviewed performance of IA function.</li> <li>Reviewed and approved the proposed revisions to the Internal Audit Charter.</li> <li>Verified criteria for allocation of share options to eligible employees for the FYE 2020 under the ESS.</li> <li>Reviewed Audit Committee Report and Statement of Risk Management and Internal Control for inclusion in the Annual Report.</li> <li>Reviewed and recommended the dividend pay out.</li> </ul>
<b>BRMC</b>	<ul style="list-style-type: none"> <li>Reviewed Terms of Reference of the BRMC.</li> <li>Reviewed status of Risk Action Plans for top five (5) risks of the Group.</li> <li>Reviewed Key Risk Indicators and Action Plans of the top five (5) risks of the Group.</li> <li>Reviewed Corporate Risk Profile of the Group.</li> <li>Reviewed Crisis Management Plan of the Group.</li> </ul>
<b>NRC</b>	<ul style="list-style-type: none"> <li>Reviewed annual performance of individual Directors, Group CEO, Board and Board Committees.</li> <li>Reviewed re-election of Directors.</li> <li>Reviewed Directors' fees and benefits.</li> <li>Reviewed remuneration packages of the Executive Directors and Senior Management.</li> <li>Reviewed composition of Board Committees.</li> <li>Reviewed and assessed the appropriateness of a new candidate for Board/ Board Committee/ Senior Management positions.</li> </ul>
<b>MC</b>	<ul style="list-style-type: none"> <li>Overseen the Group's day-to-day operations and business affairs towards achieving corporate objectives and goals.</li> <li>Reviewed the Group's business strategies, plans, policies and frameworks.</li> <li>Identified principal business risks faced by the Group and ensured appropriate internal controls and mitigating measures are implemented to manage such risks.</li> </ul>
<b>SC</b>	<ul style="list-style-type: none"> <li>Provided support and advice regarding the embedding of sustainability principles and practices throughout the Group's overall business strategies, policies, processes and practices.</li> <li>Overseen sustainability-related management processes, standards and strategies towards achieving compliance with social and environmental responsibilities and commitments.</li> <li>Supported the Board in meeting stakeholders' sustainability expectations.</li> <li>Steered the Group towards qualifying for Sustainability Index in Malaysia and globally.</li> <li>Identified Carbon Emission targets.</li> </ul>

Note: No ESSC meeting was held during the financial year under review.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has adopted a revised Terms of Reference of Board Risk Management Committee in April 2020, comprising of the following additional duties and responsibilities assigned by the Board:

- Review and recommend strategies and initiatives relating to the Corporate Sustainability function to ensure Group-wide alignment with relevant global corporate best practices, as well as environment, social and governance ("ESG") ratings such as ones provided by Sustainalytics, Morgan Stanley Capital International, etc.;
- Review the Group's Anti-Bribery Management System to ensure the Group has put in place adequate measures to mitigate bribery risk; and
- Review regular compliance reports from the Risk Management, Compliance and Sustainability Department to confirm the adequacy and effectiveness of the Group's corporate governance.

Our sustainability-related achievements, direction and goals are captured within the 'Sustainability Statement' and 'Our Capitals' section of the Annual Report 2021, from pages 71 to 152.

### Intended Outcome 3.0

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### The Group's Core Values

The Group achieves its Vision and Mission through the implementation of a strong corporate culture that revolves around five (5) Core Values: Reliable, Open, Adaptable, Decisive and Sustainable.

### Code of Conduct and Business Ethics ("COBE") Policy and Procedure

The Group's COBE Policy and Procedure outlines the foundation and expectations in relation to ethical standards and personal conduct. The COBE Policy and Procedure, which includes other references such as the Group's ABAC Policy and Procedure, AML Policy and Whistleblowing Policy and Procedure, aims to guide employees and the Board on good corporate behaviour and ways to resolve ethical dilemmas at work by:

- Upholding the highest ethical standards of business conduct.
- Encouraging ethical decision-making and rewarding integrity.
- Being a role model and leading by example.
- Ensuring employees are given guidance to understand the ABAC Policy and Procedure and other applicable policies.
- Creating a positive and transparent environment where questions and concerns may be raised comfortably.
- Ensuring those who raise genuine concerns do not suffer retaliation.

The Board recognises the importance of adhering to the COBE Policy and Procedure and has taken measures to ensure its compliance. The areas covered are as follows:

- Work environment
- Health and safety environment
- Anti-bribery and anti-corruption
- Anti-money laundering
- Competition laws and regulations
- Intellectual property ("IP") and proprietary information
- Insider trading
- Email, internet and information systems
- Managing internal and external communication
- Company resources

The Board and employees constantly observe the COBE Policy and Procedure and uphold integrity to exercise good judgement when carrying out their duties.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure

The ABAC Policy and Procedure guides employees towards eliminating acts of bribery and corruption within the Group, while encouraging business partners and other relevant parties commit to the same high standards. The ABAC Policy and Procedure clearly states that the Company has zero-tolerance towards fraud, particularly in bribery and corruption, whether passive or active.

### Whistleblowing Policy and Procedure

The Whistleblowing Policy and Procedure was enhanced in December 2019 to allow anonymous reporting, in line with the ISO 37001 Anti-Bribery Management System standards. This Policy and Procedure facilitates the disclosure of improper conduct (wrongdoings or criminal offences) within the Group and provides guidance on how disclosures shall be made. Whistleblowers are encouraged to use official whistleblowing channels to express these concerns without fear of unfair treatment or reprisal. The Company provides assurance of protection for genuine whistleblowers.

### Part II – Board Composition

#### Intended Outcome 4.0

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

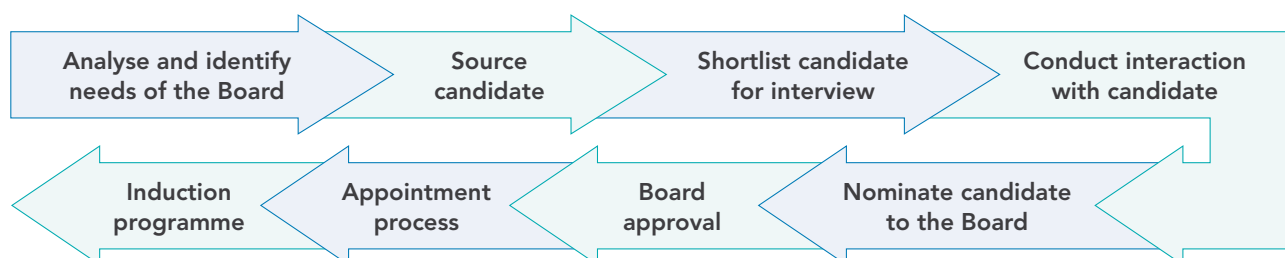
The Board currently comprises of ten (10) members, of whom, three (3) are Executive Directors, two (2) are Non-Independent Non-Executive Directors, and five (5) are Independent Non-Executive Directors. The independence composition of the Board is 50%. Four (4) out of ten (10) directors (40%) are women. The Board believes an appropriate balance and mix of skills, knowledge, experiences, backgrounds and gender contributes to the effectiveness of the Board. The tenure of all five (5) Independent Directors is less than five consecutive years. The profiles of the Directors are provided on pages 28 to 33, and Board Diversity charts can be found on page 28 of the Annual Report 2021.

### Diversity Policy and Procedure

The Diversity Policy and Procedure outlines the approach to achieve diversity in Board composition and Senior Management positions. In designing the Board's composition, diversity is considered from several aspects including gender, age, ethnicity, cultural and educational backgrounds, professional experience, skills and knowledge. The Board delegates the responsibility of promoting a corporate culture that embraces diversity to the Human Resource Department.

### Selection and appointment process

The NRC oversees the screening and selection of new directors as follows:



There were no new appointment of directors in FYE 2021.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Intended Outcome 5.0

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

The NRC conducted an annual evaluation on the effectiveness of the Board and Board Committees, evaluation of the individual performances of Directors, as well as reviewed the independence of Independent Directors. Additionally, the attendance of Directors at the Board and Board Committees meetings, time commitments and trainings attended were reviewed and considered.

The Board has approved the engagement of an independent consultant, Boardroom Corporate Services Sdn Bhd, to provide Board Evaluation Services for FYE 2020. The aim is to form an objective and candid evaluation of the Board and Board Committees, facilitated through evaluation forms and one-to-one interviews. Results are tabled to the NRC which subsequently reports the findings to the Board. The evaluation of the Board by the independent consultant will be conducted on a periodic basis, or as and when required.

Directors' Evaluation for FYE 2021 was facilitated by our in-house Corporate Secretary Department. An executive summary was generated, and results were tabled at the NRC meeting held on 24 March 2021, which in turn reports the findings and action plans for Board's approval.

None of the Directors exceed five (5) listed companies' directorships. With the exception of a Director who did not attend two Board meetings (one ad hoc arrangement), all other Directors achieved full attendance for Board Meetings held in FYE 2021.

The Board is satisfied with the overall performances of individual Directors, Group CEO, Board and Board Committees for the financial year under review, with improvement seen for the performance of the Board and Board Committees.

### Overview of Directors' evaluation

#### Positive highlights • Board configuration and rigour of Board deliberation

Board deliberations are conducted with a high level of rigour, professionalism and candour. Board is made up of highly skilled and experienced individuals from the respective areas of finance, accountancy, legal, risk management and oil & gas, which in turn, bring hard-edged skills and vast experiences to the Board. The Chairman of the Board is highly experienced and able to direct discussions on relevant matters while drawing constructive queries from members.

#### • Strategic planning and direction

Board is cognisant that unanimous focus on strategy planning forms the bedrock of the Company's long-term success and places strong emphasis on ensuring that strategic deliberations are thorough, effective and fruitful. Board is highly experienced in developing, reviewing, and re-charting corporate strategies for Yinson's growth and business sustainability. The Chairman of the Board and the Group CEO play pivotal roles in setting the right 'tone from the top'.

#### • Corporate governance, ethics and integrity

Board has set the right 'tone from the top' in striving to maintain the highest standards of governance and integrity in Yinson's overall culture. Management habitually embrace high transparency when it comes to reporting to the Board. Board is cognisant of the overarching impact of the evolving corporate liability topography and strives to enhance its whistleblowing mechanism.

#### • Financial administration and vigilance

Board's ability to prudently manage Yinson's financial affairs is an invaluable strength. Board's continuous success in providing financial oversight to the Company may be attributed to the Board's composition of high-calibre and experienced individuals who are luminaries in the ambit of accounting, investment, risk management and oil & gas.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

<b>Areas for improvement</b>	<ul style="list-style-type: none"> <li>• <b>Succession planning</b> Lack of focus on formulating a clear succession plan for the orderly succession for appointments to Senior Management.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Risk oversight</b> Board shall reassess the current risks management oversight of the Company. Whilst much focus has been given to projects/ commercial and financial risks, other critical risks such as technological, litigation and environmental risks are not given emphasis.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Information flow and Board administration</b> Shareholders' feedback during General Meeting shall be compiled and tabled to the Board for notation and taking necessary follow-up actions, if required.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Information system, technological adeptness and resilience</b> Board still lacks certain skill sets, particularly those pertinent to the area of information technology (i.e. potential threats to cyber security, system integrity and data breach). More weightage could be placed on keeping Directors well-informed, particularly in technological advancements and breakthroughs within the marine, offshore oil &amp; gas, renewables and green technologies industries.</li> </ul>

The training programme attended by Directors during FYE 2021 were as follows:

<b>Directors</b>	<b>Training programmes</b>
<b>Lim Han Weng</b>	<ul style="list-style-type: none"> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> </ul>
<b>Lim Chern Yuan</b>	<ul style="list-style-type: none"> <li>• Citi Virtual Pan Asia Investor Conference</li> <li>• Invest ASEAN Maybank Kim Eng</li> <li>• Invest Malaysia CIMB Bursa</li> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> <li>• RHB Regional Virtual Conference – Navigating Oil Price Volatility</li> <li>• 26<sup>th</sup> Annual CITIC CLSA Investors Forum</li> <li>• JP Morgan ASEAN Infrastructure and Energy Day</li> <li>• KAF Virtual Series: Automation &amp; Green Technology for Construction under New Normal</li> </ul>
<b>Bah Kim Lian</b>	<ul style="list-style-type: none"> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> </ul>
<b>Lim Han Joeh</b>	<ul style="list-style-type: none"> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> </ul>
<b>Dato' Mohamad Nasir bin AB Latif</b>	<ul style="list-style-type: none"> <li>• Governance and Risk – An Uncertain World, A Riskier Landscape – PwC Malaysia</li> <li>• Covid-19 Impact and Reporting – PwC Malaysia</li> <li>• Fide Core Module A for Banks – ICLIF Executive Education Centre</li> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> <li>• Enlightenment on the Syariah Resolutions issued by Syariah Advisory Council of BNM 2020 – Amanie Academy</li> <li>• Anti-Money Laundering and Counter Financing of Terrorism – RHB Berhad</li> <li>• Climate Action; The Board's Leadership in Greening the Financial Sector – FIDE</li> <li>• Islamic Finance for Board of Directors and Senior Management – ISRA Consulting</li> <li>• Malaysia Budget 2021 Review – KPMG</li> <li>• Anti-Corruption Awareness – Malaysia Airports Holdings Berhad</li> <li>• Recovery and Resolution Plan – RHB Academy</li> <li>• Information Security Awareness – RHB Academy</li> <li>• Anti-Bribery and Corruption – RHB Academy</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

<b>Dato' Wee Hoe Soon @ Gooi Hoe Soon</b>	<ul style="list-style-type: none"> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> </ul>
<b>Raja Datuk Zaharaton binti Raja Zainal Abidin</b>	<ul style="list-style-type: none"> <li>• Corporate Liability, Adequate Procedures and ISO 37001</li> <li>• In-house Directors' Training – The New Normal; and Future of Renewable Energy</li> <li>• Optimising Risk and Resilience Planning to manage Disruptions</li> <li>• The Strategic Value of Sustainability</li> <li>• Latest Updates on the MCCG, Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission Malaysia and other relevant organisations</li> <li>• Board of Directors' Workshop -               <ul style="list-style-type: none"> <li>(i) Presentation on New Section 17A of The Malaysian Anti-Corruption Commission Act by Mr Pang Mai Teck, Senior Superintendent, Corporate Anti-Corruption Compliance Centre, MACC</li> <li>(ii) Strategic Risks under Board's Responsibility by Mr Rui Figueredo, Director &amp; Deloitte United Nations Team Asia Pacific Lead</li> </ul> </li> <li>• Towards the Future with Confidence: Unpacking Budget 2021</li> </ul>
<b>Datuk Abdullah bin Karim</b>	<ul style="list-style-type: none"> <li>• Corporation Liability in relation to Section 17A, MACC Act 2019 &amp; Bribery Risk Assessment</li> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> <li>• OTC Asia: Offshore Technology Conference</li> </ul>
<b>Rohaya binti Mohammad Yusof</b>	<ul style="list-style-type: none"> <li>• Shariah Investing Virtual Conference 2020 – Bursa Malaysia and CGS-CIMB</li> <li>• BlackRock's Investment Institute Midyear Outlook 2020 Webcast</li> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> <li>• TRMF: Technology Risk Management Framework and Cyber Threat 2020</li> <li>• EPF Digital Transformation Workshop: Session 1 Cohort 1</li> <li>• EPF Digital Transformation Workshop: Session 2 Cohort 1</li> <li>• EPF Digital Transformation Workshop: Session 3 Cohort 1</li> <li>• EPF Digital Transformation Workshop: Session 4 Cohort 1</li> <li>• Bilateral Meeting BNM-EPF on Equity</li> <li>• SHIFT 2020: Reimagining the Next Normal for Asia and the World</li> <li>• WPS 2020, A New Approach for A New Decade</li> <li>• Global Pensions Roundtable</li> <li>• Sesi Libat Urus Belanjawan</li> <li>• Robeco's Webinar on Decarbonization</li> <li>• EPF Management Conference 2020</li> </ul>
<b>Sharifah Munira bt. Syed Zaid Albar</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme for Directors of Public Listed Companies</li> <li>• Adopt or Abort? Top 5 Strategies for Board of Directors to Implement AI</li> <li>• Financial Oversight &amp; Assurance Post-Covid-19</li> <li>• Corporate Governance Rule Amidst Covid-19</li> <li>• Safeguarding the Business: Section 17A</li> <li>• In-house directors' training – The New Normal; and Future of Renewable Energy</li> <li>• The Quiet Transformation of Corporate Governance</li> <li>• The Role of Audit Committees in Ensuring Organisational Integrity, Risk &amp; Governance</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Part III – Remuneration

**Intended Outcome 6.0**

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. Remuneration policies and decisions are made through a transparent and independent process.

**Intended Outcome 7.0**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Directors' fees and meeting allowances payable to Directors of the Company were recommended by the NRC for Board's consideration and consensus to be tabled for shareholders' approval at the AGM of the Company held on 16 July 2020. The structure of the fees/ allowances payable to the Directors of the Company for FYE 2021 is as follows:

<b>TYPES OF FEES/ ALLOWANCES</b>	<b>RM</b>
<b>Board fees</b>	
Non-Executive Director/ Independent Director	200,000/annum
Executive Director	50,000/annum
Chairman of the Board	60,000/annum
<b>AC/ BRMC fees</b>	
Committee Chairman fees	30,000/annum
Committee Member fees	20,000/annum
<b>Other Board Committees fees</b>	
Committee Chairman fees	20,000/annum
Committee Member fees	10,000/annum
<b>Meeting attendance allowance</b>	
Board Meeting and General Meeting allowances	2,000/meeting
Board Committees allowances	1,000/meeting

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the Directors' remuneration (Company and Group basis) for FYE 2021 are as follows:

Company and Group Level	Fees RM'000	Salary RM'000	Benefits in Kind RM'000	Other Emoluments <sup>^</sup> RM'000	Total RM'000
<b>Executive Directors</b>					
Lim Han Weng	70.0	3,771.9	-	1,469.4	5,311.3
Lim Chern Yuan	81.5	3,241.9	-	1,292.3	4,615.7
Bah Kim Lian	50.0	489.0	-	204.9	743.9
<b>Non-Executive Directors</b>					
Lim Han Joeeh	200.0	-	-	16.0	216.0
Dato' Mohamad Nasir bin AB Latif	236.7	-	-	21.0	257.7
Dato' Wee Hoe Soon @ Gooi Hoe Soon	278.5	-	-	30.0	308.5
Raja Datuk Zaharaton binti Raja Zainal Abidin	270.0	-	-	30.0	300.0
Datuk Abdullah bin Karim	260.0	-	-	25.0	285.0
Rohaya binti Mohammad Yusof #	200.0	-	-	16.0	216.0
Sharifah Munira bt. Syed Zaid Albar	200.0	-	-	16.0	216.0
<b>Total</b>	<b>1,846.7</b>	<b>7,502.8</b>	<b>-</b>	<b>3,120.6</b>	<b>12,470.1</b>

<sup>^</sup> Comprises bonuses, meeting allowances, employer's provident fund contributions, social security welfare contributions and Employees' Insurance Scheme.

# 50% of the Director's fees for nominee of EPF on the Board of the Company is paid directly to EPF.

None of the Directors of the Company derived remuneration from subsidiaries of the Company.

The Directors who are also the Shareholders of the Company abstained from voting at the 27<sup>th</sup> AGM and will continue to abstain from voting at the upcoming 28<sup>th</sup> AGM on resolutions pertaining to their fees, benefits and re-election.

The remuneration of the Senior Management (Group basis) for FYE 2021 are as follows:

Group Level	Salary RM'000	Benefits in Kind RM'000	Other Emoluments <sup>^^</sup> RM'000	Total RM'000
Senior Management **	15,734.2	1,906.5	7,536.4	25,177.1

<sup>^^</sup> Comprises bonuses, employer's provident fund contributions, social security welfare contributions and Employees' Insurance Scheme.

\*\* Inclusive of Group CEO who is also an Executive Director.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Part I – Audit Committee

##### Intended Outcome 8.0

There is an effective and independent audit committee. The board is able to objectively review the audit committee's findings and recommendations. The company's financial statement is a reliable source of information.

The detailed report on the AC's composition, summary of terms of reference, and summary of work performed during the financial year under review can be found in pages 175 to 177 of the Annual Report 2021.

The terms of reference of the AC requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as an AC member. Currently, no AC members are former key audit partners of the Company.

The AC is responsible for reviewing, assessing and monitoring the performance, suitability and independence of external auditors annually, in accordance with requirements set out in the External Auditor Policy and Procedure, to ensure continued independence and objectivity of the external auditors.

During the financial year under review, the AC conducted two (2) private sessions in March and December 2020 with internal and external auditors, EY and PwC, without the presence of Executive Directors and Management. The AC has obtained assurance from the outsourced internal auditor and external auditor confirming their independence. The Board has, on 28 April 2021, recommended the reappointment of PwC for Shareholders' approval at the forthcoming 28<sup>th</sup> AGM.

#### Part II – Risk Management and Internal Control Framework

##### Intended Outcome 9.0

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

The Company's ERM framework and risk identification process is in line with the ISO 31000 Risk Management guidelines. A detailed report of the risk management and internal control framework is as per the Statement on Risk Management and Internal Control found on pages 170 to 174 of the Annual Report 2021.

The Board is of the view that the system of internal control and risk management is sound and adequate to mitigate risk exposure of the business and safeguard the interest of the Shareholders, employees, regulators and other stakeholders.

##### Intended Outcome 10.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The IA function of the Group is carried out through a co-sourcing engagement by both the in-house IA Department and EY, who report directly to the AC.

The scope of work for the IA function is as set out in the Report on AC as found on pages 176 to 177 of the Annual Report 2021.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Part I – Communication with Stakeholders

##### Intended Outcome 11.0

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

The Board recognises the importance of being transparent and accountable to stakeholders and prospective investors. The communication channels between stakeholders and the Company include, but are not limited to the following:

- Meetings with institutional shareholders and investment communities;
- Quarterly announcements on financial results to Bursa Securities;
- Relevant announcements and circulars, when necessary;
- Annual and Extraordinary General Meetings; and
- Company's website at [www.yinson.com](http://www.yinson.com) which provides access to corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company.

#### Stakeholder Communication Policy and Procedure

The Stakeholder Communication Policy and Procedure, a revision of which was approved by the Board in December 2020, promotes effective communication and provides stakeholders with complete and timely information that represent the Group fairly and accurately. This enables investors and potential investors to make proper informed investment decisions, and for other parties to have a balanced understanding of the Group and its objectives.

#### Corporate Disclosure Policy and Procedure

The Corporate Disclosure Policy and Procedure sets out how sensitive and material information is determined and disseminated to investors, stakeholders, local media, investing public and other relevant persons in accordance with applicable statutory and regulatory requirements. The Corporate Disclosure Policy and Procedure was reviewed and enhanced in December 2020, which included the following insertions:

- Exceptional circumstances that the Company may withhold, or delay disclosure of material information temporarily, provided that complete confidentiality is maintained;
- Measures to minimise leakage of information in ensuring that the Company maintain confidentiality at all times; and
- Policy on thorough public dissemination.

The Company via its Investor Relations team, conducts periodic analyst briefings and issues press releases as and when necessary, including its quarterly financial results and major contracts. The press releases, announcements issued to Bursa Securities and corporate presentations are available on the Company's website.

The Company has dedicated the following electronic mails – [info@yinson.com](mailto:info@yinson.com) to which stakeholders can direct their queries or concerns, and [ir@yinson.com](mailto:ir@yinson.com) for investor relations purposes – to maintain transparency and effectively address concerns.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Part II – Conduct of General Meetings

#### Intended Outcome 12.0

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

#### Annual General Meeting

The AGM is the principal communication forum for Shareholders. In light of the Covid-19 pandemic and as part of the initiatives to curb the spread of Covid-19, the 27<sup>th</sup> AGM of the Company held on 16 July 2020 was conducted virtually by way of live streaming from a broadcast venue and online remote voting via Remote Participation and Voting ("RPV") facilities. The AGM was conducted in accordance with the Guidelines Notes on Conduct of General Meetings issued by the Securities Commission on the conduct of general meetings by listed issuers and standard operating procedures issued by Majlis Keselamatan Negara (MKN).

All Directors attended the 27<sup>th</sup> AGM held by the Company on 16 July 2020. Dato' Wee Hoe Soon @ Gooi Hoe Soon (Chairman of the Meeting), Dato' Mohamad Nasir bin AB Latif, Datuk Abdullah bin Karim and Mr Lim Han Joeeh were physically present at the broadcast venue, at Pullman Studio 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur. Mr Lim Han Weng, Mr Lim Chern Yuan, Madam Bah Kim Lian, Raja Datuk Zaharaton binti Raja Zainal Abidin, Puan Rohaya binti Mohammad Yusof and Puan Sharifah Munira bt. Syed Zaid Albar attended via remote participation.

The Chairs of the Board Committees were present at the 27<sup>th</sup> AGM to provide meaningful responses to various questions addressed to them. The shareholders were allowed to submit questions for the Chairman/ Board through a chat box embedded within the online meeting platform. The Group Financial Controller and External Auditors were also present at the 27<sup>th</sup> AGM to respond to any queries from shareholders/ proxies. Questions that were not addressed during the Question and Answer session due to time constraint were responded to via email to the respective shareholder/ proxy after the meeting.

The notice of the 27<sup>th</sup> AGM dated 29 May 2020 was published in the Annual Report 2020, advertised in The Star, released to Bursa Securities and uploaded onto the Company's website. The published notice included Administrative Details which provided a guide for shareholders and proxies to understand and participate in a fully virtual General Meeting including but not limited to guidelines detailing the usage of RPV facilities, General Meeting Record of Depositors, Proxy, Poll Voting and Procedures for the RPV facilities. Shareholders were given sufficient time to make the necessary arrangements for appointing proxy(ies) to attend the 27<sup>th</sup> virtual AGM.

Voting by poll was implemented for all resolutions set out in the notice of the 27<sup>th</sup> AGM and Commercial Quest Sdn Bhd was appointed as the independent scrutineer to observe the polling procedures and verify the results.

A summary of the minutes of the 27<sup>th</sup> AGM, including the Question and Answer session, is available on the Company's website.

This CG Overview Statement was made in accordance with a resolution of the Board on 28 April 2021.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Other Compliance Information

#### 1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during FYE 2021.

#### 2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the Company's external auditors, PwC and its affiliates for the services rendered to the Group and the Company for FYE 2021, are as follows:

Particulars	Group RM'000	Company RM'000
Audit Fees	2,651	566
Non-Audit Fees	1,242	207
Percentage of Non-Audit Fees over Audit Fees	47%	37%

The Non-Audit services rendered by the external auditors were relating to the following:

#### Group Level

No.	Description	RM
1.	Professional services rendered in connection with income tax compliance	403,064
2.	Due diligence works rendered on business acquisitions and specific projects in certain countries	80,244
3.	Professional services rendered in connection with income tax advisory matters	604,782
4.	Professional services rendered in connection with other assurance related matters	153,420

#### Company Level

No.	Description	RM
1.	Professional services rendered in connection with income tax compliance	20,000
2.	Professional services rendered in connection with income tax advisory matters	159,039
3.	Professional services rendered in connection with other assurance related matters	28,000

#### 3. Material Contracts Involving Directors' and Major Shareholders' Interest

During FYE 2021, none of the Company and/ or its subsidiaries have entered into material contracts (not being contracts entered into in the ordinary course of business) involving interests of Directors and Major Shareholders of Yinson.

#### 4. Recurrent Related Party Transactions of a Revenue or Trading Nature

All recurrent related party transactions ("RRPTs") are dealt with in accordance with the Bursa Securities MMLR and a summary of RRPT Register is tabled for AC's review and monitoring on a quarterly basis.

All relevant processes and procedures are for ensuring that all related party transactions are monitored and conducted in a manner that is fair and at arms' length. The Directors and Major Shareholders who have interests in a transaction will abstain from deliberation and voting on said transaction at Board meetings and general meetings, if required.

The details of the RRPTs conducted during FYE 2021 between the Company and/ or its subsidiaries with related parties are disclosed on pages 287 to 288 of the Audited Financial Statements contained in the Annual Report 2021.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement outlines the nature and scope of the Group's risk management and internal controls for FYE 2021. This includes strategic, operational and compliance controls, as well as internal financial controls for safeguarding shareholder investments and Group assets. It ensures that we can continue to identify, evaluate, monitor and manage key risks that may affect achievement of our business objectives.

## BOARD RESPONSIBILITY

Yinson's Board of Directors ("Board") considers risk management as an integral part of business operations and acknowledges its responsibility towards maintaining a sound and effective system of risk management and internal control. The process is regularly reviewed by the Board in accordance with the *Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers*.

The Board also acknowledges that although the system cannot eliminate all risks, including material misstatement, loss and fraud, it is expected to safeguard the Group from risks identified in our overall risk profile.

Although the Board does not have formal oversight over the risk management and control systems of Yinson's joint ventures and associate companies, our interests are safeguarded through Board representations and/ or monitoring controls we imposed within these companies.

## Key developments in FYE 2021

Action plans for the Top 5 risks identified in FYE 2020 were implemented by risk owners and co-owners during FYE 2021

Progress on the action plans were reported to the Board via the Board Risk Management Committee ("BRMC") during quarterly BRMC meetings

Yinson's Governance, Risk Management and Compliance Department ("GRC") reviewed risk profiles and registers for Yinson's Kuala Lumpur, Singapore, Oslo and Ghana offices

GRC discussed functional risk areas with key risk owners and co-owners, focusing on controls and action plans for mitigation



It was identified that action plans for Investment Evaluation Risk were successfully implemented in FYE 2021, thus effectively lowering this risk for the Group

Investment Evaluation Risk was removed from Top 5 risks, and Project Delay Risk was identified as one of the Top 5

Significant progress was made towards the completion of action plans for the remaining Top 5 risks in FYE 2021. BRMC will continue to monitor these risks in FYE 2022 alongside other identified risks that may impact the Group

## RISK MANAGEMENT STRUCTURE

GRC is responsible for the coordination and implementation of the Group's Enterprise Risk Management ("ERM") Policy and Framework as well as monitoring and reporting of key risk issues to the Management Committee ("MC") and BRMC.

The Board approves the risk management strategies but delegates authority for day-to-day risk management decisions to Management and business unit heads. In fulfilling its oversight responsibility, the Board as a whole or through delegation to the MC and assisted by GRC, reviews the adequacy, integrity and implementation of appropriate systems for risk management.

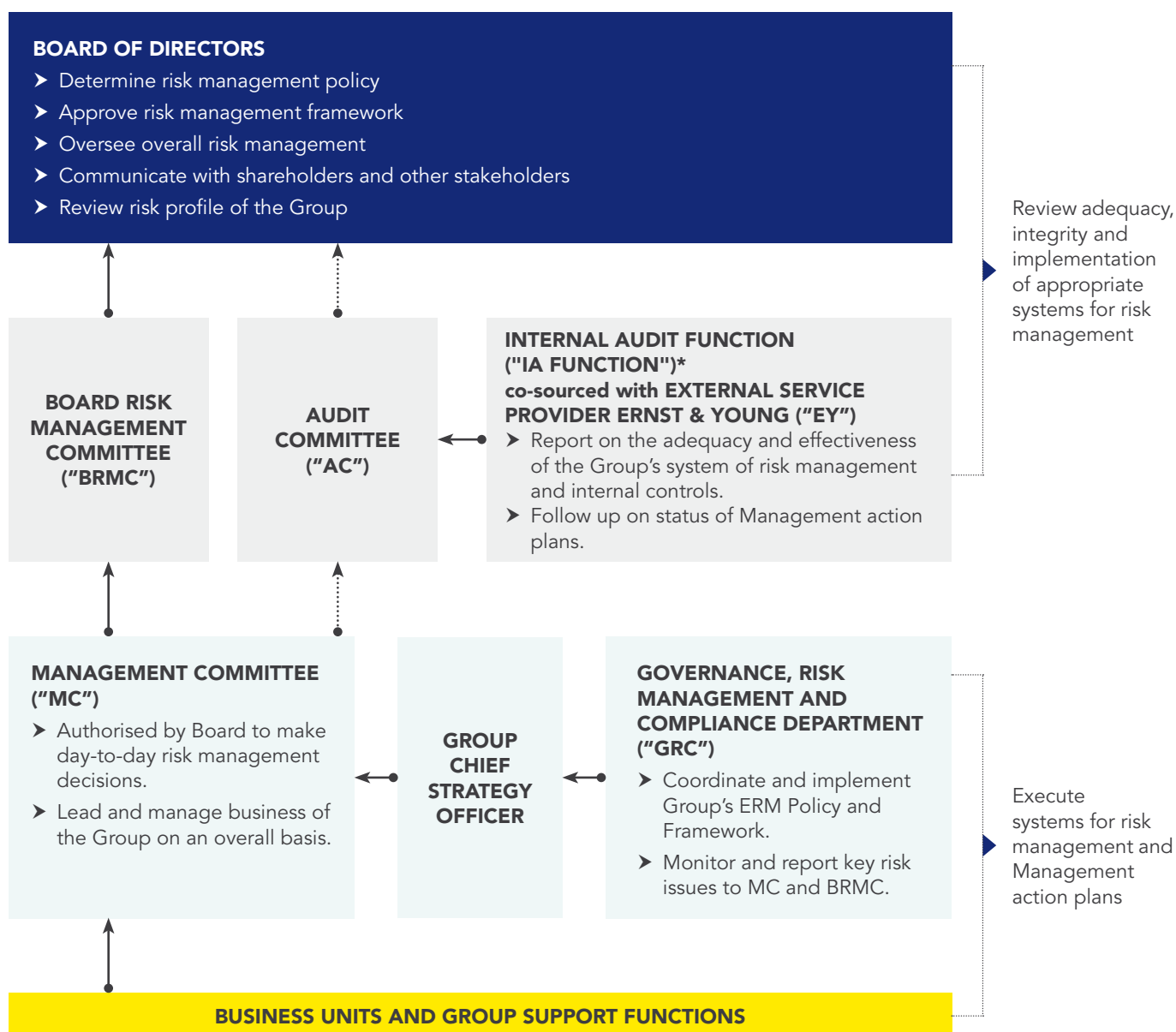
Yinson's ERM Policy and Framework identifies, evaluates, monitors and manages risks encountered by the Group. The Policy and Framework are ISO 31000 compliant.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Main processes of ERM Framework:

- Identification of each business risk.
- Assessment of identified risk.
- Steps to ensure the relevant risk responses are formulated to the key risks identified and managed in line with Group policies and strategies.
- Constant monitoring and communicating of key risks associated with any activity, function or process in a way that enables the Group to minimise losses and optimise opportunities.

### RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE



\* Head of Internal Audit has resigned with effect from 1 January 2021 and the management will continue the outsourcing of IA function with EY.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### THREE LINES OF DEFENCE MODEL

The Group adopts a 'Three Lines of Defence' approach for its risk management. It provides an overview of the Group's operations from a risk management perspective while assuring the ongoing success of risk management initiatives.



- Business units own and manage the risks as a first line of defence with their vast operational experience.
- The heads of business units are accountable for all risk and internal controls under their respective areas of responsibility.
- Based on the structured risk management approach, the business units apply relevant risk responses to their respective key risks.



- GRC provides an oversight and monitoring function as a second line of defence to facilitate the implementation and monitoring of an effective risk management framework within the Group.



- Internal Audit reviews the control effectiveness and provides independent assurance to the Board and Management on the effectiveness of the business units and support functions' governance, risk management and internal controls practices.

