

THIS CIRCULAR TO SHAREHOLDERS OF YINSON HOLDINGS BERHAD IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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YINSON HOLDINGS BERHAD

Registration No. 199301004410 (259147-A)

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN AFPS B.V. ("AFPS") BY YINSON BOUVARDIA HOLDINGS PTE. LTD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF YINSON HOLDINGS BERHAD FROM ATLANTA FIELD B.V. BY WAY OF EXERCISING THE CALL OPTION GRANTED PURSUANT TO THE CALL OPTION AGREEMENT DATED 21 FEBRUARY 2022 ("CALL OPTION AGREEMENT") FOR A PURCHASE CONSIDERATION (AS DEFINED HEREIN) EQUIVALENT TO THE OPTION PRICE (AS DEFINED HEREIN) ("PROPOSED ACQUISITION"). THE TOTAL MAXIMUM COSTS FOR THE EXERCISE OF THE CALL OPTION IS ESTIMATED TO BE USD434.7 MILLION (EQUIVALENT TO RM2,006.4 MILLION) (COMPRISING OPTION PRICE OF USD87.9 MILLION (EQUIVALENT TO RM405.7 MILLION) AND USD346.8 MILLION (EQUIVALENT TO RM1,600.7 MILLION) CALL GRANTOR LOAN TO BE DRAWDOWN BY AFPS), SUBJECT TO ADJUSTMENTS AS DETAILED IN SECTION 2.5 OF THIS CIRCULAR

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 Extraordinary General Meeting ("**EGM**") of Yinson Holdings Berhad ("**YHB**" or "**Company**") and the Form of Proxy for the EGM are enclosed in this Circular. This Circular together with the Administrative Details for the EGM are available on the Company's website at www.yinson.com. The EGM will be held on a virtual basis through live streaming via Remote Participation Voting and facilities. The date, time and broadcast venue of the EGM are as follows:

Date and time of the EGM	: Thursday, 13 July 2023 at 12.30 p.m. or immediately after the conclusion or adjournment (as the case may be) of our Company's 30 th AGM, scheduled to be held on the same day at 10.30 a.m., whichever is later.
Broadcast Venue of the EGM	: Yinson Global Headquarters, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia
Online Meeting Platform	: https://sshbsb.net.my/
Last date and time for lodging the Form of Proxy	: Tuesday, 11 July 2023 at 12.30 p.m.

The Form of Proxy must be completed and lodged at the office of the Company's share registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time and date fixed for holding the EGM or at any adjournment thereof. Alternatively, you may submit an e-Proxy form via Securities Services e-Portal at <https://sshbsb.net.my/> ("**eProxy Lodgement**"). Please refer to the Administrative Details for the steps on the eProxy Lodgement which is available on the Company's website at www.yinson.com.

This Circular is dated 28 June 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

30 th AGM	: Annual general meeting of the Company
Act	: Companies Act 2016
AmlInvestment Bank or Principal Adviser	: AmlInvestment Bank Berhad, Registration No. 197501002220 (23742-V)
Availability Period	: The period from, and including, the date of financial close to and including, the earlier to occur of (a) the Final Acceptance Date; and (b) the Final Acceptance Long-Stop Date
Base Case Model	: The financial model in respect of the project prepared by YPOPL on behalf of AFPS and delivered to AFBV
Base Equity Contribution	: USD100 million (equivalent to RM461,550,000)
Base Equity Contribution Date	: 3 business days prior to each Utilisation Date on or after the Closing Date
Budgeted Total Project Costs	: The total amount of all Project Costs projected to be incurred on or prior to the date falling six (6) months after the Final Acceptance Date
Board	: Board of Directors of the Company
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Call Grantor or AFBV	: Atlanta Field B.V. (Registration No. 56395205), a company incorporated under the laws of the Netherlands with its registered office at Beursplein 37, Unit 4.09, 3011AA Rotterdam, the Netherlands
Call Grantor Loan or Facility Agreement	: Loan facility agreement to be entered into between AFPS as borrower and AFBV as lender
Call Option Agreement	: The call option agreement dated 21 February 2022 between the Call Grantor, the Holder and the Target Company
Call Option	: Option to purchase all of the Sale Shares during the Option Exercise Period at the Option Price
Closing or Closing Date	: The date on which YBHPL has acquired legal title to all of the Sale Shares and achieved closing of the Call Option on 31 July 2023 (including the acquisition and transfer of, and payment of the purchase price for, the AFPS Shares)
Charter Period	: The period comprised between (and including) the Commencement Date and the termination date, being the Expiry Date or such earlier date on which the charter of the FPSO is terminated in accordance with the terms of the Time Charter Agreement
Charterer or Enauta	: Enauta Energia S.A., a company organized and existing under the laws of Brazil, with head offices at Av. Almirante Barroso, 52, suites 1101, 1102 and 1301 (part), Rio de Janeiro, State of Rio de Janeiro, Brazil, enrolled with the

DEFINITIONS (CONT'D)

	Taxpayers' Registry under No. 11.253.257/0001-71, a wholly-owned subsidiary of Enauta Participacoes S.A.
Charter Rates	: The rates payable by the Charterer to AFPS as set out in the Time Charter Agreement in consideration for the charter of the FPSO
Closing	: The date on which closing is to take place in the Netherlands, being a day other than a Saturday or Sunday on which banks are ordinarily open for the transaction of normal banking business in Kuala Lumpur, Malaysia, the Netherlands and Rio de Janeiro, Brazil, not later than 65 days but not before the date falling 45 days after the date of exercise of the Call Option on which the notice of exercise is received or deemed received (whichever is earlier) by the Call Grantor, as the terms and conditions of the Call Option Agreement and the calculation of the Estimated Option Price shall be based on the last day of the relevant month prior to the closing
Commencement Date	: The date on which the first oil is produced, provided always that final acceptance has occurred in accordance with the Time Charter Agreement
Company or YHB	: Yinson Holdings Berhad (Registration No. 199301004410 (259147-A))
Contractor or YPEPL	: Yinson Production EPC Pte. Ltd., (GST Registration No. 202010922E), a private limited company incorporated under the laws of Singapore with its registered office at 600 North Bridge Road, #23-01 Parkview Square, Singapore 188778, an indirect wholly-owned subsidiary of the Company
Contractor Group	: (i) the Contractor, (ii) each subcontractor including but not limited to the shipyard and subcontractors listed in the EPCI Contract, (iii) the affiliates of the Contractor and the subcontractors and (iv) the employees, personnel, agents, directors, officers and consultants and contractors of any tier of the persons mentioned in (i) through (iii) above.
Cost Overrun	: Any remaining actual or estimated Project Costs on any date (whether or not reflected in the Base Case Model or the Total Project Budget) paid or payable by AFPS which exceed the Budgeted Total Project Costs at that time (other than Project Costs paid or payable by AFPS as a result of a variation order that is funded solely by the Charterer and other than any capitalised interest pursuant to the Facility Agreement
Director(s)	: A director of the Company and shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon: (i) a director of the Company, its subsidiary or holding company; or (ii) a chief executive of the Company, its subsidiary or holding company
Effective Date	: 21 February 2022, as defined in the EPCI Contract
EGM	: Extraordinary general meeting
EPCI	: Engineering, procurement, construction and installation
EPCI Contract	: The contract entered into between Yinson Production EPC Pte. Ltd., a wholly-owned subsidiary of the Company and the Target Company dated 21 February 2022 for the engineering, procurement, construction, installation, commissioning and start-up of the FPSO in the Installation Area

DEFINITIONS (CONT'D)

EPCI Milestones Deferred Payments	: Each of the postponed milestones amounts agreed under the EPCI Contract, as applicable
EPCI Milestone Event(s)	: The list of events defined in the EPCI Contract
EPCI O&M Agreement	: Operation and Maintenance Agreement dated 21 February 2022 between the Enauta and YBSD for the provision of the operation and maintenance in connection with the FPSO by YBSD to Enauta
EPCI Profit Discount	: The conditional discount in the price for the whole of the Work as calculated and agreed in the EPCI Contract, which shall automatically apply from the Effective Date and in any case shall be always and automatically applied by parties if: <ul style="list-style-type: none">(i) Holder does not exercise the Call Option as agreed under the Call Option Agreement, provided that there is no Company's Call Option Impediment Cause (as defined in the EPCI Contract); or(ii) if this Contract is terminated pursuant to the terms and conditions of the EPCI Contract, in the event of Contractor's default, as reflected in the EPCI Contract; or(iii) if the EPCI Contract is terminated pursuant to the terms and conditions of the EPCI Contract.
EPS	: Earnings per share
Equity	: (i) sums to be contributed by YBHPL to AFPS by way of subscription for share capital in AFPS, which is expected to be USD87.9 million (equivalent to RM405.7 million); or (ii) future sums to be contributed by YBHPL to AFPS for the completion of FPSO, which is expected to be USD8.3 million (equivalent to RM38.3 million); or (iii) direct shareholder loans advanced by YBHPL to AFPS which as of now is assumed to be none; provided that such shareholder loans are Permitted Subordinated Shareholder Loans
Equity Contribution	: A Sponsor Contribution or a Shareholder Contribution
Estimated Option Price	: The estimated Option Price provided by the Call Grantor to the Holder together with a confirmation of the intended date of Closing
ETP	: Early termination payment
Expiry Date	: The date falling on the 15 th anniversary of the Commencement Date or such date as extended in accordance with the Time Charter O&M Agreement
Final Acceptance Date	: The date that the Charterer issues to AFPS the final acceptance certificate in accordance with the terms of the Time Charter Agreement
Final Acceptance Long-Stop Date	: The date that is 360 days after the required final acceptance date, or such later date as may be agreed between AFPS, AFBV and the Charterer
Final Option Price	: The Option Price to be finalised and confirmed by the Holder to the Call Grantor

DEFINITIONS (CONT'D)

FHCA	:	FHMH Corporate Advisory Sdn Bhd, being the Fairness Opinion Expert
FPSO	:	Floating production, storage and offloading unit currently named "FPSO Atlanta", as further described in the EPCI Contract
FPSO Mortgage	:	The first preferred mortgage on the FPSO dated on or about the date of the Facility Agreement with Memorandum of Particulars dated on or about the date of the Facility Agreement
FSO	:	Floating storage and offloading
FYE	:	Financial year ended / ending, as the case may be
Governmental Authority	:	Any Brazilian or foreign national, state or local government or any political subdivision thereof or any administrative or judicial or quasi-judicial instrumentality (including arbitral tribunals) or agency thereof, or any authorized civil, military or law enforcement officer of any of the foregoing, having jurisdiction over the work under the EPCI Contract, FPSO, either party of the EPCI Contract, their subcontractors or respective personnel or the performance by the parties to the EPCI Contract of any of their obligations under the EPCI Contract
Holder or YBHPL	:	Yinson Bouvardia Holdings Pte. Ltd. (Registration No. 202137940-D), a private limited company incorporated under the laws of Singapore with its registered office at 600 North Bridge Road, #23-01 Parkview Square, Singapore 188778, an indirect wholly-owned subsidiary of the Company
Installation Area	:	The designated offshore worksite of the FPSO located at the Operation Site
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Loan	:	Loan made or to be made under the Facility Agreement or the principal amount outstanding for the time being of that loan
LPD	:	The latest practicable date prior to the printing of this Circular, being 1 June 2023
LPS	:	Loss per share
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in the Company and the number of aggregate numbers of those shares, is: <ul style="list-style-type: none">(i) 10% or more of the total number of voting shares in the Company;(ii) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,

and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company.

For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act.

DEFINITIONS (CONT'D)

Material Project Documents	: (i) Time Charter Agreement; (ii) services agreement; (iii) each Material FPSO Construction Document as defined in the Facility Agreement; (iv) each contract or agreement that is entered into by AFPS or YBSD with an entity that is an affiliate of AFPS, YBHPL or YPOPL; (v) each contract or agreement relating to the refurbishment, development, construction, testing, operation, maintenance, repair, financing or use of the FPSO entered into by AFPS or YBSD with an entity that is not an affiliate of AFPS or YPOPL and the aggregate amount of payment obligations of AFPS or YBSD under such agreement is USD7 million (equivalent to RM32 million) or more; or with an entity that is an affiliate of AFPS, YBHPL or YPOPL, after the date of the Facility Agreement; (vi) any letter or deed of quiet enjoyment delivered to the Charterer under the Time Charter Agreement; or (vii) any agreement that is agreed in writing by AFPS and AFBV to be a Material Project Document.
Milestone(s)	: The group of EPCI Milestone Events that means the completion of a portion of the Work, as described in the EPCI Contract
NA	: Net assets
O&G	: Oil & gas
Operation Site	: The BS-4 Block (ANP Concession Contract no. 48000.003573/97-91 dated 08/06/1998 as amended from time to time), where the FPSO will be initially moored and operate in accordance with the Time Charter Agreement and the Time Charter O&M Agreement, or such other site as determined in accordance with the Time Charter Agreement
Option Exercise Period	: The period between 400 to 465 days after the Effective Date (inclusive) during which the Call Option can be exercised by the Holder, which shall be between 28 March 2023 to 1 June 2023 and further extended to 14 July 2023
PAT	: Profit after taxation
PBT	: Profit before taxation
Permitted Subordinated Shareholder Loan	: Any shareholder loan that is provided by YBHPL to AFPS which in each case is fully subordinated to the facility in accordance with the terms of the Undertaking Agreement and YBHPL has provided a shareholder loan security assignment to AFBV in respect of such shareholder loan
Project	: The supply, charter, operation and maintenance of the FPSO, including performance of engineering, procurement construction and installation works to modify, upgrade and extend FPSO Atlanta's life design in accordance with the specifications to be moored at the Operation Site for a period of 15 years with options to extend up to 5 years
Project Costs	: (i) all costs and expenses incurred or to be incurred by or on behalf of AFPS to acquire and refurbish the FPSO, develop, finance and complete the project and achieve the Final Acceptance Date (and complete all items on the punch list) in the manner contemplated by the Material Project Documents and finance documents, including all

DEFINITIONS (CONT'D)

