

THIS CIRCULAR TO SHAREHOLDERS OF YINSON HOLDINGS BERHAD ("YHB" OR "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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YINSON HOLDINGS BERHAD

Registration No. 199301004410 (259147-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

- (I) PROPOSED BONUS ISSUE OF SHARES OF UP TO 1,112,453,173 NEW ORDINARY SHARES IN YHB ("YHB SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS OF ENTITLEMENT OF 1 BONUS SHARE FOR EVERY 1 EXISTING YHB SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED ("PROPOSED BONUS ISSUE"); AND**
- (II) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW YHB SHARES ("RIGHTS SHARES") TOGETHER WITH FREE DETACHABLE WARRANTS IN YHB ("WARRANTS") TO RAISE GROSS PROCEEDS OF UP TO RM1.22 BILLION ("PROPOSED RIGHTS ISSUE")**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmInvestment Bank Berhad

Registration No. 197501002220 (23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of our Company to be held on a virtual basis through live streaming from the Broadcast Venue at **Rising Cloud Boardroom, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia** on **Tuesday, 29 March 2022 at 10.30 a.m.** or any adjournment thereof, for the purpose of considering the above Proposals, together with the Form of Proxy are enclosed in this Circular.

The Form of Proxy must be completed and lodged at the office of our 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 and date fixed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

| | |
|--|--|
| Last date and time for lodging the Form of Proxy | : Sunday, 27 March 2022 at 10.30 a.m. |
| Date and time of the EGM | : Tuesday, 29 March 2022 at 10.30 a.m. |

This Circular is dated 11 March 2022

DEFINITIONS

| | |
|--|--|
| Act | : Companies Act 2016, as amended from time to time and any re-enactment thereof |
| AmlInvestment Bank or Principal Adviser | : AmlInvestment Bank Berhad, Registration No. 197501002220 (23742-V) |
| Board | : Board of Directors of YHB |
| Bonus Shares | : New YHB Shares to be issued pursuant to the Proposed Bonus Issue |
| Bursa Depository | : Bursa Malaysia Depository Sdn Bhd, Registration No. 198701006854 (165570-W) |
| Bursa Securities | : Bursa Malaysia Securities Berhad, Registration No. 200301033577 (635998-W) |
| By-Laws | : The by-laws governing the ESS |
| Circular | : This circular to Shareholders dated 11 March 2022 in relation to the Proposals |
| CMSA | : Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof |
| Deed Poll | : The deed poll constituting the Warrants and governing the rights of Warrants holders to be executed by our Company |
| Director(s) | : A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the CMSA |
| EGM | : Extraordinary general meeting of our Company |
| Entitled Shareholder(s) | : Shareholders of our Company whose names appear in our Company's Record of Depositors on the Entitlement Date |
| Entitlement Date | : A date to be determined by our Board and announced later, on which the names of our Entitled Shareholders must appear in the Record of Depositors of our Company as at the close of business on that date in order to be entitled to participate in the Proposed Bonus Issue and/or the Proposed Rights Issue (as the case may be) |
| EPF | : Employees Provident Fund Board |
| EPS | : Earnings per Share |
| ESS | : Employees' Share Scheme of YHB which took effect on 3 November 2015 and expiring on 2 November 2025 |
| ESS Options | : Options granted under the ESS where each holder of the options can subscribe for 1 new YHB Share for every 1 ESS Option held |
| Excess Application | : Application for excess Rights Shares not taken up or not validly taken up by our Entitled Shareholders and/or their renouncee(s) and transferee(s) |
| Exercise Period | : A period of 3 years commencing from and including the date of issuance of the Warrants and ending at 5.00 p.m. on the Expiry Date |

DEFINITIONS (CONT'D)

| | |
|---------------------------------------|---|
| Expiry Date | : The day immediately before the date falling on 3 years from and including the date of issuance of the Warrants and if such day is not a Market Day, then on the preceding Market Day |
| Foreign-Addressed Shareholders | : Shareholders who have not provided to our Company a registered address or an address for service in Malaysia for the service of documents which will be issued in connection with the Proposed Rights Issue |
| FPSO | : Floating production, storage and offloading |
| Frost & Sullivan | : Frost & Sullivan GIC Malaysia Sdn Bhd, Registration No. 200701010645 (768648-K), the independent market researcher |
| FSO | : Floating storage and offloading |
| FYE | : Financial year ended/ending, as the case may be |
| IMR Report | : The independent market research report dated 10 March 2022 prepared by Frost & Sullivan |
| IPB FPSO | : Integrado Parque das Baleias FPSO facility |
| KWAP | : Kumpulan Wang Persaraan (Diperbadankan) |
| Last Traded Price | : Last traded price of YHB Shares as at the LPD |
| Listing Requirements | : Main Market Listing Requirements of Bursa Securities, as amended from time to time |
| LPD | : 28 February 2022, being the latest practicable date prior to the printing of this Circular |
| Market Day(s) | : Any day(s) between Monday and Friday (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities |
| Maximum Gross Proceeds | : Up to RM1.22 billion to be raised pursuant to the Proposed Rights Issue |
| Minimum Gross Proceeds | : Minimum gross proceeds of approximately RM1.10 billion to be raised pursuant to the Proposed Rights Issue |
| NA | : Net assets |
| O&G | : Oil & gas |
| Official List | : The official list of the Main Market of Bursa Securities |
| Petrobras | : Petróleo Brasileiro S.A. |
| Proposals | : Collectively, the Proposed Bonus Issue and Proposed Rights Issue |
| Proposed Bonus Issue | : Proposed bonus issue of up to 1,112,453,173 Bonus Shares on the basis of entitlement of 1 Bonus Share for every 1 existing YHB Share held on the Entitlement Date |
| Proposed Rights Issue | : Proposed renounceable rights issue of new YHB Shares together with Warrants to raise gross proceeds of up to RM1.22 billion |

DEFINITIONS (CONT'D)

| | |
|---|---|
| Record of Depositors | : A record of securities holders established by Bursa Depository under the Rules of Bursa Depository |
| Rights Share(s) | : New YHB Shares to be issued pursuant to the Proposed Rights Issue |
| RM and sen | : Ringgit Malaysia and sen, respectively |
| Rules of Bursa Depository | : The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991, as amended from time to time |
| TERP | : Theoretical ex-rights price of YHB Shares |
| Undertakings | : The irrevocable and unconditional undertakings provided by the Undertaking Shareholders vide each of its letters dated 15 February 2022 as detailed in Section 3.4 of this Circular |
| Undertaking Shareholders | : Shareholder(s) who/which has/have provided his/its respective Undertakings as detailed in Section 3.4 of this Circular |
| VWAMP | : Volume weighted average market price |
| Warrants | : Free new detachable warrants to be issued by our Company pursuant to the Proposed Rights Issue which will be constituted by the Deed Poll |
| YHB or Company | : Yinson Holdings Berhad, Registration No. 199301004410 (259147-A) |
| YHB Group or Group | : Collectively, YHB and its subsidiaries |
| YHB Share(s) or Shares(s) | : Ordinary shares in our Company |
| YHB Shareholders or Shareholders | : Registered holders of YHB Shares |
| YPPL | : Yinson Production Pte Ltd |

References to “we”, “us”, “our” and “ourselves” in this Circular are to the Company, and where the context otherwise requires, the subsidiaries. All references to “you” in this Circular are to the Shareholders.

Words denoting the singular, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to the date or time in this Circular are references to Malaysian time, unless otherwise stated.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates, indications and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that YHB's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

The Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the forthcoming EGM.

| Key information | Description | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|------------------------|------------------------|------------------------|-------------|------------|------------|------------------|--------|--------|---|-------|-------|------------------------------|--------|--------|-----------------|-------|-------|--|-------|-------|--|-----------------|-----------------|
| Details of the Proposals (Section 2 and 3 of this Circular) | <p><u>Proposed Bonus Issue</u></p> <p>The Proposed Bonus Issue entails the issuance of up to 1,112,453,173 Bonus Shares on the basis of 1 Bonus Share for every 1 existing YHB Share held by our Entitled Shareholders on the Entitlement Date. The Entitlement Date for the Proposed Bonus Issue will be determined and announced at a later date upon receipt of all relevant approvals.</p> <p><u>Proposed Rights Issue</u></p> <p>The Proposed Rights Issue is intended to be implemented after the completion of the Proposed Bonus Issue, subject to all relevant approvals obtained for the Proposed Bonus Issue. Our Company proposes to undertake the Proposed Rights Issue on a full subscription basis to raise the Minimum Gross Proceeds of approximately RM1.10 billion to the Maximum Gross Proceeds of up to RM1.22 billion. The actual quantum of proceeds to be raised will be finalised and announced together with the rights entitlement basis on the price-fixing date.</p> <p>It is the intention of our Board that the issue price shall be priced at a discount ranging from 25% to 45% to the TERP based on the 5-day VWAMP of YHB Shares up to and including the date prior to the price fixing date. The issue price and entitlement basis will be determined and announced by our Board on the price-fixing date.</p> <p>The entitlement basis and exercise price of the Warrants will also be determined and announced later by our Board on the price-fixing date. It is the intention of our Board that the exercise price shall be priced at a premium of approximately 10% to the TERP based on the 5-day VWAMP of YHB Shares up to and including the date prior to the price fixing date. Our Company intends that the number of Warrants to be issued shall be such number of Warrants in order for the proceeds to be raised from the exercise of the Warrants shall be within the range of RM800 million to RM850 million, subject to compliance with relevant laws and guidelines.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Shareholders' undertakings and underwriting agreement (Section 3.4 of this Circular) | <p>The Proposed Rights Issue is intended to be undertaken on a full subscription basis. Our Company has procured irrevocable undertakings from the Undertaking Shareholders to subscribe in full for their entitlements of Rights Shares under the Proposed Rights Issue based on the aggregate of (i) their respective shareholdings as at the date of the undertaking letters; (ii) number of YHB Shares acquired by them as a result of the exercise of ESS Options prior to the Entitlement Date; and (iii) the number of Bonus Shares accruing from the YHB Shares referred to in (i) and/or (ii) as a result of the implementation of the Proposed Bonus Issue.</p> <p>The remaining portion of Rights Shares for which no Undertakings is obtained will be fully underwritten. Such underwriting arrangement will be in place prior to the implementation of the Proposed Rights Issue.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Use of Proceeds (Section 4 of this Circular) | <p>The proceeds from the Proposed Rights Issue is proposed at this juncture to be utilised in the following manner:-</p> <table><tr><th></th><th>Minimum Gross Proceeds</th><th>Maximum Gross Proceeds</th></tr><tr><th>Description</th><th>RM'million</th><th>RM'million</th></tr><tr><td>New FPSO project</td><td>701.66</td><td>775.61</td></tr><tr><td>Expansion of renewable energy and green technology business</td><td>44.00</td><td>44.00</td></tr><tr><td>Repayment of bank borrowings</td><td>280.40</td><td>324.77</td></tr><tr><td>Working capital</td><td>55.00</td><td>55.00</td></tr><tr><td>Defrayment of estimated expenses for the Proposals</td><td>18.94</td><td>20.62</td></tr><tr><td></td><td>1,100.00</td><td>1,220.00</td></tr></table> | | Minimum Gross Proceeds | Maximum Gross Proceeds | Description | RM'million | RM'million | New FPSO project | 701.66 | 775.61 | Expansion of renewable energy and green technology business | 44.00 | 44.00 | Repayment of bank borrowings | 280.40 | 324.77 | Working capital | 55.00 | 55.00 | Defrayment of estimated expenses for the Proposals | 18.94 | 20.62 | | 1,100.00 | 1,220.00 |
| | Minimum Gross Proceeds | Maximum Gross Proceeds | | | | | | | | | | | | | | | | | | | | | | | |
| Description | RM'million | RM'million | | | | | | | | | | | | | | | | | | | | | | | |
| New FPSO project | 701.66 | 775.61 | | | | | | | | | | | | | | | | | | | | | | | |
| Expansion of renewable energy and green technology business | 44.00 | 44.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Repayment of bank borrowings | 280.40 | 324.77 | | | | | | | | | | | | | | | | | | | | | | | |
| Working capital | 55.00 | 55.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Defrayment of estimated expenses for the Proposals | 18.94 | 20.62 | | | | | | | | | | | | | | | | | | | | | | | |
| | 1,100.00 | 1,220.00 | | | | | | | | | | | | | | | | | | | | | | | |

EXECUTIVE SUMMARY (CONT'D)

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|--|---|
| <p>Rationale for the Proposals (Section 5 of this Circular)</p> | <p><u>Proposed Bonus Issue</u> The Proposed Bonus Issue serves to reward our existing Shareholders for their continuing support to YHB by allowing them to participate more in the equity of our Company in terms of the number of YHB Shares held, whilst maintaining their percentage equity interest in our Company.</p> <p><u>Proposed Rights Issue</u> The Proposed Rights Issue will strengthen our Group's financial position with enhanced Shareholders' funds to part finance new FPSO project and our expansion into renewable energy and green technology business. The Proposed Rights Issue will also reduce our Group's gearing level and provide our Shareholders with an opportunity to participate in an equity offering in YHB on a pro-rata basis and ultimately, participate in the growth of our Group.</p> <p>The Warrants will provide our Entitled Shareholders with an opportunity to increase their equity participation in the growth of our Company at a pre-determined exercise price during the tenure of the Warrants.</p> |
| <p>Approvals required and inter-conditionality (Section 9 and 10 of this Circular)</p> | <p>The Proposals are subject to the following approvals being obtained from:-</p> <ul style="list-style-type: none"> (i) Bursa Securities, which was obtained vide its letter dated on 21 February 2022, for the following:- <ul style="list-style-type: none"> (a) the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue; (b) the listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue; (c) admission to the Official List and listing of and quotation for the Warrants to be issued pursuant to the Proposed Rights Issue; and (d) the listing of and quotation for new YHB Shares to be issued pursuant to the exercise of Warrants, on the Main Market of Bursa Securities, subject to the conditions as disclosed in section 9 of this Circular; (ii) YHB Shareholders at the EGM to be convened for the Proposals; and (iii) any other relevant authorities (where applicable). <p>The Proposed Rights Issue is intended to be undertaken after the completion of the Proposed Bonus issue but is not conditional upon the implementation of the Proposed Bonus Issue. The Proposed Bonus Issue and Proposed Rights Issue are not conditional upon each other. The Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by YHB.</p> |
| <p>Interests of Directors, major Shareholders, chief executive and/or persons connected to them (Section 11 of this Circular)</p> | <p>None of the Directors, major Shareholders, chief executive of YHB and/or persons connected with them have any interest, direct and/or indirect, in the Proposals, save for their respective entitlements as YHB Shareholders under the Proposals as well as their right to apply for excess Rights Shares, to which all other Shareholders are similarly entitled.</p> |
| <p>Directors' statement and recommendation (Section 12 of this Circular)</p> | <p>Our Board after careful deliberation, is of the opinion that the Proposals are in the best interests of our Company and recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p> |



YINSON HOLDINGS BERHAD
Registration No. 199301004410 (259147-A)
(Incorporated in Malaysia)

Registered Office
Level 16, Menara South Point
Medan Syed Putra Selatan
Mid Valley City, 59200 Kuala Lumpur

11 March 2022

Board of Directors

Lim Han Weng (*Group Executive Chairman / Non-Independent Executive Director*)
Lim Chern Yuan (*Group Chief Executive Officer / Non-Independent Executive Director*)
Dato' Mohamad Nasir Bin AB Latif (*Independent Non-Executive Director*)
Bah Kim Lian (*Non-Independent Executive Director*)
Lim Han Joeeh (*Non-Independent Non-Executive Director*)
Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon (*Senior Independent Non-Executive Director*)
Datuk Abdullah Bin Karim (*Independent Non-Executive Director*)
Raja Datuk Zaharaton Binti Raja Zainal Abidin (*Independent Non-Executive Director*)
Rohaya Binti Mohammad Yusof (*Non-Independent Non-Executive Director*)
Sharifah Munira Bt. Syed Zaid Albar (*Independent Non-Executive Director*)
Gregory Lee (*Independent Non-Executive Director*)

To: The Shareholders of our Company

Dear Sir/Madam,

- (I) PROPOSED BONUS ISSUE; AND**
- (II) PROPOSED RIGHTS ISSUE**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On 20 December 2021, AmlInvestment Bank, on behalf of our Board, announced that our Company proposes to undertake the Proposals.

On 22 February 2022, AmlInvestment Bank, on behalf of our Board, announced that Bursa Securities, vide its letter dated 21 February 2022, had resolved to approve the following:-

- (i) the listing of and quotation for up to 1,112,540,173 Bonus Shares to be issued pursuant to the Proposed Bonus Issue;
- (ii) the listing of and quotation for up to 1,267,564,085 Rights Shares to be issued pursuant to the Proposed Rights Issue;
- (iii) admission to the Official List and listing of and quotation for up to 443,647,429 Warrants to be issued pursuant to the Proposed Rights Issue; and
- (iv) the listing of and quotation for up to 443,647,429 new YHB Shares to be issued pursuant to the exercise of the Warrants,

on the Main Market of Bursa Securities, subject to the conditions as disclosed in section 9 of this Circular.

Further details of the Proposals are set out in the ensuing sections in this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE VIEW AND RECOMMENDATION OF OUR BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH ITS APPENDIX, BEFORE VOTING BY WAY OF POLL ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. PROPOSED BONUS ISSUE

2.1 Details of the Proposed Bonus Issue

The Proposed Bonus Issue entails the issuance of up to 1,112,453,173 Bonus Shares on the basis of 1 Bonus Share for every 1 existing YHB Share held by our Entitled Shareholders on the Entitlement Date. The Entitlement Date for the Proposed Bonus Issue will be determined and announced at a later date upon receipt of all relevant approvals. For clarification, the aforesaid number of Bonus Shares and the number of Bonus Shares approved by Bursa Securities (as stated in Section 1 above) differs as a result of the lapse of ESS Options subsequent to the submission of the application to Bursa Securities up to the LPD.