### KEY RISK FACTORS OF FYE 2021

RISK	DESCRIPTION	MITIGATION ACHIEVED IN FYE 2021
<b>Project Concentration Risk</b>	Some of the Group's contracts are coming to an end, potentially creating reliance on a small number of projects.	<ul style="list-style-type: none"> <li>• Continue pursuing other FPSO project tender bids and opportunities following the award of the FPSO Anna Nery (Marlim 2) project.</li> <li>• To drive the Renewables Division as one of the main revenue streams, where Yinson will build, own and operate renewable generating assets.</li> </ul>
<b>Project Cost Overrun Risk</b>	As FPSO projects are typically long-term in nature, project cost overruns could have a negative impact on the project profit margins and affect the cash flows of the Group.	<ul style="list-style-type: none"> <li>• Continuous review and improvement of project cost management.</li> <li>• Ongoing building of project team for FPSO Anna Nery (Marlim 2) project.</li> <li>• Ongoing digitalisation of business processes and systems (i.e. VRP system and tracking development system).</li> </ul>
<b>Project Delay Risk</b>	Monitoring and assessment of project schedule are necessary to ensure that projects proceed without interruption or delay. Inability to meet project schedule may impact project deliverables, subsequently leading to the incurrence of additional costs.	<p>To address the impact of the Covid-19 pandemic on the global supply chain, the Group is working closely with its vendors to maintain the timely achievement of project deliverables.</p> <ul style="list-style-type: none"> <li>• Actively collaborating with major key vendors on business continuity plans with increased communication to anticipate and mitigate potential issues which may cause project delays.</li> <li>• Consistently and efficiently reviewing and improving the quality of information shared via established communication platforms among all related parties.</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK	DESCRIPTION	MITIGATION ACHIEVED IN FYE 2021
<b>Corporate Funding Risk</b>	Corporate funding covers working capital costs, equity injection and debt servicing of the Group. Inability to secure funding may lead to defaults on debt obligations or failure to meet repayment schedules.	<p>Successful fundraising through issuance of perpetual securities, refinancing of existing projects and monetising our investment in long-term FPSO projects through divestment to strategic partners.</p> <ul style="list-style-type: none"> <li>Working with Export Credit Agencies, strategic partners and financing the project with mixed equity (i.e. equity loan).</li> <li>Completed a USD800 million refinancing exercise for FPSO JAK and obtained a USD400 million bridge loan for FPSO Anna Nery (Marlim 2) project.</li> </ul>
<b>Cyber Security Risk</b>	Cyber security risk is the probability of exposure to leakage of confidential data or financial loss resulting from a cyberattack or data breach.	<ul style="list-style-type: none"> <li>Built a cyber security team comprising highly qualified personnel.</li> <li>Two policies approved by the Board namely, the Information Security Policy and Procedure and Data Privacy Policy and Procedure.</li> <li>Rollout of cyber security awareness training throughout the Group.</li> <li>Conducted an IT infrastructure review supported by an external consultancy to identify gaps and develop action plans to protect critical data from cyber security threats.</li> </ul>

### INTERNAL CONTROL STRUCTURE

Key elements of the Group's risk management and internal control structure are as follows:

<b>Board, Board Committees and Management Committee</b>	<ul style="list-style-type: none"> <li>The summarised roles and responsibilities of the Board, Board Committees and MC are found in the diagram above.</li> <li>These are further defined within their respective Terms of Reference, available on Yinson's website at <a href="http://www.yinson.com">www.yinson.com</a>.</li> </ul>
<b>Internal Audit, GRC, external service provider</b>	<ul style="list-style-type: none"> <li>The summarised roles and responsibilities of the IA function, GRC and external service provider and are found in the diagram above.</li> </ul>
<b>Defined structure, reporting line, authority and responsibility</b>	<p>The following aspects are clearly defined within our organisation structure:</p> <ul style="list-style-type: none"> <li>Reporting lines.</li> <li>Delegation of authority (including limit of authority).</li> <li>Responsibility.</li> <li>Accountability to Board Committees, including the AC, and business units.</li> </ul>
<b>Group Code of Conduct and Business Ethics</b>	<ul style="list-style-type: none"> <li>Defines the foundation and expectations relating to the Group's ethical standards and personal conduct.</li> <li>Includes other references such as the Anti-Bribery and Anti-Corruption Policy and Procedure, Anti-Money Laundering Policy and Whistleblowing Policy and Procedure.</li> </ul>
<b>Management Systems Standard</b>	<ul style="list-style-type: none"> <li>Key divisions and functions of the Group's operations are certified to ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007, International Safety Management (ISM) Code and International Ship and Port Security (ISPS) Code.</li> <li>Adherence to these certifications enables these divisions and functions to manage the safety and quality of our operations.</li> <li>Complements internal audits by management and annual surveillance audits by independent certification bodies.</li> </ul>
<b>Policies and procedures</b>	<ul style="list-style-type: none"> <li>Internal policies and procedures established and documented in manuals, then periodically reviewed, and revised in line with business, operational and mandatory requirements.</li> <li>New policies are tabled to MC for initial review, subsequently tabled to the AC and Board for final approval.</li> </ul>



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

<b>Review and monitoring process</b>	<p>The following meetings take place to monitor and review the Group's operations and performance, including financial results and forecasts for all business operations:</p> <ul style="list-style-type: none"> <li>• Regular management meetings between respective MC members and mid-level management teams.</li> <li>• Monthly management accounts reporting by the Finance Department.</li> <li>• Periodic MC meetings.</li> <li>• Quarterly Board and AC meetings with MC.</li> </ul>
<b>Recurrent Related Party Transactions ("RRPTs")</b>	<ul style="list-style-type: none"> <li>• RRPTs are dealt with in accordance with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.</li> <li>• A summary of the RRPT Register is tabled for AC review on a quarterly basis.</li> </ul>

### Internal Audit function

The Group has an independent Internal Audit Department which updates the Board, through the AC, on the adequacy and effectiveness of the Group's system of internal control and management information system. EY has been appointed to co-source internal audit engagements to attain additional business insights and gain access to competencies to better match the Group's expanding operations.

The IA function adopts a risk-based approach when executing the internal audit plan, focusing on the Group's business units and functions. The IA function reports the outcome of its appraisal directly to the AC via internal audit reports. The IA function also conducts follow-up reviews on the status of Management's action plans. However, effective 1 January 2021, the Head of Internal Audit has resigned and the Management will continue the outsourcing of IA function with EY.

### BOARD'S COMMENTARY

For the financial year under review, the Board considers the system of risk management and internal controls described in this Statement to be satisfactory and has not resulted in any material loss, contingency or uncertainty, and risks are reasonably managed within the context of the Group's business environment. The Board is not aware and has not been made aware of any material weaknesses or lapses in the internal control system of the Group occurring within the financial year under review.

The Board has received assurance from the Group Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

The Board and MC will continue to take measures to strengthen the Group's risk management and internal control system.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement pursuant to the scope set out in the *Recommended Practice Guide ("RPG") 5 (Revised): Guidance for Auditors on Engagement* issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to consider whether this Statement covers all risks and controls or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 28 April 2021.

# REPORT ON AUDIT COMMITTEE

The Board is pleased to present the Report on Audit Committee for FYE 2021 in accordance with Paragraph 15.15 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

## TERMS OF REFERENCE

The Audit Committee ("AC") is formally constituted within the AC Terms of Reference, available on the Company's website at [www.yinson.com](http://www.yinson.com).

## COMPOSITION AND MEETINGS

The AC comprises Independent Non-Executive Directors, with all members having a working familiarity with basic finance and accounting practices. One member, Dato' Wee Hoe Soon @ Gooi Hoe Soon, is a member of the Malaysian Institute of Accountants.

AC meetings are scheduled at least four (4) times a year with additional meetings scheduled as necessary. The AC met five (5) times in FYE 2021 as follows:

## COMPOSITION OF AUDIT COMMITTEE

Name/ Designation	Date of appointment	No. of meetings attended	%
Dato' Wee Hoe Soon @ Gooi Hoe Soon Chairman, Senior Independent Non-Executive Director	11 August 2016	5/5	100
Raja Datuk Zaharaton binti Raja Zainal Abidin Member, Independent Non-Executive Director	11 August 2016	5/5	100
Datuk Abdullah bin Karim Member, Independent Non-Executive Director	16 October 2018	4/5	80
Dato' Mohamad Nasir bin AB Latif Member, Independent Non-Executive Director	1 October 2020	1/1	100

AC meeting notices, reports and papers, wherever possible, are uploaded to a digital meeting software and disseminated to AC members at least seven (7) days before meetings, providing the AC with relevant facts and analyses to facilitate effective discussion and decision-making processes.

At the meetings, the AC reviews the risk management and internal control, financial reporting, internal and external audit functions within the Group. Minutes of meetings are duly recorded by the Corporate Secretary.

To avoid conflict of interests, AC members must declare any interests they may have in any matters arising at the meetings. They will be excluded from deliberations and decisions in such matters and will also abstain from voting on the related resolutions at AC/ Board/ general meetings of the Company.

## SUMMARY OF WORK PERFORMED

In FYE 2021, the AC carried out its duties in accordance with its terms of reference and the activities are summarised as follows:

### a) Risk Management and Internal Control

- Reviewed the adequacy and effectiveness of the Group's risk management, internal control system and management information system.
- Reviewed the extent of compliance with established internal policies, standards, plans, procedures, laws and regulations.
- Recommended to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors.
- Discussed and reviewed risk profile.

## REPORT ON AUDIT COMMITTEE

### b) Financial Reporting

- Reviewed the unaudited quarterly financial results of the Group, prior to its release to Bursa Securities.
- Reviewed the annual audited financial statements of the Group together with external auditors' management letter and management's response.
- Reviewed the application of major accounting policies and practices to ensure that the Group's financial statements had been prepared in compliance with approved accounting standards and that the Company adhered to all legal and regulatory requirements.

### c) Internal Audit

- Reviewed and approved the proposed revisions to the Internal Audit Charter.
- Reviewed and approved the internal audit plan.
- Reviewed and approved the Group Internal Audit's staffing requirements and budget to ensure adequacy of resources and competencies of the department.
- Discussed with the internal auditors on its scope of work, functions, adequacy and competency of resources and coordination with external auditors.
- Conducted two (2) private sessions with internal auditors in March and December 2020 respectively, without the presence of Executive Directors and/ or Management.
- Reviewed the reports prepared by the internal auditors on the state of internal control of the Group.
- Monitored the outcome of the audits and follow-up audits conducted to ascertain all action plans were adequately implemented to address the key risks.
- Assessed the performance of the Internal Audit function ("IA function") and reviewed its effectiveness in the audit process.

### d) External Audit

- Discussed with the external auditor the annual audit plan, nature and scope of audit as well as audit procedures, prior to the commencement of audit.
- Conducted two (2) private sessions with external auditors in March and December 2020 respectively, without the presence of Executive Directors and/ or Management.
- Reviewed the external auditors' audit findings for FYE 2021.
- Reviewed with the external auditors the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report.
- Reviewed the overall performance of the external auditors, including assessment of their independence, technical competency, resources and reasonableness of their audit fees and non-audit fees.

### e) Other matters

- Prepared Report on Audit Committee for the Board which includes the composition of the AC, the reference to its terms of reference, number of meetings held, a summary of its works and a summary of the works of the IA function for inclusion in the Annual Report.
- Verified criteria for allocation of share options to eligible employees for FYE 2020 under ESS.
- Reviewed and monitored the Recurrent Related Party Transactions.
- Reviewed and recommended the dividend pay out.

## INTERNAL AUDIT FUNCTION

The Group's IA function is carried out via a co-sourcing engagement between the Group's in-house Internal Audit Department ("IAD") and Ernst & Young Advisory Services ("EY"). The IA function assists the AC in its duties and responsibilities and is free from any relationships or conflicts of interest, thus retaining its objectivity and independence. IAD and EY report directly to the AC on the adequacy and effectiveness of the Group's internal controls. The AC is aware that an independent and adequately resourced IA function is essential to obtaining assurance on the effectiveness of the system of internal control.

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## REPORT ON AUDIT COMMITTEE

IAD is staffed by two audit executives, including the Head of IAD, while the co-sourced team from EY comprises two to three persons for each visit conducted with IAD. The IAD is led by Head of IAD, Liew Ching Hin, who joined Yinson in 2006 and was appointed as Head of IAD on 3 January 2013. He graduated from University of Adelaide (Australia) with a Bachelor of Finance in 2000 and is an associate member of IIAM. He has 18 years of experience in the field of internal audit. *(Note: Liew Ching Hin resigned from the IA function effective from 1 January 2021 and the Management will continue the outsourcing of IA function with EY)*

IAD staff were provided with relevant training to keep them abreast with the developments in the profession, relevant industry and regulations. The training courses attended by IAD staff in FYE 2021 included training provided by IIAM, CPA and in-house workshops.

The IA function performs in accordance with the principles of the International Professional Practice Framework on internal auditing covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on audit concerns.

The IA function carried out audits according to the internal audit plan which had been approved by the AC. Internal audits were carried out to provide assurance that internal controls are established and operating as intended to achieve effective and efficient operations while adhering to applicable policies, guidelines and procedures.

IA function conducted independent reviews and risk exposure evaluations relating to the operations and management information system. In performing such reviews, recommendations for improvements and enhancements to the existing internal control system and work processes were made.

The Head of IAD and/ or EY co-sourced team attended all AC meetings in FYE 2021 while the internal audit reports, incorporating audit recommendations and management's responses, were issued to the AC and the management of the respective operations. The Management is responsible for ensuring that corrective actions are taken within the required timeframe and all findings identified by IA function were tracked and followed up on a quarterly basis with the status of the implementation reported to the AC accordingly.

The internal audit activities carried out in accordance with the approved internal audit plan for FYE 2021 were in the following areas:

1. Ghana and Nigeria country-level operations.
2. Human Resource management.
3. Miri office and FPSO Helang operations.
4. Brazil and Netherlands (country office set up) and business resilience.

In FYE 2021, the Chairman of the AC highlighted the key audit issues, and recommended the decision and resolutions made at the AC meetings for the approval of the Board.

The total cost incurred for maintaining the IA function for the year under review was approximately RM800,000.

This Report on Audit Committee was made in accordance with the approval of the Board on 28 April 2021.



## STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required to prepare financial statements which give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021, and of the results and cash flows of the Group and of the Company for the financial year then ended, in accordance with the requirements of Malaysia Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of Companies Act 2016.

In preparing the financial statements, the Directors have:

- used appropriate accounting policies that are consistently applied;
- made judgments and estimates that are prudent and reasonable with advice from certain industry professionals where applicable;
- ensured that all applicable MFRS and IFRS reporting requirements have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company.

The Directors are also responsible for safeguarding the assets of the Group and the Company by taking reasonable steps for preventing and detecting of fraud and other irregularities.

# ACCOUNTABILITY

- 180** Directors' Report
- 188** Financial Statements
- 312** Independent Auditors' Report
- 319** GRI Content Index
- 325** Corporate Information
- 326** Analysis of shareholdings
- 330** List of properties



# DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2021.

## Principal activities

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group are disclosed in Note 19 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the commencement of business activities for the Renewables segment.

## Financial results

	Group RM million	Company RM million
Profit for the financial year	412	249
Attributable to:		
Owners of the Company	315	249
Non-controlling interests	97	-
	412	249

## Dividends

Dividends paid and proposed since the end of the previous financial year are as follows:

	RM million
In respect of the financial year ended 31 January 2021:	
- Interim single tier dividend of 4.0 sen per share, paid on 18 December 2020	43
In respect of the financial year ended 31 January 2020:	
- Final single tier dividend of 2.0 sen per share, paid on 28 August 2020	21
	64

The Directors recommend a final single tier dividend of 2.0 sen per share in respect of the current financial year for shareholders' approval at the forthcoming Annual General Meeting.

If approved, the entitlement date and payment date for the dividend would be 5 August 2021 and 30 August 2021 respectively.

## Reserves and provisions

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

### Issue of shares and debentures

During the financial year, the Company increased its issued and paid-up ordinary share capital from 1,094,745,473 to 1,099,519,073 by way of issuance of 4,773,600 new ordinary shares arising from the exercise of options under the Employees' Share Scheme at the exercise price of RM2.80, RM3.65 and RM4.00 per ordinary share as shown in Note 29(a).

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no new debentures issued during the financial year.

### Treasury shares

During the financial year ended 31 January 2021, the Company repurchased 9,300,900 of its issued shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for a total consideration paid of RM49,308,999, including transaction costs. The average price paid for the shares repurchased was approximately RM5.30 per share and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance to Section 127(4) of the Companies Act 2016.

Details of the treasury shares are set out in Note 28 to the financial statements.

### Employees' Share Scheme

On 3 November 2015, the Company obtained all required approvals and complied with the requirements pertaining to the establishment of Employees' Share Scheme ("ESS"). On 25 January 2018, the Board of Directors resolved to extend the ESS tenure for additional five (5) years till 2 November 2025 in accordance with the terms of the ESS By-Laws.

The Company had issued four offers of options with total of 4,000,000, 6,048,000, 9,000,000 and 3,740,000 options on 23 December 2016, 30 March 2018, 27 February 2019 and 22 January 2020 respectively to eligible employees of the Group, including Executive Directors of the Company with 3 vesting periods. The options for unissued shares are exercisable at RM2.80 per share, RM3.65 per share, RM4.00 per share and RM6.00 per share respectively in 3 tranches upon fulfilling the vesting condition and shall expire on 2 November 2020, 30 March 2022, 27 February 2023 and 22 January 2024 respectively.

During the financial year ended 31 January 2021, there were no new options granted to Directors and Group Chief Executive Officer (including options allocated to person connected to them). Details of options held by Directors and Group Chief Executive Officer are disclosed in page 184 to the financial statements.

The aggregate maximum number of options granted to the Directors and Senior Management shall not be more than 80% of the Scheme Shares available under the ESS. Since commencement of the ESS to financial year ended 31 January 2021, 53.49% of the total options offered were allotted to the Directors and Senior Management of the Company.

The salient features and other terms of the ESS are disclosed in Note 29(a) to the financial statements.



## DIRECTORS' REPORT (CONT'D)

## Employees' Share Scheme (continued)

The number of unissued shares granted under the ESS during the financial year and the number of unissued shares outstanding at the end of the financial year are as follows:

	Number of options over unissued ordinary shares			
	Outstanding as at 1.2.2020	Exercised	Lapsed	Outstanding as at 31.1.2021
<b>Date of offer</b>				
23 December 2016				
- first tranche	511,832	(476,831)	(35,001)	-
- second tranche	569,032	(534,032)	(35,000)	-
- third tranche	956,236	(921,137)	(35,099)	-
	2,037,100	(1,932,000)	(105,100)	-
<b>Date of offer</b>				
30 March 2018				
- first tranche	1,474,800	(1,126,500)	(20,000)	328,300
- second tranche	1,877,500	(468,300)	(25,000)	1,384,200
- third tranche	1,878,100	-	(76,000)	1,802,100
	5,230,400	(1,594,800)	(121,000)	3,514,600
<b>Date of offer</b>				
27 February 2019				
- first tranche	2,943,900	(1,246,800)	(43,300)	1,653,800
- second tranche	2,944,900	-	(88,300)	2,856,600
- third tranche	2,946,200	-	(88,400)	2,857,800
	8,835,000	(1,246,800)	(220,000)	7,368,200
<b>Date of offer</b>				
22 January 2020				
- first tranche	1,246,600	-	(110,000)	1,136,600
- second tranche	1,246,700	-	(110,000)	1,136,700
- third tranche	1,246,700	-	(110,000)	1,136,700
	3,740,000	-	(330,000)	3,410,000

No person to whom the option for unissued share has been granted as disclosed above has any right to participate by virtue of the option in any share issue of any other company.

## Employees' Long-term Incentive Plan

On 26 June 2019, the Board of Directors of the Company approved an Employees' Long-term Incentive Plan ("LTIP"). The LTIP is governed by the by-laws of the ESS approved by the shareholders on 3 November 2015. On 25 March 2020, the terms and conditions of the LTIP were finalised and approved by the Board of Directors. On 3 August 2020, the LTIP was granted to the eligible employees and executive director of the Group. The LTIP is administered by the Employees' Share Scheme Committee.

### Employees' Long-term Incentive Plan (continued)

Under the LTIP, awards to eligible employees and an executive director of the Group can be made either through the Share Award Scheme (award of ordinary shares in the Company ("Yinson Shares")) or Performance Bonus Scheme (bonus payout in cash).

The Share Award Scheme component under the LTIP (which is under the ESS) shall expire on 2 November 2025. Pursuant to Clause 21.1 of the by-laws of the ESS, the ESS Committee may, in its sole discretion, settle any unvested Yinson Shares by way of equity settlement or cash settlement prior to the termination of the ESS or expiry of the LTIP. Any unvested Yinson Shares shall automatically lapse and cease to be capable of vesting in the event the ESS expires or terminates in accordance with the terms of the By-Laws.

During the financial year ended 31 January 2021, there were no awards granted to the eligible employees and executive director of the Group.

The salient features and other terms of the LTIP are disclosed in Note 29(b) to the financial statements.

### Directors

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Lim Han Weng  
Lim Chern Yuan  
Bah Kim Lian  
Lim Han Joeh  
Dato' Wee Hoe Soon @ Gooi Hoe Soon  
Dato' Mohamad Nasir bin AB Latif  
Raja Datuk Zaharaton binti Raja Zainal Abidin  
Datuk Abdullah bin Karim  
Rohaya binti Mohammad Yusof  
Sharifah Munira bt. Syed Zaid Albar

The names of Directors of subsidiaries are set out in the respective subsidiaries' financial statements, where applicable, and the said information is deemed incorporated herein by such reference and made a part hereof.

### Directors' benefits

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose objects was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than share options granted under the ESS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

### Directors' and officers' indemnity and insurance costs

Details of Directors' and officers' indemnity and insurance costs are set out in Note 11 to the financial statements.

### Directors' remuneration

Details of Directors' remuneration are set out in Note 11 to the financial statements.

## DIRECTORS' REPORT (CONT'D)

### Directors' interests

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or options over unissued shares or debentures in the Company or its subsidiaries during the financial year except as follows:

		Number of ordinary shares		
	1.2.2020	Acquired	Sold	31.1.2021
Shares in the Company				
Direct interest:				
Lim Han Weng	37,416,138	553,300	(19,090,908)*	18,878,530
Bah Kim Lian	3,496,503	-	-	3,496,503
Lim Han Joeh	37,573,776	11,323,200	-	48,896,976
Lim Chern Yuan	61,200	480,000	-	541,200
Indirect interest:				
Lim Han Weng <sup>(1)</sup>	205,513,262	20,004,108	-	225,517,370
Bah Kim Lian <sup>(2)</sup>	216,328,097	1,466,500	-	217,794,597

<sup>(1)</sup> Deemed interested by virtue of his spouse's and children's direct shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("CA 2016") and Liannex Corporation (S) Pte Ltd's and Yinson Legacy Sdn Bhd's direct shareholding in the Company pursuant to Section 8(4) of the CA 2016.

<sup>(2)</sup> Deemed interested by virtue of her spouse's and children's direct shareholdings in the Company pursuant to Section 59(11)(c) of the CA 2016 and Yinson Legacy Sdn Bhd's direct shareholding in the Company pursuant to Section 8 of the CA 2016.

\* 19,090,908 shares were transferred to Yinson Legacy Sdn Bhd, a company where he is deemed interested pursuant to Section 8 of the CA 2016.

	Number of options over unissued ordinary shares			
	1.2.2020	Granted	Exercised	31.1.2021
Share options in the Company				
Direct interest:				
Lim Han Weng	3,470,000	-	(553,300)	2,916,700
Lim Chern Yuan	1,880,000	-	(480,000)	1,400,000
Indirect interest:				
Lim Han Weng <sup>(1)</sup>	2,720,000	-	(913,200)	1,806,800
Bah Kim Lian <sup>(2)</sup>	6,190,000	-	(1,466,500)	4,723,500

<sup>(1)</sup> Indirect interest held through his children

<sup>(2)</sup> Indirect interest held through her spouse and children

## DIRECTORS' REPORT (CONT'D)

### Directors' interests (continued)

Lim Han Weng and Bah Kim Lian by virtue of their interests in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the non-executive directors were granted any options pursuant to the ESS or awards pursuant to the LTIP during the financial year.

### Other statutory information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

As at the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which have arisen since the end of the financial year.

No contingent or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the Directors:

- (a) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements under Note 8 and Note 9; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, other than as disclosed in the financial statements under Note 49.



## DIRECTORS' REPORT (CONT'D)

### Subsidiaries

Details of subsidiaries are set out in Note 19 to the financial statements.

### Auditors' remuneration

Details of auditors' remuneration are set out in Note 9 to the financial statements.

### Auditors

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 28 April 2021. Signed on behalf of the Board of Directors:

**Lim Han Weng**  
Director

**Lim Chern Yuan**  
Director

# STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Lim Han Weng and Lim Chern Yuan, being two of the Directors of Yinson Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 188 to 311 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021 and financial performance of the Group and of the Company for the financial year ended 31 January 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 28 April 2021.

**Lim Han Weng**  
Director

**Lim Chern Yuan**  
Director

# STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Ho Guan Ming (MIA 15206), being the officer primarily responsible for the financial management of Yinson Holdings Berhad, do solemnly and sincerely declare that, the accompanying financial statements set out on pages 188 to 311 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared	)	
by the abovenamed Ho Guan Ming	)	
at Kuala Lumpur	)	
on 28 April 2021	)	Ho Guan Ming

Before me,

Commissioner for Oaths

# INCOME STATEMENTS

For the financial year ended 31 January 2021

	Note	Group		Company	
		2021	2020	2021	2020
		RM million	RM million	RM million	RM million
<b>Revenue</b>	6 & 43	4,849	2,519	260	401
Cost of sales	7	(3,548)	(1,938)	-	-
<b>Gross profit</b>		1,301	581	260	401
<b>Other items of income</b>					
Interest income		15	21	7	34
Other income	8	43	16	129	9
<b>Other items of expenses</b>					
Administrative expenses	9	(431)	(99)	(107)	(184)
Finance costs	12	(319)	(198)	(40)	(37)
Share of (loss)/profit of joint ventures		(29)	10	-	-
<b>Profit before tax</b>		580	331	249	223
Income tax expense	13	(168)	(70)	-	(1)
<b>Profit for the financial year</b>		412	261	249	222
Attributable to:					
Owners of the Company	14(a)	315	210	249	222
Non-controlling interests		97	51	-	-
		412	261	249	222
Earnings per share (EPS) attributable to owners of the Company (sen per share)					
Basic EPS	14(a)	29.5	19.5		
Diluted EPS	14(b)	29.4	19.4		

The notes on pages 200 to 311 are an integral part of these financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 January 2021

	Note	Group		Company	
		2021 RM million	2020 RM million	2021 RM million	2020 RM million
<b>Profit for the financial year</b>		412	261	249	222
<b>Other comprehensive (loss)/income:</b>					
Items that will be reclassified subsequently to profit or loss:					
- Cash flows hedge reserve		(122)	(129)	-	-
- Exchange differences on translation of foreign operations		(73)	(11)	-	-
- Put option reserve		(8)	-	-	-
- Reclassification of changes in fair value of cash flow hedges	12	53	13	-	-
<b>Other comprehensive loss for the financial year</b>		(150)	(127)	-	-
<b>Total comprehensive income for the financial year</b>		262	134	249	222
Attributable to:					
Owners of the Company		185	103	249	222
Non-controlling interests		77	31	-	-
		262	134	249	222

The notes on pages 200 to 311 are an integral part of these financial statements.



# STATEMENTS OF FINANCIAL POSITION

As at 31 January 2021

	Note	Group		Company	
		2021 RM million	2020 RM million	2021 RM million	2020 RM million
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	16	4,006	4,844	18	3
Investment properties	17	15	18	-	-
Intangible assets	18	338	395	6	8
Investment in subsidiaries	19	-	-	2,011	807
Investment in joint ventures	20	427	479	120	120
Investment in associates	21	2	2	-	-
Other receivables	24	110	-	26	609
Other assets	25	12	68	-	-
Other investments	22	-	13	-	-
Finance lease receivables	33(a)	2,089	1,501	-	-
Deferred tax assets	35	3	1	-	-
Contract assets	6(b)	2,206	-	-	-
		9,208	7,321	2,181	1,547
<b>Current assets</b>					
Inventories	23	3	22	-	-
Trade and other receivables	24	498	500	470	1,003
Other assets	25	50	159	3	3
Finance lease receivables	33(a)	77	48	-	-
Other investments	22	229	189	4	3
Cash and bank balances	26	1,821	1,276	9	69
		2,678	2,194	486	1,078
<b>Total assets</b>		11,886	9,515	2,667	2,625

# STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 January 2021

		Group		Company	
	Note	2021 RM million	2020 RM million	2021 RM million	2020 RM million
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	27	1,126	1,107	1,126	1,107
Treasury shares	28	(174)	(125)	(174)	(125)
Reserves	30	(277)	(396)	16	7
Retained earnings	31	1,164	1,050	663	478
<b>Equity attributable to owners of the Company</b>		1,839	1,636	1,631	1,467
Perpetual securities issued by subsidiaries	45	1,848	1,848	-	-
Non-controlling interests		339	290	-	-
<b>Total equity</b>		4,026	3,774	1,631	1,467
<b>Non-current liabilities</b>					
Loans and borrowings	32	5,312	3,354	-	-
Lease liabilities	33(b)	13	19	5	-
Other payables	36	384	714	865	487
Derivatives	37	204	139	-	-
Deferred tax liabilities	35	95	1	-	-
		6,008	4,227	870	487
<b>Current liabilities</b>					
Loans and borrowings	32	794	476	-	57
Lease liabilities	33(b)	14	13	3	-
Trade and other payables	36	817	497	163	614
Derivatives	37	21	17	-	-
Put option liability	30(e)	181	412	-	-
Tax payables		25	99	-	-
		1,852	1,514	166	671
<b>Total liabilities</b>		7,860	5,741	1,036	1,158
<b>Total equity and liabilities</b>		11,886	9,515	2,667	2,625

The notes on pages 200 to 311 are an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 January 2021

Group	Attributable to owners of the Company											
	Share capital	Treasury shares	Foreign currency translation reserve	Cash flows hedge reserve	Share-based option reserve	Share grant reserve	Put option reserve	Retained earnings	Total	Perpetual securities of subsidiaries	Non-controlling interests	Total equity
	RM million (Note 27)	RM million (Note 28)	RM million (Note 30 (a))	RM million (Note 30 (b))	RM million (Note 30 (c))	RM million (Note 30 (d))	RM million (Note 30 (e))	RM million (Note 31)	RM million	RM million (Note 45)	RM million	RM million
<b>2021</b>												
<b>At 1 February 2020</b>	1,107	(125)	143	(133)	7	-	(413)	1,050	1,636	1,848	290	3,774
Profit for the financial year	-	-	-	-	-	-	-	315	315	-	97	412
Other comprehensive loss	-	-	(66)	(56)	-	-	(8)	-	(130)	-	(20)	(150)
<b>Total comprehensive income</b>	-	-	(66)	(56)	-	-	(8)	315	185	-	77	262
<b>Transactions with owners</b>												
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(139)	(139)	-	-	(139)
Effect of changes in shareholding in subsidiaries (Note 47)	-	-	-	-	-	-	-	2	2	-	107	109
Cash dividends to owners of the Company (Note 15)	-	-	-	-	-	-	-	(64)	(64)	-	-	(64)
Cash dividends to non-controlling interests	-	-	-	-	-	-	104	-	104	-	(104)	-
Exercise of ESS	19	-	-	-	(3)	-	-	-	16	-	-	16
Issuance of ESS	-	-	-	-	5	-	-	-	5	-	-	5
ESS lapsed	-	-	-	-	(1)	-	-	-	(1)	-	-	(1)
Effect of Long-term Incentive Plan	-	-	-	-	-	8	-	-	8	-	-	8
Acquisition of a subsidiary with non-controlling interests (Note 46(b))	-	-	-	-	-	-	-	-	-	-	4	4
Capital reduction to non-controlling interests	-	-	-	-	-	-	136	-	136	-	(136)	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	101	101
Purchase of treasury shares	-	(49)	-	-	-	-	-	-	(49)	-	-	(49)
<b>Total transactions with owners</b>	19	(49)	-	-	1	8	240	(201)	18	-	(28)	(10)
<b>At 31 January 2021</b>	1,126	(174)	77	(189)	8	8	(181)	1,164	1,839	1,848	339	4,026

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 January 2021

Attributable to owners of the Company											
Group	Share capital RM million (Note 27)	Treasury shares RM million (Note 28)	Foreign currency translation reserve RM million (Note 30 (a))	Cash flows hedge reserve RM million (Note 30 (b))	Share-based option reserve RM million (Note 30 (c))	Put option reserve RM million (Note 30 (e))	Retained earnings RM million (Note 31)	Total RM million	Perpetual securities of subsidiaries RM million (Note 45)	Non-controlling interests RM million	Total equity RM million
2020											
At 1 February 2019	1,101	(44)	161	(36)	2	(456)	1,017	1,745	1,576	302	3,623
Profit for the financial year	-	-	-	-	-	-	210	210	-	51	261
Other comprehensive loss	-	-	(10)	(97)	-	-	-	(107)	-	(20)	(127)
Total comprehensive income	-	-	(10)	(97)	-	-	210	103	-	31	134
Transactions with owners											
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	(133)	(133)	-	-	(133)
Cash dividends to owners of the Company (Note 15)	-	-	-	-	-	-	(65)	(65)	-	-	(65)
Cash dividends to non-controlling interests	-	-	-	-	-	43	-	43	-	(43)	-
Exercise of ESS	6	-	-	-	(1)	-	-	5	-	-	5
Issuance of ESS	-	-	-	-	6	-	-	6	-	-	6
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	490	-	490
Redemption of perpetual securities by a subsidiary	-	-	-	-	-	-	13	13	(218)	-	(205)
Purchase of treasury shares	-	(81)	-	-	-	-	-	(81)	-	-	(81)
Reclassification	-	-	(8)	-	-	-	8	-	-	-	-
Total transactions with owners	6	(81)	(8)	-	5	43	(177)	(212)	272	(43)	17
At 31 January 2020	1,107	(125)	143	(133)	7	(413)	1,050	1,636	1,848	290	3,774

The notes on pages 200 to 311 are an integral part of these financial statements.



## STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 January 2021

Company	Share capital RM million (Note 27)	Treasury shares RM million (Note 28)	Share-based option reserve RM million (Note 30 (c))	Share grant reserve RM million (Note 30 (d))	Retained earnings RM million (Note 31)	Total equity RM million
<b>2021</b>						
<b>At 1 February 2020</b>	1,107	(125)	7	-	478	1,467
<b>Total comprehensive income</b>	-	-	-	-	249	249
<b>Transactions with owners</b>						
Cash dividends (Note 15)	-	-	-	-	(64)	(64)
Exercise of ESS	19	-	(3)	-	-	16
Issuance of ESS	-	-	5	-	-	5
ESS lapsed	-	-	(1)	-	-	(1)
Effect of Long-term Incentive Plan	-	-	-	8	-	8
Purchase of treasury shares	-	(49)	-	-	-	(49)
<b>Total transactions with owners</b>	19	(49)	1	8	(64)	(85)
<b>At 31 January 2021</b>	1,126	(174)	8	8	663	1,631
<b>2020</b>						
<b>At 1 February 2019</b>	1,101	(44)	2	-	315	1,374
<b>Total comprehensive income</b>	-	-	-	-	222	222
<b>Transactions with owners</b>						
Cash dividends (Note 15)	-	-	-	-	(65)	(65)
Exercise of ESS	6	-	(1)	-	-	5
Issuance of ESS	-	-	6	-	-	6
Purchase of treasury shares	-	(81)	-	-	-	(81)
Effect of changes in shareholding in a subsidiary	-	-	-	-	6	6
<b>Total transactions with owners</b>	6	(81)	5	-	(59)	(129)
<b>At 31 January 2020</b>	1,107	(125)	7	-	478	1,467

The notes on pages 200 to 311 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

For the financial year ended 31 January 2021

	Note	Group		Company	
		2021 RM million	2020 RM million	2021 RM million	2020 RM million
<b>Cash flows from operating activities</b>					
Profit before tax		580	331	249	223
Adjustments for:					
Depreciation of property, plant and equipment	16	250	238	4	2
Amortisation of intangible assets	18	56	13	3	3
Amortisation of unfavourable contracts	34	-	(5)	-	-
(Reversal of impairment loss)/impairment loss on:					
- trade receivables	24(a)	-	(1)	-	-
- other receivables	24(b)	(6)	(2)	-	-
- amounts due from subsidiaries	24(b)	-	-	(15)	(7)
- other assets	25	(2)	4	-	-
- tax recoverable	9	12	2	-	-
- investment in subsidiaries	19	-	-	41	8
- plant and equipment	16	33	5	-	-
Contract acquisition costs written off	9	104	-	-	-
Deal deposit written off	9	84	-	-	-
Waiver of debts - amounts due from subsidiaries	9	-	-	-	122
Unrealised gain on foreign exchange		(26)	(6)	(1)	(2)
Finance costs	12	319	198	40	37
Fair value loss/(gain) on:					
- investment properties	17	3	2	-	-
- other investments		(2)	-	-	-
- derivatives	12	-	1	-	-
Loss/(gain) on disposal of:					
- property, plant and equipment		-	1	-	-
- other investments		2	1	-	-
- subsidiaries		-	-	(113)	-
Share of loss/(profit) of joint ventures		29	(10)	-	-
Equity settled share-based payment transaction	10	9	2	4	3
Gain on remeasurement of previously held equity interest	46(b)(iv)	(3)	-	-	-
Finance lease income	6 & 8	(216)	(28)	-	-
Interest income		(15)	(21)	(7)	(34)
Operating cash flows before working capital changes - carried forward		1,211	725	205	355

## STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 January 2021

	Note	Group		Company	
		2021 RM million	2020 RM million	2021 RM million	2020 RM million
Operating cash flows before working capital changes - brought forward		1,211	725	205	355
Changes in working capital, net of effects from acquisition of subsidiary:					
Inventories		19	(12)	-	-
Receivables <sup>(i)</sup>		94	(92)	(165)	(179)
Other current assets		25	(33)	-	-
Payables		315	369	1	8
Contract assets		(2,299)	-	-	-
Cash flows (used in)/generated from operations		(635)	957	41	184
Interest received		15	21	7	34
Finance costs paid		(6)	(20)	(39)	(36)
Taxes paid		(149)	(40)	(1)	(1)
Net cash flows (used in)/generated from operating activities		(775)	918	8	181
<b>Cash flows from investing activities</b>					
Dividends received from joint ventures	20(i)	17	14	-	-
Repayment of advances from subsidiaries		-	-	-	47
Advances to joint ventures		(21)	(56)	-	-
Repayment of advances from joint ventures		74	53	-	-
Investment in joint ventures		(32)	-	-	-
Proceeds from disposal of property, plant and equipment		98	1	-	-
Proceeds from disposal of other investments		206	71	-	-
Acquisition of subsidiary, net of cash and cash equivalents	46(b)(i)	(21)	-	-	-
Purchase of other investments		(236)	(198)	-	(3)
Purchase of intangible assets	18	(3)	(7)	(1)	(5)
Purchase of property, plant and equipment	16(a)	(282)	(1,217)	(11)	(1)
Net movement in restricted cash		(108)	103	-	-
Deposit received for sales of shares in a subsidiary		21	-	-	-
Net cash flows (used in)/generated from investing activities		(287)	(1,236)	(12)	38

## STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 January 2021

	Note	Group		Company	
		2021 RM million	2020 RM million	2021 RM million	2020 RM million
<b>Cash flows from financing activities</b>					
Dividends paid to owners of the Company	15	(64)	(65)	(64)	(65)
Capital reduction to non-controlling interests		(136)	-	-	-
Capital contribution from non-controlling interests		93	-	-	-
Dividends paid to non-controlling interests	19(b)	(104)	(43)	-	-
Proceeds of loans from non-controlling interests		56	-	-	-
Proceeds from disposal of shareholdings in a subsidiary	47	109	-	-	-
Advances from subsidiaries		-	-	98	295
Repayment of advances to subsidiaries		-	-	-	(324)
Finance costs paid*		(369)	(184)	(1)	(1)
Drawdown of loans and borrowings		5,258	1,249	53	138
Repayment of loans and borrowings		(3,141)	(556)	(108)	(126)
Repayment of lease liabilities		(13)	(9)	-	(1)
Proceeds from issuance of perpetual securities		-	490	-	-
Repayment of perpetual securities		-	(204)	-	-
Perpetual securities distribution paid		(139)	(124)	-	-
Purchase of treasury shares	28	(49)	(81)	(49)	(81)
Proceeds from equity-settled share-based options		16	5	16	5
Net cash flows generated from/(used in) financing activities		1,517	478	(55)	(160)
<b>Net increase/(decrease) in cash and cash equivalents</b>		455	160	(59)	59
Effects of foreign exchange rate changes		(12)	2	(1)	1
<b>Cash and cash equivalent at beginning of financial year</b>		886	724	67	7
<b>Cash and cash equivalents at end of financial year</b>	26	1,329	886	7	67

\* Included in finance cost paid in the current financial year is finance cost arising from interest rate swaps amounting to RM53 million.

### Non-cash transactions

- (i) In prior financial year, dividend received from subsidiaries of RM223 million excludes dividend received by way of contra of amount owing from a subsidiary of RM123 million.



## STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 January 2021

**Reconciliation of liabilities arising from financing activities**

Group	Note	Loans and borrowings RM million	Lease liabilities RM million	Total RM million
<b>At 1 February 2019</b>		3,150	-	3,150
<u>Cash inflows/(outflows)</u>				
Finance costs paid		(182)	(2)	(184)
Drawdown		1,249	-	1,249
Repayment		(556)	(9)	(565)
<u>Other changes</u>				
Effect of adoption of MFRS 16		(1)	28	27
Finance costs	12	221	2	223
Additions to lease liabilities		-	13	13
Foreign exchange movement		(51)	-	(51)
<b>At 31 January 2020 and 1 February 2020</b>	32 & 33(b)	3,830	32	3,862
<u>Cash inflows/(outflows)</u>				
Finance costs paid		(314)	(2)	(316)
Drawdown		5,258	-	5,258
Repayment		(3,141)	(13)	(3,154)
<u>Other changes</u>				
Acquisition of a subsidiary		351	-	351
Finance costs	12	258	2	260
Additions to lease liabilities		-	8	8
Foreign exchange movement		(136)	-	(136)
<b>At 31 January 2021</b>	32 & 33(b)	6,106	27	6,133

## STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 January 2021

### Reconciliation of liabilities arising from financing activities (continued)

Company	Note	Amounts due to subsidiaries RM million	Loans and borrowings RM million	Lease liabilities RM million	Total RM million
<b>At 1 February 2019</b>		586	46	-	632
<u>Cash inflows/(outflows)</u>					
Finance costs paid		-	(1)	-	(1)
Drawdown		-	138	-	138
Repayment		-	(126)	(1)	(127)
Advances		295	-	-	295
Repayment of advances		(324)	-	-	(324)
Changes in working capital within operating activities		1	-	-	1
<u>Other changes</u>					
Effect of adoption of MFRS 16		-	-	1	1
Finance costs		-	2	-	2
Novation of advances <sup>(ii)</sup>		656	-	-	656
Dividend received by way of contra of amount owing from a subsidiary		(123)	-	-	(123)
Foreign exchange movement		(1)	(2)	-	(3)
<b>At 31 January 2020 and 1 February 2020</b>	32 & 36	1,090	57	-	1,147
<u>Cash inflows/(outflows)</u>					
Finance costs paid		-	(1)	-	(1)
Drawdown		-	53	-	53
Repayment		-	(108)	-	(108)
Advances		98	-	-	98
Repayment of advances		-	-	-	-
Changes in working capital within operating activities		(45)	-	-	(45)
<u>Other changes</u>					
Additions to lease liabilities		-	-	8	8
Finance costs		39	1	-	40
Novation of advances <sup>(ii)</sup>		265	-	-	265
Contra of amounts owing from subsidiaries		(417)	-	-	(417)
Foreign exchange movement		(13)	(2)	-	(15)
<b>At 31 January 2021</b>	32, 33(b) & 36	1,017	-	8	1,025

(ii) Novation of advances arose from an internal re-organisation exercise carried out during the current financial year. Advances due from subsidiaries of the same amount were also novated to the Company as part of this exercise.

The notes on pages 200 to 311 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2021

## 1. Corporate information

Yinson Holdings Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the Group are disclosed in Note 19 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the commencement of business activities for the Renewables segment.

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

## 2 Summary of significant accounting policies

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

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

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

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

### 2.2 Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 January 2021. Control is achieved when the Group is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure or rights to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights in an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.2 Consolidation (continued)

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

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

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

If the Group loses control over a subsidiary, it:

- (i) derecognises the assets (including goodwill) and liabilities of the subsidiary;
- (ii) derecognises the carrying amount of any non-controlling interests;
- (iii) derecognises the cumulative translation differences recorded in equity;
- (iv) recognises the fair value of the consideration received;
- (v) recognises the fair value of any investment retained;
- (vi) recognises any surplus or deficit in profit or loss; and
- (vii) reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

#### 2.3 Business combinations and goodwill

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.3 Business combinations and goodwill (continued)

When the Group acquires a contract in a business combination, it assesses whether the contract is favourable or unfavourable by comparing the terms to market prices at the time of acquisition. Refer to Note 2.31 for the accounting policy on favourable and unfavourable contracts.

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net identifiable assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units ("CGU"), or Group's CGUs, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

#### 2.4 Investment in subsidiaries, associates and joint ventures

##### (a) Subsidiaries

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

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

##### (b) Associates and joint ventures

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

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



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.4 Investment in subsidiaries, associates and joint ventures (continued)

##### (b) Associates and joint ventures (continued)

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

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

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and joint ventures is shown on the face of the profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. Dividends received or receivable from an associate or a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate or a joint venture equals or exceeds its interests in the associate or joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

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

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates or joint ventures are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to profit or loss.

#### 2.5 Current versus non-current classification

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

- (i) expected to be realised or intended to be sold or consumed in its normal operating cycle;
- (ii) held primarily for the purpose of trading;

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.5 Current versus non-current classification (continued)

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

- (iii) expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

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

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

#### 2.6 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties and other investments, at fair value at each reporting date.

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.6 Fair value measurement (continued)

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group's senior management determines the policies and procedures for recurring fair value measurement, such as investment properties.

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided by the senior management after discussion with and approval by the Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed based on the Group's accounting policies. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

#### 2.7 Revenue from contracts with customers

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

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

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

Step 1: Identify contracts with customers;

Step 2: Identify the separate performance obligations;

Step 3: Determine the transaction price of the contract;

Step 4: Allocate the transaction price to each of the separate performance obligations; and

Step 5: Recognise the revenue as each performance obligation is satisfied.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.7 Revenue from contracts with customers (continued)

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

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

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

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

The Group determines the transaction price for its performance obligations based on standalone prices. The EPCIC contract has agreed fixed pricing terms and a fixed lump sum.

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

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

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

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

Management has determined that the input method best depicts the Group's performance in transferring control of the FPSO vessel to the customer for its ongoing EPCIC contract, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for these contracts.

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.7 Revenue from contracts with customers (continued)

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

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

The Group can agree on various payment arrangements which generally reflect the progress of delivered performance obligations. If the value of the goods transferred by the Group exceeds the billings, a contract asset is recognised. If the billings exceed the value of the goods transferred, a contract liability is recognised.

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

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

##### (ii) Offshore maintenance support and rendering of services

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

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

The credit terms to customers is generally for a period of 30 days.

##### (iii) Sale of electricity

The Group is involved in the generation and sale of electricity. Revenue from the supply of energy units generated from the plant to the grid, as per the terms of the Power Purchase Agreements ("PPA") entered with the customers, is recognised on an accrual basis when control of the electricity output has transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the electricity output.

The sale of electricity is determined to be a single performance obligation satisfied over time. This is because the customers simultaneously receive and consume the benefits provided by the Group.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.7 Revenue from contracts with customers (continued)

##### (iii) Sale of electricity (continued)

Electricity is sold with prompt payment discounts based on monthly sales. Revenue from these sales is recognised based on the price specified in the PPA, net of the estimated prompt payment discount. Prompt payment discounts are estimated and recognised based on the rates as stipulated in the PPA and the expected timing of receipt of payments from the customers, and deducted against the payments received from customers. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No significant element of financing is deemed present as the sales are made generally with a credit term of 30 days, which is consistent with market practice.

A receivable is recognised when control of the electricity output has transferred to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### (iv) Human resource services

Revenue from provision of human resource services is recognised upon delivery of services to customers. The credit terms to customers is 30 days from the date of invoice.

##### (v) Management fees

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

##### (vi) Transportation services

Transportation revenue from the provision of chauffeur services are recognised in the period which the services are rendered. The credit term is for a period of 30 days.

#### 2.8 Revenue from other sources

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

##### (i) Chartering of FPSOs, OSVs and tankers

Revenue from FPSO, OSV and tanker chartering contracts classified as operating leases are recognised on a straight-line basis over the lease period for which the customer has contractual right over the vessel.

##### (ii) Dividend income

Dividends are received from financial assets measured at FVTPL.

Dividend income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments when the right to receive payment is established.

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

##### (iii) Investment and interest income

Interest income is recognised using the effective interest method.

Interest income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.8 Revenue from other sources (continued)

##### (iv) Rental income

Revenue from rental of investment properties are recognised as and when the services are rendered. Payment of the transaction is due immediately upon confirmation of reservation by customer.

#### 2.9 Taxes

##### (a) Current income tax

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

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

##### (b) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- (i) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.9 Taxes (continued)

##### (b) Deferred tax (continued)

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

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

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

#### 2.10 Foreign currencies

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is also the Company's functional and presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in OCI when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

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

##### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of comprehensive income or separate income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of OCI.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.10 Foreign currencies (continued)

##### (c) Group companies (continued)

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in OCI.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in OCI and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate equity in percentage share of the accumulated exchange difference is reclassified to profit or loss.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in OCI. The accumulated translation differences are reclassified to profit or loss in proportion to the change in equity interest following a reduction in net investment with no change in control.

#### 2.11 Cash dividend and non-cash distribution to owners of the Company

The Company recognises a liability to make cash or non-cash distributions to owners of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Subsequently, non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in profit or loss.

#### 2.12 Property, plant and equipment

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.12 Property, plant and equipment (continued)

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

Electrical installation	3 years
Motor vehicles	5 - 10 years
Renovation, office equipment, furniture and fittings	3 - 10 years
Offshore Marine - OSVs	20 years
OSV drydocking costs	5 years
Offshore Marine - tugboats, barges and boat equipment	10 years
Offshore Production - FPSOs	Lease term of 17 to 20 years
Tankers available for conversion	8 years
Plant building	25 years
Solar plant and machinery	25 years

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

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

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

#### 2.13 Leases

##### (a) Accounting by lessee

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

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

##### Lease term

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

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



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.13 Leases (continued)

##### (a) Accounting by lessee (continued)

###### ROU assets

ROU assets are initially measured at cost comprising the following:

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

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

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

###### Lease liabilities

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

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

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

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

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

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

###### Reassessment of lease liabilities

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.13 Leases (continued)

##### (a) Accounting by lessee (continued)

###### Short-term leases and leases of low-value assets

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

##### (b) Accounting by lessor

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

###### Finance lease

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

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to MFRS 9 impairment (refer to Note 2.17(ii) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

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

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

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

###### Operating lease

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.13 Leases (continued)

##### (b) Accounting by lessor (continued)

###### Separating lease and non-lease components

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

#### 2.14 Borrowing costs

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

#### 2.15 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Refer to Note 2.6 for the accounting policy on fair value measurement.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

#### 2.16 Intangible assets

##### **Computer software**

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

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

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

##### **Contract rights**

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.16 Intangible assets (continued)

##### Trademark

Trademark is carried at cost less accumulated amortisation and accumulated losses. Amortisation is calculated using the straight-line method to allocate the cost of trademark over their estimated useful life of 10 years.

#### 2.17 Financial instruments

##### (i) Financial assets

##### (a) Classification, initial recognition and measurement

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

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

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

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

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

##### (b) Subsequent measurement

##### Debt instruments

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

##### (i) Financial assets at amortised cost

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.17 Financial instruments (continued)

##### (i) Financial assets (continued)

##### (b) Subsequent measurement (continued)

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

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

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

##### Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the profit or loss as applicable.

##### (c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flow from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

##### (ii) Impairment of financial assets

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



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.17 Financial instruments (continued)

##### (ii) Impairment of financial assets (continued)

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

- (i) Trade and other receivables
- (ii) Contract assets
- (iii) Finance lease receivables
- (iv) Cash and bank balances

While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

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

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

##### (a) General 3-stage approach for other receivables

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

The general 3-stage approach is applied for debt instruments at amortised cost other than trade receivables.

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

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status and changes in the operating results of the debtor

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.17 Financial instruments (continued)

##### (ii) Impairment of financial assets (continued)

###### (a) General 3-stage approach for other receivables (continued)

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

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

Note 42(b) sets out the measurement details of ECL.

###### (b) Simplified approach for trade receivables and contract assets

The Group and the Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

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

###### (i) Quantitative criteria

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

###### (ii) Qualitative criteria

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

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

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

Note 42(b) sets out the measurement details of ECL.

##### (iii) Financial liabilities

###### (a) Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, lease liabilities, financial guarantee contracts and derivative financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.17 Financial instruments (continued)

##### (iii) Financial liabilities (continued)

##### (b) Subsequent measurement

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

##### Financial liabilities at fair value through profit or loss

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

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

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

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

##### Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

This category generally applies to interest-bearing loans and borrowings.

##### Financial guarantee contracts

Financial guarantee contracts issued by the Group are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

##### (c) Derecognition

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.17 Financial instruments (continued)

##### (iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

#### 2.18 Derivative financial instruments

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

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

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

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

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are classified as a non-current asset or liability when the remaining maturity is more than 12 months, and the balance is classified as current.

#### 2.19 Inventories

Inventories are valued at the lower of cost and net realisable value.

Purchase costs and other costs incurred in bringing the trading goods and consumables to its present location and condition are accounted for on a first in, first out basis.

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

#### 2.20 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs of disposal and its value in use.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.20 Impairment of non-financial assets (continued)

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

Impairment losses, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

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

#### 2.21 Cash and bank balances

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

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### 2.22 Provisions

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

#### 2.23 Employee benefits

##### (a) Short term employee benefits

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

##### (b) Defined contribution plans

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



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.23 Employee benefits (continued)

##### (c) Share-based payment

The Group operates a number of equity-settled, share-based compensation plans under which the Group receives services from employees as consideration for equity options and awards over ordinary shares of the Company or for cash. Share options represent the right of an employee to receive share for a prescribed exercise price. Share awards represent the right of an employee to receive fully paid shares, free of charge, upon the Company achieving prescribed performance target(s).

##### Equity-settled transactions

The fair value of the share options and share awards in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve and share grant reserve within equity respectively. The total amount to be expensed is determined by reference to the fair value of the share options and share awards:

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions

Non-market vesting conditions and service conditions are included in assumptions about the number of share options and share awards that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of share options and share awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve or share grant reserve in equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the share options are exercised. When share options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options or awards over its equity instruments to the employees of subsidiaries in the Group is treated as amounts owing by subsidiaries. The fair value of share options and share grants to employees of the subsidiaries in exchange for the services of the employees to the subsidiaries are recognised as amounts owing by subsidiaries, with a corresponding credit to equity of the Company.

##### Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expenses. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined based on the share price targets for each tranche of shares that are expected to vest, further details of which are set out in Note 29(b). The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

#### 2.24 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statement of financial position, separately from owners of the Group. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and carrying amount of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.25 Share capital (continued)

##### (i) Classification

Ordinary shares are recorded at the proceeds received, net of directly attributable transaction costs. Ordinary shares are classified as equity.

##### (ii) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against the share capital account. In other cases, they are charged to the profit or loss when incurred.

##### (iii) Dividend distribution

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

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

##### (iv) Purchase of own shares

Where the Company purchases the Company's equity instruments as a result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued or disposed of. Where such ordinary shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

#### 2.26 Perpetual securities

Perpetual securities are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or financial liabilities with another person or entity that are potentially unfavourable to the issuer. Incremental costs directly attributable to the issuance of new perpetual securities are shown in equity as a reduction, net of tax, from the proceeds. The proceeds received net of any directly attributable transaction costs are credited to perpetual securities in equity.

#### 2.27 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment losses (if any).

Details on the Group's and the Company's impairment policies of trade and other receivables are provided in Note 2.17(ii).

#### 2.28 Trade and other payables

Trade and other payables represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 2 Summary of significant accounting policies (continued)

#### 2.29 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS are calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period and excluding treasury shares.

Diluted EPS are determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding adjusted for own shares held and for the effects of all dilutive potential ordinary shares, which comprise share awards granted to employees.

#### 2.30 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker comprising the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

#### 2.31 Favourable and unfavourable contracts

The terms of a contract acquired in a business combination are compared to market prices at date of acquisition to determine whether an intangible asset or liability should be recognised. If the terms of an acquired contract are favourable relative to market prices, an intangible asset is recognised. If the terms of an acquired contract are unfavourable relative to market prices, a liability is recognised. Subsequently, the acquired contract is measured at amortised cost over the period of the contract.

#### 2.32 Deferred income

Deferred income relating to charter income received in advance are deferred and amortised on a straight line basis over the contract period.

#### 2.33 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

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

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 February 2020:

- (i) The Conceptual Framework for Financial Reporting (Revised 2018)
- (ii) Amendments to MFRS 101 "Presentation of Financial Statements" and Amendments to MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors"
- (iii) Amendments to MFRS 3 "Business Combinations"
- (iv) Amendments to MFRS 9, MFRS 139 and MFRS 7 "Interest Rate Benchmark Reform"

The adoption of the above amendments to published standards does not have any material impact to the Group for the financial year ended 31 January 2021, other than as disclosed below:

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

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

#### Interest rate benchmark reform

In accordance with the transition provisions, the Group has adopted the amendments to MFRS 9 and MFRS 7 retrospectively with effect from 1 February 2020 to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate ("IBOR") reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainty arising from interest rate benchmark reform is no longer present.

Note 5(i) provides information about the uncertainty arising from IBOR reform for hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

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

#### (a) Financial year beginning on/after 1 February 2021

##### (i) **Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 "Interest Rate Benchmark Reform - Phase 2"**

The Interest Rate Benchmark Reform—Phase 2 amends some specific requirements in MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases; with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The Amendments provides a practical expedient whereby a company would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationships, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

The amendments shall be applied retrospectively.

##### (ii) **Amendments to MFRS 16 "COVID-19-Related Rent Concessions"**

Amendments to MFRS 16 "COVID-19-Related Rent Concessions" grant an optional exemption for lessees to account for a rent concession related to COVID-19 in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. The amendment, however, does not make any changes to lessor accounting.

The exemption only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The amendments shall be applied retrospectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

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

#### (b) Financial year beginning on/after 1 February 2022

##### (i) Annual Improvements to MFRS 9 "Fees in the 10% Test for Derecognition of Financial Liabilities"

Annual Improvements to MFRS 9 "Fees in the 10% Test for Derecognition of Financial Liabilities" clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test.

An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

##### (ii) Amendments to MFRS 3 "Reference to Conceptual Framework"

Amendments to MFRS 3 "Reference to Conceptual Framework" replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities within the scope of MFRS137 "Provisions, contingent liabilities and contingent assets" and IC Interpretation 21 "Levies". It also clarifies that contingent assets should not be recognised at the acquisition date.

The amendments shall be applied prospectively.

##### (iii) Amendments to MFRS 116 "Proceeds Before Intended Use"

Amendments to MFRS 116 "Proceeds before intended use" prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The sales proceeds should instead be recognised in profit or loss.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the asset.

The amendments shall be applied retrospectively.

##### (iv) Amendments to MFRS 137 "Onerous Contracts—Cost of Fulfilling A Contract"

Amendments to MFRS 137 "Onerous Contracts—Cost of Fulfilling A Contract" clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The amendments shall be applied retrospectively.

#### (c) Financial year beginning on/after 1 February 2023

##### (i) Amendments to MFRS 101 "Classification of Liabilities as Current or Non-Current"

The MFRS 101 classification principle requires an assessment of whether an entity has the substantive right to defer settlement of a liability at the end of the reporting period.

The amendments clarify that when the right to defer settlement is subject to complying with specified conditions, the right only exists at the end of the reporting period if the entity complies with those conditions at that date. The entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

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

#### (c) Financial year beginning on/after 1 February 2023 (continued)

##### (i) Amendments to MFRS 101 "Classification of Liabilities as Current or Non-Current" (continued)

Also, classification is unaffected by the expectations of the entity or events after the reporting date (e.g. waiver obtained or breach of loan covenant).

In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), the conversion option does not affect the classification of the convertible bond if the option meets the definition of an equity instrument in accordance with MFRS 132 "Financial Instruments: Presentation". A conversion option that is not an equity instrument should therefore be considered in the current or non-current classification of a convertible instrument.

The amendments shall be applied retrospectively.

##### (ii) Amendments to MFRS 101 "Disclosure of Accounting Policies"

Amendments to MFRS 101 "Disclosure of Accounting Policies" requires entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

To support the Amendments to MFRS 101, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

##### (iii) Amendments to MFRS 108 "Definition of Material"

Amendments to MFRS 108 "Definition of Material" revises the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The Group and the Company are currently assessing the impact of the adoption and application of the above new/amended standards. Other standards and amendments are not relevant for the Group and the Company.

### 5. Critical accounting estimates and judgements

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

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

#### (a) Critical judgement in determining the lease classification

##### (i) Operating leases – Group as lessor

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 5. Critical accounting estimates and judgements (continued)

#### (a) Critical judgement in determining the lease classification (continued)

##### (i) Operating leases – Group as lessor (continued)

Chartering of FPSOs, OSVs and tankers to customers are recognised as revenue based on whether the charter contracts are determined to be an operating lease or a finance lease in accordance with MFRS 16 "Leases". The classifications of the charter contracts are assessed at the inception of the lease.

The lessee's purchase option is considered in classifying the lease contract. At lease inception, if it is not reasonably certain that the option will be exercised, the option will not be part of the basis for classification. If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date of the option becomes exercisable, the exercise of the purchase option is regarded to be reasonably certain. The evaluation of the term "reasonably certain" involves judgement.

If the terms and conditions of the lease contracts change subsequently, the management will reassess whether the new arrangements would be classified as a new lease based on the prevailing market conditions.

##### (ii) Finance leases - Group as lessor

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

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

- Determination of fair value of the leased FPSOs

For the Group's awarded lease contracts that were systematically classified under MFRS 16 as finance leases for accounting purposes, the fair value of the leased FPSO is recorded as an outright sale at the commencement of the lease.

Significant judgments are used to estimate the charter rates and discount rates applied in computing the fair value of the leased FPSO. The discount rate used is based on the interest rate implicit to the lease. The interest rate implicit to the lease takes into account among others: time value of money, financing structure, country risk and risk profile of a client and project. Therefore, the discount rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

In the current financial year, the Group recognised revenue and net profit on outright sale of an FPSO upon commencement of the finance lease of RM1,095 million (2020: RM1,551 million) (Note 6) and RM111 million (2020: RM7 million) respectively.

- Determination of lease term

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

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

Extension options are included in certain leases of FPSOs across the Group in order to determine the net investment in these leases (Note 33(a)). The extension options are exercisable only by the respective lessees.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 5. Critical accounting estimates and judgements (continued)

#### (a) Critical judgement in determining the lease classification (continued)

##### (ii) Finance leases - Group as lessor (continued)

- Determination of lease term (continued)

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

- Probability of exercise of purchase option

The lessee's purchase option is considered in classifying the lease contract. At lease inception, if it is not reasonably certain that the option will be exercised, the option will not be a part of the basis for classification. If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable, the exercise of the option is regarded as reasonably certain. The evaluation of the term "reasonably certain" involves judgement.

#### (b) Measurement of ECL allowance for financial assets

The measurement of ECL allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about future economic conditions and credit behaviour of customers. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 42(b). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

##### (i) Significant increase in credit risk

As at reporting date, these receivables were subject to considerable credit risk, because a slight deterioration in cash flows could result in customers missing a contractual payment on these receivables. Accordingly, the Group and the Company have recognised a lifetime ECL on these receivables.

##### (ii) Determining the number and relative weightings of forward-looking scenarios

The Group and the Company measures loss allowance at a probability-weighted amount that reflects the possibility of credit loss occurring. This requires forecast of economic variables and their associated impact on PD ('probability of default'), LGD ('loss given default') and EAD ('exposure at default') which are provided in possible scenarios along with scenario weightings. Probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group and the Company considers these forecasts to be appropriately representative of its best estimate of the possible outcomes and the range of possible scenarios.

#### (c) Impairment of FPSOs, OSVs and tankers

Each FPSO, OSV and tanker is deemed to be a single CGU as the Group manages each FPSO, OSV and tanker separately. The Group reviews these CGUs at each reporting date for impairment indicators in accordance with the accounting policy stated in Note 2.20. If there is an impairment indicator, the recoverable amount for the FPSO, OSV and tanker will be ascertained based on the higher of the fair value less costs of disposal and its value in use. For value in use calculations, the future cash flows are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each FPSO, OSV and tanker discounted by an appropriate discount rate.

The impairment testing for each CGU requires management's estimates and judgement to derive future cash flows based on key assumptions such as charter rates, utilisation levels and costs escalation based on historical trends amongst others. The discount rate used is based on industry average that varies over time.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 5. Critical accounting estimates and judgements (continued)

#### (c) Impairment of FPSOs, OSVs and tankers (continued)

The Group has evaluated the carrying amounts of OSVs and tankers against their recoverable amounts and recorded an impairment charge to the carrying value of OSVs and tankers of RM33 million (2020: RM5 million). The key assumptions and basis used to determine the recoverable amounts of the OSVs are disclosed in Note 16(g).

#### (d) Useful life and residual value of FPSOs, OSVs and tankers

The Group reviews the residual value and useful life of FPSOs, OSVs and tankers at each reporting date based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the residual value and estimated useful life of FPSOs, OSVs and tankers would increase the recorded depreciation and decrease the carrying value of FPSOs, OSVs and tankers. The net book value of FPSOs, OSVs and tankers as at 31 January 2021 was RM3,477 million in Note 16.

For the financial year ended 31 January 2021, the impact of the sensitivity resulting from a 5 years increase/decrease in the estimated useful life and a 10% increase/decrease in estimated residual value of FPSOs, OSVs and tankers on the expected carrying value of property, plant and equipment and the depreciation expense charged to profit or loss annually are analysed as follows:

	Carrying value of property, plant and equipment Group RM million	Depreciation expense Group RM million
<b>Useful life</b>		
- Increase by 5 years	3,537	155
- Decrease by 5 years	3,389	281
<b>Residual value</b>		
- Increase by 10%	3,483	209
- Decrease by 10%	3,474	219

#### (e) Income taxes

Judgement is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (f) Share-based compensation plans

On 26 June 2019, the Board of Directors of the Company approved an Employees' Long-term Incentive Plan ("LTIP"). Under the LTIP, either performance bonuses in cash or ordinary shares in the Company ("Yinson Shares") are awarded to eligible employees and executive director of the Group.

On 25 March 2020, the terms and conditions of the LTIP were finalised and approved by the Board of Directors. On 3 August 2020, the LTIP was granted to the eligible employees and executive director of the Group.

The salient terms and conditions of the LTIP are set out in Note 29(b).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 5. Critical accounting estimates and judgements (continued)

#### (f) Share-based compensation plans (continued)

The final number of Yinson Shares or cash performance bonuses to be awarded will depend on the achievement of pre-determined target points for daily share price and Award Conditions over a four-year performance period, and is subject to approval by the Employees' Share Scheme Committee and the Board of Directors of the Company. No Yinson Shares or cash performance bonuses will be awarded if the share price targets and Award Conditions are not met at each annual assessment date within the performance period.

Significant judgment is required to determine whether the target points for daily share price and Award Conditions are expected to be achieved at each annual assessment date within the performance period, and correspondingly, the number of Yinson Shares or cash performance bonuses to be awarded.

Based on the above, compensation costs of the Group's LTIP of RM15 million (Note 29(c)), reflecting the benefits accruing to the employees over the service period to which the performance criteria relate, were recognised in the current financial year.

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

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

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

Significant judgement is used to estimate the above-mentioned total contract costs to complete. In making these estimates, management has applied its past experience of completing similar projects, as well as quotations from and contracts with suppliers and sub-contractors. These estimations are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements. Total contract costs may also be affected by factors such as uncertainties in contract execution, variation in scope of works and acceptance of claims by customers.

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

#### (h) Recoverable amounts of investment in subsidiaries

The Company reviews its investment in subsidiaries for impairment indicators in accordance with the accounting policy stated in Note 2.20. If an impairment indicator exists, the recoverable amount for the investment will be ascertained based on its value-in-use ("VIU"). For VIU calculations, the future cash flows from these subsidiaries are discounted by an appropriate discount rate.

Significant judgments are used to estimate the future cash flows and discount rates applied in computing the recoverable amounts of the investments. In making these estimates, management has relied on past performance and its expectations of future cash flows from these subsidiaries. The discount rates applied reflects specific risks relating to the relevant industry and geographical location of the underlying cash flows.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 5. Critical accounting estimates and judgements (continued)

#### (h) Recoverable amounts of investment in subsidiaries (continued)

Based on the above, the Company has recognised an impairment charge of RM41 million (2020: RM8 million) (Note 9) on its investment in subsidiaries during the financial year. As at 31 January 2021, the carrying amount of investment in subsidiaries amounted to RM2,011 million (2020: RM807 million) (Note 19).

#### (i) Critical judgement over interest rate benchmark reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as USD LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes. The Group's risk exposure that is directly affected by the interest rate benchmark reform are its floating rate debt denominated in USD (Note 32). The Group has hedged certain of this debt with interest rate swaps (Note 42(a)(i)), and it has designated the swaps in cash flow hedges of the variability in cash flows of the debt, due to changes in 3 month USD LIBOR that is the current benchmark interest rate.

It is currently expected that the Secured Overnight Financing Rate ("SOFR") will replace USD LIBOR. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for term differences and credit differences might need to be applied to SOFR, to enable the two benchmark rates to be economically equivalent on transition.

At the time of reporting, industry working groups are reviewing methodologies for calculating adjustments between USD LIBOR and SOFR. The Alternative Reference Rates Committee has stated that it anticipates that a term SOFR reference rate could be developed in the first half of 2021. On 5 March 2021, the Financial Conduct Authority in the United Kingdom has announced that the 3-month USD LIBOR will continue to be published up to 30 June 2023.

The Group's treasury function is managing the Group's USD LIBOR transition plan. This transition plan may include changes to systems, processes, risk and valuation models, as well as managing related tax and accounting implications. The Group currently anticipates that the areas of greatest change will be amendments to the contractual terms of the Group's 3-month USD LIBOR-referenced floating-rate debt and associated swaps, and the corresponding update of the hedge designations.