- costs and expenses incurred in connection with the negotiation and preparation of the Material Project Documents and finance documents, all fees payable in respect of the finance documents and all other expenses required for the financing, development, design, construction, equipment procurement, transportation, installation or commissioning of the Project and costs incurred under the Material Project Documents or any other agreement entered into by AFPS from time to time relating to the supply, construction, engineering, conversion, transportation or installation of the FPSO;
- (ii) the repayment of any financial indebtedness made to AFPS prior to the Closing Date including all costs and expenses incurred in respect thereof;
 - (iii) to repay to AFBV any Share Premium contribution made prior to the Closing Date;
 - (iv) all interest expense incurred up to 6 Months after the Final Acceptance Date (including, for the avoidance of doubt, any capitalised interest);
 - (v) all operating costs incurred prior to the Final Acceptance Date;
 - (vi) any delay liquidated damages and similar expenses incurred prior to the Final Acceptance Date;
 - (vii) taxes incurred by AFPS (including income and asset taxes incurred during the construction, installation and commissioning of the Project);
 - (viii) costs incurred in obtaining any relevant authorisations or paying any import or export duties or charges in respect of the Project prior to the Final Acceptance Date;
 - (ix) insurance premium and deductibles (to the extent not payable by persons other than AFPS with respect to insurance required by AFPS under the Material Project Documents and finance documents, and incurred during the construction of the Project;
 - (x) all fees, costs, expenses and reimbursements of out-of-pocket expenses payable to AFBV and its consultants and advisors, and other transactional expenses incurred prior to the end of the Availability Period; and
 - (xi) any other costs and expenses agreed between AFBV and AFPS to be designated as Project Costs
- Proposed Acquisition : Proposed acquisition of the entire equity interest in AFPS by YBHPL from AFBV by way of exercising the Call Option granted pursuant to the Call Option Agreement for a purchase consideration equivalent to the Option Price
- Proposed ESS2023 : Proposed establishment of an employees' share scheme ("**ESS2023**" or the "**Scheme**") of up to 10% of the total number of issued shares of YHB (excluding treasury shares, if any) at any point in time during the duration of the Scheme for executive directors (excluding non-executive Directors) and employees of YHB Group (which are not dormant), which was announced by YHB on 5 May 2023
- Purchase Consideration or Option Price : The Purchase Consideration to be determined in accordance with the manner set out in the Call Option Agreement and detailed in **Section 2.5** of this Circular which shall be fully satisfied in cash
- RM : Ringgit Malaysia, being the lawful currency of Malaysia
- Repayment Schedule : The indicative repayment schedule as set out in Schedule 8 of the Facility Agreement, as such schedule may be amended or replaced from time to time

DEFINITIONS (CONT'D)

Sale Shares or AFPS Shares	: All shares in the capital of the Target Company (of all classes) as legally or beneficially owned by the Call Grantor immediately prior to the date of Closing and as per the date hereof consisting of one share with a par value of USD1 (equivalent to RM4.62)
Secured Property	: The FPSO and all other property that, in accordance with the terms of the Security Document, is intended to be subject to any Security in favour of AFBV
Security Assignment Agreement	: The borrower security assignment agreement to be entered into between AFPS as assignor and AFBV as lender
Security	: Any mortgage, pledge, lien, charge, assignment for the purposes of providing security, hypothecation, right in security, security interest or trust or other agreement or arrangement having the effect of conferring security (including the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien)
Security Document	: Refers to: <ul style="list-style-type: none">(i) the Dutch Share Pledge; (the deed of disclosed pledge over registered shares dated on the Closing Date between, amongst others the Shareholder and the Lender in respect of all of the issued share capital in the Borrower, in the form provided in the Facility Agreement or otherwise in form and substance satisfactory to the Lender.)(ii) the Brazilian Share Pledge; (the Brazilian law governed quota pledge agreement dated on the Closing Date between the Borrower, the FPSO Operator and the Lender in respect of all of the issued share capital in the FPSO Operator, in the form provided in the Facility Agreement or otherwise in form and substance satisfactory to the Lender)(iii) the FPSO Mortgage;(iv) the Accounts Pledge Agreement; (the Dutch law security agreement entitled 'Agreement of Pledge Over Bank Account Receivables' and dated on the Closing Date between the Borrower and the Lender in form and substance satisfactory to the Lender.)(v) the Borrower English Security Assignment Agreement; (the English law governed assignment agreement dated on or about the date of the Facility Agreement.)(vi) the FPSO Operation English Security Assignment Agreement; (the English law governed assignment agreement dated on the Closing Date between the FPSO Operator and the Lender)(vii) any Shareholder Loan Security Assignment Agreement; (an English law governed assignment agreement between YBHPL ("Shareholder") and the Lender in respect of any shareholder loan made by the Shareholder to the Borrower, in form and substance satisfactory to the Lender); and(viii) any other security document designated as such by the Lender and the Borrower.
Shareholder Contribution	: The contribution of funding in dollars by YBHPL to AFPS by way of Equity

DEFINITIONS (CONT'D)

Share Premium	: The value of a contribution on the AFPS Shares in excess of the aggregate par value of the AFPS Shares
Shutdown	: Any event where there is a complete cessation of the flow of oil, for any reason whatsoever
Sponsor Contribution	: The contribution of funding in dollars by YPOPL: (i) to YBHPL (and procurement of that funding by YBHPL to AFPS); or (ii) directly to AFPS, in each case by way of Equity
Target Company or AFPS	: AFPS B.V. (Registration No. 84788666), a company incorporated under the laws of the Netherlands with its registered office at Beursplein 37, Unit 4.09, 3011AA Rotterdam, the Netherlands
Time Charter Agreement	: The contract dated 21 February 2022 between the Charterer and AFPS to govern the charter of the FPSO facility from AFPS for the Charter Period
Time Charter O&M Agreement	: Operation and Maintenance Agreement dated 21 February 2022 between the Enauta and YBSD for the provision of the operation and maintenance of the FPSO, conditional on the Closing
Total Loss	: in relation to the FPSO, its: (i) actual, constructive, compromised or arranged total loss as determined by AFPS's insurers; (ii) requisition for title or other compulsory acquisition, nationalization, requisition, appropriation, expropriation, deprivation, forfeiture or confiscation for any reason of the FPSO, or requisition, whether de jure or de facto, for hire or use of the FPSO by any Governmental Authority or the FPSO flag state; and/or (iii) hijacking, theft, condemnation, capture, seizure, arrest or detention of the FPSO for more than 60 consecutive days
Total Project Budget	: A budget, in form and substance agreed between AFPS and AFBV and delivered to AFPS, setting out in reasonable detail the Budgeted Total Project Costs, as may be amended with the consent of AFBV
Transaction Security	: Any Security created or evidenced or expressed to be created or evidenced under the Security Document
Undertaking Agreement	: Undertaking agreement to be dated on the Closing Date between AFPS, AFBV, YPOPL, YBSD and YBHPL
USD	: United States Dollars, being the lawful currency of the United States of America
Utilisation	: Utilisation of the facility pursuant to the Facility Agreement
Utilisation Date	: The date of a Utilisation, being the date on which the relevant Loan is to be made
Work	: All work that the Contractor is required to carry out in accordance with the provisions of the EPCI Contract, including the works to be performed to adapt, upgrade, modify, extend life design, integrate and install the FPSO at the Installation Area, in order to deliver a complete, adapted, modified and

DEFINITIONS (CONT'D)

installed FPSO which in all aspects is fit for its intended purposes in accordance with specifications and meets the requirements set forth in the EPCI Contract

YBSD : Yinson Bouvardia Serviços De Operação Ltda., a company organized and existing under the laws of Brazil, with its registered office at City of Rio de Janeiro, State of Rio de Janeiro, at Rua Lauro Müller, No. 116, rooms 3103, 3104 and 3105 (part), Botafogo, Zip Code 22290-160, a wholly-owned subsidiary of the Company

YHB Group or Group : Collectively, YHB and its subsidiaries

YHB Shares or Shares : Ordinary shares of YHB

YHB Shareholders or Shareholders : Holders of YHB Shares

YPOPL : Yinson Production Offshore Pte. Ltd, a company established and existing under the laws of Singapore having its registered address at 600 North Bridge Road, #23-01 Parkview Square, Singapore 188778, a wholly-owned subsidiary of the Company

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.

Unless otherwise stated and wherever applicable, the exchange rate of USD1: RM4.6155, being the middle rate for USD to RM quoted by BNM at 5.00 p.m. as at 1 June 2023, being the latest practicable date prior to the announcement of the Proposed Acquisition, is used throughout this Circular.

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 the 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

This Executive Summary highlights only the salient information of the Proposed Acquisition in this Circular. You are advised to read and carefully consider the contents of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Acquisition before voting by way of poll at the forthcoming EGM.

Salient information	Description	Circular Reference
Details of the Proposed Acquisition	<p>The Proposed Acquisition entails the acquisition of AFPS Shares by YBHPL from AFBV by way of exercising the Call Option granted pursuant to the Call Option Agreement for a purchase consideration equivalent to the Option Price, which is to be fully satisfied in cash.</p> <p>AFPS is the owner of a FPSO vessel known as “FPSO Atlanta”, which is currently undergoing the process of the redeployment to modify, upgrade and extend the FPSO Atlanta’s life design in accordance with the agreed specifications as detailed in the EPCI Contract.</p> <p>Following completion of the redeployment, the FPSO will be leased to Enauta for the Atlanta deep-water field in the Santos Basin in Brazil for a period of 15 years with options to extend up to 5 years pursuant to the Time Charter Agreement.</p>	Section 2
Basis of and justification for the Purchase Consideration or Option Price	<p>Based on the Call Option Agreement, the Purchase Consideration as at the Closing Date shall be determined in the following manner:</p> <p>(i) EPCI Milestone Deferred Payments incurred and paid by AFPS on or prior to the date of Closing</p> <p>add</p> <p>(ii) 20% of the FPSO acquisition cost equivalent;</p> <p>(iii) 20% of insurance costs incurred and paid by AFPS on or prior to the date of Closing as agreed in Exhibit 7 of EPCI Contract;</p> <p>(iv) cash and cash equivalents in AFPS on the date of the Closing,</p> <p>less</p> <p>(v) any liabilities or indebtedness on the book of AFPS on the date of the Closing (excluding Call Grantor Loan).</p>	Section 2.5

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Circular Reference
	<p>Our Board has taken into consideration the following in exercising the Call Option:</p> <ul style="list-style-type: none"> (i) cash flow generating capabilities from the chartering of the FPSO pursuant to the Time Charter Agreement; (ii) rationale and benefits of the Proposed Acquisition as set out in Section 3 of this Circular; and (iii) prospects of AFPS as set out in Section 4.3 of this Circular. <p>Please also refer to Appendix VI of this Circular on the report on the fairness opinion of the Purchase Consideration.</p>	
Rationale and benefits of the Proposed Acquisition	<p>As at the LPD, our Group is primarily involved, amongst others, in the provision of integrated services of FPSO and FSO units as well as offshore support vessels. The Proposed Acquisition presents our Group with an opportunity to acquire AFPS and operate another FPSO serving the O&G industry in Brazil, further expanding and strengthening our presence in Brazil.</p> <p>The EPCI of the FPSO is expected to be completed by first half of year 2024. This will be followed by the commencement of a 15-year Time Charter Agreement.</p> <p>In the event the Call Option is exercised, the total contract value of both the Time Charter Agreement and Time Charter O&M Agreement is estimated to be up to USD1.7 billion (equivalent to RM7.8 billion) for the firm 15-year period and USD402 million (equivalent to RM1,855 million) for the optional period. The Proposed Acquisition would increase our order book to USD22.6 billion (equivalent to RM104.3 billion) as at 31 March 2023.</p>	Section 3
Prospects of AFPS	<p>The Proposed Acquisition will allow YHB Group to tap into the growing O&G industry in Brazil.</p> <p>With the redeployment of FPSO Atlanta expected to be completed by the first half of 2024 and commencement of the Time Charter Agreement and Time Charter O&M Agreement, AFPS has ready and stable income for the entire duration of the respective contracts which would provide an additional income stream to the enlarged YHB Group, moving forward.</p> <p>Barring any unforeseen circumstances, we believe that the acquisition of AFPS should augur well for the Group and should increase the earnings potential of our enlarged YHB Group through the Time Charter Agreement secured by AFPS.</p>	Section 4.3

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Circular Reference
Risks factors in relation to the Proposed Acquisition	<p>Our Group has been involved in the O&G industry since year 2008 and operates in various countries, including Brazil. As such, our Group is already exposed to risks inherent to the O&G industry in Brazil faced by AFPS. The additional risks which arise from the Proposed Acquisition, includes but not limited to the following:</p> <ul style="list-style-type: none"> (i) Financing risks where there is no assurance that necessary financing will be available in amounts or on terms and conditions acceptable to our Group. Assuming the entire Base Equity Contribution of USD100 million (equivalent to RM462 million) is funded by bank borrowings, the gearing of YHB Group is expected to increase from 1.48 times to 1.56 times. (ii) Completion risk where the completion of the Proposed Acquisition which is dependent on, amongst other, the shareholders' approval at the forthcoming EGM being obtained and there is no breach of material representation and warranties and undertaking pursuant to the Call Option Agreement; (iii) The Time Charter Agreement can be terminated at the Charterer's convenience. However, the Charterer is required to make an ETP payment to AFPS; and (iv) Risk associated with Call Grantor Loan whereby if YHB Group breaches the terms under the Time Charter Agreement, the Services Agreement or the Facility Agreement and such breach if not remedied within the stipulated period, may lead to events of default which may trigger the Call Grantor Loan being cancelled and AFBV taking enforcement actions in respect of the Transaction Security. 	Section 5
Approvals required	<p>The Proposed Acquisition is subject to the following approvals being obtained:</p> <ul style="list-style-type: none"> (i) the Shareholders of YHB at an EGM to be convened; and (ii) any other relevant authorities/parties, if required. 	Section 7
Interests of Directors, major shareholders, chief executive and/or persons connected with them	None of our Directors, major shareholders, chief executive of our Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Acquisition.	Section 10
Directors' statement and recommendation	Our Board, after having considered all aspects of the Proposed Acquisition (including but not limited to the basis of and justification for the Purchase Consideration, rationale and benefits of the Proposed Acquisition, effects of the Proposed Acquisition and prospects of AFPS and the risks involved) and	Section 11

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Circular Reference
	<p>after careful deliberation, is of the opinion that the Proposed Acquisition is in the best interest of YHB.</p> <p>Accordingly, our Board recommends that you VOTE IN FAVOUR of the ordinary resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.</p>	



YINSON HOLDINGS BERHAD

Registration No. 199301004410 (259147-A)
(Incorporated in Malaysia under the Companies Act 1965
and deemed registered under the Companies Act 2016)

Registered Office

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

28 June 2023

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 Joeh (*Non-Independent Non-Executive Director*)
Tan Sri 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*)
Fariza Binti Ali @ Taib (*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 the Company

Dear Sir/Madam,

PROPOSED ACQUISITION

1 INTRODUCTION

On 2 June 2023, AmlInvestment Bank had, on behalf of the Board announced that the Company proposes to undertake the proposed acquisition of the entire equity interest in AFPS by YBHPL from AFBV by way of exercising the Call Option granted pursuant to the Call Option Agreement, which was announced on 22 February 2022, for a purchase consideration equivalent to the Option Price.

Following the Proposed Acquisition, AFPS will be an indirect wholly-owned subsidiary of the Company, via its indirect holding of equity interest in YBHPL.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE 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 APPENDICES, BEFORE VOTING BY WAY OF POLL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

2 DETAILS OF THE PROPOSED ACQUISITION

2.1 Background information on the Proposed Acquisition

On 21 February 2022, the AFBV, YBHPL and AFPS entered into a Call Option Agreement, whereby AFBV irrevocably and unconditionally granted the option to purchase all of the shares in the capital of AFPS consisting of one share with a par value of USD1.00 (equivalent to RM4.62) to YBHPL on the terms and conditions set out in the Call Option Agreement. The initial option period is between 400 to 465 days after 21 February 2022 (inclusive) during which the Call Option can be exercised by the Holder, i.e. between 28 March 2023 to 1 June 2023. The option period has currently been further extended via a letter of extension dated 26 May 2023 to 14 July 2023.