As at the LPD, YHB has the following:-

- (i) 1,101,689,773 YHB Shares in issue (including 35,738,500 YHB Shares held as treasury shares). Our Company intends to retain the treasury shares and will not divest or distribute the treasury shares prior to the Entitlement Date; and
- (ii) 16,340,100 outstanding ESS Options. It is assumed that 10,763,400 ESS Options will be vested and exercised into new YHB Shares prior to the Entitlement Date.

The maximum number of Bonus Shares to be issued has been arrived at based on the assumption that the abovementioned 10,763,400 ESS Options are exercised prior to the Entitlement Date.

The actual number of the Bonus Shares to be issued will depend on the actual number of YHB Shares in issue (including treasury shares) on the Entitlement Date.

For avoidance of doubt, all treasury shares will be entitled to the Bonus Shares and such Bonus Shares will be treated as treasury shares to be held by our Company upon allotment and issuance.

YHB Share price will be adjusted pursuant to the Proposed Bonus Issue. For illustration purposes, the effects of the Proposed Bonus Issue on the YHB Share price are as follows:-

| | Before the Proposed Bonus Issue | After the Proposed Bonus Issue |
|---|--|---|
| | <i>Market price (RM)</i> | <i>Theoretical ex-bonus share price (RM)</i> |
| 5-day VWAMP up to and including the LPD | 5.21 | 2.60 |

| | Before the Proposed Bonus Issue | After the Proposed Bonus Issue |
|--|------------------------------------|-----------------------------------|
| Lowest 3-month daily VWAMP up to and including 7 January 2022 ⁽ⁱ⁾ | 4.41 | 2.21 |
| Last Traded Price | 5.26 | 2.63 |

Note:-

(i) Being the date before the submission of the application to Bursa Securities.

The basis of 1 Bonus Share for every 1 existing YHB Share held was set after taking into consideration, the following:-

- (i) the theoretical share price of YHB Shares pursuant to the Proposed Bonus Issue. The Proposed Bonus Issue complies with Paragraph 6.30(1A) of the Listing Requirements which stipulates that our Company's share price adjusted for the Proposed Bonus Issue is not less than RM0.50 based on the daily VWAMP during the 3-month period before the application date; and
- (ii) the financial effects of the Proposed Bonus Issue as detailed in Section 7 of this Circular.

YHB Share price will be adjusted pursuant to the Proposed Bonus Issue. For illustration purposes, the effects of the Proposed Bonus Issue on a Shareholder with 1,000 YHB Shares are set out below:-

| | Number of YHB Shares held | Last Traded Price / theoretical ex-Bonus Share price | Total value ⁽ⁱⁱ⁾ |
|--|------------------------------|--|--------------------------------|
| | | RM | RM |
| Last Traded Price | 1,000 | 5.26 | 5,260 |
| Upon completion of the Proposed Bonus Issue | 2,000 | 2.63 ⁽ⁱ⁾ | 5,260 |

Notes:-

(i) The theoretical ex-Bonus Share price is computed as follows:-

Last Traded Price of YHB Shares × (Number of YHB Shares before the Proposed Bonus Issue / Number of YHB Shares after the Proposed Bonus Issue).

(ii) The total value is computed by multiplying the number of YHB Shares held with the Last Traded Price or theoretical ex-Bonus Share price per YHB Share.

The Proposed Bonus Issue will be implemented as 1 single tranche and not on a staggered basis over a period of time.

2.2 Capitalisation of reserves

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of our Company's reserves.

For avoidance of doubt, the Proposed Bonus Issue will increase the number of issued Shares of YHB but will not increase the value of YHB's issued share capital.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall upon allotment and issuance, rank equally as the then existing YHB Shares, save and except that the Bonus Shares will not be entitled to any dividend, rights, allotment and/or other distribution that may be declared, made or paid in respect of which the Entitlement Date is before the date of allotment of the said Bonus Shares.

YHB Shares are prescribed securities under Section 14(5) of the Security Industry (Central Depositories) Act, 1991. The Bonus Shares will be credited directly into the respective central depository system accounts of our Entitled Shareholders and no physical share certificates will be issued.

2.4 Listing of and quotation for the Bonus Shares

Approval has been obtained from Bursa Securities vide its letter dated 21 February 2022 for the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions set out in Section 9 of this Circular.

The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date. The notice of allotment will be issued and despatched to our Entitled Shareholders not later than 4 Market Days after the date of listing of and quotation for the Bonus Shares.

3. PROPOSED RIGHTS ISSUE

3.1. Details of the Proposed Rights Issue

The Proposed Rights Issue is intended to be implemented after the completion of the Proposed Bonus Issue, subject to all relevant approvals obtained for the Proposed Bonus Issue. In such event, the Bonus Shares will be entitled to the Proposed Rights Issue.

Our Company proposes to undertake the Proposed Rights Issue on a full subscription basis to raise the Minimum Gross Proceeds of approximately RM1.10 billion to the Maximum Gross Proceeds of up to RM1.22 billion. The Proposed Rights Issue is intended to be undertaken after the completion of the Proposed Bonus Issue but is not conditional upon the implementation of the Proposed Bonus Issue. The actual quantum of proceeds to be raised will be finalised and announced together with the rights entitlement basis on the price-fixing date. For clarification, in the unexpected event that the Proposed Bonus Issue is not implemented for whatever reason, the Company intends to still proceed with the Proposed Rights Issue.

The entitlement basis for the Proposed Rights Issue and the issue price for the Rights Shares have not been fixed and determined at this juncture to allow the flexibility in pricing the Rights Shares. The issue price and entitlement basis as described in this Circular is merely indicative at this juncture. Our Board intends to determine and announce the entitlement basis and issue price at a later date, closer to the implementation of the Proposed Rights Issue, after taking into consideration, inter alia, the then prevailing market price of our YHB Shares.

Our Board will fix the entitlement basis of the Proposed Rights Issue taking into consideration the discount to TERP ranging from 25% to 45% and the quantum of proceeds to be raised from the Proposed Rights Issue.

The Warrants are attached to the Rights Shares without any cost and will only be issued to our Entitled Shareholders and/or their renounee(s) (if applicable) who have successfully subscribed for the Rights Shares. Each Warrant will entitle its holder to subscribe for 1 new YHB Share at an exercise price to be determined. The entitlement basis for the Warrants and the exercise price will be determined and announced by our Board on the price-fixing date. The indicative salient terms of the Warrants are set out in Section 3.6 of this Circular.

Our Company intends that the number of Warrants to be issued shall be such number of Warrants in order for the proceeds to be raised from the exercise of the Warrants shall be within the range of RM800 million to RM850 million, subject to compliance with relevant laws and guidelines.

The Rights Shares and Warrants will be provisionally allotted to our Entitled Shareholders. In determining Shareholders' entitlement under the Proposed Rights Issue, fractional entitlements for the Rights Shares and/or Warrants, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its absolute discretion deem fit or expedient or in the best interests of our Company.

The Proposed Rights Issue is renounceable in full or in part. Accordingly, our Entitled Shareholders may fully or partially renounce their entitlements under the Proposed Rights Issue. However, the Rights Shares and Warrants cannot be renounced separately and only our Entitled Shareholders who have subscribed for the Rights Shares will be entitled to the Warrants. As such, our Entitled Shareholders who renounce all of their Rights Shares entitlements shall also be deemed to have renounced all the accompanying entitlements to the Warrants. If our Entitled Shareholders accept only part of their Rights Share entitlements, they shall be entitled to the Warrants in proportion to their acceptance of their Rights Shares entitlements.

The Rights Shares which have not been taken up or not validly taken up shall be made available for Excess Applications. It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by our Board and announced later by our Company.

The Warrants will immediately be detached from the Rights Shares upon issuance and will be quoted separately on Bursa Securities. The Warrants will be issued in a registered form and constituted by the Deed Poll.

The full details of the Proposed Rights Issue will be set out in the abridged prospectus to be issued by our Company. The abridged prospectus together with the accompanying documents in relation to the Proposed Rights Issue will not be sent to our Shareholders whose addresses in our Company's Record of Depositors are not in Malaysia, to avoid any violation on the part of our Company of any securities laws applicable outside of Malaysia.

3.2. Basis and justification of determining the issue price of the Rights Shares and the exercise price of the Warrants

3.2.1 Issue price of the Rights Shares

It is the intention of our Board that the issue price shall be priced at a discount ranging from 25% to 45% to the TERP based on the 5-day VWAMP of YHB Shares up to and including the date prior to the price fixing date. The issue price will be determined and announced by our Board on the price-fixing date, taking into consideration, inter alia, the following:-

- (i) the TERP of YHB Shares based on the 5-day VWAMP of YHB Shares up to and including the date prior to the price-fixing date;
- (ii) the then prevailing market conditions which include, among others, market sentiment and volatility of the Malaysian stock market; and
- (iii) the funding requirements of our Group, as detailed in Section 4 of this Circular.

This discount range was determined by our Board after taking into consideration the discount range of other precedent rights issue exercises in particular O&G companies.

3.2.2 Exercise price of the Warrants

The exercise price of the Warrants will also be determined and announced later by our Board on the price-fixing date after taking into consideration the TERP of YHB Shares based on the 5-day VWAMP of YHB Shares up to and including the date prior to the price-fixing date.

It is the intention of our Board that the exercise price shall be priced at a premium of approximately 10% to the TERP based on the 5-day VWAMP of YHB Shares up to and including the date prior to the price fixing date taking into consideration, among others, the following:-

- (i) the historical trading price of YHB Shares; and
- (ii) the future prospects of our Group as detailed in Section 6.7 of this Circular;

Our Company will make the price-fixing announcement on the entitlement basis, issue price of the Rights Shares and exercise price of the Warrants together with the associated basis and justification prior to the announcement of the Entitlement Date for the Proposed Rights Issue.

3.3. Ranking of the Rights Shares and new YHB Shares to be issued arising from the exercise of the Warrants

3.3.1 Rights Shares

The Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing YHB Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to our Shareholders, the Entitlement Date of which is prior to the date of allotment of the Rights Shares.

3.3.2 New Shares arising from the exercise of the Warrants

The new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price, rank *pari passu* in all respects with the then existing issued YHB Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares from the exercise of the Warrants.

3.4. Shareholders' undertakings and underwriting arrangement

The Proposed Rights Issue is intended to be undertaken on a full subscription basis which is to be met via the undertakings procured from the Undertaking Shareholders and the underwriting arrangements to be entered into.

Our Company has procured irrevocable undertakings each dated 15 February 2022 from the Undertaking Shareholders to subscribe for their entitlements as described below. The aggregate number of YHB Shares held by the Undertaking Shareholders as at the date of the undertaking letters is 293.4 million YHB Shares, representing approximately 27.53% of the total issued YHB Shares in issue (excluding treasury shares) as at the LPD. The Undertaking Shareholders are as follows:-

- (i) Lim Han Weng, Group Executive Chairman / Non-Independent Executive Director of YHB;
- (ii) Bah Kim Lian, the wife of Lim Han Weng and Non-Independent Executive Director of YHB;
- (iii) Lim Han Joeh, the brother of Lim Han Weng and Non-Independent Non-Executive Director of YHB;

- (iv) Lim Chern Yuan, the son of Lim Han Weng and Bah Kim Lian as well as Group Chief Executive Officer / Non-Independent Executive Director of YHB;
- (v) Lim Chern Wooi, the son of Lim Han Weng and Bah Kim Lian as well as Chief Executive Officer, Offshore Marine of YHB;
- (vi) Lim Chern Fang, the daughter of Lim Han Weng and Bah Kim Lian;
- (vii) Lim Chern Chuen, the son of Lim Han Weng and Bah Kim Lian;
- (viii) Yinson Legacy Sdn Bhd, a company controlled by Lim Han Weng and Bah Kim Lian; and
- (ix) Liannex Corporation (S) Pte Ltd, a company controlled by Lim Han Weng and Bah Kim Lian.

The Undertaking Shareholders undertake that:-

- (i) they will subscribe in full for their entitlements of Rights Shares under the Proposed Rights Issue at an issue price and on such entitlement basis for the Proposed Rights Issue to be determined later, based on the aggregate of:-
 - (a) the number of YHB Shares held by them as at the date of the undertaking letters;
 - (b) the number of YHB Shares acquired by them as a result of the exercise of ESS Options held by them following the date of the undertaking letters and prior to the Entitlement Date for the Proposed Rights Issue (where applicable); and
 - (c) the number of Bonus Shares held by them accruing from the YHB Shares referred to in (i)(a) and/or (i)(b) above as a result of the implementation by our Company of the Proposed Bonus Issue.
- (ii) they will not sell or in any other way dispose or transfer their shareholdings or existing interest in YHB or any part thereof from the date of the undertaking letters until after the Entitlement Date of the Proposed Rights Issue.

The Undertakings are conditional on the Company obtaining the approval of our Shareholders during the forthcoming EGM and any other approvals as may be required for the implementation of the Proposed Rights Issue.

The Undertakings based on the Minimum Gross Proceeds and Maximum Gross Proceeds are as follows:-

| Undertaking Shareholders | No. of Shares per Undertaking Letter | Existing direct shareholdings as at LPD | | Undertakings | |
|---|--------------------------------------|---|--------------|--|---|
| | | | | Minimum Gross Proceeds ⁽ⁱⁱ⁾ | Maximum Gross Proceeds ⁽ⁱⁱⁱ⁾ |
| | No. of Shares | No. of Shares | (i)% | RM'000 | RM'000 |
| Lim Han Weng | 18,878,530 | 18,878,530 | 1.77 | 19,482 | 24,393 |
| Bah Kim Lian | 3,496,503 | 3,496,503 | 0.33 | 3,608 | 3,962 |
| Lim Han Joeeh | 48,896,976 | 48,896,976 | 4.59 | 50,459 | 55,404 |
| Lim Chern Yuan | 541,200 | 541,200 | 0.05 | 558 | 2,200 |
| Lim Chern Wooi | 1,744,800 | 1,744,800 | 0.16 | 1,801 | 2,438 |
| Lim Chern Fang | 732,400 | 732,400 | 0.07 | 756 | 830 |
| Lim Chern Chuen | 244,000 | 244,000 | 0.02 | 252 | 276 |
| Yinson Legacy Sdn Bhd | 195,803,667 | 195,803,667 | 18.37 | 202,058 | 221,861 |
| Liannex Corporation (S) Pte Ltd | 23,104,800 | 23,104,800 | 2.17 | 23,843 | 26,180 |
| Total | 293,442,876 | 293,442,876 | 27.53 | 302,817 | 337,544 |
| Percentage of the gross proceeds | | | | 27.53% | 27.67% |

Notes:-

- (i) Based on YHB's issued Shares of 1,065,951,273 Shares as at the LPD, excluding 35,738,500 treasury shares.
- (ii) Assuming that the Proposed Rights Issue is undertaken on the full subscription basis to raise the Minimum Gross Proceeds and assuming no ESS Options are exercised.
- (iii) Assuming that the Proposed Rights Issue is undertaken on the full subscription basis to raise the Maximum Gross Proceeds and assuming full exercise of the 10.76 million ESS Options.

The Undertaking Shareholders have confirmed that they have sufficient financial resources to subscribe for their entitlements pursuant to the Undertakings, and they will make full payment for the Rights Shares upon subscription / application pursuant to the Undertakings.

AmlInvestment Bank has verified the sufficiency of the Undertaking Shareholders' financial resources for the purpose of subscribing for the Rights Shares pursuant to the Undertakings.

The Undertaking Shareholders have given their respective confirmations to observe and comply at all times with the provisions of the Code and the Rules of Take-Overs, Mergers and Compulsory Acquisition, and there shall be no implication in the event the Undertaking Shareholders subscribe for their respective entitlements of the Rights Shares.

The remaining portion of Rights Shares for which no Undertakings is obtained will be fully underwritten. Such underwriting arrangement will be in place prior to the implementation of the Proposed Rights Issue. Details of the underwriting agreement will be set out in the abridged prospectus to be issued for the Proposed Rights Issue. For information, the underwriting commission and all costs in relation to the underwriting agreement will be borne and paid by YHB using the proceeds from the Proposed Rights Issue as illustrated in Section 4 of this Circular.

3.5. Listing of and quotation for the Rights Shares, Warrants and the new YHB Shares to be Issued pursuant to the exercise of the Warrants

The Rights Shares and Warrants will be listed on the Main Market of Bursa Securities.

On 22 February 2022, AmlInvestment Bank on behalf of our Company announced that Bursa Securities had vide its letter dated 21 February 2022 approved the listing of and quotation for the Rights Shares, Warrants and the new YHB Shares to be issued pursuant to the exercise of the Warrants as set out in Section 9 of this Circular subject to the conditions as set out therein.