#### *Reliefs applied*

The Group has applied the following reliefs that were introduced by the amendments made to MFRS 9 "Financial Instruments":

- When considering the 'highly probable' requirement, the Group has assumed that the USD LIBOR interest rate on which the Group's hedged debt is based does not change as a result of the IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the USD LIBOR interest rate on which the cash flows of the hedged debt and the interest rate swaps that hedges it are based is not altered by IBOR reform.
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

#### *Assumptions made*

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Group has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to SOFR during 2023 and the spread will be similar to the spread included in the interest rate swaps used as the hedging instruments.
- No other changes to the terms of the floating-rate debt are anticipated.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 6. Revenue

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Revenue from contracts with customers (Note 6(a))	3,626	1,707	23	41
<u>Revenue from other sources</u>				
Chartering of FPSOs, OSVs and tankers	1,006	775	-	-
Finance lease income	214	26	-	-
Rental income (Note 17)	-	1	-	-
Dividends from subsidiaries and joint ventures	-	-	237	360
Others	3	10	-	-
	4,849	2,519	260	401

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

The Group derives revenue from the transfer of goods and services over time and at a point in the following business segments:

	Offshore Production and Offshore Marine			Renewables	Total
	EPCIC	Non-EPCIC	Total		
	RM million	RM million	RM million	RM million	RM million
<b>Group</b>					
<b>2021</b>					
EPCIC of FPSO vessel	2,299	-	2,299	-	2,299
Outright sale of FPSO vessel at commencement of lease	1,095	-	1,095	-	1,095
FPSO support services fees	-	209	209	-	209
Sale of electricity	-	-	-	6	6
Management fee income	-	17	17	-	17
	3,394	226	3,620	6	3,626
<u>Timing of revenue recognition</u>					
- At a point in time	1,095	-	1,095	-	1,095
- Over time	2,299	226	2,525	6	2,531
	3,394	226	3,620	6	3,626

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 6. Revenue (continued)

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

The Group derives revenue from the transfer of goods and services over time and at a point in the following business segments: (continued)

	<b>Offshore Production and Offshore Marine</b>		<b>Total</b>
	<b>EPCIC</b>	<b>Non-EPCIC</b>	
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
<b>Group</b>			
<b>2020</b>			
Outright sale of FPSO vessel at commencement of lease	1,551	-	1,551
FPSO support services fees	-	141	141
Management fee income	-	15	15
	1,551	156	1,707
<u>Timing of revenue recognition</u>			
- At a point in time	1,551	-	1,551
- Over time	-	156	156
	1,551	156	1,707

Refer to Note 43 for disaggregation of revenue by geographical location of the Group's operations.

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
Management fee income	23	41

The Company recognises revenue from contracts with customers over time.

(b) Assets related to contracts with customers

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
Non-current contract assets Note 6(b)(i)	2,206	-

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

**6. Revenue (continued)**

(b) Assets related to contracts with customers (continued)

(i) Significant changes in contract assets

Contract assets have increased as the Group has commenced EPCIC business activities in the current financial year.

(ii) Unsatisfied long-term EPCIC contracts

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
Aggregate amount of the transaction price allocated to long-term EPCIC contracts that are partially or fully unsatisfied as at 31 January	3,091	-

Management expects that 72% of the transaction price allocated to the unsatisfied performance obligations (RM2,213 million) as of 31 January 2021 may be recognised as revenue during the next reporting period as the Group continues to perform to complete the EPCIC of the FPSO vessel. The remaining 28% (RM878 million) may be recognised in the financial year ending 31 January 2023. The Group will recognise the unsatisfied performance obligation over this period in line with the work performed.

**7. Cost of sales**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
<b>Included in cost of sales are:</b>		
Amortisation of unfavourable contracts (Note 34)	-	(5)
Amortisation of intangible assets (Note 18)	49	8
Depreciation of property, plant and equipment	226	223
Employee benefits expenses (Note 10)	3	1
EPCIC sub-contractor costs	2,008	-
Costs relating to outright sales of FPSO at commencement of finance lease	984	1,544
Vessel operating expenses	159	79

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 8. Other income

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Fair value gain on marketable securities	2	-	-	-
Investment income	4	4	-	-
Service fee income	2	-	1	1
Gain on disposal of subsidiaries	-	-	113	-
Net gain on foreign exchange	-	-	-	1
Net reversal of impairment loss on amounts due from subsidiaries	-	-	15	7
Finance lease income	2	2	-	-
Writeback of payables	-	8	-	-
Gain on remeasurement of previously held equity interest (Note 46(b)(iv))	3	-	-	-
Compensation income	19	-	-	-
Government grant income	6	-	-	-
Miscellaneous	5	2	-	-
	43	16	129	9

Government grant income recognised during the current financial year was under Jobs Support Scheme ("JSS") introduced at Budget 2020 by the Government of Singapore. The JSS is a temporary scheme to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

### 9. Administrative expenses

Included in administrative expenses are:

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers PLT	1	1	-	-
- Member firms of PricewaterhouseCoopers International Limited	2	1	-	-
Fees for non-audit services				
- PricewaterhouseCoopers PLT	1	2	-	-
- Member firms of PricewaterhouseCoopers International Limited	1	-	-	-
- Others	1	1	1	1
Amortisation of intangible assets (Note 18)	7	5	3	3
Depreciation of property, plant and equipment	24	15	4	2
Fair value loss on:				
- investment properties (Note 17)	3	2	-	-



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 9. Administrative expenses (continued)

Included in administrative expenses are: (continued)

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
(Reversal of impairment loss)/impairment loss on:				
- trade receivables (Note 24(a))	-	(1)	-	-
- other receivables (Note 24(b))	(6)	(2)	-	-
- other assets (Note 25)	(2)	4	-	-
- tax recoverable	12	2	-	-
- investment in subsidiaries	-	-	41	8
- property, plant and equipment (Note 16)	33	5	-	-
Loss on disposal of:				
- property, plant and equipment	-	1	-	-
- other investments	2	1	-	-
Operating leases - Payments for land and buildings	2	-	-	-
Contract acquisition costs written off	104	-	-	-
Deal deposit written off	84	-	-	-
Waiver of debts				
- amounts due from subsidiaries	-	-	-	122
Net loss on foreign exchange	13	-	-	-
Employee benefits expenses (Note 10)	96	41	38	31

## 10. Employee benefits expenses

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Included in:				
Cost of sales (Note 7)	3	1	-	-
Administrative expenses (Note 9)	96	41	38	31
	99	42	38	31
Analysed as follows:				
Wages, salaries and bonuses	79	36	30	23
Social security contributions	1	-	-	-
Contributions to defined contribution plan	6	2	2	2
Share-based payments (Note 29(c))	9	2	4	3
Other benefits	4	2	2	3
	99	42	38	31

Included in employee benefits expenses of the Group and of the Company are executive and non-executive directors' remuneration as disclosed in Note 11.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 11. Directors' remuneration

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Executive directors' remuneration:				
- Share-based payments	1	2	1	2
- Other emoluments	10	10	10	10
	11	12	11	12
Non-executive directors' remuneration:				
- Fees	2	1	2	1
Total directors' remuneration	13	13	13	13
<u>Additional disclosures</u>				
Indemnity given or insurance effected for the Directors and officers	1	1	1	1

Fees for executive directors and other emoluments for non-executive directors are not disclosed as the amounts are, in aggregate, below RM1 million.

### 12. Finance costs

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Bank charges	6	7	1	1
Interest expenses:				
- Loans and borrowings	262	221	39	36
- Lease liabilities	2	2	-	-
Cash flow hedge reclassified to profit or loss	53	13	-	-
Fair value loss on derivatives for interest rate swap	-	1	-	-
	323	244	40	37
Less: Interest expenses capitalised in property, plant and equipment (Note 16(c))	(4)	(46)	-	-
	319	198	40	37

Interest expenses on general financing amounting to RM4 million (2020: RM6 million) were capitalised during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

**13. Income tax expense**Major components of income tax expense

The major components of income tax expense for the financial years ended 31 January 2021 and 2020 are:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
<b>Income statements</b>				
Current income tax				
- Malaysian income tax	14	8	-	1
- Foreign tax	72	62	-	-
- Over provision in prior years	(12)	-	-	-
	74	70	-	1
Deferred tax (Note 35):				
- Relating to origination/reversal of temporary differences	94	-	-	-
	168	70	-	1

Reconciliation between tax expense and accounting profit:

The reconciliation between tax expense and profit before tax multiplied by the applicable tax rates for the financial years ended 31 January 2021 and 2020 are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
Profit before tax	580	331	249	223
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	139	79	60	53
Income not subject to tax	(29)	(15)	(106)	(97)
Expenses not deductible for tax purposes	95	45	46	45
Different tax rates of subsidiaries in various national jurisdictions	(18)	(17)	-	-
Changes in deferred tax assets not recognised	3	-	-	-
Utilisation of previously unrecognised deferred tax assets	-	(4)	-	-
Share of results of joint ventures and associates	6	(2)	-	-
Perpetual securities distribution and expenses	(16)	(16)	-	-
Over provision of tax expense in prior years	(12)	-	-	-
Income tax expense recognised in profit or loss	168	70	-	1

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 14. Earnings per share

#### (a) Basic

Basic earnings per share amounts are calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year excluding ordinary shares purchased by the Company and held as treasury shares (Note 28).

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
Profit attributable to owners of the Company used in the computation of basic earnings per share (RM million)	315	210
Weighted average number of ordinary shares for computation of basic earnings per share ('000)	1,066,177	1,079,234
Basic earnings per share (sen)	29.5	19.5

The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions during the financial year.

#### (b) Diluted

The diluted earnings per share is calculated by dividing the profit for the financial year attributable to the owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the ESS options) by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive shares arising from the ESS options granted by the reporting date, as if the options had been exercised on the first day of the financial year or the date of the grant, if later.

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
Profit attributable to owners of the Company used in the computation of diluted earnings per share (RM million)	315	210
Weighted average number of ordinary shares in issue ('000)	1,066,177	1,079,234
Adjusted for ESS options ('000)	4,599	5,562
Adjusted weighted average number of ordinary shares in issue for diluted earnings per share ('000)	1,070,776	1,084,796
Diluted earnings per share (sen)	29.4	19.4

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 14. Earnings per share (continued)

## (c) Reconciliations of earnings used in calculating earnings per share

	Group	
	2021	2020
	RM million	RM million
<i>Basic and diluted earnings per share</i>		
Profit attributable to owners of the Company used in the computation of basic/ diluted earnings per share	315	210

## 15. Dividends

	Company			
	2021		2020	
	Dividend per ordinary share	Amount of dividend	Dividend per ordinary share	Amount of dividend
	Sen	RM million	Sen	RM million
Interim single tier dividend in respect of the financial year ended:				
- 31 January 2021	4.0	43	-	-
Final single tier dividend in respect of the financial year ended:				
- 31 January 2020	2.0	21	-	-
Interim single tier dividend in respect of the financial year ended:				
- 31 January 2020	-	-	4.0	43
Final single tier dividend in respect of the financial year ended:				
- 31 January 2019	-	-	2.0	22
	6.0	64	6.0	65

The Directors recommend a final single tier dividend of 2.0 sen per share in respect of the current financial year for shareholders' approval at the forthcoming Annual General Meeting.

If approved, the entitlement date and payment date for the dividend would be 5 August 2021 and 30 August 2021 respectively.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 16. Property, plant and equipment

Group	Motor vehicles	Offshore Marine - OSVs	Offshore Marine - tugboats, barges, and boat equipment	Offshore Production - FPSOs	Tankers available for conversion	Solar plant and machinery	**FPSO construction in progress	Right-of-use assets	*Other assets	Total
RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million
<b>Cost</b>										
<b>At 1 February 2019</b>	5	326	3	5,091	132	-	865	-	22	6,444
Adoption of MFRS 16	-	-	-	-	-	-	-	27	-	27
Additions	2	-	-	-	246	-	1,036	13	5	1,302
Disposals	-	-	(2)	-	-	-	-	-	-	(2)
Reclassification to cost of sales	-	-	-	-	-	-	(1,533)	-	-	(1,533)
Exchange differences	-	-	-	(10)	-	-	(2)	-	-	(12)
<b>At 31 January 2020 and 1 February 2020</b>	7	326	1	5,081	378	-	366	40	27	6,226
Acquisition of subsidiaries (Note 46(b))	1	-	-	-	-	427	-	4	33	465
Additions	1	8	-	10	-	-	1,534	8	26	1,587
Disposals	(1)	-	-	-	(118)	-	-	(1)	-	(120)
Written off	-	-	-	-	-	-	-	(1)	(3)	(4)
Reclassification to cost of sales	-	-	-	-	-	-	(960)	-	-	(960)
Reclassification	-	-	-	(1,387)	(131)	-	553	-	-	(965)
Recognition of EPCIC activities	-	-	-	-	-	-	(1,490)	-	-	(1,490)
Exchange differences	-	(1)	(1)	(75)	(4)	3	(3)	-	-	(81)
<b>At 31 January 2021</b>	8	333	-	3,629	125	430	-	50	83	4,658

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 16. Property, plant and equipment (continued)

Group	Motor vehicles	Offshore Marine - OSVs	Offshore tugboats, barges, and boat equipment	Offshore Production - FPSOs	Tankers available for conversion	Solar plant and machinery	**FPSO in construction	Right-of-use assets	*Other assets	Total
	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million	RM million
<b>Accumulated depreciation</b>										
<b>At 1 February 2019</b>	2	91	1	909	1	-	-	-	10	1,014
Charge for the financial year	-	10	-	199	14	-	-	11	4	238
Exchange differences	-	-	-	(6)	-	-	-	-	-	(6)
<b>At 31 January 2020 and 1 February 2020</b>	2	101	1	1,102	15	-	-	11	14	1,246
Charge for the financial year	1	9	-	204	14	2	-	14	6	250
Disposals	(1)	-	-	-	(9)	-	-	(1)	-	(11)
Written off	-	-	-	-	-	-	-	(1)	(3)	(4)
Reclassification	-	-	-	(918)	(10)	-	-	-	-	(928)
Exchange differences	-	-	(1)	(18)	(1)	-	-	(2)	-	(22)
<b>At 31 January 2021</b>	2	110	-	370	9	2	-	21	17	531
<b>Accumulated impairment loss</b>										
<b>At 1 February 2019</b>	-	95	-	37	-	-	-	-	-	132
Impairment (Note 9)	-	5	-	-	-	-	-	-	-	5
Exchange differences	-	(1)	-	-	-	-	-	-	-	(1)
<b>At 31 January 2020 and 1 February 2020</b>	-	99	-	37	-	-	-	-	-	136
Reclassification	-	-	-	(37)	-	-	-	-	-	(37)
Impairment (Note 9)	-	22	-	-	11	-	-	-	-	33
Disposals	-	-	-	-	(11)	-	-	-	-	(11)
<b>At 31 January 2021</b>	-	121	-	-	-	-	-	-	-	121
<b>Net carrying amount</b>										
At 31 January 2020	5	126	-	3,942	363	-	366	29	13	4,844
At 31 January 2021	6	102	-	3,259	116	428	-	29	66	4,006

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 16. Property, plant and equipment (continued)

Company	Right-of-use assets RM million	*Other assets RM million	Total RM million
<b>Cost</b>			
<b>At 1 February 2019</b>	-	5	5
Adoption of MFRS 16	1	-	1
Additions	-	1	1
<b>At 31 January 2020 and 1 February 2020</b>	1	6	7
Additions	8	11	19
Written off	(1)	(3)	(4)
<b>At 31 January 2021</b>	8	14	22
<b>Accumulated depreciation</b>			
<b>At 1 February 2019</b>	-	2	2
Charge for the financial year (Note 9)	1	1	2
<b>At 31 January 2020 and 1 February 2020</b>	1	3	4
Charge for the financial year (Note 9)	2	2	4
Written off	(1)	(3)	(4)
<b>At 31 January 2021</b>	2	2	4
<b>Net carrying amount</b>			
At 31 January 2020	-	3	3
At 31 January 2021	6	12	18

\* Other assets comprise office equipment, renovation, electrical installation, furniture and fittings and capitalised project development costs.

\*\* As at 31 January 2020, FPSO construction in progress comprises FPSO Abigail-Joseph and FPSO Anna Nery.

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

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Cash payment	282	1,217	11	1
Movement in property, plant and equipment creditors	(17)	26	-	-
Interest capitalised	4	46	-	-
Additions relating to EPCIC activities *	1,310	-	-	-
Additions to lease liabilities	8	13	8	-
	1,587	1,302	19	1

\* Subsequently charged to cost of sales during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 16. Property, plant and equipment (continued)

- (b) The carrying amounts of property, plant and equipment pledged to financial institutions for banking facilities granted to the Group and lease assets pledged to the related finance lease liabilities as disclosed in Note 32 and Note 33(b) at reporting date respectively were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
FPSOs and OSVs	3,303	3,517	-	-
Motor vehicles	1	2	-	-
Solar plant and building	461	-	-	-
	3,765	3,519	-	-

- (c) The Group's plant and equipment include borrowing costs arising from bank loans borrowed for the purpose of the construction of FPSOs. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM4 million (2020: RM46 million).
- (d) The FPSO contracts include options for the charterers to purchase the respective FPSOs or to extend their charter periods beyond the initial firm lease period. The purchase option values are based on declining agreed prices, which are in excess of the current net book values of the FPSOs as at the reporting date.
- (e) Additional information for right-of-use assets were as follows:

	<b>Buildings</b>	<b>Office equipment</b>	<b>Total</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
<b>2021</b>			
<b>Group</b>			
Depreciation charge for the financial year	14	-	14
Carrying amounts at the end of financial year	28	1	29
<b>Company</b>			
Depreciation charge for the financial year	2	-	2
Carrying amounts at the end of financial year	6	-	6
<b>2020</b>			
<b>Group</b>			
Depreciation charge for the financial year	11	-	11
Carrying amounts at the end of financial year	28	1	29
<b>Company</b>			
Depreciation charge for the financial year	1	-	1
Carrying amounts at the end of financial year <sup>1</sup>	-	-	-

<sup>1</sup> Carrying amount is less than RM1 million.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 16. Property, plant and equipment (continued)

- (f) The carrying amount of property, plant and equipment subject to operating leases, primarily comprising FPSO John Agyekum Kufuor and FPSO Adoon, as disclosed in Note 39(b) at each reporting date were as follows:

	Group	
	2021	2020
	RM million	RM million
FPSOs, OSVs and tankers	3,477	4,431

- (g) Impairment of Offshore Support Vessels ("OSVs")

The decline in vessel utilisation and charter rates of OSVs in the current financial year were identified as impairment indicators. Subsequently, the Group undertook an impairment review, which resulted in an impairment loss of RM22 million (2020: RM5 million) on certain OSVs based on shortfall between the recoverable amounts using the forecasted value in use and their carrying values. The key assumptions used are as follows:

- (i) Utilisation rates and charter rates forecasted over the projected service lives of these OSVs. These were estimated based on past performance records, future market outlook and management expectation of market developments;
- (ii) Relevant operating costs adjusted for average inflation rate of 2.0% (2020: 2.0%) per annum over the projected service lives of the respective OSVs;
- (iii) Expected residual value of OSVs based on scrap values at the end of their service lives;
- (iv) Regional industry weighted average cost of capital ("WACC") ranging from 6.5% to 7.9% (2020: 6.5% to 7.3%); and
- (v) The projected service lives of these OSVs.

The discount rates used are pre-tax and reflect specific risks relating to the CGUs. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the CGUs. The Group had taken into consideration the current depressed market conditions in the oil and gas industry in the cash flow projections, which include lower forecasted vessel utilisation and charter rates.

#### Sensitivity to changes in key assumptions

Changing the assumptions selected by management would significantly affect the Group's results. The Group's review includes the sensitivity of key assumptions to the cash flow projections. An increase by 5% in the utilisation rates and charter rates respectively will result in a reduction of impairment loss by approximately RM5 million (2020: RM3 million) and RM5 million (2020: RM3 million) respectively with all other inputs remaining constant. A decrease by 5% in utilisation rates and charter rates respectively will result in an additional impairment loss of approximately RM5 million (2020: RM3 million) and RM4 million (2020: RM3 million) respectively with all other inputs remaining constant.

### 17. Investment properties

Investment properties are stated at fair value, which were determined based on valuations at the reporting date using the market comparison approach.

	Group	
	2021	2020
	RM million	RM million
At 1 February	18	20
Changes in fair value (Note 9)	(3)	(2)
At 31 January	15	18

The investment properties of the Group were pledged to financial institutions for banking facilities granted to the Company as disclosed in Note 32.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 17. Investment properties (continued)

The following amounts are recognised in profit or loss in respect of investment properties:

	Group	
	2021	2020
	RM million	RM million
Rental income (Note 6)	-	1
Direct operating expenses arising from:		
- Investment properties that generate rental income	-	1

The Group uses assumptions that are based on market conditions existing at the end of each reporting period. The fair value of investment properties were estimated by management based on market evidence of transaction prices for similar properties, adjusted for differences in key attributes such as property size, view and quality of interior fittings.

Fair value is determined using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement (Note 40(a)). Changes in fair value are recognised in profit or loss during the reporting period in which they are reviewed.

The fair value measurements using Level 3 inputs are as follows:

		<u>Significant unobservable input</u> <u>Price per square foot</u> <u>RM/psf</u>	
<u>Valuation technique</u>		2021	2020
Residential properties	Market comparison approach	655 - 1,133	811 - 1,348

Sensitivity to significant unobservable inputs

Changes in the price per square foot by 5% are not expected to result in a significant change in fair value of the investment properties of the Group.

## 18. Intangible assets

Group	Computer software RM million	Contract rights* RM million	Trademark RM million	Total RM million
<b>Cost</b>				
At 1 February 2019	34	382	-	416
Additions	6	-	1	7
Exchange differences	-	(1)	-	(1)
At 31 January 2020 and 1 February 2020	40	381	1	422
Additions	3	-	-	3
Exchange differences	-	(6)	-	(6)
At 31 January 2021	43	375	1	419

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 18. Intangible assets (continued)

Group	Computer software RM million	Contract rights* RM million	Trademark RM million	Total RM million
<b>Accumulated amortisation</b>				
At 1 February 2019	14	-	-	14
Amortisation (Note 7 & Note 9)	5	8	-	13
At 31 January 2020 and 1 February 2020	19	8	-	27
Amortisation (Note 7 & Note 9)	7	49	-	56
Exchange differences	-	(2)	-	(2)
At 31 January 2021	26	55	-	81

#### Net carrying amount

At 31 January 2020	21	373	1	395
At 31 January 2021	17	320	1	338

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

Company	Computer software RM million	Trademark RM million	Total RM million
<b>Cost</b>			
At 1 February 2019	13	-	13
Additions	4	1	5
At 31 January 2020 and 1 February 2020	17	1	18
Additions	1	-	1
At 31 January 2021	18	1	19

#### Accumulated amortisation

At 1 February 2019	7	-	7
Amortisation (Note 9)	3	-	3
At 31 January 2020 and 1 February 2020	10	-	10
Amortisation (Note 9)	3	-	3
At 31 January 2021	13	-	13

#### Net carrying amount

At 31 January 2020	7	1	8
At 31 January 2021	5	1	6

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 19. Investment in subsidiaries

	Company	
	2021	2020
	RM million	RM million
<b>Unquoted shares, at cost</b>		
In Malaysia	569	818
Outside Malaysia	1,491	*
	2,060	818
Accumulated impairment loss	(49)	(11)
	2,011	807

\* Cost of unquoted shares outside Malaysia is at its nominal value.

During the financial year, the Company capitalised amount owing from subsidiaries amounted to RM1,984 million (2020: RM25 million).

In the current financial year, an impairment loss was recognised for certain subsidiaries of the Group as a result of their recoverable amounts being estimated to be lower than their carrying amounts.

(a) Details of subsidiaries are as follows:

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
OY Labuan Limited	Labuan	100	100	Dormant
Yinson Energy Sdn. Bhd. <sup>(viii)</sup>	Malaysia	30	30	Provision of agency, consultancy, engineering and marine support services for oil and gas industry
Yinson Engineering Solutions Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Dormant
Yinson Global Corporation (S) Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Investment holding
Yinson Marine Services Sdn. Bhd.	Malaysia	100	100	Provision of work permit and consultancy services
Yinson Mawar Sdn. Bhd.	Malaysia	100	100	Investment in properties
Yinson Nereus Ltd <sup>(x)</sup> (Liquidated)	Republic of the Marshall Islands	-	100	-
Yinson Offshore Limited <sup>(v)</sup> (In liquidation)	Labuan	100	100	Dormant
Yinson Orchid Pte. Ltd. <sup>(x)</sup> (Liquidated)	Singapore	-	100	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
Yinson Production Limited	Labuan	100	100	Investment holding
Yinson Tulip Ltd.	Labuan	100	100	Dormant
<b>Held through the Company and Yinson Global Corporation (HK) Limited:</b>				
Yinson Offshore Services Sdn. Bhd. <sup>(vii)</sup>	Malaysia	100	100	Investment holding
<b>Held through the Company and Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.):</b>				
Yinson Macacia Limited <sup>(vii)</sup>	Labuan	100	100	Investment holding
<b>Held through Yinson Global Corporation (S) Pte. Ltd.:</b>				
Yinson Global Corporation (HK) Limited <sup>(i)</sup>	Hong Kong	100	100	Investment holding
<b>Held through Yinson Global Corporation (HK) Limited:</b>				
Yinson Eden Pte. Ltd.	Singapore	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Green Technologies Pte. Ltd. <sup>(ii)(vi)</sup>	Singapore	100	-	Investment holding and provision of management services
Yinson International Pte. Ltd. <sup>(i)(vii)</sup>	Singapore	100	100	Provision of treasury management services to companies within the Group
Yinson Juniper Ltd.	British Virgin Islands	100	100	Provision of treasury management services to companies within the Group
Yinson Production Offshore Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Investment holding and provision of management services
Yinson Renewables (HK) Limited <sup>(i)</sup>	Hong Kong	100	100	Investment holding

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
<b>Held through Yinson Global Corporation (HK) Limited: (continued)</b>				
Yinson TMC Sdn. Bhd. <sup>(vii)</sup>	Malaysia	100	100	Provision of treasury management services to companies within the Group
<b>Held through Yinson Green Technologies Pte. Ltd.:</b>				
Yinson Electric Pte. Ltd. <sup>(iii)(vi)</sup>	Singapore	100	-	Investment in and development of electric vessels and other related technologies
Yinson Mobility Pte. Ltd. <sup>(iii)(vi)</sup>	Singapore	100	-	Investment in and development of electric bus designs and other vehicle related technologies
Yinson Ocean Pte. Ltd. <sup>(iii)(vi)</sup>	Singapore	100	-	Investment in and development of ocean technologies
Yinson Venture Capital Pte. Ltd. <sup>(iii)(vi)</sup>	Singapore	100	-	Investment in green tech funds and small technology start-ups
<b>Held through Yinson Production Offshore Pte. Ltd.:</b>				
Yinson Acacia Ltd	Republic of the Marshall Islands	100	100	Investment holding
Yinson Production AS <sup>(i)</sup>	Norway	100	100	Investment holding and provision of management services
Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.) <sup>(i)(vii)</sup>	Singapore	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Production EPC Pte. Ltd. <sup>(i)(iii)</sup>	Singapore	100	-	Investment holding and provision of engineering, procurement and construction for floating production system and management services



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
Held through Yinson Acacia Ltd:				
Yinson Bergenia Consortium Pte. Ltd. <sup>(i)(iii)</sup>	Singapore	100	-	Investment holding
Yinson Boronia Consortium Pte. Ltd. <sup>(i)</sup>	Singapore	75	100	Investment holding
Yinson Clover Ltd <sup>(iv)</sup>	Republic of the Marshall Islands	100	100	Investment holding
Yinson Ghacacia Ltd <sup>(iv)</sup>	Republic of the Marshall Islands	100	100	Investment holding
Yinson Heather Ltd <sup>(iv)</sup>	Republic of the Marshall Islands	100	100	Investment holding
Yinson Nepeta Holdings Ltd <sup>(x)</sup> (Liquidated)	Republic of the Marshall Islands	-	100	-
Yinson Nepeta Production Ltd	Republic of the Marshall Islands	100	100	Provision of floating production storage and offloading vessel for chartering and service activities incidental to oil and gas extraction
Held through Yinson Bergenia Consortium Pte. Ltd.:				
Yinson Bergenia Holdings Pte. Ltd. <sup>(i)(iii)</sup>	Singapore	100	-	Investment holding
Held through Yinson Bergenia Holdings Pte. Ltd.:				
Yinson Bergenia Production B.V. <sup>(iii)(vi)</sup>	Netherlands	100	-	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
<b>Held through Yinson Bergenia Production B.V.:</b>				
Yinson Bergenia Servicos De Operacao Ltda <sup>(iii)(vi)</sup>	Brazil	100	-	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry
<b>Held through Yinson Boronia Consortium Pte. Ltd.:</b>				
Yinson Boronia Holdings (S) Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Investment holding
<b>Held through Yinson Boronia Holdings (S) Pte. Ltd.:</b>				
Yinson Boronia Production B.V. <sup>(i)</sup>	Netherlands	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
<b>Held through Yinson Boronia Holdings (S) Pte. Ltd. and Yinson Boronia Production B.V.:</b>				
Yinson Boronia Servicos De Operacao Ltda <sup>(i)</sup>	Brazil	100	100	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry
<b>Held through Yinson Ghacacia Ltd and Yinson Gazania Operations Limited:</b>				
Yinson Gazania Production Ltd.	Republic of the Marshall Islands	94.9	94.9	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
<b>Held through Yinson Heather Ltd:</b>				
Anteros Rainbow Offshore Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Dormant

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
Held through Yinson Production AS:				
Adoon AS <sup>(i)</sup>	Norway	100	100	Investment holding
Allan AS <sup>(i)</sup>	Norway	100	100	Investment holding
Floating Operations and Production Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Yinson Lavender Operations Sdn. Bhd.	Malaysia	100	100	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Yinson Operations & Production West Africa Limited <sup>(i)(ix)</sup>	Nigeria	40	40	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Held through Adoon AS:				
Adoon Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Allan AS:				
Knock Allan Pte. Ltd. <sup>(i)</sup>	Singapore	100	100	Dormant
Held through Yinson Production AS and Floating Operations and Production Pte. Ltd.:				
Yinson Malva Operations S.A. DE C.V. <sup>(vi)</sup> (In Dissolution & Liquidation)	Mexico	100	100	Dormant
Held through Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.):				
Yinson Production Pte. Ltd. <sup>(i)(vii)</sup>	Singapore	100	100	Provision of engineering design and consultancy services relating to the offshore oil and gas industry

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
<b>Held through Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.): (continued)</b>				
Yinson Trillium Limited <sup>(vii)</sup>	Labuan	100	100	Investment holding
<b>Held through Yinson Macacia Limited:</b>				
Yinson Lavender Limited	Labuan	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
<b>Held through Yinson Trillium Limited and Yinson Production Pte. Ltd.:</b>				
Yinson Production (West Africa) Pte. Ltd. <sup>(i)</sup>	Singapore	74	74	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
<b>Held through Yinson Production EPC Pte. Ltd.:</b>				
Yinson Production EPC Sdn. Bhd. <sup>(iii)</sup>	Malaysia	100	-	Provision of engineering, procurement and construction for floating production system and management services
<b>Held through Yinson Renewables (HK) Limited:</b>				
Yinson Renewables AS <sup>(iv)</sup>	Norway	100	100	Investment holding and provision of management services
Yinson Renewables Pte. Ltd. <sup>(iii)</sup>	Singapore	100	-	Investment holding and provision of management services
YR Bhadla Pte. Ltd. (formerly known as Yinson Renewables (S) Pte. Ltd.) <sup>(i)(xi)</sup>	Singapore	100	100	Investment holding
Yinson Renewables (UK) Limited <sup>(ii)</sup>	United Kingdom	100	100	Activities of head offices

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
<b>Held through Yinson Renewables Pte. Ltd.:</b>				
YR India Pte. Ltd. <sup>(iii)</sup>	Singapore	100	-	Investment holding and provision of management services
YR Italy Pte. Ltd. <sup>(iii)</sup>	Singapore	100	-	Investment holding and provision of management services
<b>Held through YR India Pte. Ltd.:</b>				
YR India 2 Pte. Ltd. <sup>(iii)(vi)</sup>	Singapore	100	-	Investment holding and provision of management services
YR India 3 Pte. Ltd. <sup>(iii)(vi)</sup>	Singapore	100	-	Investment holding and provision of management services
YR Nokh Pte. Ltd. (formerly known as YR Karnataka Pte. Ltd.) <sup>(iii)</sup>	Singapore	100	-	Investment holding and provision of management services
<b>Held through YR Nokh Pte. Ltd. (formerly known as YR Karnataka Pte. Ltd.):</b>				
Rising Sun Energy (K) Pvt Ltd <sup>(ii)(iii)</sup>	India	80	-	Generation of electricity through renewable resources
<b>Held through YR Italy Pte. Ltd.:</b>				
YR Menta Wind Pte. Ltd. <sup>(iii)</sup>	Singapore	100	-	Investment holding and provision of management services
YR Messinello Wind Pte. Ltd. <sup>(iii)</sup>	Singapore	100	-	Investment holding and provision of management services
YR Paceco Solar Pte. Ltd. <sup>(iii)</sup>	Singapore	100	-	Investment holding and provision of management services
<b>Held through YR Menta Wind Pte. Ltd.:</b>				
Menta Wind S.R.L. <sup>(iii)(iv)</sup>	Italy	100	-	Generation of electricity through renewable resources



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
<b>Held through YR Messinello Wind Pte. Ltd.:</b>				
Messinello Wind S.R.L. <sup>(iii)(iv)</sup>	Italy	100	-	Generation of electricity through renewable resources
<b>Held through YR Paceco Solar Pte. Ltd.:</b>				
Paceco Solar S.R.L. <sup>(iii)(iv)</sup>	Italy	100	-	Generation of electricity through renewable resources
<b>Held through YR Bhadla Pte. Ltd. (formerly known as Yinson Renewables (S) Pte. Ltd.)</b>				
Rising Sun Energy Pvt Ltd <sup>(ii)(xi)</sup>	India	95	-	Infrastructure development for generation conservation, distribution and transmission of power
<b>Held through Rising Sun Energy Pvt Ltd:</b>				
Rising Bhadla 1 Pvt Ltd <sup>(ii)(xi)</sup>	India	100	-	Generation of electricity through renewable resources
Rising Bhadla 2 Pvt Ltd <sup>(ii)(xi)</sup>	India	100	-	Generation of electricity through renewable resources
<b>Held through Yinson Nereus Ltd:</b>				
Yinson Dynamic Ltd <sup>(x)</sup> (Liquidated)	Republic of the Marshall Islands	-	100	-
<b>Held through Yinson Offshore Services Sdn. Bhd.:</b>				
Regulus Offshore Sdn. Bhd.	Malaysia	70	70	Provision of leasing, operations and maintenance of vessels
Yinson Camellia Limited <sup>(vii)</sup>	Labuan	100	100	Dormant
Yinson Camellia Sdn. Bhd.	Malaysia	100	100	Chartering of offshore support vessels

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 19. Investment in subsidiaries (continued)

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

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
Held through Yinson Offshore Services Sdn. Bhd.: (continued)				
Yinson Indah Limited <sup>(vii)</sup>	Labuan	100	100	Dormant
Yinson Offshore Marine Limited <sup>(vii)</sup> (In liquidation)	Labuan	100	100	Dormant
Yinson Offshore Services Limited <sup>(vii)</sup> (In liquidation)	Labuan	100	100	Dormant

- (i) Audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT.
- (ii) Audited by audit firms other than PricewaterhouseCoopers.
- (iii) Subsidiaries newly incorporated during the current financial year.
- (iv) Companies not required to be audited under the laws of the country of incorporation.
- (v) Company not required to be audited due to status being in member's voluntary winding-up.
- (vi) Auditors yet to be appointed as at 31 January 2021.
- (vii) The reclassification or reorganisation of these companies in the Group are as disclosed in Note 46(a).
- (viii) The Group has concluded that it controls Yinson Energy Sdn. Bhd., even though it holds 30% equity interest in this subsidiary. Based on an agreement signed between the shareholders, the Company has majority representation on the Board of Directors, which is responsible for directing the relevant activities. All decisions of the Board of Directors only require a simple majority vote to be passed.
- (ix) The Group has concluded that it controls Yinson Operations & Production West Africa Limited, even though it holds 40% equity interest in this subsidiary. Based on an agreement signed between the shareholders, the Company has majority representation on the Board of Directors, which is responsible for directing the relevant activities. All decisions of the Board of Directors only require a simple majority vote to be passed.
- (x) Companies liquidated during the current financial year.
- (xi) YR Bhadla Pte. Ltd. (formerly known as Yinson Renewables (S) Pte. Ltd.) ("YRBPL") had on 26 March 2020 completed the Phase 1 acquisition of 37.5% equity interest in Rising Sun Energy Pvt Ltd ("RSE") and its subsidiaries namely Rising Bhadla 1 Pvt Ltd and Rising Bhadla 2 Pvt Ltd. Subsequently on 23 December 2020, YRBPL had completed the Phase 2 acquisition of an additional 57.5% equity interest in RSE. As a result, RSE became an indirect 95% owned subsidiary from a previously jointly controlled entity.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 19. Investment in subsidiaries (continued)

(b) Non-controlling interests in subsidiaries

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

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

	2021 RM million	2020 RM million
Effective equity interest held by NCI	26%	26%
Carrying value of NCI	81	286
Profit for the financial year attributable to NCI	40	49
Dividend paid to NCI	104	43

The summarised financial information before intercompany eliminations are as follows:

<u>As at 31 January</u>		
Non-current assets	3,204	3,455
Current assets	606	524
Non-current liabilities	(3,176)	(2,548)
Current liabilities	(320)	(329)
Net assets	314	1,102
<u>Financial year ended 31 January</u>		
Revenue	573	566
Profit for the financial year	152	190
Other comprehensive loss	(55)	(80)
Total comprehensive income	97	110
Cash flows generated from operating activities	439	304
Cash flows generated from investing activities	3	61
Cash flows used in financing activities	(279)	(369)
Net increase/(decrease) in cash and cash equivalents	163	(4)

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

	2021 RM million	2020 RM million
Effective equity interest held by NCI	25%	-
Carrying value of NCI	256	-
Profit for the financial year attributable to NCI	63	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 19. Investment in subsidiaries (continued)

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

(ii) Yinson Boria Consortium Pte. Ltd. and its subsidiaries (continued)

The summarised financial information before intercompany eliminations are as follows:

	2021 RM million	2020 RM million
<u>As at 31 January</u>		
Non-current assets	2,224	-
Current assets	164	-
Non-current liabilities	(630)	-
Current liabilities	(691)	-
Net assets	1,067	-
<u>Financial year ended 31 January</u>		
Revenue	2,311	-
Profit for the financial year	249	-
Other comprehensive loss	(1)	-
Total comprehensive income	248	-
Cash flows used in operating activities	(1,218)	-
Cash flows used in investing activities	(4)	-
Cash flows generated from financing activities	1,302	-
Net increase in cash and cash equivalents	80	-

Refer to Note 47 for summary of effects of changes in ownership interest in a subsidiary that does not result in loss of control.