Following the exercise of the Call Option by YBHPL, YBHPL will acquire the Sale Shares for the Purchase Consideration, free from encumbrances, in accordance with the terms and subject to the conditions of the Call Option Agreement. AFBV is the sole and legitimate holder of the Sale Shares, currently consisting of one share with a par value of USD1.00 (equivalent to RM4.62). The estimated Purchase Consideration is payable on the Closing Date. For avoidance of doubt, subject to satisfaction of the conditions in the Call Option Agreement, the parties have agreed to achieve Closing of the Call Option on 31 July 2023.

AFPS is the owner of a FPSO known as “FPSO Atlanta”, which is currently undergoing the process of the redeployment to modify, upgrade and extend FPSO Atlanta’s design life. Following completion of the redeployment, the FPSO will be moored at the designated offshore worksite as a leased FPSO vessel to Enauta for the Atlanta deep-water field in the Santos Basin in Brazil pursuant to the Time Charter Agreement. The charter period is for a period of 15 years with options to extend up to 5 years (at the discretion of the Charterer). The estimated value of the Time Charter Agreement is USD1.34 billion (equivalent to RM6.2 billion) for the firm 15 years period and USD280 million or equivalent to RM1,292 million (for the optional 5 years extension period).

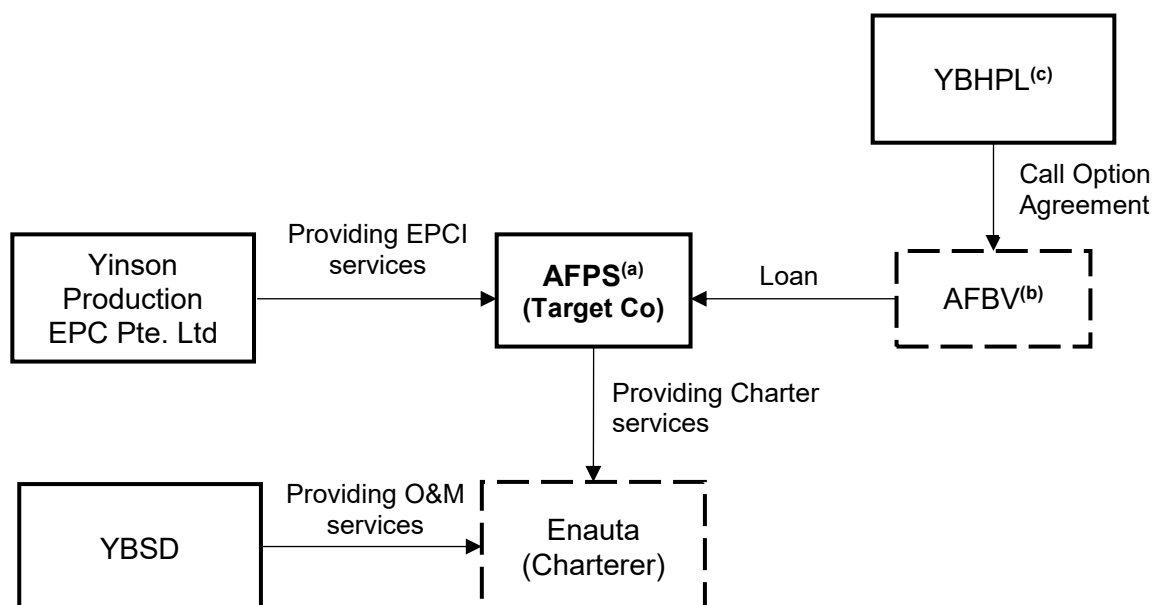
YPEPL, an indirect wholly-owned subsidiary of YHB is currently undertaking the EPCI of the FPSO Atlanta. YBSD, an indirect wholly-owned subsidiary of YHB will also be the operation and maintenance provider upon commencement of the Time Charter Agreement pursuant to the Time Charter O&M Agreement. The Time Charter O&M Agreement is for a period of 15 years (with an option to extend for up to 5 years at the discretion of the Charterer). In the event the Call Option is exercised, the operation and maintenance of the FPSO currently provided under the EPCI O&M Agreement for a firm period of 2 years (with option to extend solely at the discretion of the Charterer for a period of 2 years each and limited to 9 times) will be cancelled and replaced with the 15-year Time Charter O&M Agreement.

However, if the Call Option is not exercised, the Time Charter Agreement and the Time Charter O&M Agreement shall be null and void and of no effect. The EPCI O&M Agreement will remain in force.

As at the LPD, FPSO Atlanta is more than 60% completed and the redeployment process of the FPSO is expected to be completed by first half of year 2024.

Upon completion of the Proposed Acquisition, our Group would have 100% equity interest in AFPS.

The diagram below depicts the relationship between the parties involved:



Notes:

- (a) **AFPS:** The owner of FPSO Atlanta and charterer. As at the LPD, it is part of the Enauta S.A group of companies ("**Enauta Group**") and the subject matter of sale under the Call Option Agreement. It will be 100% owned by YHB Group upon completion of the Proposed Acquisition. AFPS is also the borrower in relation to the Facility Agreement and the Undertaking Agreement. The Facility Agreement and the Undertaking Agreement will only be entered into upon exercise of the Call Option.
- (b) **AFBV:** As at the LPD, it is part of the Enauta Group and the Call Grantor under the Call Option Agreement, lender in relation to the Facility Agreement and the Undertaking Agreement.
- (c) **YBHPL** – a YHB Group company and a holder of Call Option Agreement. YBHPL will be the 100% shareholder of AFPS upon completion of the Proposed Acquisition.

For Shareholders' information, YHB Group will enter into the following key agreements prior to the Closing, for purposes of setting out the obligations between the parties with respect of AFBV to part finance the construction of "FPSO Atlanta":

- (i) Facility Agreement; and
- (ii) Undertaking Agreement.

The salient terms of the Call Option Agreement, draft Facility Agreement and draft Undertaking Agreement are set out in **Appendix I, Appendix II and Appendix III** of this Circular, respectively.

2.2 Background information on AFPS

AFPS was incorporated in the Netherlands as a private limited company on 14 December 2021 under the laws of the Netherlands. AFPS belongs to the group of companies owned, directly or indirectly, by Enauta. Enauta engages in the exploration and production of oil and natural gas in Brazil. Founded in 2009, Enauta holds a portfolio of 20 assets located in eight Brazilian basins, from Foz do Amazonas to Santos Basin. Enauta owns a 45% stake in the Manati offshore oil field and it operates the Atlanta field in the Santos Basin's BS-4 block which entered production in 2018. Enauta is headquartered in Rio de Janeiro.

AFPS commenced business in December 2021. AFPS' main corporate purpose is to own, lease, sub-lease and operate floating production and offloading vessels and related equipment and any other equipment in connection with upstream and downstream operations. Its main asset is the FPSO Atlanta which will be operating in the Santos basin, Brazil as FPSO Atlanta will be redeployed solely for the purpose of the Time Charter Agreement. There are no other significant assets owned by AFPS apart from FPSO Atlanta.

As at the LPD, the issued share capital of AFPS is USD1 (equivalent to RM4.62) comprising 1 ordinary share.

AFPS is wholly-owned by AFBV. As at the LPD, the directors of AFPS are Richard Ivo Larry van Dijk and Carlos Mastrangelo. Upon the acquisition of AFPS, the current directors of AFPS will be replaced with YHB Group's directors.

AFPS does not have any subsidiaries or associate companies.

Further information on AFPS is set out in **Appendix IV** of this Circular.

2.3 Background information on AFBV

AFBV was incorporated in the Netherlands as a private limited company on 2 November 2012 under the laws of the Netherlands. AFBV is principally a financial holding company.

As at the LPD, AFBV has an issued and paid-up share capital of USD6,531.36 (equivalent to RM30,145.49) comprising 27,214 ordinary shares, each share having a nominal value of USD0.24 (equivalent to RM1.11).

As at the LPD, the directors of AFBV are Richard Ivo Larry van Dijk and Carlos Mastrangelo.

The direct and indirect shareholdings of the directors and shareholder of AFBV as at the LPD are set out below:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Directors</u>				
Richard Ivo Larry van Dijk	-	-	-	-
Carlos Mastrangelo	-	-	-	-
<u>Shareholder</u>				
Enauta Netherlands B.V.	27,214	100	-	-

2.4 Background of Enauta Participações S.A ("Enauta S.A.")

Enauta S.A. is an investment holding company formed to hold equity interests in companies primarily engaged in the exploration for and production and sale of oil, natural gas and their byproducts in Brazil. Enauta S.A.'s securities are traded on B3 S.A. – Brasil, Bolsa, Balcão ("B3") and listed in the New Market segment under the ticker symbol ENAT3. Enauta S.A. owns a 45% stake in the Manati offshore oil field, one of the main suppliers of gas to the Northeast region of Brazil. It also operates with 100% participation in the deep waters of the Atlanta field in the Santos Basin's BS-4 block which entered production in 2018.

Enauta S.A. is headquartered in Rio de Janeiro. Enauta S.A is the holding company of Enauta, AFBV, and AFPS.

2.5 Basis of and justification for the Purchase Consideration

The construction costs of the FPSO by AFPS are being funded by its shareholder, AFBV. The amount contributed by AFBV is recognised in AFPS' financial statements as share premium. It is estimated that at Closing, the amount AFBV would have incurred (based on current milestone) that would be required to be repaid pursuant to the Call Option Agreement is approximately USD434.7 million (equivalent to RM2,006.4 million). This amount consists of the following: -

	USD'mil	RM'mil
1. Construction costs of the FPSO which has been incurred (including the FPSO acquisition cost of USD80.0 million (equivalent to RM369.2 million))	428.6	1,978.2
2. Insurance premium paid	6.1	28.2
Total	434.7^(b)	2,006.4

The aforesaid share premium shall be partially reimbursed by the Call Grantor Loan with the remaining being settled via the Option Price as illustrated below:

	USD'mil	RM'mil
1. Call Grantor Loan to be drawdown prior to completion of the Acquisition ^(a)	346.8	1,600.7
2. Option Price (Please refer to below) ^(b)	87.9	405.7
Total	434.7	2,006.4

Notes:

- (a) Based on the indicative payment schedule in the Facility Agreement, AFPS is required to repay the loan and interest under the Facility Agreement to AFBV in instalments of approximately USD10 million (equivalent to RM46 million) every quarter for a continuous period of 15 years commencing 6 months after the Final Acceptance Date. In the event of any variation to the project construction and execution timetable, AFPS shall submit to AFBV a replacement repayment schedule for AFBV's approval which will subsequently replace the Indicative Payment Schedule once approved. The Call Grantor Loan attracts interest of 6% per annum.
- (b) The above has assumed there are no excess cash. In the event there are excess cash over the amount of the liabilities the amount will be included to the above and the Final Option Price will correspondently increase as detailed below.

Purchase Consideration / Option Price

Pursuant to the Call Option Agreement, YBHPL has the option to acquire all of the AFPS Shares at the Purchase Consideration equivalent to the Option Price.

The Final Option Price would only be determined on the date on which the Notice of Exercise is given while the calculation of the Option Price shall be based on the last day of the relevant month indicated in the Notice of Exercise. The parties to the Call Option Agreement have extended the exercise date for the Call Option from 1 June 2023 to 14 July 2023 and target to achieve Closing on 31 July 2023.

For illustration purposes, to derive the maximum Purchase Consideration / Option Price, YHB has assumed that the Call Option will be exercised on 14 July 2023 and the Closing is assumed to be 31 July 2023. For illustration, the Option Price shall be computed as follows pursuant to the Call Option Agreement: -

		USD' mil	Equivalent to RM'mil
(i)	EPCI Milestone Deferred Payments ^(a) incurred and paid by AFPS on or prior to the date of Closing	70.7	326.3
Add:			
(ii)	20% of the FPSO acquisition cost equivalent ^(b)	16.0	73.8
Add:			
(iii)	20% of insurance costs incurred and paid by AFPS on or prior to the date of Closing ^(c) as agreed in Exhibit 7 of EPCI Contract ^(f)	1.2	5.5
Add:			
(iv)	Cash and cash equivalents in AFPS on the date of the Closing	-(e)	-
Less:			
(v)	Any liabilities or indebtedness on the book of AFPS on the date of the Closing (excluding Call Grantor Loan) ^(d)	-(e)	-
Maximum Final Option Price		87.9	405.6

Notes:

- (a) EPCI Milestone Deferred Payments refer to the scheduled milestone payments billed by Contractor to AFPS in accordance with the EPCI Contract where approximately 20% of the scheduled milestone payments billed will be paid by YBHPL upon the exercising the Call Option.
- (b) It was commercially agreed with Enauta that the Budgeted Total Project Costs is to be borne 80% by Enauta in the form of the Call Grantor Loan and approximately 20% by YBHPL if the Call Option is exercised. Therefore items (i) to (iii) of the Option Price forms approximately 20% of the total project costs up to the Call Option date.
- (c) Closing shall take place at the agreed date of 31 July 2023
- (d) Call Grantor Loan means the loan facility agreement to be entered into between AFPS as borrower and AFBV as lender with a fixed interest rate of 6% per annum, where the amounts borrowed under the Facility are to pay the Project Cost.
- (e) Cash and liabilities are assumed to be zero as any cash available are assumed to be utilised to settle the liabilities of AFPS. For clarity, any excess cash over the amount of the liabilities will lead to an increase in the Option Price of the same amount, and vice versa.
- (f) EPCI Contract refers to the contract entered into between Yinson Production EPC Pte. Ltd., an indirect wholly-owned subsidiary of the Company and AFPS dated 21 February 2022 for the engineering, procurement, construction, installation, commissioning and start-up of the FPSO in the installation area in Brazil.

However, the numbers above are subject to changes depending on, amongst others, the milestone payments as at the Closing Date, cash and liabilities at Closing as well as the actual date of the Closing. Nevertheless, the maximum Final Option Price is expected to be at around or below the USD87.9 million (equivalent to RM405.7 million) above assuming there is no excess cash. In the event there are excess cash over the amount of the liabilities, the maximum Final Option Price illustrated above will correspondently increase.

Prior to the Closing, AFBV will request AFPS to “clean-up” its accounts. It is envisaged that the following material items will remain in AFPS financial statements:

- (i) Construction costs of the FPSO which has been incurred. It is estimated that this will amount to USD428.6 million (equivalent to RM1,978.2 million);
- (ii) FPSO acquisition costs of USD80 million (equivalent to RM369.2 million);
- (iii) Insurance premium paid amounting to USD6.1 million (equivalent to RM28.2 million); and
- (iv) Excess Cash Over Liabilities.

Essentially, the Option Price will be almost similar to the NA of AFPS as at the Closing Date.

For illustration purposes, assuming there's no excess cash over the liabilities, the NA of AFPS as at Closing (i.e. 31 July 2023) based on the maximum Final Option Price is as follows:

	USD'mil	RM'mil
<u>Total Asset</u>		
Operating Insurance	6.1	28.2
Fixed Assets	428.6	1,978.2
	434.7	2,006.4
<u>Total Liabilities</u>		
Grantor Loan	346.8	1,600.7
<u>Equity</u>		
Share Capital	*	*
Share Premium	87.9	405.7
Accumulated Profit / (Loss)	-	-
Profit / (Loss) for the year	-	-
	434.7	2,006.4

Notes:

* negligible

- (a) The numbers above are subject to changes depending on, amongst others, the milestone payments as at the Closing Date, cash and liabilities at Closing as well as the actual date of the Closing.