3.6. Salient terms of the Warrants

| Terms | Details |
|------------------------|--|
| Issuer | : YHB |
| Issue size | : Our Company intends that number of Warrants to be issued shall be such number of Warrants in order for the proceeds to be raised from the exercise of the Warrants shall be within the range of RM800 million to RM850 million, subject to compliance with relevant laws and guidelines. |
| Form and detachability | : The Warrants, which are to be issued with the Rights Shares, will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities. The Warrants will be issued in registered form and constituted by a Deed Poll. |
| Board lot | : For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise of 100 units of Warrants or such other denominations as determined by Bursa Securities. |

- Exercise Period** : The Warrants may be exercised at any time within the period of 3 years commencing from and including the date of issuance of the Warrants and to the close of business at 5.00 p.m. (Malaysia time) on the Expiry Date. If such date is not a Market Day, then it shall be the next Market Day immediately after the said non-Market Day.
- Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
- Exercise price** : The exercise price of the Warrants shall be determined and announced by our Board at a later date but prior to the announcement of the Entitlement Date. The exercise price and/or the number of Warrants in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
- Mode of exercise** : The registered holder of a Warrant is required to lodge a subscription form with our Company's share registrar, duly completed, signed and stamped together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia or any other mode by way of internet bank transfer or via online payment that may be accepted by gateway for our Company at its absolute discretion, electronic subscription form lodged in accordance with the Deed Poll.
- Subscription rights** : Subject to adjustments in accordance with the provisions of the Deed Poll, each Warrant shall entitle the registered holder, to subscribe for 1 new YHB Share at the exercise price, subject to the terms and provisions of the Deed Poll at any time during the Exercise Period.
- The registered holders of the Warrants are not entitled to any voting rights or participation in any forms of distribution and/or offer of further securities in our Company until and unless such registered holders exercise the Warrants for the new YHB Shares in accordance with the Deed Poll and such new YHB Shares have been allotted and issued to such registered holders.
- Adjustments in the exercise price and/or number of Warrants** : Subject to the provisions of the Deed Poll, the exercise price and/or number of unexercised Warrants in issue may be subject to adjustments by our Board, in consultation with an approved adviser appointed by our Company or the auditors, from time to time, of YHB or such other firm of licensed auditors in Malaysia registered with the Audit Oversight Board approved by the Directors and appointed by YHB for the purposes of the Deed Poll, in the event of any alteration to the share capital of our Company at any time during the tenure of the Warrants, whether by way of, among others, rights issue, bonus issue, capitalisation issues, consolidation or subdivision or reduction of capital, howsoever effected in accordance with the provisions of the Deed Poll.

| | |
|---|---|
| Mode of transfer | : The Warrants shall be transferable in accordance with the terms and provisions of the Deed Poll and in the manner provided under the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository. |
| Listing | : Approval has been obtained from Bursa Securities on 21 February 2022 for the admission of the Warrants to the Official List and the listing of and quotation for the Warrants and new YHB Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities. |
| Ranking of new YHB Shares to be issued pursuant to the exercise of Warrants | : The new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price, rank <i>pari passu</i> in all respects with the then existing issued YHB Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares arising from the exercise of the Warrants. |
| Rights in the event of winding-up, liquidation, compromise and/or arrangement | : Where a resolution has been passed for a members' voluntary winding-up of our Company, or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with 1 or more companies, then: <ul style="list-style-type: none"> (i) for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrants holders, or some persons designated by them for such purposes by special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant holders; and (ii) in any other cases and subject to the provisions of the Deed Poll, every Warrant holder shall be entitled to exercise his Warrants, at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon our Company shall allot the relevant new YHB Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if he had on such date been the holder of the new YHB Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company will give effect to such election accordingly. Upon the expiry of the aforesaid 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose. |
| Governing law | : The Warrants and the Deed Poll shall be governed by the laws and regulations of Malaysia. |

3.7. Foreign-Addressed Shareholders

This Circular does not constitute the making available of an offer for the subscription or purchase of, or an invitation for the subscription or purchase of, any securities by or on behalf of our Company.

The abridged prospectus together with the accompanying documents or any other documents to be issued in connection with the Proposed Rights Issue are not intended to comply with the laws of any countries or jurisdictions other than Malaysia, and have not and will not be lodged, registered or approved under any applicable securities legislation of any countries or jurisdictions other than Malaysia. Accordingly, the Proposed Rights Issue will not be offered for purchase or subscription in any countries or jurisdictions other than Malaysia.

The abridged prospectus together with the accompanying documents or any other documents relating to the Proposed Rights Issue will only be sent to our Entitled Shareholders who have a registered address or an address for service in Malaysia as registered in YHB's Record of Depositors on the Entitlement Date and will not be sent to our Foreign-Addressed Shareholders as at the Entitlement Date.

Foreign-Addressed Shareholders who wish to provide Malaysian addresses should inform their respective stockbrokers to effect the change of address to send the documents to their address in Malaysia prior to the Entitlement Date.

Alternatively, such Foreign-Addressed Shareholders may collect the abridged prospectus from our share registrar who shall be entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the abridged prospectus.

YHB will not make or be bound to make any enquiry as to whether our Entitled Shareholders have a registered address other than as stated in YHB's Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

Foreign-Addressed Shareholders may only exercise their rights in respect to the Proposed Rights Issue to the extent that it would be lawful to do so and YHB and/or AmInvestment Bank would not, in connection with the Proposed Rights Issue, be in breach of the laws of any country or jurisdiction which our Foreign-Addressed Shareholders and/or their renouncee(s) and/or transferee(s) might be subject to.

Foreign-Addressed Shareholders will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and YHB shall be entitled to be fully indemnified and held harmless by such foreign applicants for any issue, transfer or any other taxes or duties as such person may be required to pay. Foreign-Addressed Shareholder will have no claims whatsoever against YHB, YHB's share registrar and/or AmInvestment Bank in respect of their rights or entitlements under the Proposed Rights Issue. Such applicants should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Proposed Rights Issue.

Foreign-Addressed Shareholders shall be solely responsible to seek advice as to the laws of any jurisdiction to which they may be subject and participation by our Foreign-Addressed Shareholders in the Proposed Rights Issue shall be on the basis of a warranty by them that they may lawfully to participate without YHB and/or AmInvestment Bank being in breach of the laws of any jurisdiction.

Neither YHB, AmInvestment Bank nor any other advisers to the Proposed Rights Issue shall accept any responsibility or liability in the event that any acceptance of a Foreign-Addressed Shareholder of his rights in respect of the Proposed Rights Issue is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Foreign-Addressed Shareholders who do not provide an address in Malaysia or who are not entitled to subscribe for the Rights Shares under the laws and jurisdiction to which they are subject to, will have no claims whatsoever against YHB and/or any of its advisers in respect of their rights entitlements or any net proceeds arising from the Proposed Rights Issue.

YHB reserves the right in its absolute discretion to treat any subscription of the Rights Shares as being invalid if it believes or has reason to believe that such subscription of the Rights Shares may violate applicable legal or regulatory requirements.

4. USE OF PROCEEDS

The proceeds from the Proposed Rights Issue is proposed at this juncture to be utilised in the following manner:-

| Description | Notes | Estimated timeframe for utilisation* | Minimum Gross Proceeds RM'million | Maximum Gross Proceeds RM'million |
|---|-------|--------------------------------------|--------------------------------------|--------------------------------------|
| New FPSO project | (1) | Within 18 months | 701.66 | 775.61 |
| Expansion of renewable energy and green technology business | (2) | Within 18 months | 44.00 | 44.00 |
| Repayment of bank borrowings | (3) | Within 3 months | 280.40 | 324.77 |
| Working capital | (4) | Within 3 months | 55.00 | 55.00 |
| Defrayment of estimated expenses for the Proposals | (5) | Within 12 months | 18.94 | 20.62 |
| | | | 1,100.00 | 1,220.00 |

Notes:-

* from completion of the Proposed Rights Issue

(1) New FPSO project

On 12 November 2021, YPPL, an indirect wholly owned subsidiary of YHB, was awarded letters of intent by Petrobras, a state-owned Brazilian petroleum industry company for the provision of:-

- (i) the IPB FPSO, to be based in the North Campos Basin, Offshore Brazil; and
- (ii) operation and maintenance services during the charter phase of IPB FPSO.

On 7 February 2022, YPPL, Yinson Bergenia Production B.V. and Yinson Bergenia Serviços de Operação Ltda, both indirect wholly owned subsidiaries of YHB, have entered into the charter contract for the provision of IPB FPSO and service contract for the provision of operation and maintenance services of IPB FPSO with Petrobras.

The estimated aggregate value of the contract is approximately equivalent to USD5.2 billion (subject to terms and conditions of the contract). The term of the charter is for a fixed period of 8,218 days or approximately 22.5 years from the date of final acceptance of IPB FPSO with no options for extension thereafter. For information, the IPB FPSO is expected to commence operation by the 4th quarter of 2024. The IPB FPSO is now named as FPSO Maria Quitéria.

The vessel is currently owned by YHB and will be converted into the IPB FPSO for the purpose of this project. The conversion cost is estimated to be USD1.1 billion out of the total estimated cost of the project of approximately USD1.2 billion. The breakdown of the cost are as follows:-

| Details | USD'million |
|-----------------|--------------|
| Conversion cost | 1,086 |
| Financing cost | 85 |
| Vessel cost | 34 |
| Total | 1,205 |

It is proposed that up to RM775.61 million of the proceeds from the Proposed Rights Issue will be used to partly fund the conversion cost of the vessel. The balance of the costs will be funded via a combination of internally generated funds and borrowings.

(2) Expansion of renewable energy and green technology business

YHB Group is seeking suitable investment opportunities to expand our renewable energy and green technology business. This could entail acquiring companies or embarking on new projects ("**Future Investments**") to grow the said business.

As at the LPD, the Future Investments have yet to be determined. Our Company shall make the requisite announcement and/or seek Shareholders approval, if required by the Listing Requirements.

Any surplus or shortfall of proceeds allocated for expansion of renewable energy and green technology business, shall be adjusted to/from the amount allocated for the new FPSO project.

(3) Repayment of bank borrowings

YHB Group intends to utilise proceeds of up to RM324.77 million for the repayment of bank borrowings. As at the LPD, YHB Group has total bank borrowings of approximately RM8,801 million. The repayment of the bank borrowings is expected to result in annual interest savings of approximately RM12.4 million and RM14.4 million under the Minimum Gross Proceeds and Maximum Gross Proceeds scenarios respectively based on the prevailing interest rate. The weighted average interest rate of the said loans based on its outstanding loan amount as at LPD is approximately 4.28% per annum.

YHB is required to repay its loan facilities from the proceeds of the Proposed Rights Issue amounting to in aggregate approximately 27% of the proceeds from the Proposed Rights Issue, after deduction of related expenses, pursuant to covenants of its loan facilities and variation/waiver thereon.

Any surplus or shortfall of proceeds allocated for repayment of bank borrowings, shall be adjusted to/from the amount allocated for the new FPSO project.

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(4) Working capital

YHB Group intends to utilise the proceeds allocated for working capital purposes as and when the need arises, as follows:-

| | Indicative Allocation | |
|--|------------------------------|------------------------------|
| | Minimum | Maximum |
| | Gross Proceeds RM'million | Gross Proceeds RM'million |
| Administrative expenses ⁽ⁱ⁾ | 33% - 67% | 33% - 67% |
| Finance cost ⁽ⁱⁱ⁾ | 33% - 67% | 33% - 67% |

Notes:-

- (i) Administrative expenses include employee wages, salaries, office rental, utilities bill and other general office expenditure.
- (ii) The finance cost is to service some of the profits and distributions for YHB Group's sukuk.

The allocation and breakdown of the proceeds above is subject to change depending on the needs of YHB Group's operations. For clarification, YHB Group intends to utilise proceeds allocated for working capital within 3 months from completion of the Proposed Rights Issue. Any unutilised proceeds after the timeframe will be allocated to the new FPSO project.

(5) Defrayment of estimated expenses for the Proposals

The breakdown of the estimated expenses for the Proposals is illustrated below:-

| Estimated expenses | Minimum | Maximum |
|---|------------------------------|------------------------------|
| | Gross Proceeds RM'million | Gross Proceeds RM'million |
| Professional fees ⁽ⁱ⁾ | 18.41 | 20.09 |
| Fees to relevant authorities | 0.50 | 0.50 |
| Printing, despatch, EGM expenses and miscellaneous expenses | 0.03 | 0.03 |
| Total | 18.94 | 20.62 |

Note:-

- (i) Comprises of estimated professional fees for the following:-

| Advisers | RM'million | RM'million |
|------------------------------------|--------------|--------------|
| Principal Adviser and underwriters | 15.99 | 17.67 |
| Solicitors | 1.61 | 1.61 |
| Other advisers | 0.81 | 0.81 |
| Total | 18.41 | 20.09 |

Any surplus or shortfall of proceeds allocated for estimated expenses, shall be adjusted to/from the amount allocated for the new FPSO project.

As stated in Section 3.1 of this Circular, the actual quantum of proceeds to be raised will be finalised and announced together with the rights entitlement basis. Our Group is in the process of obtaining the financing for the IPB FPSO. The actual amount to be raised from the Proposed Rights Issue will be dependent on, inter alia, the financing amount expected to be obtained from the financial institutions for the IPB FPSO, ESS Option exercised after the price-fixing date as well as the issue price and number of Rights Shares to be issued.

Any additional proceeds in excess of the Minimum Scenario will be allocated in the following order of priority:-

- (i) estimated expenses for the Proposals;
- (ii) repayment of bank borrowings; and
- (iii) the new FPSO project.

Pending utilisation of the proceeds from the Proposed Rights Issue, the proceeds will be placed in interest-bearing deposits with financial institutions.

As and when the Warrants are exercised, YHB will receive cash proceeds. The quantum of proceeds will vary according to the number of Warrants exercised. The use of such proceeds will be dependent on our Group's requirements at that point in time and could include, among others, the new FPSO project, expansion of renewable energy and green technology business, repayment of bank borrowings and/or working capital purposes.

5. RATIONALE FOR THE PROPOSALS

5.1 Proposed Bonus Issue

The Proposed Bonus Issue serves to reward our existing Shareholders for their continuing support to YHB by allowing them to participate more in the equity of our Company in terms of the number of YHB Shares held, whilst maintaining their percentage equity interest in our Company.

5.2 Proposed Rights Issue

After due consideration of the various methods of fundraising, our Board is of the opinion that the Proposed Rights Issue is the most appropriate avenue of raising funds for our Group in view that the Proposed Rights Issue will strengthen our Group's financial position and reduced gearing level. With enhanced Shareholders' funds, our Group will be able to part finance the new FPSO project and our expansion into renewable energy and green technology business.

The Proposed Rights Issue will also provide our Shareholders with an opportunity to participate in an equity offering in our Company on a pro-rata basis and ultimately, participate in the growth of our Group.

The Warrants which are attached to the Rights Shares are intended to provide an added incentive to our Entitled Shareholders to subscribe for the Rights Shares. The Warrants will provide our Entitled Shareholders with an opportunity to increase their equity participation in the growth of our Company at a pre-determined exercise price during the tenure of the Warrants.

The exercise of the Warrants in the future will allow our Company to obtain additional funds without having to borne additional interest expenses from borrowings. The exercise of Warrants will increase our Shareholders' funds and lower our gearing.

For information, YHB did not undertake any equity fundraising exercise in the past 12 months prior to the date of this Circular.

6. INDUSTRY OUTLOOK AND PROSPECTS OF YHB GROUP

6.1 Overview and outlook of the global economy

The global economy grew between 2015 and 2019, notwithstanding trade policy uncertainties and geopolitical tensions, among other issues. More specifically, in 2019, the global economy grew by 2.8% compared to 2018. The outbreak of the novel coronavirus disease (“COVID-19”) pandemic in 2020 led to a decline in consumer spending, as well as disruptions to global supply chains and trade demands across many industries. The global economy contracted by 3.1% in 2020 from 2019 as containment measures were implemented by various countries to slow the spread of COVID-19. These included travel restrictions, shutdowns of non-essential services, and enforced business closures. The global economy is expected to recover from 2021 onwards, growing by 5.9% in 2021 and 4.9% in 2022. The growth is estimated to be driven by the gradual lifting of the COVID-19 containment measures, coupled with the increasing administration of vaccines worldwide, which may lead to the gradual normalisation of economic activities and global economic developments. Beyond 2022, global growth is projected to moderate to about 3.3% over the medium term.

Table-1: World Gross Domestic Product (“GDP”) and GDP per Capita, 2015, 2020, 2025F

| World | 2015 | 2020 | 2025F |
|---|----------|----------|----------|
| GDP at current prices (USD trillion) | 75.0 | 85.0 | 120.9 |
| year-on-year Real GDP growth (%) | 3.4% | -3.1% | 3.3% |
| GDP per capita at current prices (USD) | 10,342.8 | 11,107.8 | 15,067.8 |
| year-on-year Real GDP per capita growth (%) | -6.5% | -3.7% | 4.5% |

Source: International Monetary Fund (“IMF”), World Economic Outlook (“WEO”) October 2021; Frost & Sullivan

In 2020, the region that was least affected by the global COVID-19 outbreak was that of Emerging and Developing Asia. The growth post 2020 will be driven by large economies, such as those of China and India, and emerging economies in Southeast Asia, such as those of Indonesia, Vietnam, Myanmar, Cambodia, and Philippines.

Table-2: Regional Real GDP Growth (Year-on-Year), 2015, 2020, 2025F

| Region | 2015 | 2020 | 2025F |
|---|------|-------|-------|
| Emerging and Developing Asia | 6.8% | -0.8% | 5.4% |
| Euro Area | 2.0% | -6.3% | 1.4% |
| Latin America and the Caribbean (“LAC”) | 0.4% | -7.0% | 2.4% |
| Middle East and Central Asia | 2.7% | -2.8% | 3.6% |
| Sub-Saharan Africa | 3.2% | -1.7% | 4.1% |
| United States (“US”) | 2.7% | -3.4% | 1.7% |
| World | 3.4% | -3.1% | 3.3% |

Source: IMF WEO October 2021; Frost & Sullivan

(Source: Overview and outlook of the global economy prepared by Frost & Sullivan)

6.2 Overview and outlook of the global O&G industry

The global population grew at a compound annual growth rate (“CAGR”) of 1.1%, rising from 7.2 billion people in 2015 to 7.6 billion people in 2020. This population growth is projected to stimulate activity in the O&G industry, among other sectors, given the anticipated increase in demand for liquid fuel from the transportation sector in the long-term (notwithstanding the impact caused by COVID-19). For example, the US is the largest oil consuming country and the transportation sector accounted for 66.0% of the country’s oil consumption. The US population is forecasted to continue to grow at a CAGR of 0.3% between 2020 and 2025, while the global population is forecasted to increase at a CAGR of 1.0% during the same period. The growing population should ensure a sustainable demand for liquid fuel.