The other subsidiaries of the Group which have non-controlling interests are individually not material.

### 20. Investment in joint ventures

	Group 2021 RM million	2020 RM million
<u>Unquoted shares at cost</u>		
- Outside Malaysia	121	121
Share of post acquisition reserves	230	279
Share of foreign currency translation reserve	89	92
Accumulated impairment loss	(13)	(13)
Share of net assets of joint ventures	427	479

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 20. Investment in joint ventures (continued)

	Company	
	2021	2020
	RM million	RM million
Unquoted shares at cost:		
- Outside Malaysia	120	120

Details of joint ventures are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
PTSC Asia Pacific Pte. Ltd. <sup>(a)</sup>	Singapore	49	49	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
PTSC South East Asia Pte. Ltd. <sup>(a)</sup>	Singapore	49	49	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
<b>Held through Yinson Production Pte. Ltd.:</b>				
Yinson Production West Africa Limited <sup>(a)</sup>	Ghana	49	49	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
<b>Held through Yinson Ghacacia Ltd:</b>				
Yinson Gazania Operations Limited <sup>(a)</sup>	Ghana	49	49	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
<b>Held through Yinson Clover Ltd:</b>				
PTSC Ca Rong Do Ltd	Republic of the Marshall Islands	49	49	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction

(a) Audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 20. Investment in joint ventures (continued)

Summarised financial information of the material joint ventures, based on its MFRS/IFRS financial statements are set out below:

(i) PTSC South East Asia Pte. Ltd.

	2021 RM million	2020 RM million
<b>Summarised statement of financial position:</b>		
Current assets*	73	74
Non-current assets	344	393
Current liabilities	(1)	(1)
Non-current liabilities	-	(1)
<b>Net assets</b>	416	465
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	204	228

\* Included in current assets are cash and bank balances of RM64 million (2020: RM56 million).

	2021 RM million	2020 RM million
<b>Summarised statement of comprehensive income:</b>		
Revenue	37	45
Cost of sales*	(46)	(45)
Interest income	-	1
<b>(Loss)/Profit before tax</b>	(9)	1
Income tax expense	(2)	(3)
<b>Loss for the financial year</b>	(11)	(2)
Other comprehensive loss	(5)	-
<b>Total comprehensive loss</b>	(16)	(2)
Group's share of loss for the financial year	(5)	(1)
Group's share of other comprehensive loss	(2)	-
<b>Group's share of total comprehensive loss</b>	(7)	(1)
<b>Dividend received from joint venture</b>	17	14

\* Included in cost of sales is depreciation of RM45 million (2020: RM45 million).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 20. Investment in joint ventures (continued)

Summarised financial information of the material joint ventures, based on its MFRS/IFRS financial statements are set out below: (continued)

(ii) PTSC Asia Pacific Pte. Ltd.

	2021 RM million	2020 RM million
<b>Summarised statement of financial position:</b>		
Current assets*	224	178
Non-current assets	230	330
Current liabilities	(1)	(9)
<b>Net assets</b>	<b>453</b>	<b>499</b>
Proportion of the Group's ownership	49%	49%
Group's share of net assets	222	244
Accumulated impairment loss	(13)	(13)
Carrying amount of the investment	209	231

\* Included in current assets is cash and bank balances of RM204 million (2020: RM96 million).

	2021 RM million	2020 RM million
<b>Summarised statement of comprehensive income:</b>		
Revenue	34	75
Cost of sales*	(54)	(73)
Other income**	-	6
Administrative expenses	(21)	(1)
<b>(Loss)/Profit before tax</b>	<b>(41)</b>	<b>7</b>
Other comprehensive loss	(8)	(1)
<b>Total comprehensive (loss)/income</b>	<b>(49)</b>	<b>6</b>
Group's share of (loss)/profit for the financial year	(20)	3
Group's share of other comprehensive loss	(4)	-
<b>Group's share of total comprehensive (loss)/income</b>	<b>(24)</b>	<b>3</b>

\* Included in cost of sales is depreciation of RM46 million (2020: RM45 million).

\*\* Included in other income is interest income of RM NIL (2020: RM1 million).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 20. Investment in joint ventures (continued)

Summarised financial information of the material joint ventures, based on its MFRS/IFRS financial statements are set out below: (continued)

(iii) Yinson Production West Africa Limited

	2021 RM million	2020 RM million
<b>Summarised statement of financial position:</b>		
Current assets*	100	116
Non-current assets	14	16
Current liabilities	(96)	(104)
Non-current liabilities	(14)	(16)
<b>Net assets</b>	4	12
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	2	6

\* Included in current assets is cash and bank balances of RM16 million (2020: RM15 million).

	2021 RM million	2020 RM million
<b>Summarised statement of comprehensive income:</b>		
Revenue	206	192
Cost of sales*	(200)	(145)
Other income	-	10
Administrative expenses	(1)	(28)
Finance costs	(5)	(5)
<b>Profit before tax</b>	-	24
Income tax expense	(9)	(9)
<b>(Loss)/Profit for the financial year</b>	(9)	15
Other comprehensive (loss)/income	-	-
<b>Total comprehensive (loss)/income</b>	(9)	15
Group's share of (loss)/profit for the financial year	(4)	7
Group's share of other comprehensive (loss)/income	-	-
<b>Group's share of total comprehensive (loss)/income</b>	(4)	7

\* Included in cost of sales is depreciation of RM1 million in the prior financial year.

(iv) Investment in other joint ventures

The summarised financial information of investment in other joint ventures are not presented as these investments are individually immaterial to the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 21. Investment in associates

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Unquoted shares, at cost:				
- Outside Malaysia <sup>1</sup>	-	-	-	-
Share of post-acquisition reserves	3	3	-	-
Share of foreign currency translation reserve	(1)	(1)	-	-
	2	2	-	-

<sup>1</sup> Cost of unquoted shares is below RM1 million.

Details of associates are as follows:

Name of associates	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2021	2020	
Held through Yinson Production AS:				
Floating Operations & Production West Africa Ltd <sup>(a)</sup> (in liquidation)	Nigeria	40	40	Dormant

(a) Audited by an audit firm other than PricewaterhouseCoopers.

Floating Operations & Production West Africa Ltd ("FOPWAL")

The Group's interest in FOPWAL is accounted for using the equity method in the consolidated financial statements. The financial statements of FOPWAL for the financial year ended 31 December 2020 were used in applying the equity method of accounting as allowed by Paragraph 34 of MFRS 128 Investments in Associates and Joint Ventures. There were no significant transactions or events that occurred between 31 December 2020 and the reporting date and hence no adjustment was made for the current and previous financial years.

## 22. Other investments

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
<b>Financial assets at fair value through profit or loss</b>				
Investment funds:				
- In Malaysia	8	8	4	3
- Outside Malaysia	221	180	-	-
	229	188	4	3
Compulsorily Convertible Debentures:				
- Outside Malaysia	-	14	-	-
	-	14	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the financial year ended 31 January 2021

**22. Other investments (continued)**

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Total:				
- In Malaysia	8	8	4	3
- Outside Malaysia	221	194	-	-
	229	202	4	3
Non-current	-	13	-	-
Current	229	189	4	3
	229	202	4	3

**23. Inventories**

	Group	
	2021	2020
	RM million	RM million
Consumables	3	22

**24. Trade and other receivables**

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
<b>Current:</b>				
<b>Trade receivables</b>				
Third parties	327	237	-	-
Joint ventures	58	53	-	-
	385	290	-	-
Accumulated impairment loss	(8)	(9)	-	-
	377	281	-	-
<b>Other receivables</b>				
Refundable deposits	31	54	1	2
Sundry receivables	82	80	-	-
Due from subsidiaries:				
- interest bearing	-	-	1	31
- non-interest bearing	-	-	516	1,033
Due from joint ventures	43	129	-	1
	156	263	518	1,067
Accumulated impairment loss	(35)	(44)	(48)	(64)
	121	219	470	1,003
	498	500	470	1,003



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 24. Trade and other receivables (continued)

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
<b>Non-current:</b>				
<b>Other receivables</b>				
Refundable deposits	8	-	-	-
Sundry receivables	102	-	-	-
Loans to subsidiaries				
- interest bearing	-	-	14	401
- non-interest bearing	-	-	43	239
	110	-	57	640
Accumulated impairment loss	-	-	(31)	(31)
	110	-	26	609
<b>Total trade and other receivables</b>	<b>608</b>	<b>500</b>	<b>496</b>	<b>1,612</b>

Trade receivables are non-interest bearing and are generally on 30 (2020: 30) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

## (a) Trade receivables

Movement for trade receivables allowance for impairment accounts:

	Group	
	2021	2020
	RM million	RM million
At 1 February	9	10
Charge for the financial year	-	1
Reversal of impairment loss	-	(2)
Exchange differences	(1)	-
At 31 January	8	9

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

## (b) Other receivables

Included in sundry receivables is an amount of RM96 million (USD24 million) (2020: Nil) relating to a contractual settlement arrangement with a customer for receivables relating to an FPSO project, which is unsecured and repayable over a period of 7 years. The amount receivable was adjusted to its fair value upon initial recognition, and is subsequently carried at amortised cost. As at 31 January 2021, the amounts classified as current and non-current were RM8 million (USD2 million) (2020: Nil) and RM88 million (USD22 million) (2020: Nil) respectively.

Also included in sundry receivables is an accrued reimbursable recoverable income totalling RM7 million (2020: RM7 million) representing the Group's rights to be compensated under the contractual terms with the customer for the additional tax expense incurred.

Amounts due from joint ventures are unsecured and bear interest of 5.22% to 6.58% (2020: 6.73% to 8.97%) per annum. These amounts are denominated in USD.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 24. Trade and other receivables (continued)

#### (b) Other receivables (continued)

Amounts due from subsidiaries bear interest of COF + 0.50% per annum and are denominated in USD and RM. The amounts are unsecured and revolving on daily basis, except for amounts of RM14 million as at 31 January 2021 (2020: RM401 million) which were not expected to be recovered within the next 12 months.

Amounts due from subsidiaries which are non interest bearing are denominated in USD and RM. These amounts are unsecured and revolving on daily basis, except for amounts of RM43 million as at 31 January 2021 (2020: RM239 million) which were not expected to be recovered within next 12 months. Included in the amounts due from subsidiaries as at 31 January 2021 were advances novated from subsidiaries of RM429 million (2020: RM656 million), which arose from an internal re-organisation exercise carried out during the prior financial year.

Movement for other receivables allowance for impairment accounts:

	Performing RM million	Under- performing RM million	Not performing RM million	Total RM million
<b>Group</b>				
<b>At 1 February 2019</b>	7	-	38	45
Charge for the financial year	(2)	-	-	(2)
Exchange differences	1	-	-	1
<b>At 31 January 2020 and 1 February 2020</b>	6	-	38	44
Charge for the financial year	-	-	12	12
Reversal of impairment loss	(3)	-	(3)	(6)
Written off	-	-	(15)	(15)
<b>At 31 January 2021</b>	3	-	32	35
<b>Company</b>				
<b>At 1 February 2019</b>	-	19	83	102
Charge for the financial year	-	3	2	5
Reversal of impairment loss	-	(8)	(4)	(12)
<b>At 31 January 2020 and 1 February 2020</b>	-	14	81	95
Reversal of impairment loss	-	-	(15)	(15)
Exchange differences	-	-	(1)	(1)
<b>At 31 January 2021</b>	-	14	65	79

Allowance for impairment is related to amounts due from its subsidiaries.

Refer to Note 42(b)(ii) for the Group's and the Company's definition on performing, under-performing and not performing.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 25. Other assets

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
<b>Current:</b>				
Prepayments	50	159	3	3
<b>Non-current:</b>				
Prepayments	12	68	-	-
	62	227	3	3

Included in prepayments as at 31 January 2020 were accumulated impairment losses of RM2 million. Impairment losses of RM2 million (Note 9) were reversed in the current financial year.

## 26. Cash and bank balances

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Cash on hand and at banks	1,346	828	7	67
Deposits with licensed banks	475	448	2	2
Cash and bank balances	1,821	1,276	9	69

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

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Cash and bank balances	1,821	1,276	9	69
Less:				
Restricted cash	(492)	(390)	(2)	(2)
Cash and cash equivalents	1,329	886	7	67

Cash at banks earns interest at floating rates based on daily bank deposit rates. Deposits with licensed banks are made for varying periods of between one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates.

Included in restricted cash are bank balances and deposits with licensed banks of the Group and the Company amounting to RM492 million and RM2 million respectively (2020: RM390 million and RM2 million respectively) that were pledged to the banks for the banking facilities of the Company and the subsidiaries, as disclosed in Note 32.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 27. Share capital

	Group and Company			
	Number of shares		Amount	
	2021 '000	2020 '000	2021 RM million	2020 RM million
<b>Ordinary shares issued and fully paid:</b>				
At 1 February	1,094,745	1,093,245	1,107	1,101
Issued during the financial year				
- Exercise of ESS (Note 29(a))	4,774	1,500	19	6
At 31 January	1,099,519	1,094,745	1,126	1,107

### 28. Treasury shares

	Group and Company			
	2021		2020	
	Number of shares '000	Amount RM million	Number of shares '000	Amount RM million
At 1 February	24,986	125	11,926	44
Treasury shares purchased	9,301	49	13,060	81
At 31 January	34,287	174	24,986	125

At the Annual General Meeting held on 16 July 2020, the shareholders of the Company had approved for the Company to repurchase its own shares up to a maximum of ten percent (10%) of its prevailing issued and paid-up share capital of the Company. The Directors of the Company are committed to enhancing the value of the Company and believed that the repurchase plan was being applied in the best interest of the Company and its shareholders.

### 29. Share-based compensation plans

#### (a) Employees' Share Scheme

The Company implemented an Employees' Share Scheme ("ESS" or "Scheme") which came into effect on 3 November 2015 for a period of 5 years to 2 November 2020. The ESS is governed by the By-Laws which were approved by the shareholders on 3 November 2015. On 25 January 2018, the Board of Directors resolved to extend the ESS tenure for additional five (5) years till 2 November 2025 in accordance with the terms of the ESS By-Laws.

The Company had made the third and fourth offer of options under ESS Scheme on 27 February 2019 and 22 January 2020 respectively. During the current financial year, the Company did not make any offer of options under ESS Scheme.

The main features of the Scheme are as follows:

- (a) An eligible employee shall pay a sum of RM1.00 as consideration for acceptance of that offer. An option shall be exercisable at a price which is the weighted average of the market price quotation of the shares for the five (5) market days immediately preceding the date on which the options are granted, rounded to the nearest sen.
- (b) Unless otherwise determined by ESS committee, each option shall become exercisable, to the extent of one-third of the shares covered thereby, on each of the first three (3) anniversaries of the date of grant, if the holder of such option shall have been in the continuous service of the Company or subsidiaries that are not dormant throughout such period. No options shall be exercisable if the exercise of such options would violate any provision of applicable laws, nor shall any options be exercisable more than five (5) years from the date on which the Scheme became effective.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

**29. Share-based compensation plans (continued)****(a) Employees' Share Scheme (continued)**

- (c) The new shares issued upon the exercise of an option will be subject to all the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and shall rank pari passu in all respects with the then existing issued ordinary shares of the Company, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new shares.
- (d) The aggregate maximum number of Scheme Shares that may be allocated to any one category/designation of eligible Director or employee of the Group shall be determined by the ESS Committee provided that:
- (i) the Directors (including non-executive directors) and senior management do not participate in the deliberation and discussion of their own allocation;
  - (ii) not more than 80% of the Scheme Shares available under the ESS on any date shall be allocated in aggregate to the Directors (including non-executive directors) and senior management of the Group; and
  - (iii) the allocation to any individual eligible Director or employee of who, either singly or collectively through persons connected with the eligible Director or employee, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, does not exceed ten percent (10%) of the shares available under the ESS.

The fair value of share options granted were determined using the Trinomial valuation model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used were as follows:

	Grant date			
	23.12.2016	30.3.2018	27.2.2019	22.1.2020
Dividend yield (%)	0.70	1.58	0.63 - 0.72	1.05 - 1.29
Expected volatility (%)	24.78	19.86 - 25.72	22.25	22.79
Risk-free interest rate (%)	3.34 - 3.48	3.85	3.59 - 3.76	3.29 - 3.34
Expected life of option (years)	2.50 - 3.50	1.50 - 3.50	1.50 - 3.50	1.50 - 3.50
Share price at date of grant (RM)	3.03	4.00	4.50	6.23
Exercise price of option (RM)	2.80	3.65	4.00	6.00
Fair value of option at date of grant (RM):				
- 1st tranche (RM)	0.65	0.45	0.72	0.90
- 2nd tranche (RM)	0.71	0.70	0.88	1.13
- 3rd tranche (RM)	0.76	0.82	1.03	1.30

The expected average life of options is based on historical information, which may not necessarily be indicative of the future exercise pattern that may occur. The expected volatility reflects the assumptions based on the historical volatility on the assumptions that this is indicative of future trends which may also not necessarily be the actual outcome.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 29. Share-based compensation plans (continued)

#### (a) Employees' Share Scheme (continued)

Movements in the number of share options over ordinary shares outstanding and their related weighted average exercise prices are as follows:

Grant date	Average exercise price per share option RM	At start of the financial year '000	Granted '000	Exercised '000	Lapsed '000	At end of the financial year '000
<b>2021</b>						
23.12.2016	2.80	2,037	-	(1,932)	(105)	-
30.3.2018	3.65	5,230	-	(1,595)	(120)	3,515
27.2.2019	4.00	8,835	-	(1,247)	(220)	7,368
22.1.2020	6.00	3,740	-	-	(330)	3,410
		19,842	-	(4,774)	(775)	14,293
<b>2020</b>						
23.12.2016	2.80	3,196	-	(1,047)	(112)	2,037
30.3.2018	3.65	5,783	-	(453)	(100)	5,230
27.2.2019	4.00	-	9,000	-	(165)	8,835
22.1.2020	6.00	-	3,740	-	-	3,740
		8,979	12,740	(1,500)	(377)	19,842

For the financial year ended 31 January 2021, the weighted average share prices at the time of exercise of 1,932,000 (2020: 1,047,000) share options under the first offer of options on 23 December 2016, 1,595,000 (2020: 453,000) share options under the second offer of options on 30 March 2018 and 1,247,000 (2020: NIL) share options under the third offer of options on 27 February 2019 were RM5.39 (2020: RM5.91) per share, RM5.45 (2020: RM6.48) per share and RM5.59 (2020: NIL) respectively.

#### (b) Employees' Long-Term Incentive Plan

On 26 June 2019, the Board of Directors of the Company approved an Employees' Long-term Incentive Plan ("LTIP"). The LTIP is governed by the by-laws of the ESS approved by the shareholders on 3 November 2015. Under the LTIP, either performance bonuses in cash or ordinary shares in the Company ("Yinson Shares") are awarded to the eligible employees and executive director of the Group.

On 25 March 2020, the terms and conditions of the LTIP were finalised and approved by the Board of Directors. On 3 August 2020, the LTIP was granted to the eligible employees and executive director of the Group.

(a) The salient features of the LTIP are as follows:

- (i) The awards under the LTIP can be made through the Share Award Scheme (award of Yinson Shares) or Performance Bonus Scheme (bonus payout in cash). The Share Award Scheme component under the LTIP (which is under the ESS) shall expire on 2 November 2025.
- (ii) The maximum number of Yinson Shares to be allotted and issued for the Share Award Scheme and the maximum amount of performance bonuses to be paid under the Performance Bonus Scheme under the LTIP shall not be more than, in aggregate, 4.50% and 2.66% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) respectively, at any point in time during the duration of the LTIP.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 29. Share-based compensation plans (continued)

## (b) Employees' Long-Term Incentive Plan (continued)

(a) The salient features of the LTIP are as follows: (continued)

(ii) (continued)

The total percentages of Yinson Shares and performance bonuses to be awarded as a proportion of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) upon achievement of specific target points for daily share price (based on 1-month Volume Weighted Average Price ("VWAP")) are as follows:

	1-month VWAP Target	Percentage of Yinson Shares to be awarded as proportion of the issued and paid-up ordinary share capital of the Company	Performance bonus to be awarded as proportion of the issued and paid-up ordinary share capital of the Company
Tranche 1	RM 6.50	Up to 0.32%	Up to 0.19%
Tranche 2	RM 7.50	Up to 0.64%	Up to 0.38%
Tranche 3	RM 8.50	Up to 1.29%	Up to 0.76%
Tranche 4	RM 11.00	Up to 2.25%	Up to 1.33%
<b>Total</b>		<b>Up to 4.50%</b>	<b>Up to 2.66%</b>

(iii) The total number of Yinson Shares to be awarded to an employee shall not be more than 10% of the Yinson Shares made available under the LTIP if the employee either singly or collectively through persons connected with the said employee, holds twenty percent (20%) or more of the Company's issued and paid up share capital (excluding treasury shares).

(iv) The total number of Yinson Shares to be awarded to Mr. Lim Chern Wooi, being a person who singly or collectively through persons connected with them hold twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, shall not exceed 10 percent (10%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares).

(b) The Yinson Shares and performance bonuses for each tranche will be awarded only upon fulfilment of all of the following Group performance targets at the preceding financial year before grant ("Award Conditions"), as follows:

(i) Current Ratio of the Group of more than 1 times;

(ii) Audited PATMI (before deducting expenses recognised in accordance with MFRS 2 Share-based Payment) of the Group ("Adjusted Group PATMI") equal to or greater than RM 400 million; and

(iii) Specific target points for daily share price based on 1-month VWAP as set out in (a)(ii) above.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 29. Share-based compensation plans (continued)

#### (b) Employees' Long-Term Incentive Plan (continued)

- (c) Upon meeting the Award Conditions for each tranche, the Employees' Share Scheme Committee ("ESS Committee") and the Board of Directors of the Company will determine and approve the total number of Yinson Shares and total amount of performance bonuses to be awarded. The vesting of these Yinson Shares and performance bonuses is subject to the following vesting conditions:
- (i) The aggregate value of the vesting of such portion of the Yinson Shares or performance bonuses awarded in each financial year shall not exceed 20% of the Adjusted Group PATMI; and
  - (ii) The balance portion of Yinson Shares and performance bonuses awarded but not vested due to the limit of 20% of Adjusted Group PATMI in each financial year, will continue to be vested in the subsequent financial year(s), without further testing of the Award Conditions as set out in (b) above, subject to the limit of 20% of Adjusted Group PATMI in each financial year, until those awarded Yinson Shares and performance bonuses are fully vested. No Yinson Shares shall be vested after the expiry or termination of the LTIP.
  - (iii) An eligible employee must remain in employment and shall not have served a notice of resignation or received a notice of termination during the vesting period of 2 years from the date of grant for each tranche.
- (d) The Yinson Shares will vest equally over three instalments over a 2-year period with the first instalment vesting on the date of award. The date of award for each tranche is expected to be on 15 May of the applicable financial year.

Depending on the level of achievement of the performance targets as determined by the ESS Committee or Nominating and Remuneration Committee of the Company, the total amount of Yinson Shares which will vest or total amount of performance bonuses which will be paid may be lower than the total number of shares or the total amount of performance bonuses offered respectively.

- (e) Pursuant to Clause 21.1 of the by-laws of the ESS (hereinafter "By-Laws"), the ESS Committee may, in its sole discretion, settle any unvested Yinson Shares by way of equity settlement or cash settlement prior to the termination of the ESS or expiry of the LTIP. Any unvested Yinson Shares shall automatically lapse and cease to be capable of vesting in the event the ESS expires or terminates in accordance with the terms of the By-Laws.
- (f) There were no Yinson Shares and performance bonuses awarded to the Group's eligible employees and executive director under the LTIP in the financial year ended 31 January 2021.
- (g) The fair value of the Yinson Shares at grant date is determined using the Monte Carlo Simulation model, taking into account the terms and conditions upon which the shares were granted, share price at grant date, expected price volatility of the underlying shares, expected dividend yield, risk-free interest rate for the term of the LTIP and on the basis that the maximum number of Yinson Shares available for each tranche under the LTIP will be allotted and issued to eligible employees and executive director of the Group.

The significant inputs in the model used were as follows:

	<b>Grant date</b>
	<b>3 August 2020</b>
Share price at grant date (RM)	6.27
Risk free rate (%)	2.16
Expected volatility (%)	25
Expected dividend yield (%)	1.48
Fair value of Yinson Shares at date of award (RM):	
- Tranche 1 at 1-month VWAP of RM 6.50	5.76
- Tranche 2 at 1-month VWAP of RM 7.50	4.61
- Tranche 3 at 1-month VWAP of RM 8.50	3.66
- Tranche 4 at 1-month VWAP of RM 11.00	1.98

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 29. Share-based compensation plans (continued)

#### (b) Employees' Long-Term Incentive Plan (continued)

(g) (continued)

The expected dividend yield used was based on future estimates, which may not necessarily be the actual outcome. The expected price volatility is based on average historical volatility over a 4-year period on a daily basis.

#### (c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the current financial year as part of employee benefits expenses were as follows:

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Share options issued under ESS (Note 29(a))	1	2	1	3
Share Award Scheme under LTIP (Note 29(b))	8	-	3	-
<b>Equity-settled share-based payment expenses</b>	<b>9</b>	<b>2</b>	<b>4</b>	<b>3</b>
Performance Bonus Scheme under LTIP (Note 29(b))	7	-	7	-
<b>Total share-based payment expenses</b>	<b>16</b>	<b>2</b>	<b>11</b>	<b>3</b>

### 30. Reserves

#### (a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also included the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in currencies different from that of the Group's presentation currency.

#### (b) Cash flows hedge reserve

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

#### (c) Share-based option reserve

The share-based option reserve comprises the cumulative value of employee services received for the issue of share options by the Company. The fair value, measured at grant date of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options.

#### (d) Share grant reserve

The share grant reserve represents the cumulative value of employee services rendered for the issue of share awards under the LTIP by the Company. The fair value of the expected share awards, measured at grant date of the LTIP, is recognised as an expense in profit or loss with a corresponding increase in equity, over the expected period that the employees become unconditionally entitled to the Yinson Shares.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 30. Reserves (continued)

#### (e) Put option reserve

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

### 31. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 January 2021 under the single tier system.

### 32. Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
<b>Current:</b>				
<u>Secured</u>				
Term loans	690	368	-	-
Revolving credits	-	16	-	16
	690	384	-	16
<u>Unsecured</u>				
Revolving credits	104	92	-	41
	794	476	-	57
<b>Non-current:</b>				
<u>Secured</u>				
Term loans	4,915	3,354	-	-
<u>Unsecured</u>				
Term loans	397	-	-	-
	5,312	3,354	-	-
	6,106	3,830	-	57
<b>Total borrowings</b>				
Term loans	6,002	3,722	-	-
Revolving credits	104	108	-	57
<b>Total loans and borrowings</b>	6,106	3,830	-	57



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 32. Loans and borrowings (continued)

- (a) The secured loans and borrowings of the Group and of the Company are secured by certain assets of the Group as disclosed in Notes 16, 17, 26 and certain of the Group's vessels under finance lease arrangements.
- (b) Except for a term loan of RM397 million which is guaranteed by both the Company and an external party, all other unsecured loans and borrowings of the subsidiaries are guaranteed by the Company.
- (c) The revolving credits at floating interest rate bear interest at range of 2% to 3.44% (2020: 3.30% to 5.17%) per annum.
- (d) The term loans at floating interest rates bear interest at range of 2.43% to 4.90% (2020: 4.57% to 6.46%) per annum.
- (e) The term loan denominated in Indian Rupee ('INR') bears interest of 10.5% per annum in the current financial year. The interest rate is reset automatically and annually.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the financial year ended 31 January 2021

**32. Loans and borrowings (continued)**

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

Group	Interest rate terms	Denominated currency	Total carrying amount RM million	On demand or within one year RM million	More than 1 year and less than 2 years RM million	More than 2 years and less than 5 years RM million	5 years or more RM million
<b>At 31 January 2021</b>							
<b>Secured</b>							
Term loans	Floating rates varies based on London Interbank Offered Rate ("LIBOR")*	USD	4,835	598	442	1,635	2,160
	Floating rates varies based on cost of funds ("COF")	USD	417	67	57	293	-
	Rate is reset annually	INR	353	25	25	75	228
<b>Unsecured</b>							
Revolving credits	Floating rates varies based on Kuala Lumpur Interbank Offered Rate ("KLIBOR")	RM	104	104	-	-	-
Term loans	Floating rates varies based on LIBOR	USD	397	-	-	397	-
			6,106	794	524	2,400	2,388

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 32 Loans and borrowings (continued)

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

Group	Interest rate terms	Denominated currency	Total carrying amount RM million	On demand or within one year RM million	More than 1 year and less than 2 years RM million	More than 2 years and less than 5 years RM million	5 years or more RM million
<b>At 31 January 2020</b>							
<b>Secured</b>							
Term loans	Floating rates varies based on London Interbank Offered Rate ("LIBOR")*	USD	3,721	368	407	2,557	389
	Floating rates varies based on cost of funds ("COF")	USD	1	-	-	1	-
Revolving credits	Floating rates varies based on COF	RM	16	16	-	-	-
<b>Unsecured</b>							
Revolving credits	Floating rates varies based on Kuala Lumpur Interbank Offered Rate ("KLIBOR")	RM	51	51	-	-	-
	Floating rates varies based on COF	USD	41	41	-	-	-
			3,830	476	407	2,558	389

\* Certain floating rate bank loans of the subsidiaries are hedged by a series of USD interest rate swap contracts with banks (Note 37(a)).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 32 Loans and borrowings (continued)

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

Company	Interest rate terms	Denominated currency	Total carrying amount RM million	On demand or within one year RM million	More than 1 year and less than 2 years RM million	More than 2 years and less than 5 years RM million	5 years or more RM million
<b>At 31 January 2021</b>							
As at 31 January 2021, the secured borrowings of the Company, denominated in USD, were less than RM1 million.							
<b>At 31 January 2020</b>							
<b>Secured</b>							
Revolving credits	Floating rates varies based on COF	RM	16	16	-	-	-
<b>Unsecured</b>							
Revolving credits	Floating rates varies based on COF	USD	41	41	-	-	-
			57	57	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 33. Leases

## (a) Finance lease receivables - the Group as lessor

	Group	
	2021	2020
	RM million	RM million
<b>Minimum lease receivables:</b>		
Within 1 year	333	190
Between 1-2 years	335	190
Between 2-3 years	331	189
Between 3-4 years	329	186
Between 4-5 years	326	184
Later than 5 years	2,922	2,212
Total undiscounted lease payments	4,576	3,151
Less: Future finance income	(2,410)	(1,602)
Net investment in finance lease	2,166	1,549
Current	77	48
Non-current	2,089	1,501
	2,166	1,549

- (i) In the financial year ended 31 January 2018, the Group entered into a 14-years lease arrangement for a parcel of land and buildings. At the end of the lease term, the lessee has the exclusive rights to purchase the lease properties at a certain fixed purchase price. Finance income on the net investment in the lease during the financial year is RM2 million (2020: RM2 million) (Note 8).
- (ii) During the current financial year, a subsidiary of the Company has commenced a finance lease for the chartering of a FPSO (FPSO Abigail-Joseph) to a third party for a lease term of 12 years, comprising a firm charter period of 7 years and extension option periods of 5 years. Management has assessed that it is reasonably certain for the charterer to exercise the extension options for 5 years out of the 8 years' extension options as set out in the charter agreement. Finance income on the net investment in the lease during the financial year is RM45 million (Note 6), of which RM12 million relates to variable lease payments which is not included in the measurement of the net investment in the lease.
- (iii) In the financial year ended 31 January 2020, a subsidiary of the Company commenced a finance lease for the chartering of a FPSO (FPSO Helang) to a third party for a lease term of 18 years comprising of a firm charter period of 8 years and annual extension option periods of up to 10 years. Finance income on the net investment in the lease during the financial year is RM169 million (Note 6) (2020: RM26 million), of which RM25 million (2020: RM4 million) relates to variable lease payments which are not included in the measurement of the net investment in the lease.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the financial year ended 31 January 2021

**33. Leases (continued)**

**(b) Lease liabilities - the Group as lessee**

	2021 RM million	2020 RM million
<b>Group</b>		
<b>Minimum lease commitments:</b>		
Within 1 year	16	15
More than 1 year and less than 2 years	9	13
More than 2 years and less than 5 years	4	7
Total minimum lease payments	29	35
Less: Amounts representing finance charges	(2)	(3)
Present value of minimum lease payments	27	32
<b>Present value of payments:</b>		
Within 1 year	14	13
More than 1 year and less than 2 years	9	12
More than 2 years and less than 5 years	4	7
Present value of minimum lease payments	27	32
Less: Amount due within 12 months	(14)	(13)
Amount due after 12 months	13	19
<b>Company</b>		
<b>Minimum lease commitments:</b>		
Within 1 year	3	-
More than 1 year and less than 2 years	3	-
More than 2 years and less than 5 years	2	-
Total/Present value of minimum lease payments	8	-
<b>Present value of payments:</b>		
Within 1 year	3	-
More than 1 year and less than 2 years	3	-
More than 2 years and less than 5 years	2	-
Present value of minimum lease payments	8	-
Less: Amount due within 12 months	(3)	-
Amount due after 12 months	5	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 34. Unfavourable contracts

	Group	
	2021	2020
	RM million	RM million
<b>Cost</b>		
At 1 February	113	113
Exchange differences	(2)	-
At 31 January	111	113
<b>Accumulated amortisation</b>		
At 1 February	113	108
Amortisation (Note 7)	-	5
Exchange differences	(2)	-
At 31 January	111	113
<b>Net carrying amount</b>	-	-

The unfavourable contracts represent the fair value of the services contracts embedded in the time charter contracts, determined at the time of the acquisition of subsidiaries, which were recognised as liabilities. Subsequently, these are measured at amortised cost over the contract period. The contract period of these services contracts expired in the prior financial year.