Our Board has taken into consideration the following in exercising the Call Option:

- (i) cash flow generating capabilities from the chartering of the FPSO pursuant to the Time Charter Agreement. The total revenue for the entire charter period based on daily charter rate stipulated in the Charter Agreement is approximately USD1,343 million (equivalent to RM6,198.6 million) at 98% uptime;
- (ii) rationale and benefits of the Proposed Acquisition as set out in **Section 3** of this Circular; and
- (iii) prospects of AFPS as set out in **Section 4.3** of this Circular.

YHB estimated that the project costs for the FPSO until commencement of the Charter is estimated to be USD475 million (equivalent to RM2,192.4 million). For Shareholders' information, assuming the USD434.7 million (equivalent to RM2,006.4 million) incurred at the point of exercise of the Call Option, the additional financial commitment required of USD40.3 million (RM186.0 million) is as disclosed in **Section 2.7** below.

Summary of the Expert Report on the Fairness of the Purchase Consideration

YHB Group has engaged FHCA in forming the expert opinion on the purchase consideration of the Target Company. FHCA had adopted the discounted free cash flow to equity method ("**Discounted FCFE**") as the sole methodology to assess the fair value of AFPS due to the computation of the option price and as the construction of the asset has yet to be completed, the true value of the FPSO can only be derived from its future income generating capabilities.

The future financial information of AFPS has been prepared based on a set of assumptions made by the management of the Target Company, which includes assumptions about future events and outlook that may or may not necessarily occur. In particular, the future financial information of AFPS is dependent on the achievability of, amongst others, the specific assumptions as set out below:

Key bases and assumptions

The forecast and projections were prepared based on the terms and conditions of the Charter Agreement.

Total revenue for the entire charter period based on daily charter rate stipulated in the Charter Agreement is approximately USD1,343 million (equivalent to RM6,198.6 million) at 98% uptime.

Tenure of the charter agreement is 15 years with options to renew

Operations costs were determined based on scheduled maintenance work and spare parts estimated by YHB based on historical performance of their other vessels.

Income tax rate of 17%

The assumptions used for the forecast and projections of the revenue is fair as:

- The forecast and projections have been prepared based on the terms of the Charter Agreement.
- Yinson's fleet are built to run 365 days a year and historically have been consistently maintaining over 99% uptime over the past 5 years across the fleet.

For the purpose of this valuation, it is assumed that the charter contract will not be renewed. As such the terminal value is determined based on the scrap value of the FPSO at the end of the term.

FHCA is of the view that this assumption is fair as the cost, which is made up mainly of crew, maintenance works and spare parts, were estimated based on a combination of fee quotes obtained by the project team as well as past experiences in operating within the same jurisdiction.

Income tax rate computed is based on Singapore tax rate of 17% on the profit margin under the EPCI Contract.

FHCA has concluded that the valuation of the entire equity interest in AFPS range between USD88.77 million (equivalent to RM409.7 million) and USD114.18 million (equivalent to RM527.0 million) based on the sensitivities tested as disclosed in the report. As such FHCA is of the opinion that the purchase consideration of USD87.9 million (equivalent to RM405.7 million) for AFPS falls below the range and is fair.

The Company will make an immediate announcement on the final purchase consideration and final total costs and the basis of determining the final purchase consideration and final total costs to its Shareholders upon finalisation of the transaction with AFBV.

Please refer to **Appendix VI** of this Circular for the full report on fairness of the purchase consideration.

2.6 Sources of funding

The Purchase Consideration is expected to be funded via a combination of the following:

- (i) internally generated funds of YHB Group amounting to USD84.7 million (equivalent to RM390.9 million); and/or
- (ii) bank borrowings amounting to USD3.2 million (equivalent to RM14.8 million),

Nevertheless, the proportion between internally generated funds and bank borrowings above may change.

2.7 Liabilities to be assumed

Save for the Shareholder Contribution, Base Equity Contribution and Sponsor Contribution stipulated in the draft Undertaking Agreement (please refer to **Appendix III** of this Circular), YHB Group will not assume any liabilities, including contingent liabilities and guarantees arising from the Proposed Acquisition.

2.8 Additional financial commitment

Following the Proposed Acquisition and assuming at Closing Date, the amount payable is the maximum Final Option Price and the Call Grantor Loan of USD346.8 million (equivalent to RM1,600.7 million) has been drawdown, YHB Group estimates that based on the estimated project costs, an additional sum of approximately USD40.3 million (equivalent to RM186.0 million) would be required to complete the FPSO up until commencement of the charter ("**Additional Commitment**").

The Additional Commitments above are expected to be financed as follows:

- (i) USD8.3 million (equivalent to RM38.3 million), approximately 20.6% of Additional Commitments is to be funded by YHB Group. YHB Group proposes to fund these amounts via borrowings. However, YHB Group may also fund it via a combination of internally generated funds and borrowings depending on the circumstances at that point in time; and
- (ii) USD32 million (equivalent to RM147.7 million), approximately 79.4% of Additional Commitments is to be funded by AFPS and to be drawn on top of the original amount of USD346.8 million (equivalent to RM1,600.7 million) and will form part of the Call Grantor Loan by AFPS with the same terms and conditions including repayment profile at a fixed interest rate of 6% per annum. The estimated total Call Grantor Loan before the commencement of the Charter amounts to USD378.8 million (equivalent to RM1,748.4 million).

3 RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

As at the LPD, our Group is primarily involved, amongst others, in the provision of integrated services of FPSO and FSO units as well as offshore support vessels. The Proposed Acquisition presents our Group with an opportunity to acquire AFPS and operate another FPSO serving the O&G industry in Brazil, further expanding and strengthening our presence in Brazil. Our FPSO presence in Brazil will increase to 3 FPSOs following the Proposed Acquisition.

The EPCI of the FPSO is expected to be completed by first half of year 2024. This will be followed by the commencement of the 15-year Time Charter Agreement. If the Call Option is exercised, the firm contract tenure for the Time Charter O&M Agreement shall be 15 years instead of 2 years (in the event the Call Option is not exercised).

In the event the Call Option is exercised, the total contract value of both the Time Charter Agreement and Time Charter O&M Agreement is estimated to be USD1.7 billion (equivalent to RM7.8 billion) for the firm 15-year period and USD402 million (equivalent to RM1,855.4 million) for the optional period. The Proposed Acquisition would increase our order book to USD22.6 billion (equivalent to RM104.3 billion) as at 31 March 2023.

Our Board believes that, barring unforeseen circumstances, AFPS is expected to provide an additional income stream to our Group moving forward with the income arising from Time Charter Agreement secured by AFPS, thus enhancing YHB Shareholders' value in the medium to long term.

Further, our Board is of the view that the Proposed Acquisition is in the best interest of Shareholders as our Group will be able to increase our market share in the FPSO industry as well as gain an alternative source of revenue.

For further details on the prospects of AFPS, please refer to **Section 4.3** of this Circular.

4 INDUSTRY OVERVIEW AND PROSPECTS

4.1 Overview and outlook of the global economy

Global growth has slowed to the extent that the global economy is perilously close to falling into recession, defined as a contraction in annual global per capita income, only three years after emerging from the pandemic-induced recession of 2020. Very high inflation has triggered unexpectedly rapid and synchronous monetary policy tightening around the world to contain it, including across major advanced economies. Although this tightening has been necessary for price stability, it has contributed to a significant worsening of global financial conditions, which is exerting a substantial drag on activity. This drag is set to deepen given the lags between changes in monetary policy and its economic impacts, and the fact that real rates are expected to continue to increase.

Asset prices have been in broad, synchronous decline, investment growth has weakened substantially, and housing markets in many countries are worsening rapidly. Shockwaves continue to emanate from the Russian Federation's invasion of Ukraine, especially in energy and other commodity markets. Against this backdrop, confidence has fallen precipitously. The world's three major engines of growth, the United States, the Euro area, and China, are undergoing a period of pronounced weakness, with adverse spillovers for emerging market and developing economies ("**EMDEs**"), many of which are already struggling with weakening domestic conditions.

Global inflation has been pushed higher by demand pressures, including those from the lagged effects of earlier policy support, and supply shocks, including disruptions to both global supply chains and the availability of key commodities. In some countries, inflation has also been spurred by large currency depreciations relative to the U.S. dollar, as well as tight labour market conditions.

Inflation remains high worldwide and well above central bank targets in almost all inflation-targeting economies. Although inflation is likely to gradually moderate over the course of the year, there are signs that underlying inflation pressures could be becoming more persistent. In response, central banks around the world have been tightening policy faster than previously expected. Monetary policy tightening in advanced economies, a strong U.S. dollar, geopolitical tensions, and high inflation have dampened risk appetite and led to widespread capital outflows and slowing bond issuance across EMDEs. Financial conditions have particularly worsened.

Most commodity prices have eased, to varying degrees, largely due to the slowdown in global growth and concerns about the possibility of a global recession. By historical standards, however, they remain elevated, prolonging challenges associated with energy and food insecurity. Crude oil prices have steadily declined from their mid-2022 peak; meanwhile, natural gas prices in Europe soared to an all-time high in August but have since fallen back toward pre-invasion levels.

Non-energy prices, particularly metal prices, have declined alongside weak demand. While food prices have eased from earlier peaks, food price inflation remains very high in some EMDEs. Against this backdrop, global growth is forecast to slow to 1.7% in 2023. This pace of growth would be the third weakest in nearly three decades, overshadowed only by the global recessions caused by the pandemic in 2020 and the global financial crisis in 2009. Global trade is also expected to slow sharply alongside global growth, despite support from a continued recovery in services trade. This suggests that the negative shocks of the past three years, namely the pandemic, the invasion of Ukraine, and the rapid increase in inflation and associated tightening of monetary policy worldwide, are having a lasting impact on economic prospects.

In advanced economies, conditions have deteriorated sharply, owing to declining confidence alongside high inflation and rapid monetary policy tightening. In the United States, one of the most aggressive monetary policy tightening cycles in recent history is expected to slow growth sharply. The Euro area is also contending with severe energy supply disruptions and price hikes associated with the Russian Federation's invasion of Ukraine. In all, growth in advanced economies is forecast to slow from 2.5% in 2022 to 0.5% in 2023.

In EMDEs, growth prospects have worsened materially, with the forecast for 2023 downgraded 0.8 percentage point to a subdued 3.4%. The downward revision results in large part from weaker external demand and tighter financing conditions. EMDE growth is anticipated to remain essentially unchanged in 2023 relative to last year, as a pickup in China offsets a decline in other EMDEs. Excluding China, EMDE growth is forecast to decelerate from 3.8% in 2022 to 2.7% in 2023 as significantly weaker external demand is compounded by high inflation, tighter financial conditions, and other domestic headwinds. The deviation between EMDE investment and its pre-pandemic trend is expected to remain substantial. EMDE investment growth is envisaged to remain below its 2000-21 average pace, dampened significantly by weakening activity, heightened uncertainty, and rising borrowing costs. Low-income countries ("LICs") are expected to grow 5.1% in 2023. Cost-of-living increases and a deterioration in the external environment are weighing heavily on activity in many LICs and compounding weakness in LICs with fragile and conflict affected situations.

(Source: Global Economic Prospects, January 2023, World Bank Group as stated in report on outlook of the Global FPSO Market and Oil and Gas Industry, with a Focus on Brazil dated 1 June 2023 by Providence Strategic Partners Sdn Bhd)

Brazil

In Brazil, structural bottlenecks resulted in a meagre average GDP growth (0.6%) over the past decade, despite favourable demographics. Productivity growth remains weak, due to a complex tax system, a cumbersome business environment that discourages entrepreneurship, slow and unequal human capital accumulation, ineffective State intervention policies (at the sectoral level), low savings, and compressed public investment to accommodate higher current spending and increasing pension obligations.

The COVID-19 pandemic left Brazil with one of the highest global death tolls, but a rapid vaccine rollout program launched in mid-2021 and a comprehensive economic support policy contributed to a return to relative normality. As of 30 March 2023, 85% of Brazilians had received at least one dose of the vaccine, and 77% had received two.

In 2022, real GDP grew by 2.9%, largely propelled by household consumption, which advanced 4.3% in the year. The labour market recovery continued, as unemployment dropped to 7.9% by December 2022, the lowest level since 2015, with improved labour conditions for women, youth, and Afro-Brazilians. Brazil's unemployment rate increased to 8.4% in January 2023, interrupting a sequence of ten consecutive retreats in the margin, and 0.5 percentage point above the levels of December 2022, but still 2.8 percentage points below January 2022. Additionally, labour force participation stood at 61.9% in January 2023 (down from 62.3% in January 2022), and closed below pre-pandemic levels (63.3%).

Inflation has been a persistent challenge for Brazil: its peak at 12.1% in April 2022 led to a significant monetary tightening cycle that brought the policy rate to 13.75% in December 2022. Fiscal consolidation continued in 2022, supported by higher revenues (8.2% of real growth), economic recovery, and favourable terms of trade. As a result, Brazil's primary surplus stood at 1.3% of GDP (0.6 percentage point higher than in 2021), and public debt reached 72.9% of GDP (down from 78.3% in 2021).

In 2023, real GDP growth is expected to slow to 0.8% due to monetary tightening, still high inflation, and subdued global demand. Together, these factors are likely to depress private consumption, exports, and investment. On the fiscal front, public debt is expected to increase gradually to 78.5% of GDP by 2025 due to higher refinancing costs, and temporary higher social expenditures. Restoring sustainability still represents one of the most urgent economic challenges for Brazil, despite the ongoing fiscal consolidation achieved throughout 2021–22. The medium-term growth outlook is also subject to risks if total factor productivity remains at current levels. Achieving a higher potential output trajectory would require a revitalised impulse toward implementing structural reforms that could boost and support both investment and productivity.

An expansion of federal social transfers continues to play a key role in providing income support to the poorest segments of society and reducing poverty rates. These transfers contributed to reducing poverty rates to 24.3% in 2022, down from 28.4% in 2021 (the poverty rate is based on the USD6.85/day (equivalent to RM31.62/day), purchasing power parity (PPP)). An overhaul of the *Bolsa Família* program, including an extra benefit of R\$150 per child (ages 0–5) in all recipient families and a strong consolidation effort, is expected to contribute to a slight reduction in poverty to 23.9% in 2023. Further reductions may occur as the economy recovers, but they will remain volatile in the absence of stronger investment in human capital among the less well-off.

Striking the right balance between protecting the poor and ensuring public finance sustainability, including at subnational levels, will be a key policy challenge in the years ahead.

(Source: The World Bank, April 2023 as stated in report on outlook of the Global FPSO Market and Oil and Gas Industry, with a Focus on Brazil dated 1 June 2023 by Providence Strategic Partners Sdn Bhd)

4.2 Overview and outlook of the global FPSO Market, with a focus on Brazil

Brazil is the largest oil producer in South America and has some of the largest recoverable ultra-deep oil reserves globally. Brazil's oil production is predominantly offshore. Brazil has been a key market for FPSO historically and demand for FPSOs is expected to be positive moving forward. With the majority of its reserves being located in the deep and ultra-deep waters, FPSOs are the most suitable and economically feasible production unit for the Brazilian coast. Brazil produced approximately 3.0 million barrels of oil per day in 2021, making it the 9th largest oil producer globally.