In 2020, the member countries of the Organization of the Petroleum Exporting Countries (“**OPEC**”) produced approximately 30.7 million barrels per day (“**bbl/d**”), equivalent to 32.6% of the global oil production. The US was the largest crude oil producer in the world, producing 18.6 million bbl/d in 2020. Saudi Arabia and Russia stood as the second and third largest global oil producers, at 10.8 million bbl/d and 10.5 million bbl/d, respectively.

In terms of global consumption, the Organization for Economic Cooperation and Development (“**OECD**”) countries collectively accounted for 45.9% of global oil consumption, with 41.8 million bbl/d in 2020. OECD oil consumption increased from 46.9 million bbl/d in 2010 to 47.7 million bbl/d in 2019, but decreased considerably to 41.8 million bbl/d in 2020, mainly due to COVID-19, which affected global oil demand. Similarly, non-OECD countries’ oil consumption increased from 41.5 million bbl/d in 2010 to 52.7 million bbl/d in 2019, but decreased marginally to 49.3 million bbl/d in 2020. This trend was driven by economic growth in countries like China, India, and Saudi Arabia, which were the 3 leading oil consumers among the non-OECD countries in 2020. Globally, the top 3 oil consuming countries in 2020 were the US (18.1 million bbl/d), China (14.3 million bbl/d), and India (4.7 million bbl/d).

Global natural gas production increased from 3,150.8 billion cubic meters (“**bcm**”) in 2010 to 3,976.2 bcm in 2019; however, in 2020, global natural gas production dropped slightly to 3,853.7 bcm due to COVID-19. Similarly, global natural gas consumption also increased from 3,160.5 bcm in 2010 to 3,903.9 bcm in 2019, and dropped slightly in 2020 to 3,822.8 bcm due to COVID-19. The leading 5 natural gas producing countries in 2020 were the US, Russia, Iran, China, and Canada, accounting for 23.7%, 16.6%, 6.5%, 5.0%, and 4.4% of total production, respectively. Meanwhile, the top 5 natural gas consuming countries were the US, Russia, China, Iran, and Canada, with 21.8%, 10.8%, 8.6%, 6.1%, and 2.9%, respectively.

Global petroleum reserves increased from 1,357.1 billion bbl in 2010 to 1,661.9 billion bbl in 2020, at a CAGR of 2.0%, with Central and South America accounting for much of this increase. The Middle East holds the largest oil reserves in the world, with 48.3% of the global reserves in 2020. Proven natural gas reserves increased from 188.1 trillion cubic meters (“**tcm**”) in 2010 to 205.5 tcm in 2020, at a CAGR of 0.9%, with the Middle East and Eurasia accounting for 70.4% of global reserves in 2020. Russia, Iran, and Qatar held the largest reserves, with 23.3%, 16.5%, and 11.6% of total global reserves in 2020, respectively.

The persistent oversupply of oil since early 2014 resulted in the decline of crude oil prices, with Brent crude oil spot prices plunging sharply from an annual average of USD99.0/bbl in 2014 to USD43.6/bbl in 2016. The Brent crude oil spot price decreased to a monthly average of USD30.7/bbl in January 2016, the lowest monthly average price since December 2003. Even though the annual average Brent crude oil spot price recovered to USD71.1/bbl in 2018, the price normalised to an annual average of USD64.3/bbl in 2019, largely because of weakening global oil demand and strong supply growth.

Brent crude oil spot prices dropped to an annual average of USD42.0/bbl in 2020, lower than the 2016 level, as the reduction in economic activity related to the COVID-19 pandemic caused changes in energy demand and supply patterns in 2020. Nonetheless, the annual average Brent crude oil spot price recovered and bounced back in 2021 to USD70.9/bbl. This is because the monthly average price rose over the 2020 level due to steady draws on global oil inventories. The average oil price is expected to remain above USD70.0/bbl in 2022.

On 24th February 2022, Russia invaded Ukraine which will potentially impact the oil price as it will put pressure in the O&G supply and demand. With Russia being the third largest crude oil producer in the world (according to data on 2020), there will be a risk of disruption to oil supply if other countries impose sanctions on energy supply from Russia or if Russia decides to ban energy exports to other countries. As such, oil price is expected to rise should the war continues.

Global oil production dropped from 100.6 million bbl/d in 2019 to 94.2 million bbl/d in 2020, and a similar fall in production was identified in the upstream operations of O&G companies due to the COVID-19 outbreak in 2020. COVID-19 impacted the supply and the demand sides of the O&G industry. Contracts between O&G companies often contain clauses relating to force majeure, which release either party if the other is unable to fulfil its obligations due to the occurrence of an extraordinary event beyond their control, such as COVID-19. COVID-19 caused O&G companies to declare force majeure on their contracts due to the unprecedented nature of the outbreak and the disruption it caused to O&G demand. The COVID-19 pandemic also impacted O&G production as companies needed to operate with limited personnel due to social distancing measures. Moreover, companies experienced additional plant downtime as some operations had to cease temporarily when COVID-19 clusters occurred among employees. Furthermore, supply chain disruption also affected various O&G platform operations, such as the maintenance, inspection, repair, and replacement of equipment, as well as drilling activities, which had to be delayed or suspended.

COVID-19 also caused oil spot prices to drop to annual average of USD42.0/bbl in 2020 due to low O&G demand. To survive the downturn in oil spot prices due to COVID-19, O&G companies cancelled or postponed their capital expenditure plans (“**CAPEX**”) in 2020 to maintain positive cash flows. Nonetheless, O&G companies have increased their CAPEX allocation for 2021 as global economic sectors are gradually reopening, which will stimulate the demand for O&G and raise the oil spot price. As of February 2022, the oil spot prices had risen to USD97.1/bbl.

(Source: Overview and outlook of the global O&G industry prepared by Frost & Sullivan)

6.3 Overview and outlook of the global FPSO and FSO industry

The growing demand for oil as a fuel source, the decrease in onshore oil discoveries and the exhaustion of shallow offshore resources have driven oil producers to explore deepwater and ultra-deepwater resources in recent years. However, developing conventional fixed platforms, compliant towers, vertically moored tension legs, mini-tension leg platforms, spar platforms, and semi-submersible platforms in a deepwater project requires considerable investment. Additionally, laying pipelines for a deepwater project is not a cost-effective solution. FPSOs can eliminate the need for expensive underwater infrastructures. Therefore, the increasing deepwater and ultra-deepwater oil production is expected to drive the demand for FPSO installations in the near future.

The demand for FPSOs is also expected to be driven by the benefits provided by these installations, which include:-

- An FPSO redeployment (where an existing FPSO is modified for another location/field) may be completed within one year: an FPSO conversion/construction takes between 12 to 36 months to complete, compared to the average semi-submersible oil rig, which takes 3 to 4 years to build.
- It retains a residual value because it can be relocated to other fields at the end of the initial contract sometimes only with minor modifications.
- It is more environmentally friendly: with an FPSO conversion, around 30,000 tons of steel are reused for another 15-25 years (the alternative is often to scrap the crude carrier). These are more environmentally friendly than conventional fixed platforms as FPSOs do not need export pipelines to be laid on the seabed to shore; hence, the environmental impact is further reduced.
- The abandonment costs are lower than those of fixed platforms: As FPSOs need fewer permanent infrastructures to be installed, the abandonment costs are lower compared with those of other fixed platforms.

There were 161 FPSO units operating in 2015. This number increased to 186 units operating in 2019, but dipped to 168 units operating in 2020 due to COVID-19. Regionally, South America accounted for the largest market share (29.1%) in 2020, with 49 operating FPSO units, followed by the Asia Pacific region, which had 46 units.

China, with 12 units, had the highest number of FPSO units operating in the Asia Pacific region, in 2020. This was followed by Malaysia with 8 units, while Australia, Indonesia and Vietnam had 6 operating units each. In the rest of the world, African countries such as Angola and Nigeria also had a substantial number of FPSOs operating, with 16 and 15 units, respectively, in 2020. The UK and Norway were the only 2 countries in the European region that had operating FPSO units, with 15 and 8 units, respectively, in 2020. North America had 6 operating FPSOs in 2020.

The total number of FPSO installations worldwide is estimated to increase in 2021 to 172 units and reach 198 units by 2025. Frost & Sullivan forecasts 26 new operating units will be under contract, apart from regular extensions, in the period 2020 to 2025.

Relatively stable oil prices, growing fuel demand, and increasing offshore oil production are expected to drive the worldwide demand for FPSOs, with the global number of FPSO installations expected to grow at a CAGR of 3.3% from 2020 to 2025. Brazil is expected to account for 42.3% of the projected FPSO orders between 2020 and 2025 due to the large number of deepwater and ultra-deepwater projects in the country.

(Source: Overview and outlook of the FPSO and FSO industry prepared by Frost & Sullivan)

6.4 Overview and outlook of the offshore support vessels (“OSV”) industry

In 2020, O&G companies worldwide continued to make new deepwater oil discoveries, despite the scaling-back of drilling campaigns due to lower oil prices and the impact of COVID-19. These new deepwater and ultra-deepwater oil discoveries can drive the growth of the OSV industry as they are expected to boost the deployment of OSVs to transport equipment, goods, and rig crews to offshore drilling and production platforms.

The value of approved O&G offshore greenfield investments grew from USD60.5 billion in 2015 to USD92.3 billion in 2019, at a CAGR of 11.1%. The growth in O&G offshore investments led to the development of more offshore O&G resources. The barrel of oil equivalent unit (“boe”) of total offshore O&G resources approved for development increased from 8.1 billion boe in 2015 to 20.6 billion boe in 2019, at a CAGR of 26.3%. The growth of O&G offshore investments and O&G resources approved for development will ensure the increasing demand for OSVs to serve offshore platforms.

Apart from the O&G industry, OSVs are also used in the offshore wind power industry. This industry is nascent but growing, as it can generate more power than onshore wind power facilities since offshore installations benefit from a higher wind speed. Globally, more than 70 gigawatts (“GW”) of offshore wind power is expected to be added between 2021 and 2025. The growth of offshore wind power can benefit the OSV industry, as OSVs can support the offshore installation and maintenance of wind turbines.

Offshore platforms need regular maintenance to ensure the facilities’ reliability and the safety of the staff operating them. Generally, 2 types of maintenance activities are performed for offshore platforms: (i) periodic maintenance services, which are regular (weekly, biweekly, and monthly) and follow the equipment supplier’s recommendations, and (ii) turnaround maintenance services, which generally are performed every 5 years as the plant undergoes complete maintenance. Additionally, most countries have established offshore installation regulations, which make provision for the frequency of maintenance activities. These factors can ensure the continuous demand for OSVs.

The O&G industry decommissions approximately 120 platform structures annually, and it is estimated that between 2,500 and 3,000 offshore projects are likely to require decommissioning by 2040. The demand for OSVs is expected to be stable due to such offshore decommissioning legislation.

During the crude oil price downturn between 2014 and 2016, oil companies scaled back their operations, especially their offshore exploration and production (“**E&P**”) activities, since the break-even cost of offshore E&P is higher than that of onshore E&P. The reduction in offshore E&P activities affected the OSV industry by reducing OSV day rates, causing a high number of OSVs to be laid up. The OSV market contracted from USD28.2 billion in 2019 to USD19.5 billion in 2020 due to the global COVID-19 outbreak. The outbreak also adversely affected crude oil prices, which reached an annual average of USD42.0/bbl, the lowest in 10 years. Nonetheless, the annual average crude oil price recovered and bounced back in 2021 to USD70.9bbl and is expected to remain above USD70.0/bbl in 2022. This increase means the global OSV industry is forecasted to grow and reach USD26.8 billion in 2025, at a CAGR of 2.0%, a rise from USD19.5 billion in 2020.

(Source: Overview and outlook of the offshore service vessels industry prepared by Frost & Sullivan)

6.5 Overview and outlook of the renewables industry

Electricity generation is the largest source of global greenhouse gas emissions. The urgency to reduce emissions has shifted the preferences of consumers and governments towards the use of renewable energy (“**RE**”), while the long-term goals of major countries are to reach net-zero carbon emissions. Governments’ pro-renewable policies and the dramatic advances in wind turbine, solar cell, fuel cell and battery storage technologies will continue to drive down costs and drive the growth rate of renewables. Governments are setting higher RE targets. For instance, the European Union’s goal is that 32.0% of its energy needs should come from RE by 2030. The rising penetration of RE with zero fuel cost has challenged the previous dominance of conventional fossil fuels, such as gas and coal, shifting the balance of power generation economics.

Globally, investment in the coal power generation market continues to decline and is forecasted to reach zero by 2030, as obtaining the necessary funding for plants will be highly challenging. China, which accounts for around 50% of global coal generation capacity, is estimated to reach its peak coal usage in 2025. Thereafter, coal plant utilisation rates in China are forecasted to decline as renewables will be increasingly able to meet supply requirements. Solar and wind power will benefit the most in terms of attracting investment but oil, gas and hydro will still continue to play a major role in the fuel mix. Power generation companies are also looking to improve their operational efficiency to increase their profitability in this competitive market.

Major companies worldwide have established voluntary RE targets and goals into their corporate sustainability plans. In addition to the sustainability benefits, corporates achieve diversification of energy supply and lower and less volatile energy prices.

Solar photovoltaic (“**PV**”) installations are likely to achieve widespread growth across all 3 major market segments: utility, commercial and industrial, and residential. Wind generation installations, both onshore and offshore are growing strongly and globally across all markets, with Europe (156 GW of planned capacity additions between 2021 and 2030), US and China currently leading that expansion. Onshore wind will retain a dominant share of wind generation installations, but offshore wind is expanding rapidly in markets suitable for bottom mounted turbines, though from a smaller base.

Major industrial players worldwide exhibit a strong interest in the RE market to reduce their carbon footprint and operate their businesses more sustainably and cost-effectively. They are also facing increasing pressure from investors to adopt sustainable measures. This trend is reflected in the growing number of corporate power purchase agreements (“PPA”) to buy solar and wind power – thereby enabling corporations to demonstrate their commitment to sustainability and climate change mitigation. Governments and utility providers have increased their support for distributed energy resources over conventional centralised power generation to meet electrification targets. Rooftop solar PV, small-scale wind power systems and microgrids, for instance, are ideal energy sources for distributed generation.

The global investment in new RE capacity in 2020 was estimated at USD303.5 billion. Compared to 2019, the RE investments in developed countries had increased by 13.0%, while the market share of developing and emerging countries had dropped by 7.0%. This signified the increased momentum for RE in developed countries. Meanwhile, the drop in the market share of developing countries was mainly due to declining capacity investments in China (down 12.0%), India (down 36.0%) and developing countries in the Americas (down 33.0%). In terms of total market size, the solar PV market constituted about 49.0% (USD148.6 billion), wind power constituted about 47.0% (USD142.7 billion), and the biomass and waste-to-energy market constituted about 3.3% (USD10.0 billion). The global RE market size increased by 2.0% in 2020, rising from the 2019 figure of USD298.4 billion. This was primarily attributed to the substantial increase in wind and solar PV capacity additions during the year. In 2020, about 139 GW of solar PV capacity was added worldwide, while onshore and offshore wind power capacity additions amounted to 86.9 GW and 6.1 GW, respectively. Approximately 8 GW of biomass and waste-to-energy capacity were also added.

The global RE market is expected to grow at a CAGR of 10.6% between 2021 and 2025 to reach a market size of USD500.4 billion in 2025. Europe and China are the current contenders for the leading position among the markets active in energy transition investments.

In 2020, RE, especially wind and solar power, grew at its fastest rate in 2 decades. RE use is set to expand much more rapidly than before the pandemic. The growth in Europe and the US will be even faster than previously forecasted, compensating for China’s transitional slowdown after its exceptional 2020 growth. Globally, RE capacity additions in 2020 totalled more than 260 GW, exceeding the previous record by almost 50.0%. More than 80% of all new power capacity added in 2020 was from RE, with solar and wind accounting for 91.0% of this new RE capacity. Solar and wind power dominated the RE capacity expansion in 2020, with 139 GW and 93 GW of new installations, respectively.

Notwithstanding the on-going impact of the pandemic, the solar power market has continued to grow. As COVID-19 reverts to being an epidemic, RE projects are likely to sustain their momentum of growth, particularly because solar and wind power have become cheaper than thermal power generation in many countries. Besides, the fiscal stimulus packages introduced during the pandemic will support the economic recovery of many countries as lockdown measures are eased, as well as the acceleration of the global energy transition.

The high resilience witnessed in the solar PV market was similar to that of the capacity additions in the wind power market, which maintained their growth momentum in 2020 despite COVID-19. The pandemic impacted the market, especially offshore projects, for only 2 months. By the end of 2020, the global wind power industry had installed a record 110.8 GW of new capacity. The industry’s outlook over the next 5 years is generally positive, with over 469.1 GW of wind power (399.1 GW onshore and 70 GW offshore) expected to be installed between 2021 and 2025.

(Source: Overview and outlook of the renewables industry prepared by Frost & Sullivan)

6.6 Overview and outlook of the green technology industry

Electricity distribution and retail industries are converging. For example, the surge in uptake of electric vehicles (“EVs”), continued rollout of smart meters, energy contribution from the demand side and smarter grid are setting the groundwork for the electricity retail landscape. The electrification of transport, industries, buildings, and the growing penetration of distributed energy resources would also assist in achieving decarbonisation goals.