## 35. Deferred taxation

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

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

	Group	
	2021	2020
	RM million	RM million
Deferred tax assets	3	1
Deferred tax liabilities	(95)	(1)
	(92)	-
At 1 February	-	(1)
Acquisition of a subsidiary (Note 46(b))	(1)	-
Recognised in profit or loss (Note 13)	(94)	-
Exchange differences	3	1
At 31 January	(92)	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 35. Deferred taxation (continued)

The components and movements of deferred taxes during the financial year are as follows:

Group	Tax losses RM million	Contract assets RM million	Accelerated capital allowances and others RM million	Total RM million
<b>At 1 February 2019</b>	-	-	(1)	(1)
Recognised in profit or loss	1	-	(1)	-
Exchange differences	-	-	1	1
<b>At 31 January 2020 and 1 February 2020</b>	1	-	(1)	-
Acquisition of a subsidiary (Note 46(b))	1	-	(2)	(1)
Recognised in profit or loss	-	(93)	(1)	(94)
Exchange differences	-	4	(1)	3
<b>At 31 January 2021</b>	2	(89)	(5)	(92)

As at the reporting date, the Group had unabsorbed tax losses and unutilised capital allowances of approximately RM580 million and RM9 million (2020: unabsorbed tax losses of approximately RM231 million) that are available to offset against future taxable profits of the respective subsidiaries in which these unabsorbed tax losses and unabsorbed capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

Except for certain unutilised tax losses of the Group amounting to RM3 million (2020: Nil) which are expected to expire between 2024 to 2028 (2020: Nil), other tax losses have no expiry date.

### 36. Trade and other payables

	Group		Company	
	2021 RM million	2020 RM million	2021 RM million	2020 RM million
<b>Current:</b>				
<b>Trade payables</b>				
Third parties	178	148	-	-
<b>Other payables</b>				
Due to directors	7	1	7	1
Due to subsidiaries	-	-	152	603
Due to joint ventures	-	3	-	-
Sundry payables	25	22	1	2
Accruals	558	262	3	8
Deferred income	33	52	-	-
Deposits	16	9	-	-
	639	349	163	614
	817	497	163	614

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 36. Trade and other payables (continued)

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
<b>Non-current:</b>				
<b>Other payables</b>				
Sundry payables	68	-	-	-
Due to subsidiaries	-	-	865	487
Deferred income	295	714	-	-
Deposits	21	-	-	-
	384	714	865	487
<b>Total trade and other payables</b>	<b>1,201</b>	<b>1,211</b>	<b>1,028</b>	<b>1,101</b>

## (a) Trade payables

Trade payables are non-interest bearing.

## (b) Other payables - current

Included in the Group's sundry payables and accruals are amounts relating to expenditures incurred for the construction of FPSOs amounting to RM420 million (2020: RM94 million).

Included in the amounts due to subsidiaries as at 31 January 2021 were advances novated from subsidiaries of RM265 million (2020: RM656 million) which arose from an internal re-organisation exercise carried out during the prior financial year.

All other payables are unsecured, non-interest bearing and are repayable on demand, except for amounts due to subsidiaries which are revolving on daily basis, and deferred income which relates to income received in advance and is non-refundable.

## (c) Other payables - non-current

Included in the Group's deposits is an amount of RM21 million (USD5 million) (2020: Nil) relating to a deposit payment received by Yinson Acacia Ltd ("YAL"), an indirect wholly owned subsidiary of the Group, for the proposed disposal of a minority equity interest in Yinson Boronia Consortium Pte. Ltd. ("YBC"), another indirect subsidiary of the Group, to Kawasaki Kisen Kaisha, Ltd. ("K Line") for a total cash consideration of USD49 million pursuant to a Share Sale and Purchase Agreement executed between YAL and "K" Line on 9 July 2020. The payment of the remaining balance of the consideration, being USD44 million by "K" Line, and transfer of the minority equity interest to "K" Line (or Japan Offshore Facility Investment 1 Pte. Ltd. ("JOFI") (a direct wholly owned subsidiary of Sumitomo Corporation), at "K" Line's option), will be executed upon final acceptance of the Marlim 2 FPSO by Petrobras and release of the financial guarantees under the associated project finance agreements expected to be in financial year ending 2023.

On 11 May 2020, an indirect subsidiary of the Group issued a convertible loan of USD52 million (approximately RM211 million) to its shareholders. USD13 million (approximately RM53 million) of the issuance is to a minority shareholder (i.e. Japan Offshore Facility Investment 1 Pte. Ltd., a wholly owned subsidiary of Sumitomo Corporation), which is proportionate to its shareholdings in the subsidiary. In accordance with the terms and conditions (depending on the prevailing gearing once the finance agreements are executed) set out in the Convertible Loan Agreement, the loan may be jointly converted into ordinary shares of the subsidiary by the shareholders on a proportionate basis. Otherwise, the loan from the minority shareholder is due for repayment in equal quarterly repayments within 2 years from the date on which the conditions as set out in the Convertible Loan Agreement are met. The loan was adjusted to its fair value upon initial recognition, and is subsequently carried at amortised cost. As at 31 January 2021, the Group's carrying amount of this loan, which is unsecured and interest free, was USD11 million (RM44 million) (2020: Nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 36. Trade and other payables (continued)

#### (c) Other payables - non-current (continued)

Amounts due to subsidiaries are unsecured and the Company has discretion to defer the settlement for at least 12 months from the balance sheet date. Included in the amounts due to subsidiaries is an interest-bearing loan of approximately RM531 million (2020: RM487 million), which bears interest of 6.23% to 6.55% (2020: 6.53% to 7.09%) per annum.

### 37. Derivatives

	Group			
	2021		2020	
	Assets RM million	Liabilities RM million	Assets RM million	Liabilities RM million
<b>Non-current</b>				
<b>Hedging derivatives:</b>				
- Interest rate swaps (Note (a))	-	(204)	-	(139)
<b>Current</b>				
<b>Hedging derivatives:</b>				
- Interest rate swaps (Note(a))	-	(21)	-	(17)
<b>Total</b>	<b>-</b>	<b>(225)</b>	<b>-</b>	<b>(156)</b>

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

The fair values of the interest rate swaps are determined by using the prices quoted by the counterparty banks which are categorised as Level 2 of the fair value hierarchy. There is no transfer from Level 1 and Level 2 or out of Level 3 during the financial year.

### 38. Significant related party disclosures

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

**38. Significant related party disclosures (continued)****(a) Significant related party transactions**

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
Related companies controlled by certain Directors:				
- sales of barges	-	2	-	-
Joint ventures:				
- dividend income	17	14	17	14
- interest income	4	2	-	-
- management fee income	11	13	-	-
- finance lease income	2	2	-	-
- advances paid	(21)	(56)	-	-
- repayment of advances	74	53	-	-
Subsidiaries:				
- repayment of advances received	-	-	-	47
- advances received	-	-	98	295
- repayment of advances paid	-	-	-	(324)
- management fee income	-	-	23	41
- interest income	-	-	7	34
- dividend income	-	-	220	346
- service income	-	-	-	1

**(b) Related party balances**

Related party balances have been disclosed in Notes 24 and 36 to the financial statements.

**(c) Compensation to key management personnel**

Key management personnel of the Group and of the Company are made up of directors of the Group and the Company. Information of compensation to directors is disclosed in Note 11.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 39. Commitments

#### (a) Capital commitments

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
Approved and contracted for:		
Property, plant and equipment	31	35

#### (b) Operating lease commitments - Group as lessor

The Group entered into leases for its FPSOs. These non-cancellable leases have remaining lease terms of between 1 year to 12 years and are subject to revision on the rental charge where contractually applicable.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
Within 1 year	690	695
More than 1 year and less than 5 years	2,703	2,920
More than 5 years	2,774	3,343
	<b>6,167</b>	<b>6,958</b>

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

### 40. Fair value measurement

#### (a) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	<b>Fair value measurement using</b>			
	<b>Quoted prices in active market Level 1 RM million</b>	<b>Significant observable inputs Level 2 RM million</b>	<b>Significant unobservable inputs Level 3 RM million</b>	<b>Total RM million</b>
<b>At 31 January 2021</b>				
<i>Non-financial asset:</i>				
Investment properties	-	-	15	15
<i>Financial asset:</i>				
Other investments	-	229	-	229
<i>Financial liability:</i>				
Interest rate swaps	-	225	-	225

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 40. Fair value measurement (continued)

## (a) Fair value hierarchy (continued)

	Fair value measurement using			Total RM million
	Quoted prices in active market	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RM million	RM million	RM million	
<b>At 31 January 2020</b>				
<i>Non-financial asset:</i>				
Investment properties	-	-	18	18
<i>Financial asset:</i>				
Other investments	-	202	-	202
<i>Financial liability:</i>				
Interest rate swaps	-	156	-	156

The Group and the Company classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Levels 1 and 2 and between Levels 2 and 3 during the current financial year.

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

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

## (b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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

	Note
Trade and other receivables	24
Loans and borrowings	32
Trade and other payables	36

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 40. Fair value measurement (continued)

#### (b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)

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

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

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

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

#### Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guarantee period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

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

### 41. Financial instruments by category

	Group		Company	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
<u>Financial assets</u>				
Financial assets measured at fair value through profit or loss				
- Other investments (Note 22)	229	202	4	3
Financial assets at amortised costs				
- Finance lease receivables (Note 33(a))	2,166	1,549	-	-
- Trade and other receivables (Note 24)	608	500	496	1,612
- Cash and bank balances (Note 26)	1,821	1,276	9	69
	4,595	3,325	505	1,681
<b>Total</b>	<b>4,824</b>	<b>3,527</b>	<b>509</b>	<b>1,684</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

**41. Financial instruments by category (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
<b>Financial liabilities</b>				
Financial liabilities designated as cash flow hedge				
- Interest rate swaps (Note 37)	225	156	-	-
Other financial liabilities at amortised cost:				
- Trade and other payables	873	445	1,028	1,101
- Loans and borrowings (Note 32)	6,106	3,830	-	57
- Put option liability	181	412	-	-
- Lease liabilities (Note 33(b))	27	32	8	-
	7,187	4,719	1,036	1,158
<b>Total</b>	<b>7,412</b>	<b>4,875</b>	<b>1,036</b>	<b>1,158</b>

The Group's and the Company's exposure to various risks associated with the financial instruments are discussed in Note 42.

**42. Financial risk management objectives and policies**

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the corporate finance team that advises on financial risks and the appropriate financial risk governance framework for the Group. The corporate finance team assists Group's senior management to ensure that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**(a) Market risk**

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

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and borrowings with floating interest rates.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 42. Financial risk management objectives and policies (continued)

#### (a) Market risk (continued)

##### (i) Interest rate risk (continued)

The Group manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and floating interest rate amounts calculated by reference to an agreed-upon notional amount. For the financial years ended 31 January 2021 and 2020, the Group's borrowings at floating rates were primarily denominated in USD. Except for the USD LIBOR floating rate debt as set out in Note 32, the Group is not exposed to interbank offered rates (IBORs) that will be affected by the IBOR reforms.

Included in the variable rate borrowings are 9 to 12 years (2020: 7 to 9 years) floating rate debt of RM3,985 million (2020: RM3,374 million) whose interest rate is based on 3-month USD LIBOR. To hedge the variability in cash flows of these loans, the Group has entered into 8 to 12 years (2020: 7 years) interest rate swaps with key terms (principal amount, payment dates, repricing dates, currency) that match those of the debt on which it pays a fixed rate and receives a variable rate.

##### Instruments used by the Group

Interest rate swaps currently in place cover approximately 100% (2020: 80%) of the Group's outstanding 3-month USD LIBOR variable rate project financing loans. These loans bear variable rates based on USD LIBOR plus a certain margin, however the interest rates are fixed based on the fixed interest rates of the swaps which range between 3.89% to 5.55% (2020: 5.78% to 6.01%).

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

##### Effects of hedge accounting on the financial position and performance

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

	2021 RM million	2020 RM million
<u>Interest rate swaps</u>		
Carrying amount (current and non-current liability)	225	156
Notional amount - LIBOR based swaps	3,985	3,084
Hedge ratio of project financing loans	100%	80%
Change in fair value of outstanding hedging instruments since 1 February	129	133
Change in value of hedged item used to determine hedge effectiveness	129	133
Weighted average hedged rate for the year	3.89% to 5.55%	5.78% to 6.01%

The maturity period of interest rate swaps ranges from November 2027 to December 2031 (2020: June 2024 to November 2027).

##### Interest rate sensitivity

As an increase/decrease in interest rates by 10 (2020: 10) basis points would not result in a significant increase/decrease in interest expense for the unhedged variable rate loans of the Group, sensitivity analysis is not disclosed.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 42. Financial risk management objectives and policies (continued)

## (a) Market risk (continued)

## (ii) Foreign currency risk

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM, USD, INR and Norwegian Krone ("NOK"). The foreign currency in which these transactions are denominated is mainly SGD, Euro and Ghanaian Cedi.

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The other financial instruments denominated in foreign currencies include financial assets at fair value through profit or loss, finance lease receivables, trade and other receivables, trade and other payables, loans and borrowings and lease liabilities.

The Group is also exposed to currency translation risk arising from its net investment in foreign operations in Labuan, Singapore, Norway, Republic of the Marshall Islands, British Virgin Islands, Brazil, India and Netherlands. The Group's investments in its foreign subsidiaries, joint ventures and associates are not hedged as the currency position in these investments are considered to be long-term in nature.

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

Group	Denominated in currencies other than functional currencies			Denominated in functional currencies	Total
	Malaysian Ringgit	United States Dollar	Others		
	RM million	RM million	RM million	RM million	RM million
<b>2021</b>					
Other investments	-	-	-	229	229
Receivables	6	26	23	553	608
Cash and bank balances	31	7	36	1,747	1,821
Borrowings	-	-	-	(6,106)	(6,106)
Lease liabilities	-	-	(17)	(10)	(27)
Payables	(5)	(4)	(56)	(808)	(873)
Derivatives	-	-	-	(225)	(225)
Put option liability	-	-	-	(181)	(181)
	32	29	(14)	(4,801)	(4,754)
<b>2020</b>					
Other investments	-	-	-	202	202
Receivables	13	25	29	433	500
Cash and bank balances	1	74	32	1,169	1,276
Borrowings	-	(41)	-	(3,789)	(3,830)
Lease liabilities	-	-	(29)	(3)	(32)
Payables	(3)	(1)	(66)	(375)	(445)
Derivatives	-	-	-	(156)	(156)
Put option liability	-	-	-	(412)	(412)
	11	57	(34)	(2,931)	(2,897)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 42. Financial risk management objectives and policies (continued)

#### (b) Credit risk

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

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

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with the Group's policy. Counterparty credit standings are reviewed by the Company's Senior Management on an annual basis, and may be updated throughout the financial year. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

The Group has also considered the implications of COVID-19 whilst assessing its credit risk for its counterparties.

#### (i) Trade receivables and contract assets

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

The reconciliation of allowance for impairment and maximum exposure to credit risk are disclosed in Note 24(a) and Note 6(b).

#### (ii) Debt instruments at amortised costs other than trade receivables and contract assets

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 42. Financial risk management objectives and policies (continued)

## (b) Credit risk (continued)

## (ii) Debt instruments at amortised costs other than trade receivables and contract assets (continued)

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

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

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

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

**Group**  
**2021**

	Performing RM million	Under- performing RM million	Not performing RM million	Total RM million
<u>Other receivables</u>				
Gross carrying amount	234	-	32	266
Accumulated impairment loss	(3)	-	(32)	(35)
Net carrying amount	231	-	-	231
<u>Cash and bank balances</u>				
Gross/net carrying amount	1,821	-	-	1,821
<u>Finance lease receivables</u>				
Gross/net carrying amount	2,166	-	-	2,166

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 42. Financial risk management objectives and policies (continued)

#### (b) Credit risk (continued)

##### (ii) Debt instruments at amortised costs other than trade receivables and contract assets (continued)

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

#### Group (continued)

2020

	Performing RM million	Under- performing RM million	Not performing RM million	Total RM million
<u>Other receivables</u>				
Gross carrying amount	225	-	38	263
Accumulated impairment loss	(6)	-	(38)	(44)
Net carrying amount	219	-	-	219
<u>Tax recoverable</u>				
Gross carrying amount	-	-	2	2
Accumulated impairment loss	-	-	(2)	(2)
Net carrying amount	-	-	-	-
<u>Cash and bank balances</u>				
Gross/net carrying amount	1,276	-	-	1,276
<u>Finance lease receivables</u>				
Gross/net carrying amount	1,549	-	-	1,549

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 42. Financial risk management objectives and policies (continued)

## (b) Credit risk (continued)

## (ii) Debt instruments at amortised costs other than trade receivables and contract assets (continued)

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

**Company****2021**

	Performing RM million	Under- performing RM million	Not performing RM million	Total RM million
<u>Other receivables (excluding amounts due from subsidiaries)</u>				
Gross/net carrying amount	1	-	-	1
<u>Amounts due from subsidiaries</u>				
Gross carrying amount	467	28	79	574
Accumulated impairment loss	-	-	(79)	(79)
Net carrying amount	467	28	-	495
<u>Cash and bank balances</u>				
Gross/net carrying amount	9	-	-	9

**2020**Other receivables (excluding amounts due from subsidiaries)

Gross/net carrying amount	3	-	-	3
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Amounts due from subsidiaries

Gross carrying amount	1,576	47	81	1,704
Accumulated impairment loss	-	(14)	(81)	(95)
Net carrying amount	1,576	33	-	1,609

Cash and bank balances

Gross/net carrying amount	69	-	-	69
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The reconciliation of allowance for impairment of other receivables is disclosed in Note 24(b).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 42. Financial risk management objectives and policies (continued)

#### (b) Credit risk (continued)

##### (ii) Debt instruments at amortised costs other than trade receivables and contract assets (continued)

As at 31 January 2021, the credit risk of the Group primarily relates to the Group's 4 (2020: 4) largest customers which accounted for 71% (2020: 73%) of the outstanding trade receivables at the end of the reporting period. The Group believes these counterparties' credit risk is low taking into consideration of their financial position, past collection experiences and other factors. Except for the impairment loss provided as disclosed in Note 24(a) to the financial statements, management does not expect any counterparty to fail to meet their obligations.

##### (iii) Financial guarantee contracts

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

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
Financial guarantee contracts	1,722	1,415

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

#### (c) Liquidity risk

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

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

<b>Group</b>	<b>On demand or within one year RM million</b>	<b>Two to five years RM million</b>	<b>Over five years RM million</b>	<b>Total RM million</b>
<b>31 January 2021</b>				
Trade and other payables	784	75	22	881
Loans and borrowings	843	2,990	2,414	6,247
Lease liabilities	16	13	-	29
Derivatives	21	204	-	225
Put option liability	181	-	-	181
Total undiscounted financial liabilities	1,845	3,282	2,436	7,563



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 42. Financial risk management objectives and policies (continued)

#### (c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations. (continued)

<b>Group (continued)</b>	<b>On demand or within one year RM million</b>	<b>Two to five years RM million</b>	<b>Over five years RM million</b>	<b>Total RM million</b>
<b>31 January 2020</b>				
Trade and other payables	445	-	-	445
Loans and borrowings	500	3,026	378	3,904
Lease liabilities	15	20	-	35
Derivatives	17	139	-	156
Put option liability	412	-	-	412
<b>Total undiscounted financial liabilities</b>	<b>1,389</b>	<b>3,185</b>	<b>378</b>	<b>4,952</b>
<b>Company</b>				
<b>31 January 2021</b>				
Trade and other payables	163	865	-	1,028
Lease liabilities	3	5	-	8
Financial guarantee <sup>^</sup>	1,722	-	-	1,722
<b>Total undiscounted financial liabilities</b>	<b>1,888</b>	<b>870</b>	<b>-</b>	<b>2,758</b>
<b>31 January 2020</b>				
Trade and other payables	614	487	-	1,101
Loans and borrowings	57	-	-	57
Financial guarantee <sup>^</sup>	1,415	-	-	1,415
<b>Total undiscounted financial liabilities</b>	<b>2,086</b>	<b>487</b>	<b>-</b>	<b>2,573</b>

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

### 43. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has the following reportable operating segments as follows:

- (i) Offshore Production & Offshore Marine - This segment comprises provision of vessels and marine related services.
- (ii) Other operations - This segment comprises investment, management services and treasury services.
- (iii) Renewables - This segment consists of owning and operating renewable energy generation assets.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 43. Segment information (continued)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

	<b>Offshore Production &amp; Offshore Marine RM million</b>	<b>Other operations RM million</b>	<b>Renewables RM million</b>	<b>Consolidated RM million</b>
<b>31 January 2021</b>				
<b>Revenue:</b>				
Gross revenue	4,843	456	6	5,305
Inter-segment	(2)	(454)	-	(456)
	4,841	2	6	4,849
<b>Results:</b>				
Segment results	1,110	(183)	1	928
Finance costs				(319)
Share of loss of joint ventures				(29)
Income tax expense				(168)
Profit for the financial year				412
Amortisation and depreciation	(296)	(8)	(2)	(306)
Fair value gain/(loss):				
- marketable securities	-	2	-	2
- investment properties	-	(3)	-	(3)
Impairment loss on property, plant and equipment	(33)	-	-	(33)
Reversal of impairment loss/(impairment loss) on:				
- other receivables	6	-	-	6
- other assets	2	-	-	2
- tax recoverable	(12)	-	-	(12)
Net unrealised gain on foreign exchange	(11)	36	1	26
Contract acquisition costs written off	(104)	-	-	(104)
Deal deposit written off	-	(84)	-	(84)
Other non-cash expenses	-	(2)	-	(2)
<b>Assets and liabilities</b>				
Segment assets	10,243	1,093	550	11,886
Segment liabilities	6,067	1,391	402	7,860
Additions to property, plant and equipment	1,560	19	8	1,587

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 43. Segment information (continued)

	Offshore Production & Offshore Marine RM million	Other operations RM million	Renewables RM million	Consolidated RM million
<b>31 January 2020</b>				
<b>Revenue:</b>				
Gross revenue	2,575	633	-	3,208
Inter-segment	(69)	(620)	-	(689)
	2,506	13	-	2,519
<b>Results:</b>				
Segment results	519	-	-	519
Finance costs				(198)
Share of profit of joint ventures				10
Income tax expense				(70)
Profit for the financial year				261
Amortisation and depreciation	(241)	(5)	-	(246)
Fair value loss:				
- investment properties	-	(2)	-	(2)
- derivatives	-	(1)	-	(1)
Impairment loss on property, plant and equipment	(5)	-	-	(5)
Impairment loss on:				
- trade receivables	1	-	-	1
- other receivables	1	1	-	2
- other assets	(4)	-	-	(4)
- tax recoverable	(2)	-	-	(2)
Net unrealised gain on foreign exchange	1	5	-	6
Other non-cash expenses	(1)	(1)	-	(2)
<b>Assets and liabilities</b>				
Segment assets	8,937	578	-	9,515
Segment liabilities	5,190	551	-	5,741
Additions to property, plant and equipment	1,301	1	-	1,302

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

Inter-segment revenues are eliminated on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 43. Segment information (continued)

#### Geographical information

The Group operates in the following main geographical areas:

- (i) Malaysia - mainly involved in leasing and sub-leasing of FPSOs and OSVs on bareboat or time charter basis
- (ii) Ghana, Nigeria, Norway and other countries - mainly involved in the charter of FPSOs and tankers and ship management services
- (iii) Brazil - involved in design, supply, installation, operation, life extension and demobilisation of an FPSO
- (iv) India - involved in owning and operating renewable energy generation assets

Revenue by location of the Group's operations are analysed as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM million</b>	<b>RM million</b>
Malaysia	339	1,631
Ghana	573	566
Nigeria	1,417	179
Norway	18	15
Brazil	2,299	-
India	6	-
Other countries	197	128
	<b>4,849</b>	<b>2,519</b>

Non-current assets other than financial instruments and deferred tax assets managed by the Group in Ghana and Nigeria amounted to RM3,176 million and RM82 million respectively as at 31 January 2021 (2020: RM3,396 million, RM873 million respectively).

The Group's largest customers (by revenue contribution) are from the Offshore Production & Offshore Marine segments. In the financial year ended 31 January 2021, 3 customers contributed revenue individually exceeding 10% of the Group's total revenue, amounting to RM573 million, RM1,170 million and RM2,299 million respectively. In the financial year ended 31 January 2020, 2 customers contributed revenue individually exceeding 10% of the Group's total revenue, amounting to RM566 million and RM1,577 million respectively.

### 44. Capital management

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

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, shares buy-back or issue new shares. The Group and the Company monitors capital using gross and net debt to equity ratio. Net debt includes interest bearing loans and borrowings, less cash and short-term deposits and current other investments.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 44. Capital management (continued)

	Group	
	2021	2020
	RM million	RM million
Loans and borrowings (Note 32)	6,106	3,830
<b>Gross debt</b>	6,106	3,830
Less: Cash and bank balances (Note 26)	(1,821)	(1,276)
Other investments, current (Note 22)	(229)	(189)
<b>Net debt</b>	4,056	2,365
<b>Total equity</b>	4,026	3,774
<b>Gross debt to equity ratio</b>	1.52	1.01
<b>Net debt to equity ratio</b>	1.01	0.63

The Group and Company are required to comply with financial covenants such as Debt Service Coverage Ratio and Gearing Ratio, as defined in the respective facility agreements. For the financial years ended 31 January 2021 and 2020, the Group and the Company have complied with these requirements.

## 45. Perpetual securities

(i) By Yinson TMC Sdn. Bhd. ("YTMC")

(a) RM950 million

On 8 May 2018, YTMC issued RM950 million Sukuk Mudharabah under its RM1.5 billion Perpetual Sukuk Mudharabah Programme. The perpetual securities are:

- unconditionally and irrevocably guaranteed by the Company;
- direct, unsecured, unconditional and unsubordinated obligations of the subsidiary; and
- rank at least pari passu with all other present and future unconditional, unsubordinated and unsecured obligations of the subsidiary at all times, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The perpetual securities are unrated and are not listed on Bursa Malaysia Securities Berhad or on any other stock exchange bearing no fixed maturity date but are callable 15 years from date of issuance ("First Call Date") fall due on 9 May 2033. The issued instrument carries a periodic distribution rate of 6.8% per annum, distributable semi-annually calculated at the nominal value of securities issued. The distribution rate will subject to an agreed one time step-up margin of 1% per annum after First Call Date. Pursuant to the terms and conditions of the programme, YTMC has no obligation to pay any distribution and has the option to elect for distribution deferment at its sole discretion, which does not constitute a breach of covenant. The perpetual securities may also be redeemed at the option of YTMC upon the occurrence of certain events by YTMC in accordance with the terms and conditions of the perpetual securities.

From the Group's perspective under MFRS 132 "Financial Instruments: Presentation", the Perpetual Securities is classified as equity because the payment of any distribution or redemption is at the discretion of the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 45. Perpetual securities (continued)

(ii) By Yinson Juniper Ltd ("YJL")

(a) USD100 million

On 5 October 2017, YJL, a wholly owned subsidiary of the Company issued perpetual securities of USD100 million under its USD500 million Multi-Currency Perpetual Securities Programme. The perpetual securities are:

- unconditionally and irrevocably guaranteed by the Company;
- direct, unsecured, unconditional and unsubordinated obligations of the subsidiary; and
- rank at least pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the subsidiary, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The perpetual securities are unrated and are listed on the Singapore Exchange Securities Trading Limited bearing no fixed maturity date but are redeemable at YJL's option 5 years from date of issuance ("First Reset Date") fall due on 5 October 2022. The issued instrument carries a periodic distribution rate of 7.85% per annum, distributable semi-annually calculated at the nominal value of securities issued. The distribution rate will subject to an agreed step-up margin of 5% per annum above the prevailing U.S. Treasury Rate after First Reset Date. Pursuant to the terms and conditions of the programme, YJL has no obligation to pay any distribution and has the option to elect for distribution deferment at its sole discretion, which does not constitute a default. The perpetual securities may also be redeemed at the option of YJL upon the occurrence of certain events by YJL in accordance with the terms and conditions of the perpetual securities.

From the Group's perspective under MFRS 132 "Financial Instruments: Presentation", the Perpetual Securities is classified as equity because the payment of any distribution or redemption is at the discretion of the Group.

(b) USD120 million

YJL, a wholly owned subsidiary of the Company has completed two further issuances of Perpetual Securities valued USD90 million and USD30 million on bought deal basis under its USD500 million Multi-Currency Perpetual Securities Programme on 29 March 2019 and 5 April 2019 respectively.

Both the Perpetual Securities are unrated, not listed on any stock exchange, and bear no fixed maturity date but are redeemable at YJL's option from First Reset Date fall on 29 March 2024. The issued Perpetual Securities carry periodic distribution rate of 8.10% per annum, distributable semi-annually calculated at the nominal value of securities issued. The distribution rate will subject to an agreed step-up margin of 5% per annum above the prevailing U.S. Treasury Rate after First Reset Date. Pursuant to the terms and conditions of the programme, YJL has no obligation to pay any distribution and has the option to elect for distribution deferment at its sole discretion, which does not constitute a default. The Perpetual Securities may also be redeemed at the option of YJL upon the occurrence of certain events by YJL in accordance with the terms and conditions of the Perpetual Securities.

From the Group's perspective under MFRS 132 "Financial Instruments: Presentation", the Perpetual Securities is classified as equity because the payment of any distribution or redemption is at the discretion of the Group.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 46. Summary of effects of acquisition and re-organisation of companies

#### 2021

##### (a) Internal re-organisation of companies

During the financial year, the Group completed the internal re-organisation for the following companies of which there were no consequential financial effects to the Group:

- (i) On 7 February 2020, Yinson Production Offshore Pte. Ltd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Production Pte. Ltd. ("YPPL") from Yinson Production Limited, an indirect wholly owned subsidiary of the Group for a consideration of USD6,203,496. YPPL remains as an indirect wholly owned subsidiary of the Company.
- (ii) On 28 April 2020, Yinson Production Offshore Pte. Ltd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.) ("YPCPL") from Yinson Acacia Ltd, an indirect wholly owned subsidiary of the Company for a consideration of USD1,000. YPCPL remains as an indirect wholly owned subsidiary of the Company.
- (iii) On 3 August 2020, Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.), an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Trillium Limited ("YTL") from the Company for a consideration of USD145,330,001. YTL remains as an indirect wholly owned subsidiary of the Company.
- (iv) On 17 August 2020, Yinson Boronia Servicos De Operacao LTDA ("YBSDO"), an indirect wholly owned subsidiary of the Company, increased the issued and paid-up capital from R\$1,645,176 to R\$9,803,118 by an allotment of 1,359,657 new ordinary shares at an issue price of R\$6 each totalling to an amount of R\$8,157,942 with 1,350,146 and 9,511 new ordinary shares being subscribed by Yinson Boronia Production B.V. ("YBPBV") and Yinson Boronia Holdings (S) Pte. Ltd. ("YBH(S)PL") respectively. As a result, YBPBV and YBH(S)PL own 99.35% and 0.65% equity interest in YBSDO respectively.
- (v) On 10 September 2020, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson International Pte. Ltd. ("YIPL") from Yinson Production Offshore Pte. Ltd., an indirect wholly owned subsidiary of the Company for a consideration of USD20,000,000. YIPL remains as an indirect wholly owned subsidiary of the Company.
- (vi) On 17 September 2020, Yinson Offshore Services Sdn. Bhd. ("YOSSB"), a wholly owned subsidiary of the Company, increased its issued and paid-up capital from RM1 to RM6,656,550 by an allotment of 6,656,549 new ordinary shares at an issue price of RM1 each by way of capitalisation of amount owing by YOSSB to the Company of RM3,993,929 and amount owing by YOSSB to Yinson Global Corporation (HK) Limited ("YGC(HK)"), an indirect wholly owned subsidiary of the Group, of RM2,662,620. As a result, the Company and YGC(HK) own 60% and 40% equity interest in YOSSB respectively.
- (vii) On 6 October 2020, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson TMC Sdn. Bhd. ("YTMC") from the Company for a consideration of RM235,421,163. As a result, YTMC became an indirect wholly owned subsidiary of the Company.
- (viii) On 30 December 2020, Yinson Macacia Limited ("YML"), an indirect wholly owned subsidiary of the Company, increased the issued and paid-up capital from USD1 to USD201,300,000 by an allotment of 201,299,999 new ordinary shares at an issue price of USD1 each by way of capitalisation of amount owing by YML to the Company of USD120,779,999 and amount owing by YML to Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.) ("YPCPL"), an indirect wholly owned subsidiary of the Company, of USD79,952,307 coupled with a cash injection of USD567,693. As a result, the Company and YPCPL own 60% and 40% equity interest in YML respectively.
- (ix) On 4 January 2021, Yinson Offshore Services Sdn. Bhd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Offshore Services Limited ("YOSL") from the Company for a consideration of USD1. As a result, YOSL became an indirect wholly owned subsidiary of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 46. Summary of effects of acquisition and re-organisation of companies (continued)

#### **2021 (continued)**

##### (a) Internal re-organisation of companies (continued)

- (x) On 4 January 2021, Yinson Offshore Services Sdn. Bhd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Offshore Marine Limited ("YOML") from Yinson Offshore Services Limited ("YOSL"), an indirect wholly owned subsidiary of the Company for a consideration of USD1. YOML remains as an indirect wholly owned subsidiary of the Company.
- (xi) On 4 January 2021, Yinson Offshore Services Sdn. Bhd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Camellia Limited ("YCL") from Yinson Offshore Marine Limited, an indirect wholly owned subsidiary of the Company for a consideration of USD873,482. YCL remains as an indirect wholly owned subsidiary of the Company.
- (xii) On 4 January 2021, Yinson Offshore Services Sdn. Bhd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Indah Limited ("YIL") from the Company for a consideration of USD1. As a result, YIL became an indirect wholly owned subsidiary of the Company.
- (xiii) On 13 January 2021, Yinson Production Capital Pte. Ltd. (formerly known as Yinson Malva Production Pte. Ltd.), an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Production Pte. Ltd. ("YPPL") from Yinson Production Offshore Pte. Ltd., an indirect wholly owned subsidiary of the Company for a consideration of USD6,203,496. YPPL remains as an indirect wholly owned subsidiary of the Company.