Brazil targets to increase oil production to 5.4 million barrels of oil per day by 2029 with 80.0% of these resources coming from the pre-salt layer. This target will enable Brazil to become the 4th largest oil producer in the world by 2029. In order to achieve this target, Brazil will need to strengthen its FPSO fleet infrastructure to support oil and gas production activities.

The prospects and outlook for FPSO demand in Brazil are positive and will be supported by the following factors:

a) Growth in FPSO orders

Total installed available FPSOs globally grew from 155 units in 2010 to 183 units in 2022 at a compound annual growth rate (“CAGR”) of 1.5%. During this period, installed available FPSO units peaked at 202 units in 2018. Since then, the scrapping of older FPSO units has outpaced deliveries and the total installed available declined to 183 in 2022. In 2022, six new FPSO orders were delivered, of which two were deployed to Brazil’s Itapu and Mero 1 fields.

As at November 2022, there were a total of 57 units in Latin America, 51 units of FPSOs in Asia Pacific, 40 units in Africa, 21 units in Europe, seven units in Australia / New Zealand, four units in the Middle East and one unit in North America. From the 57 FPSO units in Latin America, 44 units are in Brazil which possesses the largest fleet of installed FPSOs in its oil and gas fields globally.

The current orderbook for FPSOs indicate 32 units are scheduled for delivery in 2023, 11 units are scheduled for delivery in 2024, five units are scheduled for delivery in 2025, and two units each are scheduled for delivery in 2026 and 2027 respectively. These new FPSOs are designed to operate for over 20-years and should remain in service until 2040 and beyond.

From the 32 FPSO orders, 18 FPSO units are being built for deployment in South America, four for Europe, three for Africa, two units each for Asia and Middle East respectively. From the 18 units of FPSOs for South America, 16 FPSO units are intended for Brazil.

b) Brazil’s position as a key oil and gas producer

Oil and gas production in Brazil has been growing at a rate higher than global levels. Between 2010 and 2021, Brazil’s production of crude oil rose from 2.1 billion barrels daily to 3.0 billion barrels at a daily CAGR of 3.1% (global CAGR 0.7%). During the same period, Brazil’s production of natural gas rose from 15.0 billion m3 to 24.3 billion m3 at a CAGR of 4.5% (global CAGR 2.3%). Brazil is the largest oil producer in South America and has some of the largest recoverable ultra-deep oil reserves globally. Brazil’s oil production is predominantly offshore. Brazil is well positioned for the exploration and production of offshore oil due to owning the pre-salt province which has high quality oil and field productivity. Energy reforms, frequent oil finds, along with recent and future oil bidding rounds have been attracting international oil companies (IOCs) to bid on opportunities in Brazil. Brazil’s 2021-2030 Energy Expansion Plan (PDE) forecasts that oil and gas exploration and production investments will range from USD415.0 billion (equivalent to RM1,915 billion) to USD454.0 billion (equivalent to RM2,095 billion) during this period.

According to the Brazilian National Agency of Petroleum, Natural Gas and Biofuels, the offshore projects to start operations in Brazil are:

- 2023 – Mero 1, Buzios 5, Peregrino (Phase 2);
- 2024 – Marlim 1, Marlim 2, Itapu, and Mero 2;
- 2025 – Buzios 6, Mero 3, Parque das Baleias, Atlanta FDS and Bacalhau; and
- 2026 – Buzios 7, Mero 4, Buzios 8 and Neon.

The commencement of the abovementioned offshore projects would have a positive impact on the demand for FPSOs in Brazil to facilitate oil production activities. Further, Brazil has several offshore projects in the planning cycle with requirements for FPSO infrastructure.

c) Targets to boost the oil and gas industry in Brazil

In March 2023, Brazil's Ministry of Mines and Energy (MME) announced its intention to launch the *Potencializa Exploration and Production ("E&P") Programme* at the next meeting of the National Council for Energy Policy (CNPE) which aims to guarantee investments in oil and natural gas exploration and transform Brazil into the fourth largest oil producer in the world. The *Potencializa E&P Programme* initiative intends to focus on the critical points for the development of exploration in frontier areas and encourage investments in mature fields or marginal economic ones.

As at the end of 2022, there were 11 oil and gas projects in the bidding or final design stage in Brazil. Brazil has an additional 13 oil and gas projects that are under planning and six oil and gas projects under appraisal stage, which upon progression to bidding or final design stage, will support demand for FPSO units in the country.

d) Long term rising demand for oil globally

The consumption of oil increased from 88.7 million barrels daily in 2010 to 96.9 million barrels daily in 2021 at a CAGR of 0.8%. The United States was the largest oil consumer in 2021, where its consumption of crude oil stood at 18.7 million barrels daily and accounted for 19.3% of global consumption of crude oil. This was followed by China with 15.4 million barrels daily (15.9%), and India with 4.9 million barrels daily (5.1%).

The demand for oil is expected to be positive, supported by developing countries that are driven by strong population growth, fast expanding economies, further urbanisation and the related expansion of the middle class. A key development in oil demand since the start of 2023 is the recovery in travel, particularly air travel. International passenger flights have improved by 34% between February 2022 and February 2023. The recovery in travel is expected to support oil demand through 2023.

Over the longer term, demand for oil will continue to grow driven by an expanding middle class, high population growth rates and stronger economic growth potential, particularly in China, India, other Asian countries and OPEC. These factors are expected to support the increase in global oil demand from 96.9 million barrels daily in 2021 to an estimated 106.6 million barrels daily in 2030.

e) Long term increasing global oil prices

The price of Brent crude oil averaged USD81 (equivalent to RM374) per barrel in the first quarter of 2023, a decrease of 8% from the previous quarter. In March 2023, the price was down 35% from its peak in June 2022. Daily prices fluctuated in the range of USD72 (equivalent to RM332) to USD87 (equivalent to RM402) per barrel during the quarter, with moves largely driven by news relating to China's reopening, the monetary policy stance in major advanced economies, and recent financial market stress. Prices rose at the beginning of April following a surprise announcement of a production cut by OPEC+.

The price of Brent crude oil is forecast to average USD84 (equivalent to RM388) per barrel in 2023, down from almost USD100 (equivalent to RM462) per barrel in 2022, mostly reflecting weaker growth prospects in advanced economies. The economic recovery in China will support demand growth in 2023-24. Supply will be slower to pick up due to OPEC+ production quotas and limits on capacity in most other regions. Prices are expected to increase slightly 2024 and will remain higher than their 2015-2019 monthly average of USD57 (equivalent to RM263) per barrel. Over the longer term, oil prices are projected to gradually increase and reach USD90 (equivalent to RM415) per barrel by 2030.

(Source: Outlook of the Global FPSO Market and Oil and Gas Industry, with a Focus on Brazil dated 1 June 2023 by Providence Strategic Partners Sdn Bhd)

4.3 Prospects of AFPS

The Proposed Acquisition will allow YHB Group to tap into the growing O&G industry in Brazil. As stated in the Independent Market Research (“IMR”) report, O&G production in Brazil has been growing at a rate higher than global levels. Between 2010 and 2021, Brazil’s production of crude oil rose from 2.1 billion barrels daily to 3.0 billion barrels daily at a CAGR of 3.1% (global CAGR 0.7%). During the same period, Brazil’s production of natural gas rose from 15.0 billion m3 to 24.3 billion m3 at a CAGR of 4.5% (global CAGR 2.3%). Brazil is the largest oil producer in South America and has some of the largest recoverable ultra-deep oil reserves globally. Brazil’s oil production is predominantly offshore. Brazil has been a key market for FPSO historically and demand for FPSOs is expected to be positive moving forward. With the majority of its reserves being located in the deep and ultra-deep waters, FPSOs are the most suitable and economically feasible production unit for the Brazilian coast. Brazil produced approximately 3.0 million barrels of oil per day in 2021, making it the 9th largest oil producer globally. Brazil targets to increase oil production to 5.4 million barrels of oil per day by 2029 with 80.0% of these resources coming from the pre-salt layer. This target will enable Brazil to become the 4th largest oil producer in the world by 2029. In order to achieve this target, Brazil will need to strengthen its FPSO fleet infrastructure to support O&G production activities.

With the redeployment of FPSO Atlanta expected to be completed by the first half of 2024 and commencement of the Time Charter Agreement and Time Charter O&M Agreement, AFPS would have a ready and stable income for the duration of the respective contracts which would provide an additional income stream to the enlarged YHB Group, moving forward.

Barring any unforeseen circumstances, we believe that the acquisition of AFPS should augur well for the Group and should increase the earnings potential of our enlarged YHB Group through the Time Charter Agreement secured by AFPS.

(Source: Management of YHB)

5 RISK FACTORS IN RELATION TO THE PROPOSED ACQUISITION

AFPS operates in the same industry as YHB Group. YHB Group has been involved in the O&G industry since year 2008 and operates in various countries, including Brazil. As such, our Group is already exposed to risks inherent to the O&G industry in Brazil faced by AFPS. These risks would include but are not limited to the following:

- (i) Disruption / delay in completion of FPSO;
- (ii) Changes in laws, regulations or policies of government may impact ability to obtain, renew or maintain the permits licenses and registrations required for operations;
- (iii) Foreign exchange risk;
- (iv) Operating hazards; and
- (v) Dependence on skilled personnel.

In view that the above risk factors are native to YHB Group's existing ordinary course of business, YHB will continue to take reasonable steps to mitigate such risks based on its track record, experience and expertise in the O&G industry.

In addition to the above, YHB Group will be exposed to the following:

(i) Financing and interest rate risk

Our Group may seek external financing to fund the Purchase Consideration for the Proposed Acquisition. Our Group's ability to obtain external financing and the cost of financing depends on numerous factors such as general economic and market conditions, interest rates, credit availability from the banks and/or other lenders.

There can be no assurance that the necessary financing will be available in amounts or on terms and conditions acceptable to our Group and hence, there can be no assurance that our Group will be able to obtain sufficient borrowings to fund the Purchase Consideration.

Assuming the entire Base Equity Contribution of USD100 million (equivalent to RM461.6 million) is funded by borrowings, our borrowings is expected to increase from RM9,584 million with gearing of 1.48 times to RM10,046 million with a gearing of 1.56 times. Our Group could potentially be exposed to fluctuations in interest rates on the financing obtained, leading to higher borrowing costs that may adversely affect our Group's financial performance and ability to service our financial obligations.

As stated in **Section 2.6** of this Circular, our Group proposes to fund the Purchase Consideration from our own internally generated funds and/or bank borrowings. In the event YHB Group is unable to obtain bank borrowing or our internally generated funds are not sufficient, we may seek other avenues for fund raising which would include equity fund raising (via placement) to raise the requisite proceeds.

Our Group will continue to monitor and review our debt portfolio, which takes into consideration our gearing level, interest costs and cash flows.

(ii) Completion risk

The completion of the Proposed Acquisition is conditional upon the Shareholders' approval being obtained at the forthcoming EGM and there being no material breach in representation, warranties and undertaking pursuant to the Call Option Agreement. If the shareholders' approval is not obtained or if there is any material breach in representation, warranties and undertaking pursuant to the Call Option Agreement, the Call Option Agreement may be terminated and all the potential benefits arising from the Proposed Acquisition may not materialise.

Nevertheless, our Group will take all reasonable steps to ensure such risk is mitigated by proactively engaging with all relevant parties to obtain all the necessary approvals and documents required for the completion of the Proposed Acquisition.

(iii) Early termination risk of the Time Charter Agreement

The Time Charter Agreement can be terminated by the Charterer at their convenience.

However, the Charterer is required to make an ETP payment to AFPS. The ETP or reduced ETP payments are derived based on, inter alia, reimbursement of all reasonable and documented costs incurred by AFPS for the demobilization, according to the demobilization plan agreed by the parties, the net present value of the full charter rate payable for the number of days remaining until the expiry date, calculated on monthly basis with a discount rate of 10% per year.

Nevertheless, upon exercise of the Call Option, we shall endeavour to fulfil the terms and conditions of the Time Charter Agreement as well as maintain a close working relationship with the Charterer to ensure issues, if any can be addressed and resolved promptly to minimise the occurrence of any early termination of the Time Charter Agreement.

(iv) Risk associated with Call Grantor Loan

AFPS would have the obligation to repay the outstanding Call Grantor Loan amount to AFBV in accordance with the terms of the Call Grantor Loan.

Since both the Charterer and AFBV belongs to the same Charterer group, should there be continuing events of default from the Charterer causing the Time Charter Agreement to be terminated, YHB Group will be entitled to termination fee under the Time Charter Agreement of which it will be used to repay the Call Grantor Loan. If the Charterer fails to pay the termination fee owed, then the Commitments (as defined in **Appendix II** of the Circular) and all amounts outstanding under the Call Grantor Loan will be cancelled and YHB Group shall not be obliged to repay any outstanding amount owing to AFBV and the FPSO Mortgage along with all other Transaction Securities granted to AFBV shall be released. Notwithstanding anything stated in the finance documents, in the event there is a failure by YPOPL or YBHPL to comply with the relevant terms and conditions of the Undertaking Agreement, all amounts payable or expressed to be payable by YPOPL to AFBV under the Undertaking Agreement or in respect of its obligations and liabilities under the finance documents shall be recoverable only from and to the extent of the Secured Property and YPOPL shall not be personally liable for those money, obligations and liabilities.

However, if YHB Group breaches the terms under the Time Charter Agreement, the Services Agreement or the Facility Agreement is by YHB Group and if not remedied within the stipulated period, it may lead to events of default which may trigger the Call Grantor Loan being cancelled and AFBV taking enforcement actions in respect of the Transaction Security.

Nevertheless, YHB Group shall endeavour to monitor the compliance of the terms under the Time Charter Agreement, the Services Agreement and Facility Agreement.

6 EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued share capital

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholding of YHB as the Proposed Acquisition does not entail any issuance of new YHB Shares.

6.2 NA and gearing

Based on the audited consolidated statements of financial position of YHB as at 31 January 2023 and assuming that the Proposed Acquisition had been effected on 31 January 2023, the pro-forma / illustrative effects of the acquisition of AFPS on the NA per YHB Share and gearing of the YHB Group are as follows:

	Audited as at 31 January 2023	After the Proposed Acquisition
	(RM'mil)	(RM'mil)
Share capital	2,220	2,220
Treasury shares	(369)	(369)
Other reserves ^(a)	551	551
Retained earnings	1,730	1,766 ^{(f)(g)}
Total equity/NA attributable to owners of the Company	4,132	4,168
Perpetual securities	1,792	1,792
Non-controlling interests	534	534
Total Equity ^(b)	6,458	6,494
Number of YHB Shares in issue (excluding treasury shares) ('000)	2,896,392	2,895,392
Total loans and borrowings (RM million) ^(c)	9,584	9,990
NA per YHB Share (RM) ^(d)	1.43	1.44
Gearing ratio (times) ^(e)	1.48	1.54

Notes:

- (a) Other reserves collectively consist of foreign currency translation reserve, cash flows hedge reserve, share based option reserve, share grant reserve, put option reserve and warrants reserve.
- (b) Total equity is inclusive of perpetual securities issued by of the Company of RM358 million (net of transaction costs) as at 31 January 2023. The Company issued Perpetual Sukuk Wakalah of RM250 million and RM110 million pursuant to its Subordinated Perpetual Islamic Notes Programme of up to RM1.0 billion in nominal value on 2 November 2022 and 5 December 2022 respectively, which were classified as equity because the payment of any distribution or redemption is at the discretion of the Company.
- (c) Assuming that a loan of USD87.9 million (equivalent to RM405.7 million million) is drawdown to fund the settlement of the Purchase Consideration in full.
- (d) Computed based on equity/NA attributable to owners of the Company divided by number of YHB Shares in issue (excluding treasury shares).
- (e) Computed based on total loans and borrowings of YHB Group divided by total equity.
- (f) Increase in retained earnings of RM36 million after the Proposed Acquisition after taking into consideration the accounting treatment below and the estimated expenses of RM1million.