The global push towards electrification and fuel economy is leading to stringent emissions norms. Some countries such as the Netherlands, Ireland, Sweden, the United Kingdom (“UK”), and Austria are already committing to internal combustion engine (“ICE”) bans. Consumers’ attitudes toward EVs are also changing. In addition to safety, EVs are now considered as environment-friendly mobility solutions or carbon-neutral solutions. The share of battery EVs (“BEV”) continues to increase globally due to stricter emission standards and attractive incentives for EVs with long range or larger battery capacity.

In the marine sector, container ships, tankers, freighters, and cruise liners also contribute to global emissions. Led by Norway, Europe commenced to electrify its coastal vessels with light, short-range ferries. Other nations including Finland, the Netherlands, China, Denmark, and Sweden are also beginning to launch electric ships. Energy storage, both battery and non-battery, will enable a more effective utilisation of RE assets as they can store electricity for use at peak times/cloudy/non-windy days. These energy storage systems technologies’ costs are likely to decline further as the market matures. Annual installations of energy storage systems declined in 2019 due to uncertainties around battery usage safety and wavering policy support in key markets. However, despite the pandemic, investments in energy storage systems installations grew, driven by key markets such as China, the US and Europe in 2020.

Lithium-ion (“Li-ion”) batteries are used in various applications, the most prominent being the stationary power, transportation and consumer electronics markets. Within the stationary power market, Li-ion batteries, flow batteries and sodium are the key battery chemistries that were largely deployed in utility-scale and residential applications in 2020. Strong global growth in terms of capacity is forecasted over the next 5 years with a large volume of on-going projects. Government incentives and supportive regulations are key to drive market growth especially for utility-scale application. Strong mandates in the US, Germany, China and Korea combined with evolving business models are driving the battery based ESS adoption in these markets. Storage in combination with RE (especially rooftop PV systems) and electric vehicles are becoming an attractive option for home storage proposition (behind-the-meter residential deployments) in many markets especially in the US, Germany and Australia.

Interest in hydrogen as a low- or zero-carbon energy carrier increased significantly in recent years. Governments have acknowledged that a hydrogen-based economy could be the best alternative to the present fossil fuels-based economy, which would address the growing concerns over carbon emissions, energy security, and climate change. Major utilities conglomerates based in the US and Europe region are already actively exploring the option of hydrogen production and infrastructure development for hydrogen storage and transport. Applicable legislative frameworks for hydrogen production, storage, and transport are still in its infancy stage, and have yet to be established in many countries. However, many countries such as the US, Germany, the Netherlands, the UK, and France have initiated pilot projects for exploring hydrogen as a potential zero-carbon energy carrier.

(Source: Overview and outlook of the green technology industry prepared by Frost & Sullivan)

6.7 Prospects of YHB Group

Our Group is primarily involved in the provision of integrated services of FPSO and FSO units as well as OSVs. Our Group has also expanded into the area of renewable energy and green technology.

Our Group has been involved in the provision of integrated services of FPSO and FSO units as well as OSVs since 2011, and is currently one of the largest independent FPSO leasing companies in the world. Our Group has been successful in expanding its global footprint and has secured significant contracts over the years. As at 31 January 2021, our Group's orderbook for long-term charter contracts across FPSO and FSO units remain strong at USD15.3 billion (*approximately RM64.24 billion*), which includes the option period. As at the LPD, our Group has a fleet of 7 FPSOs (including 2 under construction) and 1 FSO unit which is operating in Vietnam. 2 of our Group's FPSO units are operating in Nigeria, and 1 FPSO unit each operating in Ghana, Malaysia and Vietnam, respectively. The remaining 2 units under construction will both eventually operate in Brazil. Other than FPSO PTSC Lam Son, our Group's FPSOs and FSO are chartered out on a firm contract term ranging between 7 to 25 years, with options to extend such term by up to 10 years. Such terms vary from contract to contract, depending on the needs of our Group's customers.

The COVID-19 pandemic in 2020 has caused the unprecedented economic turbulence and disruptions and the O&G industry was not spared. The Brent crude oil prices dropped to an annual average of USD42.0/bbl in 2020, following the COVID-19 and actions taken by the OPEC. This has caused for O&G developments across the world to be postponed, resulting in an all-time low in the number of FPSO awards. YHB was also affected, where a FPSO project with Aker Energy was cancelled in the first quarter of FYE 2021. Nevertheless, the Group's FPSO business continued to show stability in earnings due to the long-term nature of the contracts, which are signed with reputable oil companies.

Our Group is currently actively tendering for projects leveraging on its experience in Asia, Africa as well as South America. Our Group aims to build a strong orderbook to deliver consistent recurring income and is focusing on securing contracts with established players in the O&G industry. Our Group's recent wins included contract awarded by Petrobras as disclosed in Section 4 of this Circular, with contract value of approximately USD5.2 billion. Our Group has also entered into contracts on 21 February 2022 with Enauta Energia S.A. for the provision, operation and maintenance of a FPSO asset in the Atlanta Field located in the Santos Basin, offshore Brazil.

In 2019, our Group expanded into the renewable energy business following the acquisition of 2 adjoining operational solar plants in Bhadla Solar Park, Rajasthan, India, through the acquisition of Rising Sun Energy Private Limited. In 2021, our Group secured a new contract to build, own and operate a solar plant in the Nokh Solar Park, India, marking its second presence in India. In addition, our Group has established a strong pipeline of onshore wind and PV projects worldwide. Our Group seeks to grow its renewable energy presence worldwide through undertaking greenfield projects and acquisition opportunities. Our Group believes that the outlook of the renewable energy continues to be promising as the renewable energy trends are demonstrating significant market potential, with renewable energy being at the early growth stage.

On 22 June 2021, our Group announced its collaboration with Chile-based renewable energy developer, Verano Capital Holdings SpA for renewable energy projects in Chile, Colombia and Peru. The collaboration initially targets to progress a pipeline of over 800 megawatts of utility scale solar projects, of which 330 megawatts are expected to be commenced within 12 months from the announcement date. Due to their strategic locations, our Group believes that these projects would be able to offer attractive power offtake prices to energy buyers.

Our Group has also established its green technology division in 2020 focusing on investing in new technologies and business areas that enable the global transition to a carbon free environment primarily in the markets that it currently operates in and within the marine, transport and energy business segments. Our Group has launched various decarbonisation initiatives towards achieving its climate goals, such as the development of a fully electrified harbour craft concept model, powered by advanced hydrofoil technology. Upon commercialisation, our Group believes that it is able to offer the shipping industry, specifically in harbour craft, with an option that significantly reduces energy costs and carbon footprint.

On 7 December 2021, YHB issued RM1.0 billion Sustainability-Linked Sukuk Wakalah pursuant to its Islamic Medium Term Notes Programme of up to RM1.0 billion in nominal value, based on the Shariah principle of Wakalah Bi Al-Istithmar ("**Sukuk Wakalah Programme**") with a tenor of 5 years and profit rate of 5.55% per annum. The Sukuk Wakalah Programme have been assigned a credit rating of A+_{IS} and A1 by Malaysian Rating Corporation and RAM Rating Services Berhad respectively, both with a stable outlook.

The Sustainability-Linked Sukuk Wakalah issuance leverages on our Group's Sustainability-Linked Financing Framework, Climate Goals Roadmap and the International Capital Market Association's Sustainability-Linked Bond Principles. The issuance aligns our Group's efforts to achieve its climate transition strategy and reinforce its commitment towards a low emission future by achieving carbon neutrality by 2030 and net zero by 2050.

Premised on the above as well as the completion of the Proposals, our Board is cautiously optimistic of the future prospects of our Group moving forward.

(Source: Management of YHB)

7. EFFECTS OF THE PROPOSALS

The proforma / illustrative effects of the Proposals in this section are presented purely for **illustration purposes**. As at the LPD, YHB has the following:-

- (i) 1,101,689,773 YHB Shares in issue (including 35,738,500 YHB Shares held as treasury shares). It is assumed that there is no change in the number of treasury shares held by YHB.
- (ii) 16,340,100 outstanding ESS Options. It is assumed that 10,763,400 ESS Options will be vested and exercised into new YHB Shares prior to the Entitlement Date.

Based on the aforementioned, the minimum and maximum number of Rights Shares and Warrants to be issued pursuant to the Proposals are illustrated as follows:-

Scenario 1 : Discount to the TERP of around 25% after the Proposed Rights Issue

Minimum Scenario : Assuming that the Minimum Gross Proceeds of approximately RM1.10 billion is to be raised, no exercise of ESS Options and based on the following parameters:-

- (a) illustrative issue price of RM1.81 per Rights Share, representing a 25.2% discount to the TERP after the Proposed Rights Issue of RM2.42 based on the TERP after Proposed Bonus Issue of RM2.60 (based on YHB's 5-day VWAMP up to and including the LPD of RM5.21);
- (b) illustrative exercise price of RM2.66 per Warrant, representing approximately 10.0% premium to the TERP after the Proposed Rights Issue of RM2.42; and
- (c) the entitlement basis of 2 Rights Shares for every 7 existing YHB Shares held and 1 Warrant for every 2 Rights Shares.

Maximum Scenario : Assuming that the Maximum Gross Proceeds of approximately RM1.22 billion is to be raised. 10,763,400 outstanding ESS Options are vested and exercised after the price-fixing but prior to entitlement date of the Proposed Rights Issue and based on the following parameters:-

- (a) illustrative issue price of RM1.69 per Rights Share, representing a 28.7% discount to the TERP after the Proposed Rights Issue of RM2.37 based on the TERP after Proposed Bonus Issue of RM2.60 (based on YHB's 5-day VWAMP up to and including the LPD of RM5.21);
- (b) illustrative exercise price of RM2.61 per Warrant, representing approximately 10.0% premium to the TERP after the Proposed Rights Issue of RM2.37; and
- (c) the entitlement basis of 1 Rights Share for every 3 existing YHB Shares held and 4 Warrants for every 9 Rights Shares.

Scenario 2: Discount to the TERP of around 45% after the Proposed Rights Issue

Minimum Scenario : Assuming that the Minimum Gross Proceeds of approximately RM1.10 billion is to be raised, no exercise of ESS Options and based on the following parameters:-

- (a) illustrative issue price of RM1.21 per Rights Share, representing a 44.5% discount to the TERP after the Proposed Rights Issue of RM2.18 based on the TERP after Proposed Bonus Issue of RM2.60 (based on YHB's 5-day VWAMP up to and including the LPD of RM5.21);
- (b) illustrative exercise price of RM2.40 per Warrant, representing approximately 10.0% premium to the TERP after the Proposed Rights Issue of RM2.18; and
- (c) the entitlement basis of 3 Rights Shares for every 7 existing YHB Shares held and 3 Warrants for every 8 Rights Shares.

Maximum Scenario : Assuming that the Maximum Gross Proceeds of approximately RM1.22 billion is to be raised. 10,763,400 outstanding ESS Options are vested and exercised after the price-fixing but prior to entitlement date of the Proposed Rights Issue and based on the following parameters:-

- (a) illustrative issue price of RM1.24 per Rights Share, representing a 42.9% discount to the TERP after the Proposed Rights Issue of RM2.17 based on the TERP after Proposed Bonus Issue of RM2.60 (based on YHB's 5-day VWAMP up to and including the LPD of RM5.21);
- (b) illustrative exercise price of RM2.39 per Warrant, representing approximately 10.0% premium to the TERP after the Proposed Rights Issue of RM2.17; and
- (c) the entitlement basis of 5 Rights Shares for every 11 existing YHB Shares held and 5 Warrants for every 14 Rights Shares.

Scenario 3: Approved Securities

Bursa Securities has approved the listing application of securities as stated in Section 9 of this Circular.

The number of Rights Shares and Warrants in the listing application are derived based on YHB's lowest traded price for the past 1 year up to the LPD of RM4.37 to raise gross proceeds of up to RM1.22 billion to ensure that the Proposed Rights Issue can be implemented successfully notwithstanding unexpected circumstances beyond YHB's control:

- (a) the Proposed Bonus Issue is completed prior to the implementation of the Proposed Rights Issue;
- (b) it is assumed that the assumed 5-day VWAMP of YHB Shares prior to the price-fixing date for the Proposed Rights Issue shall be RM2.18, based on the lowest traded price of YHB for the past 1 year up to the LPD and after adjusting for the Proposed Bonus Issue.

The issue price is assumed to be RM0.96 per Rights Share, which represents a discount of approximately 44.2% to the TERP of YHB Shares after the Proposed Rights Issue of RM1.72, based on the assumed 5-day VWAMP of RM2.18;

- (c) 12,470,500 outstanding ESS Options are vested and exercised after the price-fixing but prior to entitlement date of the Proposed Rights Issue. However, for purposes of the Circular, the number of such ESS Options as at the LPD is 10,763,400 as some have lapsed from the time of submission up until the LPD. The financial effects herein are illustrated using the ESS Options position as at the LPD;
- (d) assumed exercise price of RM1.89 per Warrant, which represents a premium of approximately 10% to the TERP after the Proposed Rights Issue of RM1.72; and
- (e) the entitlement basis of 10 Rights Shares for every 17 existing YHB Shares held and 7 Warrants for every 20 Rights Shares.

7.1 Share capital

The proforma / illustrative effects of the Proposals on the issued share capital of our Company are as follows:-

Scenario 1 : Discount to the TERP of around 25% after the Proposed Rights Issue

| | Minimum Scenario | | Maximum Scenario | |
|---|-------------------------|-------------------------|-------------------------|---------------------------|
| | No of Shares | | No of Shares | |
| | '000 | RM'000 | '000 | RM'000 |
| Share capital as at LPD (<i>including treasury shares</i>) | 1,101,690 | 1,136,104 | 1,101,690 | 1,136,104 |
| To be issued pursuant to the Proposed Bonus Issue | 1,101,690 | - | 1,101,690 | - |
| After the Proposed Bonus Issue | 2,203,380 | 1,136,104 | 2,203,380 | 1,136,104 |
| Less treasury shares after the Proposed Bonus Issue | (71,477) | - | (71,477) | - |
| After the Proposed Bonus Issue (<i>excluding treasury shares</i>) | 2,131,903 | 1,136,104 | 2,131,903 | 1,136,104 |
| New Shares to be issued assuming outstanding ESS Options are vested and exercised | - | - | ⁽ⁱ⁾ 21,527 | ⁽ⁱ⁾ 56,102 |
| To be issued pursuant to the Proposed Rights Issue | 609,115 | ⁽ⁱⁱ⁾ 980,010 | 717,810 | ⁽ⁱⁱ⁾ 1,087,199 |
| After the Proposed Rights Issue | 2,741,018 | 2,116,114 | 2,871,240 | 2,279,405 |

| | Minimum Scenario | | Maximum Scenario | |
|--|----------------------|------------------|----------------------|------------------|
| | No of Shares '000 | RM'000 | No of Shares '000 | RM'000 |
| To be issued assuming that all Warrants are exercised | 304,558 | 913,673 | 319,027 | 937,938 |
| Enlarged issued share capital after the Proposals | 3,045,576 | 3,029,787 | 3,190,267 | 3,217,343 |

Notes:-

- (i) Assuming that 10,763,400 ESS Options are vested and exercised and adjusted for the Proposed Bonus Issue pursuant to the By-laws and the reversal of RM9.61 million from share-based option reserve to share capital.
- (ii) After deducting estimated expenses for the Proposals of RM18.94 million (Minimum Scenario) and RM20.62 million (Maximum Scenario) and fair value of Warrants reserve of RM103.55 million (Minimum Scenario) and RM105.28 million (Maximum Scenario) to share capital.

Scenario 2: Discount to the TERP of around 45% after the Proposed Rights Issue

| | Minimum Scenario | | Maximum Scenario | |
|---|----------------------|-------------------------|-----------------------|---------------------------|
| | No of Shares '000 | RM'000 | No of Shares '000 | RM'000 |
| Share capital as at LPD (including treasury shares) | 1,101,690 | 1,136,104 | 1,101,690 | 1,136,104 |
| To be issued pursuant to the Proposed Bonus Issue | 1,101,690 | - | 1,101,690 | - |
| After the Proposed Bonus Issue | 2,203,380 | 1,136,104 | 2,203,380 | 1,136,104 |
| Less treasury shares after the Proposed Bonus Issue | (71,477) | - | (71,477) | - |
| After the Proposed Bonus Issue (excluding treasury shares) | 2,131,903 | 1,136,104 | 2,131,903 | 1,136,104 |
| New Shares to be issued assuming outstanding ESS Options are vested and exercised | - | - | ⁽ⁱ⁾ 21,527 | ⁽ⁱ⁾ 56,102 |
| To be issued pursuant to the Proposed Rights Issue | 913,673 | ⁽ⁱⁱ⁾ 983,817 | 978,832 | ⁽ⁱⁱ⁾ 1,088,256 |
| After the Proposed Rights Issue | 3,045,576 | 2,119,921 | 3,132,262 | 2,280,462 |
| To be issued assuming that all Warrants are exercised | 342,627 | 925,093 | 349,583 | 940,377 |
| Enlarged issued share capital after the Proposals | 3,388,203 | 3,045,014 | 3,481,845 | 3,220,839 |

Notes:-

- (i) Assuming that 10,763,400 ESS Options are vested and exercised and adjusted for the Proposed Bonus Issue pursuant to the By-laws and the reversal of RM9.61 million from share-based option reserve to share capital.
- (ii) After deducting estimated expenses for the Proposals of RM18.94 million (Minimum Scenario) and RM20.62 million (Maximum Scenario) and fair value of Warrants reserve of RM102.79 million (Minimum Scenario) and RM104.87 million (Maximum Scenario) to share capital.