##### (b) Acquisition of a company

On 26 March 2020, YR Bhadla Pte. Ltd. (formerly known as Yinson Renewables (S) Pte. Ltd.) ("YRBPL"), an indirect wholly owned subsidiary of the Company entered into multiple agreements to acquire a 37.5% equity interest in Rising Sun Energy Private Limited ("RSE"), a company incorporated in India with two operational solar plants in the Bhadla Solar Park, Rajasthan, India. YRBPL paid INR554 million (RM32 million) for the stake. The two adjoining solar plants have a combined generation capacity of 140MW (AC rated), and achieved their scheduled commissioning dates in 2017. 25-year Power Purchase Agreements, expiring in 2042, were signed with NTPC Limited, India's largest power utility company, majority owned by the Government of India.

Subsequently on 23 December 2020, YRBPL completed the acquisition of an additional 57.5% equity interest in RSE and YRBPL obtained control in RSE with 95.0% equity interest for a total cash consideration of INR1,100 million (RM59 million) ("Consideration").

An aggregate of 85% of the Consideration was paid to vendors whilst the remaining balance of 15% of the consideration ("Balance Consideration") was retained by YRBPL at Completion and will be progressively released upon fulfilment of all the Post Completion Obligations on or before the date being 24 months from the date of the Second Amendment Agreement. Failing which, the Balance Consideration shall be deemed as forfeited to the vendors.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

## 46. Summary of effects of acquisition and re-organisation of companies (continued)

**2021 (continued)**(b) Acquisition of a company (continued)

- (i) Details of the consideration paid, the fair values of assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	Book value RM million	Fair value RM million
Property, plant and equipment (Note 16)	456	465
Trade receivables	11	11
Other non-current assets	8	8
Other current assets	1	1
Inventories	1	1
Cash and cash equivalents	29	29
Loans and borrowings	(384)	(384)
Deferred tax asset (net) (Note 35)	1	1
Trade payables	(6)	(6)
Non-current provisions	(23)	(23)
Other current liabilities	(4)	(5)
Net assets acquired	90	98
Less: Fair value of previously held interest of 37.5%		(33)
Less: Non-controlling interest		(4)
Less: Deferred tax impact arising from acquisition (Note 35)		(2)
Purchase consideration		59
Less: Consideration payable		(9)
Less: Cash and cash equivalents of subsidiary acquired		(29)
Net cash outflow on acquisition for financial year ended 31 January 2021		21

- (ii) Acquired receivables

The acquired trade receivables of RM11 million is based on contractual terms agreed with the customer and approximates their fair value.

- (iii) Accounting policy choice for non-controlling interests

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in RSE, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 46. Summary of effects of acquisition and re-organisation of companies (continued)

#### **2021 (continued)**

##### (b) Acquisition of a company (continued)

##### (iv) Remeasurement of previously held equity interest

The remeasurement to fair value of the Group's existing 37.5% interest in RSE resulted in a gain of RM3 million (RM33 million less the carrying amount of the equity accounted investee at the date of acquisition of RM30 million). This amount was included in 'other income' (Note 8).

##### (v) Revenue and profit contribution

The acquired business contributed revenue of RM6 million and net loss after tax of RM1 million for the period from 24 December 2020 to 31 January 2021.

Had RSE been acquired from 1 February 2020, the acquired business would have contributed additional revenue and additional loss after tax of RM69 million and RM2 million respectively, for the financial year ended 31 January 2021.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- (a) differences in the accounting policies between the Group and the subsidiary; and
- (b) the additional depreciation that would have been charged assuming the fair value adjustments to property, plant and equipment had applied from 1 February 2020, together with the consequential tax effects.

##### (vi) Acquisition-related costs

Transaction costs of RM4 million were incurred and included in administrative expenses in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

#### **2020**

##### Internal re-organisation of companies

During the financial year, the Group had completed the internal re-organisation for the following companies of which there were no consequential financial effects to the Group:

- (a) On 18 February 2019, Yinson Boronia Consortium Pte. Ltd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Boronia Holdings (S) Pte. Ltd. ("YBHPL") from Yinson Acacia Ltd, an indirect wholly owned subsidiary of the Company for a consideration of USD1. YBHPL remains as an indirect wholly owned subsidiary of the Company.
- (b) On 17 June 2019, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Eden Pte. Ltd. ("YEPL") from Yinson Boronia Holdings (S) Pte. Ltd., an indirect wholly owned subsidiary of the Company for a consideration of USD1. YEPL remains as an indirect wholly owned subsidiary of the Company.
- (c) On 1 July 2019, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Production Offshore Pte. Ltd. ("YPOPL") from Yinson Production Limited, a direct wholly owned subsidiary of the Company for a consideration of USD1. YPOPL remains as an indirect wholly owned subsidiary of the Company.
- (d) On 2 October 2019, Yinson Production Offshore Pte. Ltd., a direct wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson International Pte. Ltd. ("YIPL") from Yinson Production Limited, a direct wholly owned subsidiary of the Company for a consideration of USD1. YIPL remains as an indirect wholly owned subsidiary of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 46. Summary of effects of acquisition and re-organisation of companies (continued)

#### 2020 (continued)

##### Internal re-organisation of companies (continued)

- (e) On 31 December 2019, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Juniper Ltd. ("YJL") from the Company for a consideration of USD2. As a result, YJL became an indirect wholly owned subsidiary of the Company.
- (f) On 30 January 2020, Yinson Offshore Services Sdn. Bhd., a direct wholly owned subsidiary of the Company, completed the acquisition of 70% equity interest in Regulus Offshore Sdn. Bhd. ("RO") from the Company for a consideration of RM6,650,062. As a result, RO became a 70% indirect owned subsidiary of the Company.

### 47. Summary of effects of dilution and disposal of companies

On 28 April 2020, a Share Subscription Agreement between the Company, Yinson Boronia Consortium Pte. Ltd. ("YBCPL"), Yinson Acacia Limited, both of which are indirect wholly owned subsidiaries of the Company, Sumitomo Corporation and Japan Offshore Facility Investment 1 Pte. Ltd. ("JOFI") ("Share Subscription Agreement") was entered into in respect of Project Marlim. The Share Subscription Agreement was completed on 11 May 2020.

Pursuant to the Share Subscription Agreement, YBCPL allotted and issued to JOFI 3,340,000 new ordinary shares representing 25% of the enlarged issued share capital of YBCPL ("Subscription Shares") for a cash consideration of USD3 million. On 28 May 2020, YBCPL further allotted and issued to JOFI 21,660,000 new ordinary shares for a cash consideration of USD22 million. Following the issuance of 25,000,000 new ordinary shares for a total cash consideration of USD25 million, the Group still controls YBCPL, retaining an effective equity interest in YBCPL of 75%. This resulted in an increase in non-controlling interest of USD25 million (RM107 million) (representing 25% interest) and an increase in equity attributable to the owners of the Company of USD0.4 million (RM2 million). The effect of changes in the ownership interest of YBCPL on the equity attributable to owners of the Company during the year is summarised as follows:

	RM million
Consideration received from non-controlling interests	109
Less: Carrying amount of interests in subsidiary disposed	(107)
Excess of consideration received recognised in parent's equity	2

### 48. Significant event in the current reporting period

The World Health Organisation had, on 11 March 2020, declared COVID-19 as a pandemic. Even with countries introducing their respective vaccination programmes, the pandemic situation is expected to remain a significant challenge for the next 1 to 2 years, affecting business and social activities. Encouragingly, the Group's business continuity plans have succeeded to ensure minimum disruption to its daily operations.

Threats and uncertainties which stemmed from the pandemic are mitigated by the fact that the Group's revenue stream comes primarily from long term fixed priced contracts with reputable oil companies. Nevertheless, the Group will continue to monitor and assess macro developments in order to take pre-emptive and proactive measures to mitigate adverse impacts as and when necessary.

The extent to which the pandemic may further impact the Group's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence. These developments include the duration and severity of the outbreak, and the actions that may be required to contain the virus or treat its impact. In particular, the protracted duration and additional resources required to safely contain Covid-19 globally, could adversely impact the Group's operations, work force, cash flows and financial position for the current financial year. Hence, without a firmly established plan for vaccine distribution, the related impact arising from Covid-19 cannot be reasonably estimated at this time for the financial year ending 31 January 2022.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2021

### 49. Subsequent events

- (a) On 2 March 2021, Rising Sun Energy (K) Pvt Ltd ("RSEK"), an indirect 80% owned subsidiary of the Company, has accepted a Letter of Award ("LOA") from NTPC Limited ("NTPC") for the development of 190MW grid-connected solar photovoltaic power project at the Nokh Solar Park ("Plant") in Rajasthan, India ("Contract").

Following the LOA, RSEK will enter into a Power Purchase Agreement ("PPA") to supply 25 years of solar power generated electricity to NTPC. Any extension of the PPA period beyond 25 years shall be through mutual agreement between NTPC and RSEK. The LOA represents a formal agreement and constitutes a binding document between the parties. On 30 March 2021, RSEK has entered into the PPA with NTPC. The effective date of the PPA is 1 April 2021.

The salient terms of the Contract are as follows:

- (i) The term of the PPA will be 25 years from the commercial operation date of the Plant.
- (ii) The estimated aggregate value of the Contract based on a fixed tariff of INR2.25/kWh, is approximately equivalent to INR27.5 billion (equivalent to RM1.5 billion), subject to the terms and conditions of the LOA and PPA.
- (iii) Commercial operation of the Plant is scheduled to commence in April 2022.

The Contract will not have any effect on the share capital and shareholding structure of the Company. The Contract, however, is expected to contribute positively to the earnings and net assets per share of the Group.

- (b) On 6 March 2020, the Company announced that Globalmariner Offshore Services Sdn. Bhd. ("GMOS") has commenced an action against the Company, its subsidiary Yinson Energy Sdn. Bhd. ("YESB"), and 9 others ("Defendants") including TH Heavy Engineering Berhad ("THHE") and Floatech (L) Ltd ("FLOATECH") 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 by an Order of Court dated 31 March 2021, pursuant to a successful application made by the Defendants to strike out the said Writ of Summons and Statement of Claim, with costs ordered against GMOS in favour of the Company, YESB and one of the Company's directors, Mr. Lim Chern Yuan (who was named as a defendant in the Suit) in respect of the successful application to strike out the said Writ of Summons and Statement of Claim.

On 8 April 2021, a Notice of Appeal was filed with the Court of Appeal in Malaysia by GMOS concerning the judgment made against them.

The above-mentioned Order of Court and Notice of Appeal are not expected to have any material financial and operational impact on the Group and the Company.

### 50. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 January 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2021.



# INDEPENDENT AUDITORS' REPORT

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)  
Registration No. 199301004410 (259147-A)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Yinson Holdings Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 January 2021 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 188 to 311.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT (CONT'D)**  
to the members of Yinson Holdings Berhad (Incorporated in Malaysia)  
Registration No. 199301004410 (259147-A)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Key audit matters (continued)**

Key audit matters	How our audit addressed the key audit matters
<p><b>1) Revenue recognition for FPSO projects</b></p> <p>The accounting for revenue for the Group falls under both MFRS 16 Leases and MFRS 15 Revenue from contracts with customers. These contracts are complex and dependent on the specific arrangements set out in the contracts between the Group and its customer. Given the specialised nature of each project and their respective contracts, management analysed the contracts' terms and conditions to determine the applicable accounting and revenue recognition.</p> <p>During the financial year, the Group accounted for 2 major revenue contracts:</p> <p><b>(a) Revenue recognition for FPSO Anna Nery</b></p> <p><i>Refer to Note 5(g), Note 6 and Note 7 to the financial statements.</i></p> <p>The Group entered into a time charter FPSO contract and an operations and maintenance FPSO contract for a 25 year term with its customer during the financial year which also saw the construction of FPSO Anna Nery commencing. For the financial year ended 31 January 2021, EPCIC revenue totalling RM2,299 million was recognised in the consolidated income statement.</p> <p>Based on our risk assessment, the critical and judgmental estimates includes the determination of allocation of transaction price between EPCIC revenue and finance lease income, ascertaining the number of multiple arrangement elements embedded in the contracts, assessing the satisfaction of the performance obligations over time, completeness of the estimated costs to complete the respective performance obligations and accuracy of measurement of construction progress. These include assessing the subjectivity and estimation uncertainty on determining the estimated costs for the remaining obligations and contingencies that the project would face over the contractual period.</p>	<p>Audit procedures performed over this key audit matter were as follows:</p> <p><b>(a) Revenue recognition for FPSO Anna Nery</b></p> <ul style="list-style-type: none"> <li>• Evaluated management's board assessment paper and considered the judgements made by management on the accounting treatment for the contracts with the customer for the provision of FPSO Anna Nery;</li> <li>• Read the contracts and discussed with management on the relevant terms and the resultant financial implications. Consequently, identified and assessed the multiple arrangement elements and their respective performance obligations;</li> <li>• Gained an understanding of relevant processes, evaluated and tested the relevant controls implemented to record, track and monitor costs and revenues relating to EPCIC contracts;</li> <li>• Evaluated the measurement of progress towards complete satisfaction of the performance obligation undertaken by the Group's internal project reviews;</li> <li>• Checked the accuracy of management's calculations of percentage of completion by recomputing the construction costs incurred against the total estimated construction costs to completion;</li> <li>• Used our internal valuation specialists to assess and evaluate reasonableness of the discount rate applied by management;</li> <li>• Tested the reasonableness of the total estimated budgeted construction costs based on the approved budgets to supporting documentations;</li> <li>• Tested samples of costs incurred to date on significant cost elements to relevant documents such as sub-contractors' reports verified by the Group's operations team; and</li> <li>• Evaluated the adequacy of the Group's disclosures included in the consolidated financial statements.</li> </ul> <p>Based on our procedures performed, no material exceptions were noted.</p>

## INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)

Registration No. 199301004410 (259147-A)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

**Key audit matters (continued)**

Key audit matters	How our audit addressed the key audit matters
<p><b>1) Revenue recognition for FPSO projects (continued)</b></p> <p><b>(b) Revenue recognition for FPSO Abigail-Joseph</b></p> <p><i>Refer to Note 5(a)(ii), Note 6, Note 7 and Note 33(a) to the financial statements.</i></p> <p>During the financial year, the finance lease on FPSO Abigail-Joseph commenced following the issuance of first oil certificate. As a manufacturer lessor, the Group recognised revenue of RM1,095 million and selling profit of RM111 million in the consolidated financial statements for the financial year ended 31 January 2021.</p> <p>Determining the fair value of the underlying asset at lease commencement requires significant estimation and critical judgements to be exercised by management in assessing contractual terms and determining the key assumptions applied. These key assumptions included the lease term, residual value, implicit interest rate of the lease and determining the minimum lease payments that are expected to be received by the Group over the lease term.</p> <p>Focus is placed on this area due to the complexity of the revenue recognised and the significant estimates and critical judgements exercised by management in assessing the contractual terms and determining the above key assumptions.</p>	<p>Audit procedures performed over this key audit matter were as follows (continued):</p> <p><b>(b) Revenue recognition for FPSO Abigail-Joseph</b></p> <ul style="list-style-type: none"> <li>• Read the contracts and discussed with management on the relevant terms and assessed the resultant financial implications;</li> <li>• Discussed and reviewed management's basis and assumptions used for estimating the selling profit for the leased asset upon lease commencement in accordance with MFRS 16;</li> <li>• Compared the lease payments to historical operational performance of other FPSOs of the Group to ascertain that these are reasonable;</li> <li>• Assessed the basis of management's residual value estimates on the FPSO;</li> <li>• Tested the mathematical accuracy of the finance lease receivables calculations prepared by management; and</li> <li>• Evaluated the adequacy of the Group's disclosures included in the consolidated financial statements.</li> </ul> <p>Based on our procedures performed, no material exceptions were noted.</p>

**INDEPENDENT AUDITORS' REPORT (CONT'D)**  
to the members of Yinson Holdings Berhad (Incorporated in Malaysia)  
Registration No. 199301004410 (259147-A)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Key audit matters (continued)**

Key audit matters	How our audit addressed the key audit matters
<p><b>2) Accounting for Share Based Compensation Plans</b></p> <p><i>Refer to Note 5(f), Note 29(b) and Note 29(c) to the financial statements.</i></p> <p>The Group implemented a Performance Bonus Scheme and a Share Award Scheme under an Employees' Long-term Incentive Plan ("LTIP") for certain eligible employees during the financial year. The maximum bonus and number of the Group's shares to be allotted and issued under the Performance Bonus Scheme and Share Award Scheme would not be more than 2.66% and 4.50% of the Group's paid-up ordinary share capital (excluding treasury shares) respectively.</p> <p>The accounting for share based compensation plans under MFRS 2 Share-Based Payments is complex as the recognition and measurement of such share based payments are dependent on achieving specific market and non-market vesting conditions as agreed between the Group and its eligible employees. This necessitates significant management judgement to ascertain the achievability of the vesting conditions such as the daily share price targets, estimated number of shares and bonuses which would eventually be awarded.</p> <p>Significant estimation uncertainties exist when determining the valuation of the shares to be awarded to eligible employees. These includes assessment of market conditions and consequently the inputs to the Monte Carlo Simulation Model such as grant date, risk free rates and expected volatility rates.</p> <p>For the financial year ended 31 January 2021, the impact of these expenses from the Performance Bonus Scheme and Share Award Scheme were RM7 million and RM8 million respectively.</p> <p>The magnitude of potential shares to be awarded, coupled with the complexity of the terms resulting in various significant estimates and judgements being applied by management increases the risk of misstatement to the audit. Based on the above considerations, we considered this area to be a key audit matter.</p>	<p>Audit procedures performed over this key audit matter were as follows:</p> <ul style="list-style-type: none"> <li>• Reviewed the ESS by-laws, offer letters and management's basis and assumptions used for establishing vesting conditions, grant dates and vesting periods;</li> <li>• Reviewed and evaluated management's board paper on the assessment of non-market and market conditions and the judgements undertaken by management;</li> <li>• Read and discussed with management the valuation report prepared by management's expert and cross-checking the significant assumptions and inputs used to the Group's historical experience;</li> <li>• Compared the significant assumptions used by management's expert to determine the fair value estimation by checking the key inputs used with assistance from our internal valuation specialists;</li> <li>• Used our internal valuation specialists to assess the reasonableness of the fair value calculation through re-performing the calculation using the Monte Carlo Model;</li> <li>• Recalculated amount of current year share-based compensation expense using underlying offer letters, including relevant terms and conditions, and based on the Group's valuation; and</li> <li>• Evaluated the adequacy of the Group's disclosures included in the consolidated financial statements.</li> </ul> <p>Based on our procedures performed, no material exceptions were noted.</p>

**INDEPENDENT AUDITORS' REPORT (CONT'D)**

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)  
Registration No. 199301004410 (259147-A)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)****Key audit matters (continued)**

Key audit matters	How our audit addressed the key audit matters
<p><b>3) Assessing the carrying value of equity investments in subsidiaries</b></p> <p><i>Refer to Note 5(h) and Note 19 to the financial statements.</i></p> <p>As at 31 January 2021, the net carrying value of equity investments in subsidiaries in the Company's statement of financial position was RM2,011 million.</p> <p>During the financial year, the Company has written down an amount of RM41 million from its investments in subsidiaries as the recoverable amounts of the subsidiaries were lower than its corresponding carrying values.</p> <p>We focused on the recoverable amounts of equity investments in subsidiaries as they are subject to significant judgement and critical estimates made by management over the key assumptions used in projected cash flows and the discount rates used in deriving the recoverable amounts of the equity investments.</p>	<p>Audit procedures performed over this key audit matter were as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated management's assessment of impairment indicators;</li> <li>• Evaluated and validated the basis for the projected cash flows to the underlying subsidiaries' past performance as well as comparable peers in similar industries;</li> <li>• Obtained the assistance from our internal valuation specialists to assess and validate the discount rates applied by management;</li> <li>• Discussed with management the key assumptions used in the valuation model and checked these to supporting documentation; and</li> <li>• Evaluated the adequacy of the disclosures included in the financial statements of the Company.</li> </ul> <p>Based on our procedures performed, no material exceptions were noted.</p>

**Information other than the financial statements and auditors' report thereon**

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and other contents of the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the financial statements**

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT (CONT'D)**  
to the members of Yinson Holdings Berhad (Incorporated in Malaysia)  
Registration No. 199301004410 (259147-A)

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)  
Registration No. 199301004410 (259147-A)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
28 April 2021

TIANG WOON MENG  
02927/05/2022 J  
Chartered Accountant

# GRI CONTENT INDEX

General Standard Disclosures (Core)

GRI-Code	Description	Reference
<b>102 General Disclosures</b>		
Organisational Profile		
102-1	Name of the organisation	About Yinson, Page 27
102-2	Activities, brands, products, and services	Key Assets, Page 42-45
102-3	Location of headquarters	Corporate Information, Page 327
102-4	Location of operations	Our Global Presence, Page 40-41
102-5	Ownership and legal form	Corporate Information, Page 327
102-6	Markets served	Our Global Presence, Page 40-41 Key Assets, Page 42-45
102-7	Scale of the organisation	Our Global Presence, Page 40-41 Key Assets, Page 42-45 Human Capital - Employees Distribution by Country, Page 115 Directors' Report, Page 180-318
102-8	Information on employees and other workers	Human Capital - Employees Distribution by Country, Page 115
102-9	Supply chain	Social & Relationships Capital - Vendors/Suppliers, Page 141-142
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to our operations and supply chain during the financial year.
102-11	Precautionary Principle or approach	The Group applies the Precautionary Principle in all areas of operations, which is to apply due care in all operations to safeguard both environment and social interests.
102-12	External initiatives	Social & Relationships Capital - Industry, Page 134
102-13	Membership of associations	We are not part of any associations.
Strategy		
102-14	Statement from senior decision-maker	Chairman's Statement, Page 15-16
102-15	Key impacts, risks, and opportunities	Chairman's Statement, Page 15-16 Management Discussion & Analysis, Page 17-26 External Environment, Page 62-69 Statement on Risk Management and Internal Control, Page 170-174
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Yinson's Strategic Framework and Edge, Page 48 Intellectual Capital, Page 103-106
102-17	Mechanisms for advice and concerns about ethics	Intellectual Capital - Whistleblowing, Page 109 Corporate Governance Overview Statement - Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure, Page 160
Governance		
102-18	Governance structure	Board of Directors, Page 28-33 Senior Management, Page 34-39 Sustainability Governance, Page 108 Page 155
102-19	Delegating authority	Intellectual Capital - Sustainability Governance, Page 108
102-20	Executive-level responsibility for economic, environmental, and social topics	Intellectual Capital - Sustainability Governance, Page 108

## GRI CONTENT INDEX

GRI-Code	Description	Reference
102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability Statement - Approach to Stakeholder Engagement, Page 77 Social & Relationships Capital - Stakeholder Engagement, Page 130-131
102-22	Composition of the highest governance body and its committees	Board of Directors, Page 28-33 Senior Management, Page 34-39 Corporate Governance Overview Statement, Page 154-169
102-23	Chair of the highest governance body	Board of Directors, Page 28-33 Senior Management, Page 34-39
102-24	Nominating and selecting the highest governance body	Corporate Governance Overview Statement, Page 154-165
102-25	Conflicts of interest	Board of Directors, Page 28-33 Senior Management, Page 34-39 Corporate Governance Overview Statement, Page 154-169
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Overview Statement, Page 154-169
102-27	Collective knowledge of highest governance body	Corporate Governance Overview Statement, Principle A: Board Leadership and Effectiveness, Page 161-165
102-28	Evaluating the highest governance body's performance	Corporate Governance Overview Statement, Principle A: Board Leadership and Effectiveness, Page 161-165
102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Governance, Page 108
102-30	Effectiveness of risk management processes	Corporate Governance Overview Statement, Page 154-169 Statement on Risk Management and Operational Control, Page 170-174
102-31	Review of economic, environmental, and social topics	Sustainability Governance, Page 108
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance, Page 108
102-33	Communicating critical concerns	Governance, Page 106-108
102-34	Nature and total number of critical concerns	Governance, Page 106-108
102-35	Remuneration policies	Corporate Governance Overview Statement, Principle A: Board Leadership and Effectiveness, Page 164-165
102-36	Process for determining remuneration	Corporate Governance Overview Statement, Principle A: Board Leadership and Effectiveness, Page 164-165
102-37	Stakeholders' involvement in remuneration	Corporate Governance Overview Statement, Principle A: Board Leadership and Effectiveness, Page 164-165
Stakeholder engagement		
102-40	List of stakeholder groups	Sustainability Statement - Approach to Stakeholder Engagement, Page 77 Social & Relationships Capital - Stakeholder Engagement, Page 130-131
102-41	Collective bargaining agreements	100% of employees are covered
102-42	Identifying and selecting stakeholders	Sustainability Statement - Approach to Stakeholder Engagement, Page 77 Social & Relationships Capital - Stakeholder Engagement, Page 130-131

## GRI CONTENT INDEX

GRI-Code	Description	Reference
102-43	Approach to stakeholder engagement	Sustainability Statement - Approach to Stakeholder Engagement, Page 77 Social & Relationships Capital - Stakeholder Engagement, Page 130-131
102-44	Key topics and concerns raised	Social & Relationships Capital - Stakeholder Engagement, Page 130-131
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	About This Report, Page 12
102-46	Defining report content and topic Boundaries	About This Report, Page 12 Sustainability Statement, Page 73-76 Sustainability Statement - Materiality, Page 78
102-47	List of material topics	Sustainability Statement - Materiality, Page 78
102-48	Restatements of information	Some measurement method changes led to restatements of information for Carbon Emissions Management, Page 144-147
102-49	Changes in reporting	About This Report, Page 12
102-50	Reporting period	February 1, 2020 to January 31, 2021
102-51	Date of most recent report	About This Report, Page 12
102-52	Reporting cycle	February 1, 2020 to January 31, 2021
102-53	Contact point for questions regarding the report	benjamin.ang@yinson.com
102-54	Claims of reporting in accordance with the GRI Standards	About This Report, Page 12
102-55	GRI content index	GRI Content Index, Page 319-324
102-56	External assurance	About This Report, Page 12
<b>205 Anti-corruption 2016</b>		
103-1	Explanation of the material topic and its Boundary	Intellectual Capital - Governance - Anti-Bribery and Anti-Corruption, Page 106
103-2	The management approach and its components	Intellectual Capital - Governance - Anti-Bribery and Anti-Corruption, Page 106 Corporate Governance Overview Statement - Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure, Page 160
103-3	Evaluation of the management approach	Intellectual Capital - Governance - Anti-Bribery and Anti-Corruption, Page 106 Corporate Governance Overview Statement - Anti-Bribery and Anti-Corruption ("ABAC") Policy and Procedure, Page 160
205-2	Communication and training about anti-corruption policies and procedures	Intellectual Capital - Governance - Anti-Bribery and Anti-Corruption, Page 106
<b>301 Materials 2016</b>		
103-1	Explanation of the material topic and its Boundary	Natural Capital - Waste and materials, Page 151
103-2	The management approach and its components	Natural Capital - Waste and materials, Page 151
103-3	Evaluation of the management approach	Natural Capital - Waste and materials, Page 151
301-1	Materials used by weight or volume	Natural Capital - Waste and materials, Page 151

## GRI CONTENT INDEX

GRI-Code	Description	Reference
<b>302 Energy 2016</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Natural Capital, Page 143-144 Energy Management, Page 148
103-2	The management approach and its components	Yinson's Climate Goals, Page 72 Natural Capital, Page 144 Energy Management, Page 148
103-3	Evaluation of the management approach	Natural Capital, Page 144 Energy Management, Page 148
302-1	Energy consumption within the organisation	FYE 2021 Main Impacts from FPSO Operations, Page 144 Energy Consumption, Page 148-149
<b>303 Water and Effluents 2018</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Natural Capital, Page 143-144 Pollution Management, Page 149
103-2	The management approach and its components	Natural Capital, Page 144 Pollution Management, Page 149 Waste and Effluents, Page 150
103-3	Evaluation of the management approach	FYE 2021 Main Impacts From FPSO Operations, Page 144 Pollution Management, Page 149 Water and Effluents, Page 150
303-1	Interactions with water as a shared resource	Natural Capital, Page 143-144 Pollution Management, Page 149 Water and Effluents, Page 150
303-2	Management of water discharge-related impacts	Natural Capital, Page 143-144 Pollution Management, Page 149 Water and Effluents, Page 150
<b>305 Emissions 2016</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Natural Capital, Page 143-144 Carbon Emissions Management, Page 144-147 Pollution Management, Page 149
103-2	The management approach and its components	Yinson's Climate Goals, Page 72 Natural Capital, Page 144 Carbon Emissions Management, Page 144-147
103-3	Evaluation of the management approach	FYE 2021 Main Impacts From FPSO Operations, Page 144 Natural Capital, Page 144 Carbon Emissions Management, Page 144-147 Pollution Management, Page 149-150
305-1	Direct (Scope 1) GHG emissions	Carbon Emissions Management, Page 146-147
305-2	Energy indirect (Scope 2) GHG emissions	Carbon Emissions Management, Page 146-147
305-3	Other indirect (Scope 3) GHG emissions	Carbon Emissions Management, Page 146-147
305-4	GHG emissions intensity	Carbon Emissions Management, Page 145
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollution Management, Page 149-150

GRI-Code	Description	Reference
<b>307 Environmental Compliance 2016</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Natural Capital, Page 143-144
103-2	The management approach and its components	Natural Capital, Page 143-144
103-3	Evaluation of the management approach	FYE 2021 Main Impacts from FPSO Operations, Page 144
307-1	Non-compliance with environmental laws and regulations	FYE 2021 Main Impacts from FPSO Operations, Page 144
<b>403 Occupational Health and Safety 2018</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Human Capital, Page 112
103-2	The management approach and its components	Offshore Production Governance, Page 108 Human Capital, Page 112-114 Local Presence, Page 118 Health and Wellbeing initiatives in our offices, Page 120 Offshore Health and Safety, Page 125-127
103-3	Evaluation of the management approach	Human Capital, Page 113 HSE Performance, Page 128-129
403-1	Occupational health and safety management system	Offshore Production Governance, Page 108 HSE Governance, Page 125
403-2	Hazard identification, risk assessment, and incident investigation	Operationalising HSE, Page 126 Emergency response programmes, Page 126 Safety Culture Transformation Programme, Page 127
403-3	Occupational health services	Health and wellbeing initiatives in our offices, Page 120 Operationalising HSE, Page 126
403-4	Worker participation, consultation, and communication on occupational health and safety	Operationalising HSE, Page 126 Emergency response programmes, Page 126 Safety Culture Transformation Programme, Page 127 HSE Performance, Page 128-129
403-5	Worker training on occupational health and safety	Safety Culture Transformation Programme, Page 127 HSE Performance, Page 128-129
403-6	Promotion of worker health	Health and wellbeing initiatives in our offices, Page 120 Learn@Yinson, Page 123
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Operationalising HSE, Page 126 Emergency response programmes, Page 126 Safety Culture Transformation Programme, Page 127
<b>404 Training and Education 2016</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Human Capital, Page 112
103-2	The management approach and its components	Human Capital, Page 112-113 Local Workforce, Page 122 Internship and Trainee Programmes, Page 122 Learn@Yinson, Page 123 E-Appraisal System, Page 123 Agility, Page 124-125



## GRI CONTENT INDEX

GRI-Code	Description	Reference
103-3	Evaluation of the management approach	Human Capital, Page 113 Internship and Trainee Programmes, Page 122 Learn@Yinson, Page 123 Yinson L.E.A.D., Page 124
404-2	Programmes for upgrading employee skills and transition assistance programmes	Internship and Trainee Programmes, Page 122 Learn@Yinson, Page 123 Agility, Page 124-125
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital, Page 114
<b>405 Diversity and Equal Opportunity 2016</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Human Capital, Page 112 Diversity and Inclusion, Page 114
103-2	The management approach and its components	Corporate Governance Overview Statement, Page 160 Human Capital, Page 113 Diversity and Inclusion, Page 114
103-3	Evaluation of the management approach	Board of Directors, Page 28 Senior Management, Page 34 Human Capital, Page 114 Diversity and Inclusion, Page 114-116 Global Consistency, Page 117
405-1	Diversity of governance bodies and employees	Board of Directors, Page 28 Senior Management, Page 34 Diversity and Inclusion, Page 114-115
<b>413 Local Communities 2016</b>		
103-1	Explanation of the material topic and its Boundary	About This Report, Page 12-13 Materiality, Page 78-80 Social & Relationships Capital, Page 130-131
103-2	The management approach and its components	COVID-19: Yinson's New Normal, Page 70 Social & Relationships Capital, Page 131 Local Communities, Page 136-140 Engagement with Local Vendors, Page 142
103-3	Evaluation of the management approach	Key Events, Page 7-11 COVID-19: Yinson's New Normal, Page 69 Local Communities, Page 136-140 Engagement with Local Vendors, Page 142
413-1	Operations with local community engagement, impact assessments, and development programmes	Key Events, Page 7-11 COVID-19: Yinson's New Normal, Page 69 Local Communities, Page 136-140
413-2	Operations with significant actual and potential negative impacts on local communities	Key Events, Page 7-11 COVID-19: Yinson's New Normal, Page 69 Local Communities, Page 136-140

# CORPORATE INFORMATION

## AUDITORS

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Kuala Lumpur Sentral  
50706 Kuala Lumpur  
Tel: +603 2173 1188  
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## COMPANY SECRETARIES

Wong Wai Foong  
(MAICSA 7001358) (SSM PC No. 202008001472)  
Tan Bee Hwee  
(MAICSA 7021024) (SSM PC No. 202008001497)  
Lee Poh Yean  
(MAICSA 7015043) (SSM PC No. 202008002980)

## REGISTERED OFFICE CORPORATE OFFICE

Level 16, Menara South Point  
Mid Valley City, Medan Syed Putra Selatan  
59200 Kuala Lumpur, Malaysia  
Tel: +603 2289 3888  
Fax: +603 2202 1038  
Email: [info@yinson.com](mailto:info@yinson.com)  
Website: [www.yinson.com](http://www.yinson.com)

## SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium, Jalan Damanlela  
Pusat Bandar Damansara, Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Tel: +603 2084 9000  
Fax: +603 2094 9940

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock name: Yinson  
Stock code: 7293  
Sector: Energy

## PRINCIPAL BANKERS AND FINANCIERS

AmBank (M) Berhad  
Bank of China (Malaysia) Berhad  
CIMB Bank Berhad  
Clifford Capital Pte Ltd  
Crédit Industriel Et Commercial  
Credit Suisse AG  
DBS Bank Ltd  
Development Bank of Japan, Inc  
Export-Import Bank of Malaysia Berhad  
Hong Leong Bank Berhad  
HSBC Bank Malaysia Berhad  
ING Bank N.V  
Intesa Sanpaolo S.p.A  
Malayan Banking Berhad  
Mizuho Bank, Ltd  
MUFG Bank, Ltd  
Natixis  
Oversea-Chinese Banking Corporation Limited  
Societe Generale  
Standard Chartered Bank  
Sumitomo Mitsui Banking Corporation  
Taipei Fubon Commercial Bank Co. Ltd  
The Bank of East Asia Limited  
The Korea Development Bank  
United Overseas Bank

# ANALYSIS OF SHAREHOLDINGS

As at 6 May 2021

Issued Share Capital : RM1,145,193,970.60 of 1,099,717,973 ordinary shares  
 No. of Treasury Shares held : 34,286,300  
 Voting Rights : One vote per ordinary share

## ANALYSIS OF SHAREHOLDINGS (ACCORDING TO THE RECORD OF DEPOSITORS AS AT 6 MAY 2021)

RANGE	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF SHARES
Less than 100	301	6.15	3,976	0.00
100 to 1,000	1,655	33.81	1,131,876	0.11
1,001 to 10,000	1,877	38.35	7,657,266	0.72
10,001 to 100,000	681	13.91	23,718,970	2.23
100,001 to 53,271,582*	379	7.74	850,814,020	79.86
53,271,582 and above**	2	0.04	182,105,565	17.09
<b>TOTAL</b>	<b>4,895</b>	<b>100.00</b>	<b>1,065,431,673</b>	<b>100.00</b>

Notes:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

Adjusted capital after excluding treasury shares

## SUBSTANTIAL SHAREHOLDERS (ACCORDING TO THE COMPANY'S REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 6 MAY 2021)

NAME	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	% <sup>^</sup>	NO. OF SHARES	% <sup>^</sup>
Lim Han Weng	18,878,530	1.77	225,517,370 <sup>1</sup>	21.17
Bah Kim Lian	3,496,503	0.33	217,794,597 <sup>2</sup>	20.44
Employees Provident Fund Board	166,387,100	15.62	-	-
Yinson Legacy Sdn Bhd	195,653,667	18.36	-	-
Kumpulan Wang Persaraan (Diperbadankan)	80,179,300	7.53	23,939,400 <sup>3</sup>	2.25

Notes:

<sup>1</sup> Deemed interested by virtue of his spouse and children direct shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("Act") and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act

<sup>2</sup> Deemed interested by virtue of her spouse and children direct shareholdings in the Company pursuant to Section 59(11)(c) of the Act and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act

<sup>3</sup> Deemed interested in the shares held by Kumpulan Wang Persaraan (Diperbadankan)'s Fund Manager pursuant to Section 8 of the Act

Lim Han Weng and Bah Kim Lian by virtue of their interests in the shares of the Company are also deemed interested in shares of all the Company's subsidiaries to the extent that the Company has an interest.