Based on the contractual arrangement with Enauta Group, YHB has no control over the FPSO as the use, design, and specifications of the FPSO are all determined by Enauta Group. After the Proposed Acquisition, Enauta Group is able to direct the use of the FPSO and control the economic benefits associated with the FPSO. Enauta is also able to prevent others from accessing the FPSO and has stipulated that the FPSO is not to be charged, leased, sold or transferred to any other party without the consent of Enauta Group.

Accordingly, there is no identified asset controlled by YHB after the Proposed Acquisition. Hence, the entire contractual arrangement with Enauta Group is determined to be a service arrangement in accordance with MFRS 15 Revenue from Contracts with Customers.

Based on the above, the accounting treatment after the Proposed Acquisition at the YHB (Group Level) is summarised as follows:

- (i) YHB Group will not recognise the FPSO as an asset (although YHB Group has legal ownership of the FPSO after the Proposed Acquisition);
- (ii) YHB Group will not recognise the Call Grantor Loan provided by Enauta Group as borrowings, as the said loan is deemed to be an advance of approximately 80% of the project costs (refer to **Section 2.5** of this Circular) given to YHB Group for the construction of the FPSO which under the control of Enauta Group (effectively, Enauta Group is funding the construction of the FPSO); and
- (iii) The charter revenue to be obtained by YHB Group is an all-inclusive rate that will cover services to be provided by YHB Group i.e. the EPCI, O&M element in the Charter (excluding the Time Charter O&M) and Charter. As such, the revenue recognised during the charter period will be determined based on the charter rate stated in the charter contract (net of the total interest expenses on the Call Grantor Loan to be repaid over 15 years) and allocated to the 3 distinct services identified in the charter contract as follows:
 - (a) EPCI – based on the total expected EPCI project costs
 - (b) O&M element in the Charter – based on the total expected O&M costs; and
 - (c) Charter – the difference between the total charter income for 15 years as determined above less the amounts allocated to EPCI and O&M services.

The construction of FPSO Atlanta (EPCI) is to be funded by the Call Grantor Loan (80% of total project costs) and YHB Group's equity contribution (remaining 20% of total project costs) after the Proposed Acquisition. As stated in **Section 2.5** of this Circular, these amounts up to the completion of the EPCI of FPSO Atlanta are shown in the table below:

	Amount		
	USD'mil	RM'mil	%
(i) Equity Contribution by YHB Group (estimated maximum Call Option Price of USD87.9 million or equivalent to RM405.7 million (Section 2.5) plus additional commitment of USD8 million or equivalent to RM36.9 million (Section 2.8))	95.9	442.6	20
(ii) Call Grantor Loan USD346.8 million or equivalent to RM1,600.7 million (Section 2.5) plus USD32 million or equivalent to RM 147.7 million (Section 2.8))	378.8	1,748.4	80
Estimated Total Project Costs	474.7	2,191.0	100

Note:

(a) Please note that the amount above may be subject to change as disclosed in **Section 2.5** and **2.8** of this Circular.

The total payment under the EPCI Contract will be recognised on the balance sheet as a receivable (which includes the total project costs, EPCI profits and associated interest expenses) ("**EPCI Receivable**"). The Call Grantor Loan provided by Enauta Group to AFPS including the associated interest expenses will be offset against the EPCI Receivable instead of being recognised as borrowings upon completion of the Proposed Acquisition up to the end of the charter contract.

The net receivable balance after the said offset represents YHB Group's 20% equity contribution for the EPCI contract during the construction period) which is to be repaid over the charter period of 15 years ("**Net EPCI Receivable**") from the charter revenue to be paid from Enauta Group to AFPS.

The advance milestone payments received by YHB Group from Enauta Group to fund the construction of the FPSO (representing 80% of the total project costs) will be converted into the Call Grantor Loan under the Facility Agreement after the Proposed Acquisition. It is estimated that the maximum advance milestone payments to be received by the Closing would be USD346.8 million (equivalent RM1,600.7 million).

Upon commencement of the charter period, the charter payments allocated for EPCI will then be utilised towards the settlement of the Net EPCI Receivable. Furthermore, after the Proposed Acquisition, YHB Group is expected to recognise additional EPCI profit on the vessel and other costs of USD8 million (RM36.9 million), with the EPCI profit margin remaining consistent before and after the Proposed Acquisition.

For information, upon repayment of the Call Grantor Loan and associated interest expenses, there will be no accounting effects at YHB Group level in view that the loan has been offset against the EPCI Receivable.

Prior to the Proposed Acquisition and up the completion of the FPSO, YHB Group will recognise the progress of the construction of the FPSO (i.e. EPCI) as revenue in the income statement. All revenue pursuant to the EPCI will be fully recognised upon completion of the FPSO. Upon commencement of the charter, YHB Group will be recognising revenue allocated to the charter and O&M services (per (iii)(b) and (iii)(c) above) in the income statement over the charter period of 15 years. The costs associated with the EPCI, charter and O&M will be recognised as and when incurred.

Notwithstanding the above, on the standalone balance sheet of AFPS, the FPSO will be recognised as an asset and the Call Grantor Loan will be recognised as a liability in accordance with the International Financial Reporting Standards as adopted by EU.

As at the exercise of the Call Option, the amount of the maximum equity contribution is expected to be approximately USD87.9 million (equivalent to RM405.7 million). However, the maximum equity contribution as stipulated in the Call Option Agreement is approximately USD100 million (equivalent to RM461.6 million). If YHB Group is required to pump in up to USD100 million (equivalent to RM461.6 million) and the entire sum is funded by borrowings, our borrowings are expected to increase from RM9,584 million with gearing of 1.48 times to RM10,046 million with a gearing of 1.56 times.

6.3 Earnings and EPS

Upon completion of the Proposed Acquisition, the Company will consolidate the results of AFPS. For illustrative purposes only, assuming the Proposed Acquisition was completed on 1 February 2022, the pro forma PAT attributable to owners of the Company and basic EPS for the FYE 31 January 2023 is set out as below:

	Audited for FYE 31 January 2023	After the Proposed Acquisition
	(RM'mil)	(RM'mil)
Profit attributable to owners of the Company	589	595^(a)

	Audited for FYE 31 January 2023	After the Proposed Acquisition
	(RM'mil)	(RM'mil)
Less: Dividends declared to holders of perpetual securities	(137)	(137)
Profit attributable to ordinary equity shareholders of the Company	452	458
Weighted average number of YHB Shares in issue (excluding treasury shares) ('000)	2,707,253	2,707,253
Basic EPS (sen) ^(b)	16.7	16.9

Notes:

(a) Increase in profit attributable to owners of the Company of was primarily due to:

- (i) Effect of attribution of the EPCI profit margin to the vessel cost and other costs directly attributable to the EPCI Contract amounting to USD8 million (equivalent to RM36.9 million). Please refer to **Section 6.2** above for further details;
- (ii) Partially offset by interest expenses of USD6.5 million (equivalent to RM30.0 million) (net of tax impact of USD1.3 million (equivalent to RM6.0 million)) on the loan of USD87.9 million (equivalent to RM405.7 million) to be drawdown to fund the settlement of the Purchase Consideration in full at an assumed interest rate of 9% per annum and estimated expenses in relation to the Proposed Acquisition amounting to approximately RM 1 million.

(b) Computed based on profit attributable to ordinary equity shareholders of the Company divided by weighted average number of ordinary shares in issue (excluding treasury shares).

7 APPROVALS REQUIRED

The Proposed Acquisition is conditional upon the following approvals being obtained:

- (i) the Shareholders of YHB at an EGM to be convened; and
- (ii) any other relevant authorities/parties, if required.

For your information, on 31 May 2023, our Directors, namely Mr Lim Han Weng, Mr. Lim Chern Yuan, Madam Bah Kim Lian, Mr. Lim Han Joeeh and persons connected with them, representing approximately a total of 29.21% equity interest in our Company had provided a collective, non-binding letter of comfort to AFBV supporting the exercise of the Call Option, subject to the approval of Shareholders of our Company at the forthcoming EGM.

8 PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements of Bursa Securities is 48.56% (assuming the maximum Option Price of USD87.9 million (equivalent to RM405.7 million) and the Grantor Loan to be drawn down upon exercise of the Call Option of USD346.8 million (equivalent to RM1,600.7 million), based on the audited NA of YHB for the FYE 31 January 2023.

9 CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisition (being the subject matter of this Circular) and Proposed ESS2023, there are no other corporate exercises which have been announced by our Company but are pending completion as at the date of this Circular.

The Proposed Acquisition is not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

10 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of our Directors, major shareholders, chief executive of our Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Acquisition.

11 DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Acquisition (including but not limited to the basis of and justification for the Purchase Consideration, rationale and benefits of the Proposed Acquisition, effects of the Proposed Acquisition and prospects of AFPS and the risks involved) and after careful deliberation, is of the opinion that the Proposed Acquisition is in the best interest of YHB.

Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

12 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in the 2nd half of 2023. The tentative timeline of events leading to the completion of the Proposed Acquisition is as follows:

Event	Tentative timeline
EGM for the Proposed Acquisition	13 July 2023
Completion of the Proposed Acquisition	2nd half of 2023

13 EGM

The ordinary resolution in respect of the Proposed Acquisition will be tabled at our forthcoming EGM. This Circular together with the Administrative Details for the EGM are available on the Company's website at www.yinson.com.

Our forthcoming EGM will be held on a virtual basis and conducted entirely through live streaming via Remote Participation and Voting facilities, on Thursday, 13 July 2023 at 12.30 p.m. or immediately after the conclusion or adjournment (as the case may be) of our Company's 30th AGM, scheduled to be held on the same day at 10.30 a.m., whichever is later. The broadcast venue for

the EGM is at Yinson Global Headquarters, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia.

The voting of our forthcoming EGM will be conducted by poll. A member entitled to participate, speak and vote at our forthcoming EGM is entitled to appoint a proxy or proxies to participate, speak and vote on his/her behalf. If you are unable to attend and vote by yourself at our forthcoming EGM, please complete and return the Form of Proxy, in accordance with the instructions therein, to our 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. Alternatively, you may submit an eProxy form via Securities Services e-Portal at <https://sshsb.net.my/> ("**eProxy Lodgement**"). Please refer to the Administrative Details for the steps on the eProxy Lodgement which is available on the Company's website at www.yinson.com. The lodging of the Form of Proxy will not preclude you from participating, speaking and voting remotely at the forthcoming EGM should you subsequently wish to do so, so long as you revoke the appointment of your proxy prior to the EGM

14 FURTHER INFORMATION

You are requested to refer to the enclosed appendices for further information.

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

LIM HAN WENG
Group Executive Chairman

SALIENT TERMS OF CALL OPTION AGREEMENT

The salient terms of the Call Option Agreement, amongst others, are as follows:

1.	Parties involved	<table> <tr> <th>Call Grantor</th><th>Target Company</th><th>Holder</th></tr> <tr> <td>AFBV</td><td>AFPS</td><td>YBHPL</td></tr> </table>	Call Grantor	Target Company	Holder	AFBV	AFPS	YBHPL
Call Grantor	Target Company	Holder						
AFBV	AFPS	YBHPL						
2.	Call Option	Subject to the terms and conditions of the agreement and in consideration for payment of the sum of USD1.00 (equivalent to RM4.62), the Call Grantor hereby irrevocably and unconditionally grants to the Holder, during the Option Exercise Period, the right and option to purchase all of the AFPS Shares so that during the Option Exercise Period, the Holder has the option to purchase and require the Call Grantor to sell all of the AFPS Shares.						
3.	Consideration	The Call Option is granted by the Call Grantor to the Holder in consideration of payment of the Option Fee paid by the Holder to the Call Grantor, receipt whereof the Call Grantor acknowledges.						
4.	Exercise of option	During the Option Exercise Period, the Holder shall have the right to deliver a notice of exercise to the Call Grantor and the Target Company for the purposes of exercising the Call Option.						
5.	Option Price	The price, in USD, to be paid by the Holder to the Call Grantor for the AFPS Shares shall be equal to the Effective Book Value of the date of the Closing calculated in the manner set out in Section 2.5 of this Circular.						
6.	Term	The agreement shall become effective on 21 February 2021 and shall remain effective until termination of the agreement pursuant to Total Loss or expiration of the Option Exercise Period (if the Call Option has not been exercised) in each case, whichever occurs first. The Call Option shall remain open to be exercised at any time during the Option Exercise Period. Upon termination of the agreement due to Total Loss or expiration of the Option Exercise Period (if the Call Option has not been exercised), the Agreement shall automatically terminate without any liability, and the parties and the guarantor of the Call Grantor shall no longer have any right or obligation under the agreement, except for such liabilities, rights and obligations that shall survive such termination or expiration as expressly provided in the agreement.						