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Scenario 3 : Approved Securities

| | No of Shares '000 | RM'000 |
|---|---------------------------|----------------------------|
| Share capital as at LPD <i>(including treasury shares)</i> | 1,101,690 | 1,136,104 |
| To be issued pursuant to the Proposed Bonus Issue | 1,101,690 | - |
| After the Proposed Bonus Issue | 2,203,380 | 1,136,104 |
| Less treasury shares after the Proposed Bonus Issue | (71,477) | - |
| After the Proposed Bonus Issue <i>(excluding treasury shares)</i> | 2,131,903 | 1,136,104 |
| New Shares to be issued assuming outstanding ESS Options are vested and exercised | ⁽ⁱ⁾ 21,527 | ⁽ⁱ⁾ 56,102 |
| To be issued pursuant to the Proposed Rights Issue | ⁽ⁱⁱ⁾ 1,266,723 | ⁽ⁱⁱⁱ⁾ 1,097,896 |
| After the Proposed Rights Issue | 3,420,153 | 2,290,102 |
| To be issued assuming that all Warrants are exercised | ⁽ⁱⁱⁱ⁾ 443,353 | 935,475 |
| Enlarged issued share capital after the Proposals | 3,863,506 | 3,225,577 |

Notes:-

- (i) Assuming that 10,763,400 ESS Options are vested and exercised and adjusted for the Proposed Bonus Issue pursuant to the By-laws and the reversal of RM9.61 million from share-based option reserve to share capital.
- (ii) The difference between the number of Rights Shares and Warrants illustrated above and the number of Rights Shares and Warrants approved by Bursa Securities (as stated in Section 9 of this Circular) is due to the lapse of ESS Options subsequent to the submission of the application to Bursa Securities up to the LPD.
- (iii) After deducting estimated expenses for the Proposals of RM20.62 million and fair value of Warrants reserve of RM97.54 million to share capital.

In the event the 10.76 million outstanding ESS Options is exercised prior to the Entitlement Date of the Proposed Bonus Issue, the maximum number of Bonus Shares to be issued assuming exercise of the ESS Options is 1,112,453,173 Bonus Shares and the entitlement basis for the Proposed Rights Issue will be revised accordingly.

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7.2 NA per YHB Share and gearing

Based on YHB's consolidated audited statement of financial position as at 31 January 2021 and assuming that the Proposals had been effected on that date, the proforma / illustrative effects on the consolidated NA per YHB Share and the gearing of YHB are as follows:-

Scenario 1 : Discount to the TERP of around 25% after the Proposed Rights Issue

Minimum Scenario

| | I | II | III | IV |
|---|--|--|--|--|
| | After subsequent events ⁽ⁱ⁾ | After (I) and the Proposed Bonus Issue | After (II) and the Proposed Rights Issue ⁽ⁱⁱ⁾ | After (III) and assuming all Warrants exercised ⁽ⁱⁱⁱ⁾ |
| | RM'million | RM'million | RM'million | RM'million |
| Share capital | 1,126 | 1,136 | (v)2,116 | 3,030 |
| Treasury shares | (174) | (181) | (181) | (181) |
| Foreign currency translation reserve | 77 | 77 | 77 | 77 |
| Cash flows hedge reserve | (189) | (189) | (189) | (189) |
| Warrants reserve | - | - | (iv)103 | - |
| Share-based option reserve | 8 | 6 | 6 | 6 |
| Share grant reserve | 8 | 8 | 8 | 8 |
| Put option reserve | (181) | (181) | (181) | (181) |
| Retained earnings | 1,164 | 1,164 | 1,164 | 1,164 |
| Total equity attributable to owners of YHB / NA | 1,839 | 1,840 | 2,923 | 3,734 |
| Perpetual securities issued by subsidiaries | 1,848 | 1,848 | 1,848 | 1,848 |
| Non-controlling interests | 339 | 339 | 339 | 339 |
| Total equity | 4,026 | 4,027 | 5,110 | 5,921 |
| Number of YHB Shares (excluding treasury shares) ('000) | 1,065,232 | 1,065,951 | 2,741,018 | 3,045,576 |
| NA per YHB Share (RM) | 1.73 | 1.73 | 1.07 | 1.23 |
| Total borrowings | 6,106 | 6,106 | (vi)5,825 | (vi)5,825 |

| | I | II | III | IV |
|--|--|--|--|--|
| | After subsequent events ⁽ⁱ⁾ | After (I) and the Proposed Bonus Issue | After (II) and the Proposed Rights Issue ⁽ⁱⁱ⁾ | After (III) and assuming all Warrants exercised ⁽ⁱⁱⁱ⁾ |
| Audited as at 31 January 2021 | RM'million | RM'million | RM'million | RM'million |
| Total adjusted borrowings ^(vii) | (vii)2,768 | 2,768 | 2,487 | 2,487 |
| Gearing ratio (times) ^(viii) | 1.52 | 1.52 | 1.14 | 0.98 |
| Adjusted gearing ratio (times) ^(ix) | (vii)0.68 | 0.69 | 0.49 | 0.42 |

Notes:-

- (i) After accounting for exercise of ESS Options and share buy back from 1 February 2021 up to LPD.
- (ii) Assuming 609.1 million Rights Shares are issued at an illustrative issue price of RM1.81 each.
- (iii) Assuming 304.6 million Warrants exercised at an illustrative exercise price of RM2.66 each.
- (iv) After recognition of the Warrants at the theoretical fair value of RM0.34 per Warrant in accordance with the trinomial option pricing model based on the exercise price, the underlying price of YHB Shares of approximately RM2.42 per YHB Share (based on illustrative TERP after the Proposed Rights Issue), the tenure of the Warrants of 3 years, the risk-free-rate of 3.7% and the historical volatility of YHB Shares of 25.1% (source: Bloomberg).
- (v) After taking into consideration estimated expenses for the Proposals of approximately RM18.94 million offset against share capital.
- (vi) The borrowings to be repaid from the Proposed Rights Issue proceeds under this proforma / illustrative is approximately RM281.3 million based on the outstanding borrowings as at 31 January 2021.
- (vii) Excludes non-recourse project financing loans and any interest and related deferred financing costs in relation to non-recourse project financing loans as at 31 January 2021. "Non-recourse project financing loans" refers to loans incurred solely by specific project company(ies) to finance a project and have no recourse to any other member of the YHB Group (or its assets and/or revenues) for the payment or repayment of such loans.
- (viii) Computed as total borrowings over total equity.
- (ix) Computed as adjusted borrowings over total equity.

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Maximum Scenario

| | I | | II | | III | | IV | |
|---|--|--------------|--------------------------------------|--|---|--|---|--|
| | After subsequent events ⁽ⁱ⁾ | | After I and the Proposed Bonus Issue | | After II and the Proposed Rights Issue ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ | | After III and assuming all Warrants exercised ^(iv) | |
| | RM'million | | RM'million | | RM'million | | RM'million | |
| Audited as at 31 January 2021 | | | | | | | | |
| Share capital | 1,126 | 1,136 | 1,136 | | (vi)2,280 | | 3,217 | |
| Treasury shares | (174) | (181) | (181) | | (181) | | (181) | |
| Foreign currency translation reserve | 77 | 77 | 77 | | 77 | | 77 | |
| Cash flows hedge reserve | (189) | (189) | (189) | | (189) | | (189) | |
| Warrants reserve | - | - | - | | (v)105 | | - | |
| Share-based option reserve | 8 | 6 | 6 | | - | | - | |
| Share grant reserve | 8 | 8 | 8 | | 8 | | 8 | |
| Put option reserve | (181) | (181) | (181) | | (181) | | (181) | |
| Retained earnings | 1,164 | 1,164 | 1,164 | | 1,160 | | 1,160 | |
| Total equity attributable to owners of YHB / NA | 1,839 | 1,840 | 1,840 | | 3,079 | | 3,911 | |
| Perpetual securities issued by subsidiaries | 1,848 | 1,848 | 1,848 | | 1,848 | | 1,848 | |
| Non-controlling interests | 339 | 339 | 339 | | 339 | | 339 | |
| Total equity | 4,026 | 4,027 | 4,027 | | 5,266 | | 6,098 | |
| Number of YHB Shares (excluding treasury shares) ('000) | 1,065,232 | 1,065,951 | 2,131,903 | | 2,871,240 | | 3,190,267 | |
| NA per YHB Share (RM) | 1.73 | 1.73 | 0.86 | | 1.07 | | 1.23 | |
| Total borrowings | 6,106 | 6,106 | 6,106 | | (vii)5,784 | | (vii)5,784 | |
| Total adjusted borrowings ^(viii) | (viii)2,728 | 2,768 | 2,768 | | 2,446 | | 2,446 | |
| Gearing ratio (times) ^(ix) | 1.52 | 1.52 | 1.52 | | 1.10 | | 0.95 | |
| Adjusted gearing ratio (times) ^(x) | (viii)0.68 | 0.69 | 0.69 | | 0.46 | | 0.40 | |

Notes:-

- After accounting for exercise of ESS Options and share buy back from 1 February 2021 up to LPD.
- Assuming 10,763,400 outstanding ESS Options are adjusted pursuant to the By-Laws as a result of the Proposed Bonus Issue are vested and exercised and the reversal of RM9.61 million from share-based option reserve to share capital.

- (iii) Assuming 717.8 million Rights Shares are issued at an illustrative issue price of RM1.69 each.
- (iv) Assuming 319.0 million Warrants exercised at an illustrative exercise price of RM2.61 each.
- (v) After recognition of the Warrants at the theoretical fair value of RM0.33 per Warrant in accordance with the trinomial option pricing model based on the exercise price, the underlying price of YHB Shares of approximately RM2.37 per YHB Share (based on illustrative TERP after the Proposed Rights Issue), the tenure of the Warrants of 3 years, the risk-free-rate of 3.7% and the historical volatility of YHB Shares of 25.1% (source: Bloomberg).
- (vi) After taking into consideration estimated expenses for the Proposals of approximately RM20.62 million offset against share capital.
- (vii) The borrowings to be repaid from the Proposed Rights Issue proceeds under this proforma / illustrative is approximately RM322.2 million based on the outstanding borrowings as at 31 January 2021.
- (viii) Excludes non-recourse project financing loans and any interest and related deferred financing costs in relation to non-recourse project financing loans as at 31 January 2021. "Non-recourse project financing loans" refers to loans incurred solely by specific project company(ies) to finance a project and have no recourse to any other member of the YHB Group (or its assets and/or revenues) for the payment or repayment of such loans.
- (ix) Computed as total borrowings over total equity.
- (x) Computed as adjusted borrowings over total equity.

Scenario 2 : Discount to the TERP of around 45% after the Proposed Rights Issue

Minimum Scenario

| | I | II | III | IV |
|--|-------------------------------|--|--|--|
| | Audited as at 31 January 2021 | After subsequent events ⁽ⁱ⁾ | After (I) and the Proposed Bonus Issue | After (II) and the Proposed Rights Issue ⁽ⁱⁱ⁾ |
| | RM'million | RM'million | RM'million | RM'million |
| Share capital | 1,126 | 1,136 | | 3,045 |
| Treasury shares | (174) | (181) | | (181) |
| Foreign currency translation reserve | 77 | 77 | | 77 |
| Cash flows hedge reserve | (189) | (189) | | (189) |
| Warrants reserve | - | - | | - |
| Share-based option reserve | 8 | 6 | | 6 |
| Share grant reserve | 8 | 8 | | 8 |
| Put option reserve | (181) | (181) | | (181) |
| Retained earnings | 1,164 | 1,164 | | 1,164 |
| Total equity attributable to owners of YHB / NA | 1,839 | 1,840 | 2,927 | 3,749 |
| Perpetual securities issued by subsidiaries | 1,848 | 1,848 | | 1,848 |
| Non-controlling interests | 339 | 339 | | 339 |

| | I | II | III | IV |
|---|--|--|--|--|
| | After subsequent events ⁽ⁱ⁾ | After (I) and the Proposed Bonus Issue | After (II) and the Proposed Rights Issue ⁽ⁱⁱ⁾ | After (III) and assuming all Warrants exercised ⁽ⁱⁱⁱ⁾ |
| Audited as at 31 January 2021 | RM'million | RM'million | RM'million | RM'million |
| Total equity | 4,026 | 4,027 | 5,114 | 5,936 |
| Number of YHB Shares (excluding treasury shares) ('000) | 1,065,232 | 1,065,951 | 2,131,903 | 3,388,203 |
| NA per YHB Share (RM) | 1.73 | 1.73 | 0.86 | 1.11 |
| Total borrowings | 6,106 | 6,106 | 6,106 | (vi)5,824 |
| Total adjusted borrowings ^(vii) | (vii)2,768 | 2,768 | 2,768 | 2,486 |
| Gearing ratio (times) ^(viii) | 1.52 | 1.52 | 1.14 | 0.98 |
| Adjusted gearing ratio (times) ^(ix) | (vii)0.68 | 0.69 | 0.49 | 0.42 |

Notes:-

- (i) After accounting for exercise of ESS Options and share buy back from 1 February 2021 up to LPD.
- (ii) Assuming 913.7 million Rights Shares are issued at an illustrative issue price of RM1.21 each.
- (iii) Assuming 342.6 million Warrants exercised at an illustrative exercise price of RM2.40 each.
- (iv) After recognition of the Warrants at the theoretical fair value of RM0.30 per Warrant in accordance with the trinomial option pricing model based on the exercise price, the underlying price of YHB Shares of approximately RM2.18 per YHB Share (based on illustrative TERP after the Proposed Rights Issue), the tenure of the Warrants of 3 years, the risk-free-rate of 3.7% and the historical volatility of YHB Shares of 25.1% (source: Bloomberg).
- (v) After taking into consideration estimated expenses for the Proposals of approximately RM18.94 million offset against share capital.
- (vi) The borrowings to be repaid from the Proposed Rights Issue proceeds under this proforma / illustrative is approximately RM282.0 million based on the outstanding borrowings as at 31 January 2021.
- (vii) Excludes non-recourse project financing loans and any interest and related deferred financing costs in relation to non-recourse project financing loans as at 31 January 2021. "Non-recourse project financing loans" refers to loans incurred solely by specific project company(ies) to finance a project and have no recourse to any other member of the YHB Group (or its assets and/or revenues) for the payment or repayment of such loans.
- (viii) Computed as total borrowings over total equity.
- (ix) Computed as adjusted borrowings over total equity.

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Maximum Scenario

| | I | | II | | III | | IV | |
|---|--|--------------|--------------------------------------|--|---|--|---|--|
| | After subsequent events ⁽ⁱ⁾ | | After I and the Proposed Bonus Issue | | After II and the Proposed Rights Issue ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ | | After III and assuming all Warrants exercised ^(iv) | |
| | RM'million | | RM'million | | RM'million | | RM'million | |
| Audited as at 31 January 2021 | | | | | | | | |
| Share capital | 1,126 | 1,136 | 1,136 | | | | | |
| Treasury shares | (174) | (181) | (181) | | (181) | | (181) | |
| Foreign currency translation reserve | 77 | 77 | 77 | | 77 | | 77 | |
| Cash flows hedge reserve | (189) | (189) | (189) | | (189) | | (189) | |
| Warrants reserve | - | - | - | | (v)105 | | - | |
| Share-based option reserve | 8 | 6 | 6 | | - | | - | |
| Share grant reserve | 8 | 8 | 8 | | 8 | | 8 | |
| Put option reserve | (181) | (181) | (181) | | (181) | | (181) | |
| Retained earnings | 1,164 | 1,164 | 1,164 | | 1,160 | | 1,160 | |
| Total equity attributable to owners of YHB / NA | 1,839 | 1,840 | 1,840 | | 3,080 | | 3,915 | |
| Perpetual securities issued by subsidiaries | 1,848 | 1,848 | 1,848 | | 1,848 | | 1,848 | |
| Non-controlling interests | 339 | 339 | 339 | | 339 | | 339 | |
| Total equity | 4,026 | 4,027 | 4,027 | | 5,267 | | 6,102 | |
| Number of YHB Shares (excluding treasury shares) ('000) | 1,065,232 | 1,065,951 | 2,131,903 | | 3,132,262 | | 3,481,845 | |
| NA per YHB Share (RM) | 1.73 | 1.73 | 0.86 | | 0.98 | | 1.12 | |
| Total borrowings | 6,106 | 6,106 | 6,106 | | (viii)5,784 | | (viii)5,784 | |
| Total adjusted borrowings ^(viii) | (viii)2,728 | 2,768 | 2,768 | | 2,446 | | 2,446 | |
| Gearing ratio (times) ^(ix) | 1.52 | 1.52 | 1.52 | | 1.10 | | 0.95 | |
| Adjusted gearing ratio (times) ^(x) | (viii)0.68 | 0.69 | 0.69 | | 0.46 | | 0.40 | |

Notes:-

- After accounting for exercise of ESS Options and share buy back from 1 February 2021 up to LPD.
- Assuming 10,763,400 outstanding ESS Options are adjusted pursuant to the By-Laws as a result of the Proposed Bonus Issue are vested and exercised and the reversal of RM9.61 million from share-based option reserve to share capital.

- (iii) Assuming 978.8 million Rights Shares are issued at an illustrative issue price of RM1.24 each.
- (iv) Assuming 349.6 million Warrants exercised at an illustrative exercise price of RM2.39 each.
- (v) After recognition of the Warrants at the theoretical fair value of RM0.30 per Warrant in accordance with the trinomial option pricing model based on the exercise price, the underlying price of YHB Shares of approximately RM2.17 per YHB Share (based on illustrative TERP after the Proposed Rights Issue), the tenure of the Warrants of 3 years, the risk-free-rate of 3.7% and the historical volatility of YHB Shares of 25.1% (source: Bloomberg).
- (vi) After taking into consideration estimated expenses for the Proposals of approximately RM20.62 million offset against share capital.
- (vii) The borrowings to be repaid from the Proposed Rights Issue proceeds under this proforma / illustrative is approximately RM322.4 million based on the outstanding borrowings as at 31 January 2021.
- (viii) Excludes non-recourse project financing loans and any interest and related deferred financing costs in relation to non-recourse project financing loans as at 31 January 2021. "Non-recourse project financing loans" refers to loans incurred solely by specific project company(ies) to finance a project and have no recourse to any other member of the YHB Group (or its assets and/or revenues) for the payment or repayment of such loans.
- (ix) Computed as total borrowings over total equity.
- (x) Computed as adjusted borrowings over total equity.