## ANALYSIS OF SHAREHOLDINGS

As at 6 May 2021

### DIRECTORS SHAREHOLDINGS (AS PER COMPANY'S REGISTER OF DIRECTOR'S SHAREHOLDINGS AS AT 6 MAY 2021)

NAME	DIRECT INTEREST				INDIRECT INTEREST			
	NO. OF SHARES	% <sup>^</sup>	NO. OF OPTIONS	% <sup>*</sup>	NO. OF SHARES	% <sup>^</sup>	NO. OF OPTIONS	% <sup>*</sup>
Lim Han Weng	18,878,530	1.77	2,916,700	12.80	225,517,370 <sup>1</sup>	21.17	1,806,800 <sup>1</sup>	7.93
Bah Kim Lian	3,496,503	0.33	-	-	217,794,597 <sup>2</sup>	20.44	4,723,500 <sup>2</sup>	20.73
Lim Han Joeh	48,896,976	4.59	-	-	-	-	-	-
Lim Chern Yuan	541,200	0.05	1,400,000	6.14	-	-	-	-

Notes:

- <sup>1</sup> Deemed interested by virtue of his spouse direct shareholdings and children direct shareholdings/ options in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act
- <sup>2</sup> Deemed interested by virtue of her spouse and children direct shareholdings/ options in the Company pursuant to Section 59(11)(c) of the Act and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act
- <sup>^</sup> Net of treasury shares
- <sup>\*</sup> The Company had offered total of 22,788,000 options under the Employees' Share Scheme as at 6 May 2021

### 30 LARGEST SHAREHOLDERS (ACCORDING TO THE RECORD OF DEPOSITORS AS AT 6 MAY 2021)

NAME	NO. OF SHARES	% <sup>^</sup>
1 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	102,554,400	9.63
2 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	79,551,165	7.47
3 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	50,292,400	4.72
4 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YINSON LEGACY SDN BHD	45,000,000	4.22
5 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	40,000,000	3.75
6 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TRINITY VIEW SDN BHD (PB)	26,700,000	2.51
7 PERMODALAN NASIONAL BERHAD INVESTMENT PROCESSING DEPT	26,273,500	2.47
8 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YINSON LEGACY SDN BHD (PB)	23,100,000	2.17

## ANALYSIS OF SHAREHOLDINGS

As at 6 May 2021

	NAME	NO. OF SHARES	%^
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	22,594,800	2.12
10	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BNP PARIBAS SINGAPORE BRANCH (LOCAL)	21,310,000	2.00
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	21,048,000	1.98
12	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HAN JOEH (MY2811)	20,068,176	1.88
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD (7003754)	19,090,908	1.79
14	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LIM HAN JOEH (SMART)	18,495,600	1.74
15	LIM HAN WENG	18,325,230	1.72
16	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	15,500,000	1.45
17	HSBC NOMINEES (ASING) SDN BHD CREDIT SUISSE (HONG KONG) LIMITED	15,011,600	1.41
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	14,449,200	1.36
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	13,848,300	1.30
20	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR LIANNEX CORPORATION (S) PTE LTD (MAYBANK SG)	13,680,000	1.28
21	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	13,029,000	1.22
22	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	13,000,000	1.22

## ANALYSIS OF SHAREHOLDINGS

As at 6 May 2021

	NAME	NO. OF SHARES	% <sup>^</sup>
23	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN CREDIT (M) SDN BHD FOR YINSON LEGACY SDN BHD	11,500,000	1.08
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	10,682,300	1.00
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND 3	10,200,000	0.96
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR TRINITY VIEW SDN BHD (PW-M00467) (412001)	10,000,000	0.94
27	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	10,000,000	0.94
28	LIANNEX CORPORATION (S) PTE.LTD.	9,424,800	0.88
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HAN JOEH (8085254)	8,983,200	0.84
30	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	7,382,780	0.69
		<b>711,095,359</b>	<b>66.74</b>

Note:

<sup>^</sup> Net of treasury shares



# LIST OF PROPERTIES

Details of all the properties owned by the Group and the Company as at 31 January 2021 are set out as follows:-

Location	Description of Existing Use	Tenure (expiry date/year)	Age of Building (years)	Land Area (sq.m)/ Gross Built up Area (sq m)	Fair Value/ Net Book Value (RM'million)	Last Date of Revaluation (R)/ Acquisition (A)	Owner
<b>INVESTMENT PROPERTIES</b>							
Unit A1-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	9	370	2	R: 31.1.2021	Yinson Mawar Sdn Bhd
Unit A1-27-3 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	9	340	2	R: 31.1.2021	Yinson Mawar Sdn Bhd
Unit C1-27-1 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	9	555	4	R: 31.1.2021	Yinson Mawar Sdn Bhd
Unit C1-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	9	340	2	R: 31.1.2021	Yinson Mawar Sdn Bhd
Unit C2-27-1 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	9	340	2	R: 31.1.2021	Yinson Mawar Sdn Bhd
Unit C2-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	9	340	2	R: 31.1.2021	Yinson Mawar Sdn Bhd

# ANNUAL GENERAL MEETING

**332** Notice of Annual General Meeting

**338** Administrative Details  
Form of Proxy



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the TWENTY-EIGHTH ANNUAL GENERAL MEETING ("28<sup>th</sup> AGM") of YINSON HOLDINGS BERHAD will be held on a fully virtual basis at the broadcast venue: **Rising Cloud Boardroom, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia** on **Thursday, 15 July 2021 at 10.30 a.m.** or any adjournment thereof, to transact the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

- |  |  |
|--|--|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 January 2021 together with the Reports of the Directors and Auditors thereon.                      | <b>Please refer to Note 1 of the Explanatory Notes</b> |
| 2. To approve the payment of a Final Single Tier Dividend of 2 sen per ordinary share in respect of the financial year ended 31 January 2021.  | <b>Ordinary Resolution 1</b>                           |
| 3. To approve the payment of Directors' fees of RM1,846,747.85 for the financial year ended 31 January 2021.   | <b>Ordinary Resolution 2</b>                           |
| 4. To approve the payment of Directors' benefits of up to RM306,000.00 for the period from 16 July 2021 until the next Annual General Meeting of the Company to be held in 2022.                 | <b>Ordinary Resolution 3</b>                           |
| 5. To re-elect the following Directors who are retiring by rotation in accordance with Clause 96 of the Constitution of the Company and being eligible, have offered themselves for re-election: |  |
| (i) Madam Bah Kim Lian   | <b>Ordinary Resolution 4</b>                           |
| (ii) Mr Lim Han Joeh   | <b>Ordinary Resolution 5</b>                           |
| (iii) Datuk Abdullah bin Karim   | <b>Ordinary Resolution 6</b>                           |
| 6. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 January 2022 and to authorise the Directors to fix their remuneration.                   | <b>Ordinary Resolution 7</b>                           |
| 7. To transact any other business of which due notice shall be given.  |  |

### AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions with or without modifications:

- |   |                              |
|---|------------------------------|
| 8. <b>AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b> | <b>Ordinary Resolution 8</b> |
|---|------------------------------|

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Constitution of the Company and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate") AND THAT the Directors of the Company be and are hereby empowered and authorised to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/ or amendments as they

## NOTICE OF ANNUAL GENERAL MEETING

may deem fit in the best interest of the Company and/ or as may be imposed by the relevant authorities and to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given, or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by a resolution of the Company at a general meeting."

9. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

**Ordinary Resolution 9**

"THAT subject to Section 127 of the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/ or regulatory authorities, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/ or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as at any point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/ or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) to cancel all the shares so purchased; and/ or
- (ii) to retain the shares so purchased as treasury shares for distribution as dividends to the shareholders and/ or resell the treasury shares on the stock market of Bursa Securities in accordance with the relevant rules of Bursa Securities; and/ or
- (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares so purchased; and/ or
- (iv) to transfer the treasury shares, or any of the said shares for the purposes of or under and employees' share scheme; and/ or
- (v) transfer the shares, or any of the shares as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution was passed; or at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first,

AND THAT the Directors of the Company be authorised to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any modifications and/ or amendments as may be required by the relevant authorities."

### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of shareholders at the 28<sup>th</sup> AGM of the Company to be held on Thursday, 15 July 2021, a Final Single Tier Dividend of 2 sen per ordinary share in respect of the financial year ended 31 January 2021 will be paid on 30 August 2021 to the shareholders of the Company whose names appear in the Record of Depositors on 5 August 2021. The entitlement date for the dividend payment is on 5 August 2021.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 5 August 2021 in respect of ordinary transfer; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

### BY ORDER OF THE BOARD YINSON HOLDINGS BERHAD

**WONG WAI FOONG (MAICSA 7001358) (SSM PC NO. 202008001472)**

**TAN BEE HWEE (MAICSA 7021024) (SSM PC NO. 202008001497)**

**LEE POH YEAN (MAICSA 7015043) (SSM PC NO. 202008002980)**

Company Secretaries

Kuala Lumpur  
31 May 2021

### Notes:

1. As part of the initiatives to curb the spread of Covid-19, the 28<sup>th</sup> AGM of the Company will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities available on **Securities Services e-Portal** of Securities Services (Holdings) Sdn. Bhd at [www.sshsb.net.my/login](http://www.sshsb.net.my/login). Please follow the procedures provided in the 'Administrative details' section for the 28<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 28<sup>th</sup> AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 49(E) of the Company's Constitution which stipulate that the Chairman shall be at the main venue. No Shareholders/ proxy(ies) from the public will be physically present at the broadcast venue.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/ her stead. A proxy may, but need not, be a member of the Company.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.



## NOTICE OF ANNUAL GENERAL MEETING

6. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The instrument appointing a proxy shall be in writing signed by the appointor or his/ her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
  - (i) Via hardcopy form  

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially or certified copy of that power or authority shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
  - (ii) Via online system  

The instrument appointing a proxy can be electronically submitted to the Share Registrar via **Securities Services e-Portal** at [www.sshsb.net.my/login](http://www.sshsb.net.my/login) (Kindly refer to the 'Administrative details' section for the 28<sup>th</sup> AGM for further information).
9. Pursuant to Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote on a poll.
10. Depositors who appear in the Record of Depositors as at 8 July 2021 shall be regarded as members of the Company who are entitled to attend the 28<sup>th</sup> AGM or appoint proxies to attend, speak and vote on his/ her behalf.

### EXPLANATORY NOTES ON ORDINARY BUSINESS:

#### 1. ITEM 1 OF THE AGENDA – RECEIPT OF REPORT AND AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements together with the reports of the Directors and Auditors in Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act, does not require a formal approval of shareholders. Hence, this item on the Agenda is not put forward for voting.

#### 2. ORDINARY RESOLUTIONS 2 & 3 – DIRECTORS' FEES AND BENEFITS

In March 2021, the Nominating and Remuneration Committee ("NRC") had reviewed the fees and benefits of the Board of Directors ("Board") and Board Committees taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors. No revision of Directors' fees and benefits have been recommended by the NRC and the structure of Directors' fees and benefits remained as follows:

Type of Fees	RM
<b>Board fees</b>	
Non-Executive Director/ Independent Director	200,000/annum
Executive Director	50,000/annum
Chairman of the Board	60,000/annum
<b>Audit Committee/ Board Risk Management Committee fees</b>	
Committee Chairman fees	30,000/annum
Committee Member fees	20,000/annum
<b>Other Board Committees</b>	
Committee Chairman fees	20,000/annum
Committee Member fees	10,000/annum



## NOTICE OF ANNUAL GENERAL MEETING

Type of Benefits	RM
<b>Meeting Attendance Allowance</b>	
Board Meeting and General Meeting Allowances	2,000/meeting
Board Committees Allowances	1,000/meeting

The details of the Directors' fees and benefits for the financial year ended 31 January 2021 are set out in the Corporate Governance Overview Statement as contained within the Annual Report 2021.

Payment of the Directors' fees for the financial year ended 31 January 2021 amounting to RM1,846,747.85 will be made by the Company if the proposed Ordinary Resolution 2 is passed by the shareholders at the 28<sup>th</sup> AGM.

Payment of the Directors' benefits will be made by the Company as and when incurred if the proposed Ordinary Resolution 3 is passed by the shareholders at the 28<sup>th</sup> AGM.

### 3. ORDINARY RESOLUTIONS 4, 5 AND 6 – RE-ELECTION OF DIRECTORS WHO RETIRE IN ACCORDANCE WITH CLAUSE 96 OF THE CONSTITUTION OF THE COMPANY

Madam Bah Kim Lian, Mr Lim Han Joeeh and Datuk Abdullah bin Karim are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 28<sup>th</sup> AGM.

The Board has, through the NRC, considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors.

The Board has also through the NRC, conducted an assessment on Datuk Abdullah bin Karim's independence and is satisfied that he has complied with the criteria prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance 2017.

Please refer to pages 28 to 33 of the Annual Report 2021 for the profiles of the aforesaid Directors.

### 4. ORDINARY RESOLUTION 7 – RE-APPOINTMENT OF AUDITORS

The Board, with Audit Committee's recommendation, at its meeting held on 28 April 2021 endorsed for the re-appointment of PricewaterhouseCoopers PLT as External Auditors of the Company for the financial year ending 31 January 2022 be presented to the shareholders for approval.

### EXPLANATORY NOTES ON SPECIAL BUSINESS:

### 5. ORDINARY RESOLUTION 8 – AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE ACT

The proposed Ordinary Resolution 8 is a renewal of the previous year's general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The aforesaid Ordinary Resolution, if passed, will empower the Directors of the Company, from the date of the 28<sup>th</sup> AGM, to issue and allot new ordinary shares of the Company of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority, unless earlier revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The authority to issue shares pursuant to Sections 75 and 76 of the Act will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting to approve such issuance of shares.

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## NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 27<sup>th</sup> AGM held on 16 July 2020 and will lapse at the conclusion of the 28<sup>th</sup> AGM to be held on 15 July 2021. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

### **6. ORDINARY RESOLUTION 9 – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The proposed Ordinary Resolution 9, if passed will empower the Company to purchase its own ordinary shares up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being for such purposes as the Directors of the Company consider would be in the best interest of the Company.

Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 31 May 2021 accompanying Annual Report 2021 of the Company for further information on the Proposed Renewal of Share Buy-Back Authority.

### **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

No Director is standing for election at the forthcoming 28<sup>th</sup> AGM.

# ADMINISTRATIVE DETAILS

For the 28<sup>th</sup> Annual General Meeting

In light of the Covid-19 pandemic, the 28<sup>th</sup> AGM of the Company shall be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities. The meeting will be conducted online (without a physical meeting venue) and shareholders will participate by audio and/ or video capabilities. The only venue involved is the broadcast venue which will only admit individuals who are essential to organising the fully virtual general meeting. This is done out of concern for the health and wellbeing of the Shareholders of the Company.

Yinson shall conduct a fully virtual general meeting for its 28<sup>th</sup> AGM on the date, time and at the broadcast venue as set out below:

Date : **Thursday, 15 July 2021**

Time : **10.30 a.m. (Malaysia time)**

Broadcast venue : **Rising Cloud Boardroom, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia**

We have provided the broadcast venue address above to comply to Section 327(2) of the Companies Act 2016 and Clause 49(E) of the Company's Constitution. **Shareholders from the public should not be physically present, and will not be admitted, at the broadcast venue on the day of the 28<sup>th</sup> AGM.**

## ADMINISTRATIVE GUIDE OF FULLY VIRTUAL GENERAL MEETING

### Remote Participation and Voting at a fully virtual AGM

- Shareholders shall attend the 28<sup>th</sup> AGM through the **Securities Services e-Portal** accessible at **www.sshsb.net.my/login**.

**Securities Services e-Portal** is a secure online platform provided by **SS E Solutions Sdn. Bhd.**, whom Yinson has engaged to allow individual and body corporate shareholders, through their appointed representatives, to:

- Submit proxy forms electronically – paperless submission
- Register for remote participation and voting at meetings
- Attend and participate in meetings via live streaming
- Vote online on resolutions tabled at meetings (referred to as "e-Services")

**All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the Security Services e-Portal.**

- With the RPV facilities, you may exercise your right as a shareholder of the Company to participate and vote at the 28<sup>th</sup> AGM through the e-Services, from the comfort of your home. Shareholders may use the text box to submit questions real time during the meeting. Shareholders may also send questions relating to AGM agenda items before the meeting to [corpcomms@yinson.com](mailto:corpcomms@yinson.com).

### General Meeting Record of Depositors ("ROD")

- The Company has requested Bursa Malaysia Depository Sdn Bhd to issue a General Meeting ROD as at **8 July 2021**. Only a depositor whose name appears on the aforesaid ROD shall be entitled to attend the 28<sup>th</sup> AGM or appoint proxies to attend and/ or vote on his/ her behalf.

### Proxy

- If a shareholder is not able to attend the AGM via RPV facilities on 15 July 2021, he/ she can appoint the Chairman of the meeting as his/ her proxy and indicate the voting instructions in the Form of Proxy. Please submit your Form of Proxy to the Share Registrar by fax to +603-2094 9940 or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my). Alternatively, you may submit an e-Proxy Form via **Securities Services e-Portal**, no later than **10.30 a.m.** on **Tuesday, 13 July 2021**.

A shareholder who has appointed a proxy may revoke his/ her appointment should he/ she decide to personally participate in the AGM subsequently. Please contact the Share Registrar no later than **10.30 a.m.** on **Tuesday, 13 July 2021** to request revocation.

## ADMINISTRATIVE DETAILS

For the 28<sup>th</sup> Annual General Meeting

### Poll Voting

5. The voting at the 28<sup>th</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. Shareholders can submit votes on the resolutions upon commencement of the AGM at **10.30 a.m. on Thursday, 15 July 2021** until the end of the voting session which will be announced by the Chairman of the meeting. Upon completion of the voting session, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration on whether the resolutions are duly passed.

### Remote Participation and Voting ("RPV")

6. Corporate Shareholder or its authorised representative who wish to participate and vote remotely at the AGM must contact the Share Registrar [refer to contact persons in item 10] and will be required to provide the following documents to the Share Registrar no later than **10.30 a.m. on Tuesday, 13 July 2021**:
- (a) Original certificate of appointment of its Corporate Representative under the seal of the corporation;
  - (b) Copy of the Corporate Representative's MyKad (front and back separately) or valid Passport; and
  - (c) Corporate Representative's email address and mobile number.

The Share Registrar will respond to your remote participation request upon receipt of these documents.

7. For the beneficiary who holds shares of the Company under a Nominee Company's Central Depository System ("CDS") account, and who wishes to use the RPV facilities to participate and vote at the AGM remotely, he/ she can request his/ her Nominee Company to appoint him/ her as a proxy. In this respect, he/ she must contact the Share Registrar and will be required to provide the following documents to the Share Registrar no later than **10.30 a.m. on Tuesday, 13 July 2021**:
- (a) Duly executed Form of Proxy by the Nominee Company;
  - (b) Copy of the proxy holder's MyKad (front and back separately) or valid Passport; and
  - (c) Proxy holder's email address and mobile number.

The Share Registrar will respond to your remote participation request upon receipt of these documents.

8. The procedures for the RPV facilities are as summarised below:

	Procedures	Action
	<b>BEFORE AGM</b>	
(i)	Register as a <b>USER</b> with <b>Securities Services e-Portal</b>	<ul style="list-style-type: none"> <li>• Log on to <b>www.sshsb.net.my/login</b>.</li> <li>• Click on '<b>SIGN UP</b>' to register. You will be prompted to submit a copy of your MyKad (front and back separately) or valid Passport for verification purposes.</li> <li>• Users must register before <b>10.30 a.m. on Monday, 12 July 2021</b>.</li> <li>• You will receive a <b>notification email</b> within one (1) working day. Your email address is your User ID.</li> <li>• Verify your user account within seven (7) days from receiving the notification email.</li> <li>• <b>This is a ONE-TIME registration.</b> If you are already a registered user of <b>Securities Services e-Portal</b>, you are not required to register again.</li> </ul>

## ADMINISTRATIVE DETAILS

For the 28<sup>th</sup> Annual General Meeting

	Procedures	Action
(ii)	Submit your request for <b>RPV registration/ e-Proxy Form</b>	<ul style="list-style-type: none"> <li>Registration will be opened from <b>10.30 a.m. on Tuesday, 1 June 2021</b> until <b>10.30 a.m. on Tuesday, 13 July 2021</b>.</li> <li>Registration options               <ul style="list-style-type: none"> <li><b>(a) RPV Registration</b> <ul style="list-style-type: none"> <li>Login with your user ID and password.</li> <li>Select Company name: <b>Yinson Holdings Berhad – 28<sup>th</sup> AGM on Thursday, 15 July 2021 at 10.30 a.m. – Registration for Remote Participation.</b></li> <li>Click "&gt;" to register for remote participation at the 28<sup>th</sup> AGM.</li> </ul> </li> <li><b>(b) Submission of e-Proxy Form</b> <ul style="list-style-type: none"> <li>Login with your user ID and password.</li> <li>Select Company name: <b>Yinson Holdings Berhad – 28<sup>th</sup> AGM on Thursday, 15 July 2021 at 10.30 a.m. – Submission of Proxy Form.</b></li> <li>Click "&gt;" to submit your e-Proxy form for the meeting.</li> <li>Appointed proxies need not register for remote participation, but they will need to be registered users of the <b>Securities Services e-Portal</b> before <b>10.30 a.m. on Monday, 12 July 2021</b>.</li> <li>The proxy will be given access to remote participation at the meeting to which he/ she is appointed for.</li> </ul> </li> </ul> </li> <li><b>Upon registering with option (a) or (b):</b> <ul style="list-style-type: none"> <li>Select <b>individual shareholder/ corporate/ authorised representative of a body corporate.</b></li> <li>Submit your remote participation/ e-Proxy Form.</li> <li>You will receive a <b>notification email</b> acknowledging receipt of your remote participation/ e-Proxy Form.</li> <li>After the General Meeting ROD as at <b>8 July 2021</b>, you will receive an email that will advise if your registration for remote participation/ e-Proxy Form has been <b>approved or rejected</b>.</li> <li>A copy of your remote participation/ e-Proxy Form can be accessed via <b>My Records</b> in the <b>Securities Services e-Portal</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> </ul> </li> <li><b>Evidence of Authority:</b> <ul style="list-style-type: none"> <li>For body corporates, the appointed corporate/ authorised representative must upload the evidence of authority, such as:               <ul style="list-style-type: none"> <li>Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority.</li> <li>Documents that are not in English or Bahasa Malaysia must be accompanied by a certified translation in English in one (1) file. For verification, the <b>original evidence</b> of authority and translation thereof, if required, must be submitted to:  <i>Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.</i></li> </ul> </li> </ul> </li> </ul>
<b>ON THE AGM DAY</b>		
(iii)	Login to <b>Securities Services e-Portal</b>	<ul style="list-style-type: none"> <li>Login with your user ID and password for remote participation.</li> <li>Login 20 minutes before the commencement of AGM at <b>10.30 a.m. on Thursday, 15 July 2021</b>.</li> </ul>
(iv)	Submit questions through live streaming	<ul style="list-style-type: none"> <li>Select <b>"Event"</b>.</li> <li>Select Company name: <b>Yinson Holdings Berhad – 28<sup>th</sup> AGM on Thursday, 15 July 2021 at 10.30 a.m. – Live Stream Meeting.</b></li> <li>Click "&gt;" to join the 28<sup>th</sup> AGM remotely.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Use the text box to submit a question for the Chairman/ Board. Your questions will be responded to during the AGM. If there is a time constraint, responses will be emailed to you after the meeting.</li> <li>NOTE: Quality of the live streaming is dependent on the bandwidth and stability of the internet connection of the remote participants' location.</li> </ul>

## ADMINISTRATIVE DETAILS

For the 28<sup>th</sup> Annual General Meeting

	Procedures	Action
(v)	Online remote voting	<ul style="list-style-type: none"> <li>If you are accessing the Live Stream Meeting, click "<b>Proceed to Vote</b>" under the live stream player to cast your vote; <b>OR</b> if you are not accessing the Live Stream Meeting, you may login to the <b>Securities Services e-Portal</b>, select "<b>Yinson Holdings Berhad – 28<sup>th</sup> AGM on Thursday, 15 July 2021 at 10.30 a.m. - Remote Voting</b>" under "<b>Corporate Exercise/Event</b>" to cast your votes.</li> <li>Click the radio button against each resolution to review and confirm your vote, then click "&gt;" to submit your votes online for the resolutions tabled.</li> <li>Voting commences at <b>10.30 a.m.</b> on <b>Thursday, 15 July 2021</b> and will end at the time announced by the Chairman.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration prior to submitting your votes.</li> <li>Your votes casted will apply throughout <b>ALL</b> the CDS accounts you represent as an individual shareholder, corporate/ authorised representative and proxy. Where you are attending as a proxy, we will take the shareholder's indicated votes in the Form of Proxy.</li> <li>A copy of your submitted remote voting record can be accessed via <b>My Records</b> in the <b>Securities Services e-Portal</b>.</li> </ul>
(vi)	End of remote participation	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the 28<sup>th</sup> AGM, the live streaming will end.</li> </ul>

### Door Gifts / Vouchers

9. The provision of door gifts/ vouchers is at the discretion of the Company and it is not Yinson's practice to give such items during the AGM of the Company, whether it is a physical or virtual meeting.

### Enquiry

10. For enquiries prior to the AGM, please contact Corporate Secretary Department of Yinson at +603 2289 3888 or the following contact during office hours on Mondays to Fridays (except public holidays):

Share Registrar : **Securities Services (Holdings) Sdn. Bhd.**

Contact person : Mr Wong Piang Yoong +603 2084 9168

Ms Lee Pei Yeng +603 2084 9169

Mr Jerry Tan Hor Seng +603 2084 9165

Puan Nurhayati Ang +603 2084 9162

Ms Rachel Ou +603 2084 9161

Email address : [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my)





**YINSON HOLDINGS BERHAD**Registration No. 199301004410 (259147-A)  
(Incorporated in Malaysia)**FORM OF PROXY**

No. of Shares held	
CDS Account No.	

Tel No. \_\_\_\_\_  
(During Office Hours)\*I/We \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(Name in Full)of \_\_\_\_\_  
(Full Address)

being member(s) of YINSON HOLDINGS BERHAD, hereby appoint:

Proxy 1			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

\*and/or

Proxy 2			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

or failing him/her, the Chairman of the Meeting as \*my/our proxy/proxies to attend and vote for \*me/us and on \*my/our behalf at the Twenty-Eighth Annual General Meeting ("28<sup>th</sup> AGM") of the Company to be held on a fully virtual basis at the broadcast venue: **Rising Cloud Boardroom, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia** on **Thursday, 15 July 2021** at **10.30 a.m.** or any adjournment thereof, and to vote as indicated below:

Item	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 January 2021 together with the Reports of the Directors and Auditors thereon			
		Ordinary Resolution	For	Against
2.	Payment of a Final Single Tier Dividend	1		
3.	Payment of Directors' fees for the financial year ended 31 January 2021	2		
4.	Payment of Directors' benefits for the period from 16 July 2021 until the next Annual General Meeting to be held in 2022	3		
5.	Re-election of Madam Bah Kim Lian as Director	4		
6.	Re-election of Mr Lim Han Joeh as Director	5		
7.	Re-election of Datuk Abdullah bin Karim as Director	6		
8.	Re-appointment of PricewaterhouseCoopers PLT as Auditors	7		
<b>Special Business</b>				
9.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	8		
10.	Proposed Renewal of Share Buy-Back Authority	9		

Please indicate with an "X" in the spaces provided on how you wish your votes to be cast. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

\* Signature/Common Seal of Shareholder

\* Delete if not applicable

**Notes:**

1. As part of the initiatives to curb the spread of Covid-19, the 28<sup>th</sup> AGM of the Company will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities available on **Securities Services e-Portal** of Securities Services (Holdings) Sdn. Bhd. at [www.sshsb.net.my/login](http://www.sshsb.net.my/login). Please follow the procedures provided in the 'Administrative details' section for the 28<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 28<sup>th</sup> AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 49(E) of the Company's Constitution which stipulate that the Chairman shall be at the main venue. No Shareholders/ proxy(ies) from the public will be physically present at the broadcast venue.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/ her stead. A proxy may, but need not, be a member of the Company.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The instrument appointing a proxy shall be in writing signed by the appointor or his/ her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

*Please fold here to seal*

Affix Postage  
Stamp

The Share Registrar  
**YINSON HOLDINGS BERHAD**  
Registration No. 199301004410 (259147-A)  
c/o Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium, Jalan Damanlela  
Pusat Bandar Damansara, Damansara Heights  
50490 Kuala Lumpur, Malaysia

*Please fold here to seal*

8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
  - (i) Via hardcopy form  
The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially or certified copy of that power or authority shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
  - (ii) Via online system  
The instrument appointing a proxy can be electronically submitted to the Share Registrar via **Securities Services e-Portal** at [www.sshsb.net.my/login](http://www.sshsb.net.my/login) (Kindly refer to the 'Administrative details' section for the 28<sup>th</sup> AGM for further information).
9. Pursuant to Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), all resolutions set out in this notice will be put to vote on a poll.
10. Depositors who appear in the Record of Depositors as at 8 July 2021 shall be regarded as member of the Company who entitled to attend the 28<sup>th</sup> AGM or appoint proxies to attend, speak and vote on his/ her behalf.

# LIST OF ABBREVIATIONS

"AAPG"	Audit and Assurance Practice Guide
"ABAC"	Anti-Bribery & Anti-Corruption
"ACCA"	Association of Chartered Certified Accountants
"Addax"	Addax Petroleum
"AGM"	Annual General Meeting
"AHTS"	Anchor handling tug supply
"Board"	Yinson's Board of Directors
"Bursa Securities"	Bursa Malaysia Securities Berhad
"CO <sub>2</sub> e"	Carbon dioxide equivalents
"COBE"	Code of Conduct and Business Ethics
"CSR"	Corporate Social Responsibility
"DPO"	Data Protection Officer
"EBITDA"	Earnings Before Interest, Tax, Depreciation and Amortisation
"EMS"	Environmental Management System
"Eni"	Eni Ghana, a wholly owned subsidiary of Eni SpA
"EPCIC"	Engineering, Procurement, Construction, Installation & Commissioning
"EPF"	Employees Provident Fund of Malaysia
"EPS"	Earnings Per Share
"ERP"	Enterprise Resource Planning
"ESG"	Environmental, social and governance
"FAC"	First Aid Case
"FBM KLCI"	FTSE Bursa Malaysia Kuala Lumpur Composite Index
"FIRST E&P"	First Exploration & Petroleum Development Company Limited
"FPSO JAK"	FPSO John Agyekum Kufuor
"FPSO"	Floating Production Storage and Offloading
"FSO"	Floating Storage and Offloading
"FYE 2021"	Financial reporting period from 1 February 2020 to 31 January 2021
"FYE"	Financial year ending/ ended
"GCA"	Group Corporate Advisory
"Geoplex"	Geoplex Drillteq Limited
"GHG"	Greenhouse gas
"GRI"	Global Reporting Initiative
"HLR"	Human & Labour Rights
"HR"	Human Resources
"HSE"	Health & Safety
"HSEQ"	Health, Safety, Environment and Quality
"ICT Centre"	Information Community Technology Centre
"IA function"	Internal Audit function
"IEA"	International Energy Agency
"IMO"	International Maritime Organisation
"IP"	Intellectual property
"IPCC"	Intergovernmental Panel on Climate Change
"IPIECA"	International Petroleum Industry Environmental Conservation Association
"IWSP"	Integrated Work Study Programme
"IT"	Information technology
"<IR> Framework"	International Integrated Reporting Framework
"IWSP"	Integrated Work Study Programme
"JV"	Joint venture
"K" Line"	Kawasaki Kisen Kaisha Ltd

"KLSE"	Kuala Lumpur Stock Exchange
"KWAP"	Kumpulan Wang Persaraan (Diperbadankan)
"L.E.A.D."	Leadership Enhancement and Development
"L.E.A.P."	League of Extraordinary Apprentices Programme
"LCC"	Lifecycle Cost
"LEED V4 ID+C"	LEED standards for Interior Design and Construction (version 4)
"LEED"	Leadership in Energy and Environmental Design
"LMS"	Learning Management System
"LOI"	Letter of Intent
"LOPC"	Loss of Primary Containment
"LTI"	Lost Time Injury
"LTIF"	Lost Time Injury Frequency
"MCCG"	Malaysian Code on Corporate Governance
"MMLR"	Main Market Listing Requirements
"MoMU"	Malaysians of Melbourne University
"MOPU"	Mobile Offshore Production Unit
"MTC"	Medical Treatment Case
"NACRA"	National Annual Corporate Report Awards
"NGO"	Non-governmental organisation
"O&M"	Operations & maintenance
"OHS"	Occupational health and safety
"OMA"	Oil and Marine Agencies Ghana Limited
"OPEC"	Organisation of the Petroleum Exporting Countries
"ORA"	Operational Readiness and Assurance
"OSV"	Offshore Support Vessel
"PAT"	Profit After Tax
"PATAMI"	Profit After Tax and Minority Interests
"PDPA"	Personal Data Protection Act
"PPA"	Power purchase agreement
"PPE"	Personal protective equipment
"PSV"	Platform supply vessel
"PTSC"	PetroVietnam Technical Services Corporation
"PwC"	PricewaterhouseCoopers PLT
"Report"	Yinson's Annual Report 2021
"RSE"	Rising Sun Energy Private Limited
"RSEK"	Rising Sun Energy (K) Pvt Ltd
"RWC"	Restricted Work Case
"SAYFR"	Safety Culture Transformation Programme
"SDG"	Sustainable Development Goal, relating to the UN SDGs
"SIT"	Singapore Institute of Technology
"SLF"	Sustainability-linked financing
"Sumitomo"	Sumitomo Corporation
"TCFD"	Task Force on Climate-related Financial Disclosures
"TFM"	Teach for Malaysia
"TRIF"	Total Recordable Injury Frequency
"UN SDG"	United Nations Sustainable Development Goal
"VLCC"	Very Large Crude Carrier
"VRP"	Vendor Registration Platform
"Yinson", or "the Group"	Yinson Holdings Berhad and its subsidiaries
"YMS"	Yinson Management System



**WWW.YINSON.COM**

**YINSON HOLDINGS BERHAD**

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