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SALIENT TERMS OF CALL OPTION AGREEMENT (CONT'D)

7.	Expiry and its consequences	<p><u>Expiry of Call Option</u></p> <p>If the Holder has been prevented from exercising the Call Option by the end of the Option Exercise Period or if Closing has not occurred due to:</p> <ul style="list-style-type: none"> (i) a failure by the Call Grantor to advance the loans under the Call Grantor Loan to the Target Company when required in accordance with the terms of the agreement, (ii) the Call Grantor's failure in performing or fulfilling its obligations under the agreement; or (iii) a material breach of undertakings by the Call Grantor as detailed in the agreement; (iv) a material breach of representations and warranties by the Call Grantor as detailed in the agreement; (v) any action or omission of the Call Grantor and/or the Target Company that is reasonably foreseeable that will have the effect of preventing the exercise of the Call Option and/or Closing (including but not limited to a termination of the EPCI Contract); (vi) a breach of obligation by the Call Grantor or the Target Company under the relevant provisions in the agreement (provided that any failure to provide information/documents pursuant to these sections may be remediated by providing such information or document promptly upon Target Company or Call Grantor becoming aware of such failure), <p>provided that (i) such action and/or omission cannot be remediated and/or indemnified on the basis of the provisions of the agreement; and (ii) such action or omission was the principal reason the Call Holder was unable to exercise the Call Option, the consequences as stipulated in the "Expiry of Payment" below shall apply.</p> <p>Save and except for items (c) and (d) above, any breach of the undertakings, representations and warranties made under Sections 6 and 7 of the agreement prior to Closing shall not be treated as having prevented the Call Holder from exercising the Call Option.</p> <p>For the avoidance of doubt in what concerns in item (b) above, parties shall discuss in good faith if the closing is prevented by a cause outside the Target Company's or Call Grantor's control.</p> <p><u>Expiry of Payment</u></p> <p>If, by the end of the Option Exercise Period, the Holder has been prevented from exercising the Call Option or the closing has not occurred for the reasons provided in item above, the Call Grantor shall ensure that the Target Company shall pay to the Contractor the EPCI Contract Price (being the price for the whole of the work that the contractor is required to carry out) without application of the EPCI Profit Discount in accordance with the terms of the EPCI Contract. The non-application of the EPCI Profit Discount to the EPCI Contract</p>
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SALIENT TERMS OF CALL OPTION AGREEMENT (CONT'D)

		<p>Price shall be the Holder's sole and exclusive financial compensation for its non-exercise of the Call Option by the end of the Option Exercise Period or if Closing has not occurred for the reasons provided in item above and no further amount whatsoever, including any damages, shall be paid to the Holder. If the Call Option is not exercised by the Holder for any reason (save for the reasons provided in item above), the EPCI Profit Discount shall automatically apply under the EPCI Contract.</p> <p>For the avoidance of doubt, the EPCI Profit Discount shall remain automatically applied in any case of EPCI termination due to Contractor's default and due to Force Majeure as stipulated in the agreement.</p> <p>Remediation of undertakings, representations and warranties Should the Call Grantor fail to comply with any undertakings, representations and warranties provided in the agreement which are capable of being remediated, the Call Grantor shall be entitled to remedy such failure within a) 15 days from a notice from the Holder or Call Grantor or b) a reasonable time frame provided that such remediation is accomplished before closing, and promptly notify the Holder in writing of the results of such remediation.</p>
8.	Governing Law	<p>The agreement shall be governed by the laws of England without reference to its conflict of laws principles which might lead to the application of the laws of another state.</p>

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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES)

1.	Parties involved	<table><tr><th>Borrower</th><th>Original Lender / Lender</th></tr><tr><td>AFPS</td><td>AFBV</td></tr></table>	Borrower	Original Lender / Lender	AFPS	AFBV
Borrower	Original Lender / Lender					
AFPS	AFBV					
2.	The Facility	<p>The Lender makes available to the Borrower a dollar term loan facility in an aggregate amount equal to USD378,209,456.00* or equivalent to RM1,745,625,744.00 at the date of the agreement ("Facility")</p> <p>Note: * The Facility Agreement is currently in a draft form and yet to be executed. Hence, the amount stated here may be updated prior to its execution.</p>				
3.	Purpose	The Borrower shall only apply amounts borrowed under the Facility to pay (or reimburse) Project Cost.				
4.	Conditions of Utilisation	<p><u>Initial Conditions Precedent for the first utilisation date</u></p> <p>The Borrower may not deliver a utilisation request for the first date of the utilization of the loan ("First Utilisation Date") unless the Lender has received all of the documents and other evidence listed in the agreement, in each case in form and substance satisfactory to the Lender.</p> <p><u>Initial Conditions Precedent for the First Call Option utilisation date</u></p> <p>The Borrower may not deliver a utilisation request on or after the Closing Date unless the Lender has received all of the documents and other evidence listed in of the agreement, in each case in form and substance satisfactory to the Lender.</p>				
5.	Interest	<p>The rate of interest on each loan is 6% per annum ("Fixed Interest Rate"), which shall accrue from the First Utilisation Date, in accordance with the terms and conditions of the agreement.</p> <p>Subject to the relevant provisions in the agreement, if the Borrower fails to pay any amount payable by it under a finance document on its due date (unless such failure to pay is due to a continuing event of Charterer's default or the Lender is a defaulting lender), interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment), at a rate which is 2% per annum higher than the Fixed Interest Rate.</p>				

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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

6.	Contribution of Equity	<p>The Borrower must ensure that from the Closing Date until the expiry of the Availability Period:</p> <p>(i) Equity in an aggregated amount (when aggregated with the amount of Equity funded under item (ii) below not exceeding the Base Equity Contribution has been deposited into the construction account in accordance with terms and conditions of the agreement and the Undertaking Agreement in the form of provided in the agreement; and</p> <p>(ii) In the event of a Cost Overrun, Equity (in addition to the Base Equity Contribution) is deposited into the construction account in accordance with the Undertaking Agreement to fund the payment of all Project Cost (excluding any capitalised interest stipulated in the agreement) due and payable by the Borrower that exceed the Budgeted Total Project Costs as defined in the agreement.</p> <p>On or before each proposed Utilisation Date occurring after the Closing Date, the Borrower must procure that Equity is contributed in cleared funds into the construction account in an amount equal to 20% of the Project Costs to be paid with the proceeds of the loan requested in the relevant Utilisation Request (in an aggregate amount not exceeding the Base Equity Contribution). For the avoidance of doubt, the Borrower shall not be obliged to procure that any Equity is contributed to fund any interest which is capitalised pursuant to the agreement and constitutes Project Costs.</p> <p>A failure by Sponsor or the Shareholder to make any Equity Contribution to the Borrower (including the Base Equity Contribution or additional Equity Contributions if Cost Overruns occur) in accordance with the finance documents constitute an Event of Default under the terms and conditions of the agreement.</p>
7.	Repayment of Loans	<p>Subject to provisions on the deferral rights in the agreement, the Borrower shall repay the loans by repayment instalments in the amount, and on the dates, as set out in the Repayment Schedule. For your information on the Repayment Schedule, please refer to Schedule 1 after this table.</p>
8.	Final Maturity Date	<p>Without limiting the provisions on repayment of loans in the agreement, the Borrower shall repay all amounts outstanding under the Facility in full on the date that is 15 years after the Final Acceptance Date.</p>
9.	Mandatory prepayment	<p><u>Mandatory prepayment -Total Loss, expropriation or sale of the FPSO</u></p> <p>The Borrower must repay all amounts outstanding under the Facility in full on the date on which Total Loss insurance</p>

SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p>proceeds or requisition compensation for such total loss or expropriation are paid by the insurers or the relevant government entity (or such later date as the Lender may agree), following:</p> <ul style="list-style-type: none"> (i) an event of actual, constructive, compromised or agreed total loss of the FPSO; or (ii) any expropriation, nationalisation or compulsory acquisition of: <ul style="list-style-type: none"> (A) the shares in the Borrower or YBSD (subject to the right to replace YBSD within 60 days of the relevant event (or such longer period as may be agreed between the Borrower and the Lender), which replacement YBSD must be acceptable to the Lender (acting reasonably and without delay)); or (B) the FPSO. <p><u>Mandatory prepayment - Insurance Proceeds</u></p> <ul style="list-style-type: none"> (i) Without prejudice to mandatory prepayment – total loss, expropriation or sale of FPSO and subject to clause (b), the Borrower shall apply all insurance proceeds received in prepayment of the outstanding loans. (ii) Clause (a) shall not apply in respect of any insurance proceeds: <ul style="list-style-type: none"> a) received in respect of automobile, third-party liability (including protection and indemnity), worker's compensation, employer's liability (to the extent that such payments are to be paid to the person who incurred the liability or to any person who has already discharged such liability), delayed completion, business interruption or other similar insurance policies; or b) to the extent that such insurance proceeds are: <ul style="list-style-type: none"> (A) applied towards the replacement, reinstatement, maintenance and/or repair of a relevant asset (or as reimbursement of the shareholder or any affiliate for the replacement, reinstatement, maintenance and/or repair of the relevant asset); or (B) permitted to be transferred to the earnings account or the construction account, pursuant to terms and conditions of the agreement. <p><u>Mandatory prepayment - Termination payments</u></p>
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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

	<p>(i) Subject to terms and conditions of the agreement, the Borrower shall apply any termination payments received by the Borrower under a Material Project Document in prepayment of the outstanding loans, unless, in the case of a termination payment received by the Borrower under a Material FPSO Construction Document:</p> <ul style="list-style-type: none"> a) such termination payment is provided for a specific use or purpose in relation to the Project, including in order to comply with applicable law, in which case the Borrower shall apply such amount for that purpose; or b) the Lender consents to the application of such termination payment to pay Project Costs, operating costs or otherwise and such amount is so applied by the Borrower. <p>(ii) Subject to terms and conditions of the agreement, any prepayment required to be made pursuant to clause (a) shall:</p> <ul style="list-style-type: none"> a) be made by the Borrower on the immediately following interest payment date occurring after receipt of such payments; and b) be applied: <ul style="list-style-type: none"> (A) first, to prepay all outstanding loans under the Facility and all other amounts owing to the Lender under or in connection with the finance documents in full (and shall be applied pro rata against all remaining repayment instalments); and (B) then, once all amounts payable by the Borrower under or in connection with the finance documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available, in payment to the Borrower, <p>and the Lender will, with the agreement of the Borrower, update the Repayment Schedule accordingly and provide the updated Repayment Schedule to the Borrower to attach to their counterpart of the agreement.</p> <p>“Commitment” here refers to:</p> <ul style="list-style-type: none"> (i) in relation to the Original Lender, USD378,209,456.00 (equivalent to RM1,745,625,744); and (ii) in relation to any other Lender, the amount of any Commitment transferred to it under the agreement, <p>to the extent not cancelled, reduced or transferred by it under the agreement.</p>
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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p><u>Mandatory prepayment – asset sales</u></p> <p>Subject to clause for mandatory prepayment – Total Loss, expropriation or sale of FPSO), the Borrower shall apply any net proceeds in prepayment of the outstanding loans other than:</p> <ul style="list-style-type: none"> (i) net proceeds that are, within 12 months of receipt, contractually committed to be used to replace the assets sold or otherwise disposed of and are actually so applied within 18 months of receipt of such proceeds; (ii) to the extent such net proceeds are not in excess of: <ul style="list-style-type: none"> (A) USD10,000,000 (equivalent to RM46,155,000) for a single disposal; or (B) USD20,000,000 (equivalent to RM92,310,000) in the aggregate for all net proceeds of disposals received by the Borrower and FPSO Operator in any financial year; or (C) Net proceeds received for any permitted disposal described in accordance with the agreement. <p><u>Mandatory prepayment – Refinancing</u></p> <p>The Borrower shall apply the proceeds of any refinancing of the Facility to prepay the outstanding loans in full and all other amounts owing under the finance documents.</p> <p>“FPSO Operator” here refers to YBSD.</p>
10.	Events of Default (“Event of Default”)	<p>Amongst others:</p> <p><u>Non-payment</u></p> <p>If the Borrower does not pay on the due date any amount payable by it pursuant to a finance document to which it is a party at the place and in the currency in which it is expressed to be payable unless payment is made within 3 business days of its due date.</p> <p><u>Insolvency or insolvency proceedings</u></p> <p>If any Security Provider becomes insolvent or any corporate action, legal proceedings or other procedure or step is taken in respect of any Security Provider as set out in the relevant provisions in the agreement.</p> <p><u>Creditors’ process</u></p> <p>Except in the circumstances described in the agreement, any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Security Provider which is not discharged within 45 days.</p>

SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p><u>Unlawfulness and invalidity</u> Without limiting the clause on security which is one of the events of default in the agreement,</p> <ul style="list-style-type: none"> (i) it is or becomes unlawful for the Sponsor or any Security Provider to perform any of its material obligations under any finance document; or (ii) any subordination created under the Undertaking Agreement in respect of a Permitted Subordinated Shareholder Loan is or becomes unlawful, <p>and alternative arrangements satisfactory to the Lender are not made within 30 days from the Borrower's receipt of notice from the Lender requiring the same to be made.</p> <p>The above sections on insolvency, creditors' process and unlawfulness and invalidity shall not apply in respect of the FPSO Operator if:</p> <ul style="list-style-type: none"> (i) the Borrower has commenced the process of appointing a replacement for the FPSO Operator acceptable to the Lender (acting reasonably and without delay); and (ii) in any event, within 60 days of the occurrence of the relevant event or such longer period as may be agreed between the Borrower and the Lender, all rights and obligations of the FPSO Operator under the transaction documents (including undertakings provided by the Borrower on behalf of the FPSO Operator) are transferred to and assumed by a person which (A) is acceptable to the Charterer and the Lender and (B) in the reasonable opinion of the Lender, has a credit standing and experience in operating and maintaining offshore vessels of a similar scale and complexity to the FPSO at least equivalent to that of the Sponsor at the time the services agreement was entered into (or is wholly owned or controlled by an entity that has a credit standing and experience in operating and maintaining offshore vessels of a similar scale and complexity to the FPSO at least equivalent to that of the Sponsor at the time the services agreement was entered into). <p><u>Final Acceptance Date</u> The Final Acceptance Date does not occur on, or prior to, the Final Acceptance Long-Stop Date.</p> <p><u>Material Project Documents</u> Except as a result of the FPSO becoming a Total Loss or being sold and the Facility is repaid in full in accordance with terms and conditions of the agreement, amongst others:</p> <ul style="list-style-type: none"> (i) the Borrower or the FPSO Operator receives a notice from the Charterer of its intention to terminate the Time
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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p>Charter Agreement or the Services Agreement in accordance with their respective terms due to the failure by the Borrower or the FPSO Operator to comply with its obligations thereunder ("Termination Notice") unless such failure is capable of being cured and the underlying breach is remedied within 30 days of receipt by the Borrower or the FPSO Operator of the Termination Notice.</p> <p>(ii) the Borrower or the FPSO Operator does not comply with its payment or other material obligations under a Material Project Document (other than the Time Charter Agreement or services agreement) and that event gives rise to a right to terminate (however described) such Material Project Document and the Borrower or the FPSO Operator has received notice from the counterparty of its intention to terminate such Material Project Document unless:</p> <p>a) in the case of a breach of a payment obligation under a Material Project Document, the Borrower or the FPSO Operator is disputing such payment obligation in good faith and the Borrower has (and continues to make) adequate provision in accordance with the accounting principles for the amount in dispute and all costs and expenses that may reasonably be expected to arise in respect of such dispute; or</p> <p>b) in the case of any other breach:</p> <p>(A) such breach is capable of remedy and is remedied within 30 days of the earlier of the Lender giving notice to the Borrower and the Borrower becoming aware of such breach; or</p> <p>(B) such Material Project Document is replaced within 30 days of the earlier of the Lender notifying the Borrower and the Borrower becoming aware of the occurrence of the relevant event on substantially similar terms, with a counterparty satisfactory to the Lender and such replacement Material Project Document is made subject to the Security Document.</p> <p><u>Security</u></p> <p>(i) The Lender shall cease to have a first priority perfected security on any Secured Property (including the FPSO) to the extent required by the Security Document or any Transaction Security created or expressed to be created or evidenced by the Security Document ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective;</p>
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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p>(ii) the FPSO Mortgage ceases to be registered with the maritime registry and the Brazilian registry of deeds and documents;</p> <p>(iii) any security (other than permitted security) is registered on the FPSO without the prior written consent of the Lender,</p> <p>provided that no event of default shall occur under clause I above if such event is rectified (or the registration of such security is removed) within 30 days.</p> <p><u>Abandonment</u> The Borrower or the FPSO Operator abandons the FPSO or ceases to carry on its business (other than as expressly permitted under the Time Charter Agreement) for more than 30 consecutive days.</p> <p><u>Misrepresentation</u> Save for the exceptional circumstances provided in the agreement, any representation made or deemed to be made by any Security Provider or the Sponsor in a finance document to which it is a party, or any other document or certificate delivered by or on behalf of any Security Provider or the Sponsor under or in connection with any finance document, is incorrect or misleading in any material respect when made or deemed to be made.</p> <p><u>Equity contributions</u> The Sponsor or the Shareholder fails to comply with the provisions of the Shareholder and Sponsor Contributions in the Undertaking Agreement, unless such failure is remedied within 5 business days of the earlier of (i) the Lender giving notice to the Sponsor or Shareholder of such failure to comply; and (ii) the Sponsor or Shareholder becoming aware of such failure to comply.</p> <p><u>Obligations generally</u> Save for the exceptional circumstances provided in the agreement, any Security Provider or the Sponsor fails to comply with any provision of a finance document to which it is a party (other than those in relation to which another event of default set out in the agreement applies).</p> <p><u>Cross default</u> Save for the exceptional circumstances provided in the agreement, any financial indebtedness of any Security Provider is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).</p>
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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p><u>Arrest</u> The FPSO is arrested or otherwise seized or detained and is not released from such arrest, seizure or detention within 60 days.</p> <p><u>Judgment</u> Any Security Provider fails to pay, within 30 days of its due date, an amount in excess of:</p> <ul style="list-style-type: none"> (i) for the Borrower or the FPSO Operator, USD2,000,000 (or its equivalent in another currency); or (ii) for the Shareholder, USD25,000,000 (or its equivalent in another currency), <p>in each case determined to be payable by it pursuant to a final, binding judgment, determination or award from a competent authority that is not subject to further appeal in respect of any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency.</p> <p><u>Change of ownership</u> Save for the exceptional circumstances provided in the agreement, the following occurs:</p> <ul style="list-style-type: none"> (i) On and after the Closing Date, the Shareholder fails to hold 100% of the legal and beneficial ownership of all of the issued share capital of the Borrower. (ii) On and after the Closing Date and prior to the First Call Option Utilisation Date, one or both of the Borrower and the Shareholder no longer holds (directly or indirectly) 100% of the legal and beneficial ownership of the issued share capital of the FPSO Operator. (iii) On and after the FPSO Operator transfer completion date as detailed in the agreement, the Borrower no longer holds 100% of the legal and beneficial ownership of the issued share capital of the FPSO Operator (unless the FPSO Operator is replaced in accordance with the terms of this Agreement). <p>“Security Provider” here refers to:</p> <ul style="list-style-type: none"> (i) the Borrower; (ii) the FPSO Operator; (iii) the Shareholder; or (iv) any other person creating or purporting to create security in favour of the Lender pursuant to a security document. <p>“First Call Option Utilisation Date” here refers to the date on which the first Utilisation occurs on or after the Closing Date.</p>
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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