Scenario 3 : Approved Securities

| | I | II | III | IV |
|--|--|--------------------------------------|---|---|
| | After subsequent events ⁽ⁱ⁾ | After I and the Proposed Bonus Issue | After II and the Proposed Rights Issue ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ | After III and assuming all Warrants exercised ^(iv) |
| | RM'million | RM'million | RM'million | RM'million |
| Share capital | 1,126 | 1,136 | (vi)2,290 | 3,226 |
| Treasury shares | (174) | (181) | (181) | (181) |
| Foreign currency translation reserve | 77 | 77 | 77 | 77 |
| Cash flows hedge reserve | (189) | (189) | (189) | (189) |
| Warrants reserve | - | - | (v)97 | - |
| Share-based option reserve | 8 | 6 | - | - |
| Share grant reserve | 8 | 8 | 8 | 8 |
| Put option reserve | (181) | (181) | (181) | (181) |
| Retained earnings | 1,164 | 1,164 | 1,160 | 1,160 |
| Total equity attributable to owners of YHB / NA | 1,839 | 1,840 | 3,081 | 3,920 |
| Perpetual securities issued by subsidiaries | 1,848 | 1,848 | 1,848 | 1,848 |
| Non-controlling interests | 339 | 339 | 339 | 339 |
| Total equity | 4,026 | 4,027 | 5,268 | 6,107 |

| | I | II | III | IV |
|---|-------------------------------|--|--------------------------------------|---|
| | Audited as at 31 January 2021 | After subsequent events ⁽ⁱ⁾ | After I and the Proposed Bonus Issue | After II and the Proposed Rights Issue ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ |
| | RM'million | RM'million | RM'million | RM'million |
| Number of YHB Shares (excluding treasury shares) ('000) | 1,065,232 | 1,065,951 | 2,131,903 | 3,863,506 |
| NA per YHB Share (RM) | 1.73 | 1.73 | 0.86 | 1.01 |
| Total borrowings | 6,106 | 6,106 | 6,106 | (vii)5,783 |
| Total adjusted borrowings ^(viii) | (viii)2,728 | 2,768 | 2,768 | 2,445 |
| Gearing ratio (times) ^(ix) | 1.52 | 1.52 | 1.52 | 0.95 |
| Adjusted gearing ratio (times) ^(x) | (viii)0.68 | 0.69 | 0.69 | 0.40 |

Notes:-

- (i) After accounting for exercise of ESS Options and share buy back from 1 February 2021 up to LPD.
- (ii) Assuming 10,763,400 outstanding ESS Options are adjusted pursuant to the By-Laws as a result of the Proposed Bonus Issue are vested and exercised and the reversal of RM9.61 million from share-based option reserve to share capital.
- (iii) Assuming 1.3 billion Rights Shares are issued at an illustrative issue price of RM0.96 each.
- (iv) Assuming 443.4 million Warrants exercised at an illustrative exercise price of RM1.89 each.
- (v) After recognition of the Warrants at the theoretical fair value of RM0.22 per Warrant in accordance with the trinomial option pricing model based on the exercise price, the underlying price of YHB Shares of approximately RM1.72 per YHB Share (based on illustrative TERP after the Proposed Rights Issue), the tenure of the Warrants of 3 years, the risk-free-rate of 3.7% and the historical volatility of YHB Shares of 25.1% (source: Bloomberg).
- (vi) After taking into consideration estimated expenses for the Proposals of approximately RM20.62 million offset against share capital.
- (vii) The borrowings to be repaid from the Proposed Rights Issue proceeds under this proforma / illustrative is approximately RM323.3 million based on the outstanding borrowings as at 31 January 2021.
- (viii) Excludes non-recourse project financing loans and any interest and related deferred financing costs in relation to non-recourse project financing loans as at 31 January 2021. "Non-recourse project financing loans" refers to loans incurred solely by specific project company(ies) to finance a project and have no recourse to any other member of the YHB Group (or its assets and/or revenues) for the payment or repayment of such loans.
- (ix) Computed as total borrowings over total equity.
- (x) Computed as adjusted borrowings over total equity.

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7.3 Substantial Shareholders' Shareholdings

The effects of Proposals on YHB substantial shareholders' shareholdings are as set out below. The percentage shareholdings of the substantial Shareholders will remain the same if they subscribe for their respective rights entitlements in full. Shareholders who do not subscribe for the Rights Shares and/or exercise their Warrants will have their equity interest in YHB diluted.

Scenario 1 : Discount to the TERP of around 25% after the Proposed Rights Issue

Minimum Scenario

| Substantial Shareholder ⁽ⁱ⁾ | I | | | | II | | | |
|--|--------------------|--------------------|----------------------------|--------------------|-----------------------------------|--------------------|------------------------------------|--------------------|
| | As at LPD | | After Proposed Bonus Issue | | After I and Proposed Rights Issue | | After II and Proposed Rights Issue | |
| | Direct Interest | Indirect Interest | Direct Interest | Indirect Interest | Direct Interest | Indirect Interest | Direct Interest | Indirect Interest |
| | No. of Shares '000 | No. of Shares '000 | No. of Shares '000 | No. of Shares '000 | No. of Shares '000 | No. of Shares '000 | No. of Shares '000 | No. of Shares '000 |
| | % | % | % | % | % | % | % | % |
| Lim Han Weng | 18,879 | 225,667 | 37,757 | 451,335 | 48,545 | 580,288 | 48,545 | 580,288 |
| EPF | 171,542 | - | 343,084 | - | 441,108 | - | 441,108 | - |
| KWAP | 64,079 | 31,910 | 128,158 | 63,820 | 164,775 | 82,054 | 164,775 | 82,054 |
| Bah Kim Lian | 3,497 | 217,945 | 6,993 | 435,889 | 8,991 | 560,429 | 8,991 | 560,429 |
| Yinson Legacy Sdn Bhd | 195,804 | - | 391,607 | - | 503,495 | - | 503,495 | - |
| | 18.37 | - | 18.37 | - | 18.37 | - | 18.37 | - |

| Substantial Shareholder ⁽ⁱ⁾ | III | | | |
|--|---|--------------------|---------|------|
| | After III and assuming all Warrants exercised | | Notes:- | |
| | Direct Interest | Indirect Interest | (i) | (ii) |
| | No. of Shares '000 | No. of Shares '000 | (i) | (ii) |
| | % | % | (i) | (ii) |
| Lim Han Weng | 53,939 | 644,764 | (i) | (ii) |
| EPF | 490,120 | - | (i) | (ii) |
| KWAP | 183,083 | 91,171 | (i) | (ii) |
| Bah Kim Lian | 9,990 | 622,699 | (i) | (ii) |
| Yinson Legacy Sdn Bhd | 559,439 | - | (i) | (ii) |
| | 18.37 | - | (i) | (ii) |

Maximum Scenario

| Substantial Shareholder ⁽ⁱ⁾ | I | | | | II | | | |
|--|--|-------------------|---------------|-----------|---|-------------------|---------------|-----------|
| | As at LPD | | | | After I and assuming all outstanding ESS Options are vested and exercised | | | |
| | Direct Interest | Indirect Interest | No. of Shares | % | Direct Interest | Indirect Interest | No. of Shares | % |
| Lim Han Weng | 18,879 | 1.77 | 225,667 | (ii)21.17 | 37,757 | 1.77 | 451,335 | (ii)21.17 |
| EPF | 171,542 | 16.09 | - | - | 343,084 | 16.09 | - | - |
| KWAP | 64,079 | 6.01 | 31,910 | (iii)2.99 | 128,158 | 6.01 | 63,820 | (iii)2.99 |
| Bah Kim Lian | 3,497 | 0.33 | 217,945 | (iv)20.45 | 6,993 | 0.33 | 435,889 | (iv)20.45 |
| Yinson Legacy Sdn Bhd | 195,804 | 18.37 | - | - | 391,607 | 18.37 | - | - |
| III | | | | | | | | |
| Substantial Shareholder ⁽ⁱ⁾ | After II and the Proposed Rights Issue | | | | After III and assuming all Warrants exercised | | | |
| | Direct Interest | Indirect Interest | No. of Shares | % | Direct Interest | Indirect Interest | No. of Shares | % |
| | No. of Shares | '000 | % | '000 | No. of Shares | '000 | % | '000 |
| Lim Han Weng | 57,409 | 2.00 | 601,780 | (ii)20.96 | 63,788 | 2.00 | 668,644 | (ii)20.96 |
| EPF | 457,445 | 15.93 | - | - | 508,273 | 15.93 | - | - |
| KWAP | 170,879 | 5.95 | 85,092 | (iii)2.96 | 189,865 | 5.95 | 94,547 | (iii)2.96 |
| Bah Kim Lian | 9,324 | 0.32 | 581,186 | (iv)20.24 | 10,360 | 0.32 | 645,762 | (iv)20.24 |
| Yinson Legacy Sdn Bhd | 522,143 | 18.19 | - | - | 580,159 | 18.19 | - | - |
| IV | | | | | | | | |

Notes:-

- (i) According to the Company's Register of Substantial Shareholders as at the LPD.
- (ii) Deemed interested by virtue of his spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd's direct shareholding in our Company pursuant to Section 8(4) of the Act.
- (iii) Deemed interested in the shares held by KWAP's Fund Manager pursuant to Section 8 of the Act.
- (iv) Deemed interested by virtue of her spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act.

Scenario 2 : Discount to the TERP of around 45% after the Proposed Rights Issue

Minimum Scenario

| Substantial Shareholder ⁽ⁱ⁾ | As at LPD | | | | I | | | | II | | | |
|--|-----------------|-------|-------------------|-----------|----------------------------|-------|-------------------|-----------|-----------------------------------|-------|-------------------|-----------|
| | Direct Interest | | Indirect Interest | | After Proposed Bonus Issue | | Indirect Interest | | After I and Proposed Rights Issue | | Indirect Interest | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| | '000 | | '000 | | '000 | | '000 | | '000 | | '000 | |
| Lim Han Weng | 18,879 | 1.77 | 225,667 | (ii)21.17 | 37,757 | 1.77 | 451,335 | (ii)21.17 | 53,939 | 1.77 | 644,764 | (ii)21.17 |
| EPF | 171,542 | 16.09 | - | - | 343,084 | 16.09 | - | - | 490,120 | 16.09 | - | - |
| KWAP | 64,079 | 6.01 | 31,910 | (iii)2.99 | 128,158 | 6.01 | 63,820 | (iii)2.99 | 183,083 | 6.01 | 91,171 | (iii)2.99 |
| Bah Kim Lian | 3,497 | 0.33 | 217,945 | (iv)20.45 | 6,993 | 0.33 | 435,889 | (iv)20.45 | 9,990 | 0.33 | 622,699 | (iv)20.45 |
| Yinson Legacy Sdn Bhd | 195,804 | 18.37 | - | - | 391,607 | 18.37 | - | - | 559,439 | 18.37 | - | - |

III

| Substantial Shareholder ⁽ⁱ⁾ | After III and assuming all Warrants exercised | | | |
|--|---|-------|-------------------|-----------|
| | Direct Interest | | Indirect Interest | |
| | No. of Shares | % | No. of Shares | % |
| | '000 | | '000 | |
| Lim Han Weng | 60,007 | 1.77 | 717,300 | (ii)21.17 |
| EPF | 545,259 | 16.09 | - | - |
| KWAP | 203,679 | 6.01 | 101,428 | (iii)2.99 |
| Bah Kim Lian | 11,114 | 0.33 | 692,753 | (iv)20.45 |
| Yinson Legacy Sdn Bhd | 622,376 | 18.37 | - | - |

Notes:-

- (i) According to the Company's Register of Substantial Shareholders as at the LPD.
- (ii) Deemed interested by virtue of his spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd's direct shareholding in our Company pursuant to Section 8(4) of the Act.
- (iii) Deemed interested in the shares held by KWAP's Fund Manager pursuant to Section 8 of the Act.
- (iv) Deemed interested by virtue of her spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act.

Maximum Scenario

| Substantial Shareholder ⁽ⁱ⁾ | I | | | | II | | | |
|--|--|-------|-----------------------|------------------------|---|-------|-----------------------|------------------------|
| | As at LPD | | | | After I and assuming all outstanding ESS Options are vested and exercised | | | |
| | Direct Interest | | Indirect Interest | | Direct Interest | | Indirect Interest | |
| | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % |
| Lim Han Weng | 18,879 | 1.77 | 225,667 | ⁽ⁱ⁾ 21.17 | 43,057 | 2.00 | 451,335 | ⁽ⁱ⁾ 20.96 |
| EPF | 171,542 | 16.09 | - | - | 343,084 | 15.93 | - | - |
| KWAP | 64,079 | 6.01 | 31,910 | ⁽ⁱⁱ⁾ 2.99 | 128,158 | 5.95 | 63,820 | ⁽ⁱⁱ⁾ 2.96 |
| Bah Kim Lian | 3,497 | 0.33 | 217,945 | ⁽ⁱⁱⁱ⁾ 20.45 | 6,993 | 0.32 | 435,889 | ⁽ⁱⁱⁱ⁾ 20.24 |
| Yinson Legacy Sdn Bhd | 195,804 | 18.37 | - | - | 391,607 | 18.19 | - | - |
| Substantial Shareholder ⁽ⁱ⁾ | III | | | | IV | | | |
| | After II and the Proposed Rights Issue | | | | After III and assuming all Warrants exercised | | | |
| | Direct Interest | | Indirect Interest | | Direct Interest | | Indirect Interest | |
| | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % |
| Lim Han Weng | 62,628 | 2.00 | 656,487 | ⁽ⁱ⁾ 20.96 | 69,618 | 2.00 | 729,756 | ⁽ⁱⁱ⁾ 20.96 |
| EPF | 499,031 | 15.93 | - | - | 554,726 | 15.93 | - | - |
| KWAP | 186,413 | 5.95 | 92,828 | ⁽ⁱⁱⁱ⁾ 2.96 | 207,218 | 5.95 | 103,188 | ⁽ⁱⁱⁱ⁾ 2.96 |
| Bah Kim Lian | 10,172 | 0.32 | 634,021 | ^(iv) 20.24 | 11,307 | 0.32 | 704,782 | ^(iv) 20.24 |
| Yinson Legacy Sdn Bhd | 569,611 | 18.19 | - | - | 633,183 | 18.19 | - | - |

Notes:-

- (i) According to the Company's Register of Substantial Shareholders as at the LPD.
- (ii) Deemed interested by virtue of his spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd's direct shareholding in our Company pursuant to Section 8(4) of the Act.
- (iii) Deemed interested in the shares held by KWAP's Fund Manager pursuant to Section 8 of the Act.
- (iv) Deemed interested by virtue of her spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act.

Scenario 3: Approved Securities

| Substantial Shareholder ⁽ⁱ⁾ | I | | | | II | | | |
|--|--|-------|-----------------------|-----------------------|---|-------|-----------------------|-----------------------|
| | As at LPD | | | | After I and assuming all outstanding ESS Options are vested and exercised | | | |
| | Direct Interest | | Indirect Interest | | Direct Interest | | Indirect Interest | |
| | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % |
| Lim Han Weng | 18,879 | 1.77 | 225,667 | ⁽ⁱⁱ⁾ 21.17 | 43,057 | 2.00 | 451,335 | ⁽ⁱⁱ⁾ 20.96 |
| EPF | 171,542 | 16.09 | - | - | 343,084 | 15.93 | - | - |
| KWAP | 64,079 | 6.01 | 31,910 | ⁽ⁱⁱⁱ⁾ 2.99 | 128,158 | 5.95 | 63,820 | ⁽ⁱⁱⁱ⁾ 2.96 |
| Bah Kim Lian | 3,497 | 0.33 | 217,945 | ^(iv) 20.45 | 6,993 | 0.32 | 435,889 | ^(iv) 20.24 |
| Yinson Legacy Sdn Bhd | 195,804 | 18.37 | - | - | 391,607 | 18.19 | - | - |
| Substantial Shareholder ⁽ⁱ⁾ | III | | | | IV | | | |
| | After II and the Proposed Rights Issue | | | | After III and assuming all Warrants exercised | | | |
| | Direct Interest | | Indirect Interest | | Direct Interest | | Indirect Interest | |
| | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % | No. of Shares '000 | % |
| Lim Han Weng | 68,385 | 2.00 | 716,826 | ⁽ⁱⁱ⁾ 20.96 | 77,249 | 2.00 | 809,748 | ⁽ⁱⁱ⁾ 20.96 |
| EPF | 544,898 | 15.93 | - | - | 615,533 | 15.93 | - | - |
| KWAP | 203,546 | 5.95 | 101,360 | ⁽ⁱⁱⁱ⁾ 2.96 | 229,932 | 5.95 | 114,499 | ⁽ⁱⁱⁱ⁾ 2.96 |
| Bah Kim Lian | 11,107 | 0.32 | 692,295 | ^(iv) 20.24 | 12,546 | 0.32 | 782,036 | ^(iv) 20.24 |
| Yinson Legacy Sdn Bhd | 621,965 | 18.19 | - | - | 702,590 | 18.19 | - | - |

Notes:-

- (i) According to the Company's Register of Substantial Shareholders as at the LPD.
- (ii) Deemed interested by virtue of his spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd's direct shareholding in our Company pursuant to Section 8(4) of the Act.
- (iii) Deemed interested in the shares held by KWAP's Fund Manager pursuant to Section 8 of the Act.
- (iv) Deemed interested by virtue of her spouse and children's direct shareholdings in our Company pursuant to Section 59(1)(c) of the Act.

7.4 Earnings and EPS

The Proposed Bonus Issue is not expected to have any effect on the consolidated earnings or EPS of YHB for the FYE 31 January 2023, save for downward adjustment in the consolidated EPS of YHB as a result of the increase in the number of YHB Shares in issue pursuant to the Proposed Bonus Issue.

The Proposed Rights Issue will result in a downward adjustment in YHB's consolidated EPS as a result of the increase in the number of YHB Shares in issue upon completion of the Proposed Rights Issue. The impact of the Proposed Rights Issue on the consolidated earnings and EPS of YHB will depend on, among others, the actual number of Rights Shares issued and the level of returns generated from the utilisation of the rights proceeds raised.

Moving forward, the Proposed Rights Issue is expected to contribute positively to YHB's consolidated earnings for the ensuing financial years, when the benefits of the proposed utilisation of proceeds are realised.

The impact of the subsequent new YHB shares to be issued pursuant to the exercise of the Warrants, if any, on YHB's earnings is also dependent on the number of new YHB Shares issued upon the exercise of the Warrants and the returns from the utilisation of Warrants conversion proceeds.

7.5 Convertible Securities

As at the LPD, our Company has the following convertible securities:-

- (i) 16,340,100 outstanding ESS Options which have yet to be exercised; and
- (ii) On 3 August 2020, the employees' long-term incentive plan ("**LTIP**") was granted to the eligible employees and executive director of the Group. The maximum number of YHB Shares to be allotted and issued for the share award scheme (award of YHB Shares) and the maximum amount of performance bonuses to be paid under the performance bonus scheme (bonus payout in cash) under the LTIP shall not be more than, in aggregate, 4.50% and 2.66% of the issued share capital of the Company (excluding treasury shares) respectively, at any point in time during the duration of the LTIP subject to fulfilment of the Group's specific performance target at the preceding financial year before the award of YHB Shares/bonus payout by cash. Please refer to our Company's annual report 2021 for further details.

Consequential to the Proposals, the exercise price and/or number of outstanding ESS Options granted but not exercised; and the specific target points for daily share price and/or number of YHB Shares granted under the share award scheme of LTIP but yet to be vested are subject to adjustments, if any, in accordance with the provisions of the By-Laws.

Save for the above, our Company does not have any other convertible securities in issue as at the LPD.

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8. HISTORICAL SHARE PRICES

The monthly highest and lowest closing market price of YHB Shares traded on the Main Market of Bursa Securities for the past twelve months preceding the date of this Circular are set out as below:-

| | Highest RM | Lowest RM |
|-------------|---------------|--------------|
| 2021 | | |
| March | 5.74 | 5.13 |
| April | 5.39 | 5.12 |
| May | 5.21 | 4.81 |
| June | 5.16 | 4.83 |
| July | 5.09 | 4.73 |
| August | 5.02 | 4.37 |
| September | 5.70 | 4.79 |
| October | 6.35 | 5.33 |
| November | 6.34 | 5.35 |
| December | 6.00 | 5.45 |
| 2022 | | |
| January | 5.99 | 5.50 |
| February | 5.79 | 5.09 |

Last transacted market price on **17 December 2021**

(being the last Market Day prior to the announcement of the Proposals)

5.60

Last transacted market price as at the LPD

5.26

(Source: Bloomberg)

9. APPROVALS REQUIRED

The Proposals are conditional upon the following approvals being obtained from:-

- (i) Bursa Securities for the following:-
 - (a) the listing of and quotation for up to 1,112,540,173 Bonus Shares to be issued pursuant to the Proposed Bonus Issue;
 - (b) the listing of and quotation for up to 1,267,564,085 Rights Shares to be issued pursuant to the Proposed Rights Issue;
 - (c) admission to the Official List and listing of and quotation for up to 443,647,429 Warrants to be issued pursuant to the Proposed Rights Issue; and
 - (d) the listing of and quotation for up to 443,647,429 new YHB Shares to be issued pursuant to the exercise of Warrants,

on the Main Market of Bursa Securities, subject inter alia to, the following conditions:-

| No. | Conditions | Status of compliance |
|-----|---|----------------------|
| 1. | YHB and AmInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals | To be complied |

| No. | Conditions | Status of compliance |
|------------|---|-----------------------------|
| 2. | YHB is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed. | To be complied |
| 3. | YHB and AmInvestment Bank are required to make the relevant announcements in accordance with Paragraphs 6.35(2)(a) and (b) and 6.35(4) of the Listing Requirements. | To be complied |
| 4. | YHB and AmInvestment Bank are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements. | To be complied |

If the number of Rights Shares, YHB Shares and Warrants approved by Bursa Securities above is not sufficient to implement the Proposed Rights Issue, YHB has the right to apply for more number of Rights Shares and Warrants from Bursa Securities (without seeking Shareholders' approval).

- (ii) YHB Shareholders at the EGM to be convened for the Proposals; and
- (iii) any other relevant authorities (where applicable).

10. INTER-CONDITIONALITY

The Proposed Rights Issue is intended to be undertaken after the completion of the Proposed Bonus issue but is not conditional upon the implementation of the Proposed Bonus Issue. The Proposed Rights Issue and the Proposed Bonus Issue are not inter-conditional.

The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by YHB.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major Shareholders, chief executive of YHB and/or persons connected with them have any interest, direct and/or indirect, in the Proposals save for their respective entitlements as YHB Shareholders under the Proposals as well as their rights to apply for excess Rights Shares, to which all other Shareholders are similarly entitled.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

Having considered all aspects of the Proposals (including but not limited to the rationale and proforma / illustrative effects of the Proposals) and after careful deliberation, our Board is of the opinion that the Proposals are in the best interests of our Company.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

13. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, which are the subject matter of this Circular, our Board confirms that there are no other outstanding corporate proposals that have been announced through Bursa Securities but not yet completed prior to the printing of this Circular.

For information, on 1 March 2022, our Company had announced that YHB will be undertaking a strategic review exercise of the FPSO business segment to explore and assess options available to our Group. These options may include an initial public offering or strategic partnership opportunities for the FPSO business segment.

There is no assurance that the strategic review will result in any transaction or that any definitive or binding agreement will be reached. YHB will make further announcements in compliance with the Listing Requirements as appropriate

14. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, and subject to the receipts of all required approvals from the relevant parties and authorities, the Proposals are expected to be completed by the second quarter of 2022.

The tentative timeline for the implementation of the Proposals is as follows:-

| Date | Events |
|------------------------------------|--|
| 29 March 2022 | EGM for the Proposals |
| End March 2022 | Announcement of the Entitlement Date for the Proposed Bonus Issue |
| Mid April 2022 / Early May 2022 | Announcement of the:- (i) Final entitlement basis and issue price; and (ii) Entitlement Date, for the Proposed Rights Issue |
| Mid May 2022 | Entitlement Date for the Proposed Rights Issue |
| Mid May 2022 | Issuance of the abridged prospectus, rights subscription form and notice of provisional allotment for the Proposed Rights Issue |
| Early June 2022 | Closing date of the application and acceptance for the Rights Shares |
| End June 2022 | Listing of and quotation for the Right Shares and Warrants on the Main Market of Bursa Securities |

15. EGM

The EGM, the notice of which is enclosed with this Circular, will be held on a virtual basis through live streaming from the Broadcast Venue at **Rising Cloud Boardroom, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia** on **Tuesday, 29 March 2022, at 10.30 a.m.**, or at any adjournment thereof, to consider and, if thought fit, to pass the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, please complete the Form of Proxy, which is attached in this Circular, in accordance with the instructions contained herein. The Form of Proxy should be lodged at the office of at the registered office of our 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 and date fixed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude a shareholder from attending and voting in person at the EGM should our shareholder subsequently wish to do so.

16. FURTHER INFORMATION

You are requested to refer to the enclosed appendix in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
YINSON HOLDINGS BERHAD

LIM HAN WENG
Group Executive Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board who collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST**2.1 AmInvestment Bank**

AmInvestment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of YHB Group.

The AmBank Group has extended credit facilities to YHB Group, the amount outstanding as at LPD amounted to approximately RM875.4 million. The proceeds allocated for repayment of bank borrowings as stated in Section 4 of this Circular will partly be used for repayment of AmBank Group's credit facilities

In addition, AmBank Group has also extended credit facilities to some of the Undertaking Shareholders to subscribe for the Rights Shares. AmInvestment Bank is of the view that its role as the Principal Adviser for the Proposals is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

- (i) AmInvestment Bank's role in the Proposals is undertaken in the ordinary course of business; and
- (ii) AmInvestment Bank undertakes each of its roles on an arm's length basis and its conduct is regulated by Bank Negara Malaysia and the Securities Commission Malaysia and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services Act 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank confirms that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

FURTHER INFORMATION (CONT'D)

2.2 Frost & Sullivan

The written consent of Frost & Sullivan, for the inclusion of its name, extracts of IMR Report and all references thereto in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

Frost & Sullivan confirms that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Independent Market Researcher for the Proposals.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, YHB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of YHB Group, and our Board is not aware of any proceedings, pending or threatened, against YHB Group or of any facts likely to give rise to any proceedings, which may materially or adversely affect the financial position or business of YHB Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitments**

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred which upon becoming enforceable may have a material impact on the financial position or the business of YHB Group:-

Capital commitments

| | <u>RM'000</u> |
|---------------------------------|-----------------------|
| Capital expenditure | |
| Approved and contracted for:- | |
| - property, plant and equipment | 132,440 |
| - investments | 8,338 |
| | <u>140,778</u> |

4.2 Contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by YHB Group which, upon becoming due or enforceable, may have a material impact on YHB Group's financial position.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of YHB at Level 16, Menara South Point, Medan Syed Putra Selatan, Mid Valley City, 59200 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) following the date of this Circular, up to and including the date of the EGM:-

- (i) the constitution of YHB;
- (ii) the audited consolidated financial statements of YHB for the past two FYE 31 January 2020 and FYE 31 January 2021;
- (iii) the unaudited financial statements of YHB for the financial period ended 31 October 2021;

FURTHER INFORMATION (CONT'D)

- (iv) the undertaking letters from the Undertaking Shareholders dated 15 February 2022;
- (v) the letters of consent and declaration of conflict of interests referred to in Section 2 of Appendix of this Circular;
- (vi) the IMR Report referred to in Section 6 of this Circular; and
- (vii) the draft Deed Poll.



YINSON HOLDINGS BERHAD
Registration No. 199301004410 (259147-A)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Yinson Holdings Berhad ("**YHB**" or "**Company**") will be held on a virtual basis through live streaming from the Broadcast Venue at **Rising Cloud Boardroom, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia** on **Tuesday, 29 March 2022 at 10.30 a.m.** or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF SHARES OF UP TO 1,112,453,173 NEW ORDINARY SHARES IN YHB ("YHB SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS OF ENTITLEMENT OF 1 BONUS SHARE FOR EVERY 1 EXISTING YHB SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED ("PROPOSED BONUS ISSUE")

"THAT subject to the approvals of all relevant authorities or parties being obtained, if required, including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Bonus Shares to be issued, the Board of Directors of our Company ("**Board**") to issue and allot up to 1,112,453,173 Bonus Shares in the share capital of our Company credited as fully paid to our entitled shareholders whose names appear in our Company' Record of Depositors as at the close of business at 5.00 p.m. on an entitlement date ("**Entitled Shareholders**") to be determined and announced by our Board at a later date on the basis of 1 Bonus Share for every 1 existing YHB Share held;

THAT the Bonus Shares to be issued pursuant to the Proposed Bonus Issue shall be listed on the Main Market of Bursa Securities;

THAT the Bonus Shares shall, upon issuance and allotment, rank equally in all respects with the then existing YHB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment of the Bonus Shares;

AND THAT our Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of our Company all such documents and/or arrangements (including without limitations, the affixation of our Company's common seal in accordance with the constitution of our Company) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Bonus Issue with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as our Board may deem necessary or expedient in the best interest of our Company."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW YHB SHARES ("RIGHTS SHARES") TOGETHER WITH FREE DETACHABLE WARRANTS IN YHB ("WARRANTS") TO RAISE GROSS PROCEEDS OF UP TO RM1.22 BILLION ("PROPOSED RIGHTS ISSUE")

"THAT subject to the approvals of all relevant authorities or parties being obtained, if required, including but not limited to the approval of Bursa Securities for the listing of and quotation for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, our Board be and is hereby authorised to provisionally allot and issue:-

- (i) such number of Rights Shares deemed fit or expedient by our Board pursuant to the renounceable rights issue of Rights Shares together with Warrants so as to raise gross proceeds of up to RM1.22 billion; and
- (ii) such number of Warrants to be issued pursuant to the Proposed Rights Issue in order for the proceeds to be raised from the issue of new Shares arising from the exercise of the Warrants to be within the range of RM800 million to RM850 million,

to the Entitled Shareholders of our Company whose names appear in the Record of Depositors of our Company as at the close of business on an entitlement date to be determined by our Board, and/or their renounee(s), on such basis of entitlement and at such issue price to be determined by our Board and on such other terms and conditions and in such manner as our Board may determine;

THAT the Rights Shares shall, upon allotment, issuance and (where applicable) full payment of the issue price of the Rights Shares, rank *pari passu* in all respects with the then existing YHB Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT any member of our Board be and is hereby authorised to enter into and execute the deed poll constituting the Warrants ("**Deed Poll**") and to do all acts, deeds and things as our Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of our Company's common seal in accordance with the constitution of our Company, where necessary), wherein each Warrant will carry the rights to subscribe, subject to any adjustment in accordance with the Deed Poll to be executed, at any time during the "Exercise Period" as defined in the Deed Poll, for 1 new Share at an exercise price to be determined by our Board at a later date, and finalise and give full effect to the Deed Poll and all provisions and adjustments contained therein;

THAT our Board be and is hereby further authorised to deal with any fractional entitlements of the Rights Shares and the Warrants that may arise from the Proposed Rights Issue, which are not validly taken up or which are not allotted for any reason whatsoever, in a fair and equitable manner as it shall in its absolute discretion deem fit and expedient, and to be in the interests of our Company (including without limitation to disregard such fractional entitlements altogether);

THAT our Company shall allot and issue such number of additional Warrants pursuant to adjustments as provided under the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (if required);

THAT our Company shall allot and issue such appropriate number of new Shares arising from the exercise by the holders of the Warrants in accordance with the provisions of the Deed Poll pursuant to the exercise of the Warrants and the exercise of any Additional Warrants, and all new Shares to be issued pursuant thereto shall, upon allotment and issuance and (where applicable) full payment of the exercise price of the Warrants (or the Additional Warrants, if any), rank *pari passu* in all respects with the then existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the new Shares;

THAT our Board be and is hereby authorised to determine and vary if deemed fit, necessary and/or expedient, the entitlement basis, the issue price of the Rights Shares and the entitlement basis and the exercise price of the Warrants to be issued in connection with the Proposed Rights Issue;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to our Entitled Shareholders and/or their renouncee(s)/ transferee(s) shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as our Board shall determine at its absolute discretion;

THAT the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants and Additional Warrants (if any) shall be listed on the Main Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in Section 4 of the Circular to shareholders of our Company dated 11 March 2022 and our Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as our Board may deem fit, necessary and/or expedient or in the interests of our Company, subject (where required) to the approval of the relevant authorities;

THAT any member of our Board shall be authorised to enter into any underwriting agreement(s) for the underwriting of any part of the Proposed Rights Issue and all other documents, agreements and/or arrangements in connection with the underwriting of the Proposed Rights Issue with such parties and upon such terms and conditions as our Board may deem fit;

AND THAT our Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of our Company all such documents and/or arrangements (including without limitations, the affixation of our Company's common seal in accordance with the constitution of our Company) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Rights Issue with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as our Board may deem necessary or expedient in the best interest of our Company."

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
11 March 2022

Notes:

1. As part of the initiatives to curb the spread of Covid-19, the EGM of the Company will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities available on **Securities Services e-Portal** provided by SS E Solutions Sdn Bhd at <https://sshsb.net.my/>. Please follow the procedures provided in the 'Administrative Details' section for the EGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the EGM 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 shall 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.
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 our 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 of the Company via **Securities Services e-Portal** at <https://sshsb.net.my/> (Kindly refer to the 'Administrative Details' section for the EGM for further information).
9. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, 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 **17 March 2022** shall be regarded as member of the Company entitled to attend the EGM or appoint a proxy to attend, speak and vote on his/her behalf.

**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 | % |
| Email | Contact No. | | |

and/or (delete as appropriate)

| Proxy 2 | | | |
|---|-------------------|-----------------------------|---|
| Full Name (in Block and as per NRIC/Passport) | NRIC/Passport No. | Proportion of Shareholdings | |
| | | No. of Shares | % |
| Email | Contact No. | | |

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 Extraordinary General Meeting ("EGM") of the Company to be held on a 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 **Tuesday, 29 March 2022 at 10.30 a.m.** or any adjournment thereof, and to vote as indicated below:

| Item | Agenda | Ordinary Resolution | For | Against |
|------|-----------------------|---------------------|-----|---------|
| 1. | Proposed Bonus Issue | 1 | | |
| 2. | Proposed Rights Issue | 2 | | |

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 _____ 2022

*Signature/Common Seal of Shareholder

** Delete if not applicable*

Notes:

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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.
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 our 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

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10. Depositors who appear in the Record of Depositors as at **17 March 2022** shall be regarded as member of the Company entitled to attend the EGM or appoint a proxy to attend, speak and vote on his/her behalf.

Fold this flap for sealing

Then fold here

AFFIX
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

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