11.	Remedies	<p><u>Remedies following the Event of Default</u></p> <p>Subject to terms and conditions of the agreement on and at any time after the occurrence of an Event of Default which is continuing, the Lender may, amongst others:</p> <ul style="list-style-type: none"> (i) by notice to the Borrower cancel USD378,209,456.00 or equivalent to RM1,745,625,744.00 ("Total Commitments") whereupon they shall immediately be cancelled and stop allowing interest payable by the Borrower to be capitalised under the provisions on payment of interest in the agreement; (ii) by notice to the Borrower declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable, whereupon they shall become immediately due and payable; (iii) by notice to the Borrower declare that all or part of the loans be payable on demand, whereupon they shall immediately become payable on demand; (iv) issue a blocking notice (as detailed in the accounts agreement dated on the Closing Date between the Borrower, the Lender and the account bank) and instruct the account bank in accordance with the provision on event of defaults of the accounts agreement preventing the Borrower from making any payments, transfers or withdrawals from the Project Accounts (other than the Distribution Account), save for the exceptional circumstances provided in the agreement; (v) take enforcement action in respect of the Transaction Security including applying all amounts standing to the credit of the Project Accounts (other than the Distribution Account) in repayment of the Loans and other amounts outstanding under the finance documents; (vi) without limiting paragraph (e) above, enforce the FPSO Mortgage (and the Borrower must undertake to transfer title of the FPSO to the Lender or its nominee in lieu of enforcement if required by the Lender) or exercise its rights under the Transfer Deed; and/or (vii) take any other action which may be specified or contemplated by the agreement or a finance document. <p>"Distribution Account" here refers to the distribution account denominated in dollars and described in Schedule 1 of the agreement.</p> <p>"Project Accounts" here refers to collectively, the earnings account, the construction account, the compensation and</p>
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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p>insurance proceeds account, the Distribution Account, the USD operating account and the EUR operating account.</p> <p><u>Remedies following an Event of Charterer's Default</u></p> <p>The Lender shall not exercise any of its remedies under the above clause (Remedies following an Event of Default) following an Event of Default that occurs, amongst other:</p> <ul style="list-style-type: none"> (i) as a result of failure by the Borrower to make any payments of Debt Service if such failure results directly from a continuing Event of Charterer's Payment Default; (ii) as a result of an insolvency event in respect of the Charterer; (iii) or solely as a result of any non-performance, repudiation or other breach by the Charterer under the Time Charter Agreement or Services Agreement, which is not due to a continuing YHB's default or FPSO Non- Performance, <p>(each an "Event of Charterer's Default").</p> <p>The term "FPSO Non-Performance" means non-performance of the FPSO, including the failure of the FPSO to meet the required performance levels in accordance with provisions on the performance levels of FPSO in the Time Charter Agreement.</p> <p><u>Remedies in respect of Events of Default occurring prior to the Closing Date</u></p> <p>The Lender shall not exercise any of its remedies provided in the agreement following <u>an event of Charterer's Default</u> after the Closing Date in respect of any Event of Default that occurred prior to the Closing Date and is continuing on the Closing Date other than an Event of Default that was caused by YPOPL ("Sponsor") or a person that was an affiliate of the Sponsor prior to the Closing Date.</p>
12.	Governing Law	The agreement shall be governed by English law.

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SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

Schedule 1

	Days	Date	Opening Balance ^(a)	Disbursement ^(a)	Rate for the period	Interest Capitalised ^(a)	Interest Paid ^(a)	Loan Amortization ^(a)	Total Payment ^(a)	Closing Balance ^(a)
ED		21/2/2022								
1st Disb / Closing		31/7/2023	-	346,784,497	-		-	-	-	346,784,497
ED + 18	31	31/8/2023	346,784,497	18,662,586	0.51%	1,767,176		-	-	367,214,258
ED + 21	91	30/11/2023	367,214,258	9,341,646	1.50%	5,493,123		-	-	382,049,027
ED + 24	91	29/2/2024	382,049,027	3,795,508	1.50%	5,715,035		-	-	391,559,569
Acceptance + 3M	92	31/5/2024	391,559,569	-	1.51%	5,921,668		-	-	397,481,237
Acceptance + 6M	92	31/8/2024	397,481,237	-	1.51%		-6,011,223	-4,329,899	-10,341,123	393,151,338
	91	30/11/2024	393,151,338	-	1.50%		-5,881,113	-4,418,214	-10,299,327	388,733,123
	90	28/2/2025	388,733,123	-	1.48%		-5,751,120	-4,507,109	-10,258,229	384,226,015
	92	31/5/2025	384,226,015	-	1.51%		-5,810,761	-4,528,530	-10,339,290	379,697,485
	92	31/8/2025	379,697,485	-	1.51%		-5,742,274	-4,597,016	-10,339,290	375,100,469
	91	30/11/2025	375,100,469	-	1.50%		-5,611,092	-4,688,853	-10,299,945	370,411,616
	90	28/2/2026	370,411,616	-	1.48%		-5,480,062	-4,781,241	-10,261,303	365,630,375
	92	31/5/2026	365,630,375	-	1.51%		-5,529,533	-4,807,878	-10,337,412	360,822,497
	92	31/8/2026	360,822,497	-	1.51%		-5,456,822	-4,880,589	-10,337,412	355,941,907
	91	30/11/2026	355,941,907	-	1.50%		-5,324,501	-4,976,078	-10,300,579	350,965,829
	90	28/2/2027	350,965,829	-	1.48%		-5,192,371	-5,072,084	-10,264,455	345,893,745
	92	31/5/2027	345,893,745	-	1.51%		-5,231,051	-5,104,436	-10,335,486	340,789,309
	92	31/8/2027	340,789,309	-	1.51%		-5,153,855	-5,181,632	-10,335,486	335,607,677
	91	30/11/2027	335,607,677	-	1.50%		-5,020,323	-5,280,906	-10,301,229	330,326,771
	91	29/2/2028	330,326,771	-	1.50%		-4,941,326	-5,359,903	-10,301,229	324,966,869
	92	31/5/2028	324,966,869	-	1.51%		-4,914,567	-5,419,607	-10,334,174	319,547,262
	92	31/8/2028	319,547,262	-	1.51%		-4,832,605	-5,501,569	-10,334,174	314,045,693
	91	30/11/2028	314,045,693	-	1.50%		-4,697,779	-5,604,774	-10,302,553	308,440,919
	90	28/2/2029	308,440,919	-	1.48%		-4,563,236	-5,708,420	-10,271,655	302,732,500

SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

Schedule 1

	Days	Date	Opening Balance ^(a)	Disbursement ^(a)	Rate for the period	Interest Capitalised ^(a)	Interest Paid ^(a)	Loan Amortization ^(a)	Total Payment ^(a)	Closing Balance ^(a)
	92	31/5/2029	302,732,500	-	1.51%	-	-4,578,311	-5,753,843	-10,332,154	296,978,657
	92	31/8/2029	296,978,657	-	1.51%	-	-4,491,294	-5,840,860	-10,332,154	291,137,797
	91	30/11/2029	291,137,797	-	1.50%	-	-4,355,102	-5,948,133	-10,303,236	285,189,663
	90	28/2/2030	285,189,663	-	1.48%	-	-4,219,244	-6,055,803	-10,275,047	279,133,860
	92	31/5/2030	279,133,860	-	1.51%	-	-4,221,422	-6,108,664	-10,330,086	273,025,196
	92	31/8/2030	273,025,196	-	1.51%	-	-4,129,039	-6,201,047	-10,330,086	266,824,149
	91	30/11/2030	266,824,149	-	1.50%	-	-3,991,397	-6,312,538	-10,303,934	260,511,611
	90	28/2/2031	260,511,611	-	1.48%	-	-3,854,144	-6,424,377	-10,278,521	254,087,235
	92	31/5/2031	254,087,235	-	1.51%	-	-3,842,634	-6,485,335	-10,327,970	247,601,899
	92	31/8/2031	247,601,899	-	1.51%	-	-3,744,555	-6,583,415	-10,327,970	241,018,485
	91	30/11/2031	241,018,485	-	1.50%	-	-3,605,372	-6,699,277	-10,304,650	234,319,207
	91	29/2/2032	234,319,207	-	1.50%	-	-3,505,159	-6,799,491	-10,304,650	227,519,716
	92	31/5/2032	227,519,716	-	1.51%	-	-3,440,846	-6,885,683	-10,326,529	220,634,034
	92	31/8/2032	220,634,034	-	1.51%	-	-3,336,712	-6,989,817	-10,326,529	213,644,217
	91	30/11/2032	213,644,217	-	1.50%	-	-3,195,883	-7,110,220	-10,306,104	206,533,996
	90	28/2/2033	206,533,996	-	1.48%	-	-3,055,571	-7,230,863	-10,286,435	199,303,133
	92	31/5/2033	199,303,133	-	1.51%	-	-3,014,119	-7,310,197	-10,324,316	191,992,936
	92	31/8/2033	191,992,936	-	1.51%	-	-2,903,564	-7,420,751	-10,324,316	184,572,185
	91	30/11/2033	184,572,185	-	1.50%	-	-2,760,998	-7,545,855	-10,306,852	177,026,330
	90	28/2/2034	177,026,330	-	1.48%	-	-2,619,020	-7,671,135	-10,290,155	169,355,195
	92	31/5/2034	169,355,195	-	1.51%	-	-2,561,207	-7,760,846	-10,322,054	161,594,348
	92	31/8/2034	161,594,348	-	1.51%	-	-2,443,838	-7,878,216	-10,322,054	153,716,133
	91	30/11/2034	153,716,133	-	1.50%	-	-2,299,425	-8,008,193	-10,307,617	145,707,940
	90	28/2/2035	145,707,940	-	1.48%	-	-2,155,679	-8,138,279	-10,293,959	137,569,660
	92	31/5/2035	137,569,660	-	1.51%	-	-2,080,506	-8,239,237	-10,319,743	129,330,423
	92	31/8/2035	129,330,423	-	1.51%	-	-1,955,901	-8,363,842	-10,319,743	120,966,581
	91	30/11/2035	120,966,581	-	1.50%	-	-1,809,527	-8,498,872	-10,308,399	112,467,710

SALIENT TERMS OF THE DRAFT FACILITY AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

Schedule 1

	Days	Date	Opening Balance ^(a)	Disbursement ^(a)	Rate for the period	Interest Capitalised ^(a)	Interest Paid ^(a)	Loan Amortization ^(a)	Total Payment ^(a)	Closing Balance ^(a)
	91	29/2/2036	112,467,710	-	1.50%	-	-1,682,394	-8,626,006	-10,308,399	103,841,704
	92	31/5/2036	103,841,704	-	1.51%	-	-1,570,428	-8,747,743	-10,318,171	95,093,960
	92	31/8/2036	95,093,960	-	1.51%	-	-1,438,133	-8,880,038	-10,318,171	86,213,922
	91	30/11/2036	86,213,922	-	1.50%	-	-1,289,666	-9,020,320	-10,309,986	77,193,602
	90	28/2/2037	77,193,602	-	1.48%	-	-1,142,042	-9,160,561	-10,302,603	68,033,041
	92	31/5/2037	68,033,041	-	1.51%	-	-1,028,883	-9,286,879	-10,315,762	58,746,162
	92	31/8/2037	58,746,162	-	1.51%	-	-888,435	-9,427,327	-10,315,762	49,318,835
	91	30/11/2037	49,318,835	-	1.50%	-	-737,756	-9,573,046	-10,310,802	39,745,789
	90	28/2/2038	39,745,789	-	1.48%	-	-588,020	-9,718,638	-10,306,658	30,027,150
	92	31/5/2038	30,027,150	-	1.51%	-	-454,109	-9,859,195	-10,313,304	20,167,955
	92	31/8/2038	20,167,955	-	1.51%	-	-305,006	-10,008,299	-10,313,304	10,159,657
Amortisation Ends	91	30/11/2038	10,159,657	-	1.50%	-	-151,977	-10,159,657	-10,311,634	-

Note:

(a) All amounts stated above are in USD

SALIENT TERMS OF THE DRAFT UNDERTAKING AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES)

1.	Parties involved	<table><tr><th>Sponsor</th><th>Borrower</th><th>FPSO Operator</th><th>Shareholder</th><th>Lender</th></tr><tr><td>YPOPL</td><td>AFPS</td><td>YBSD</td><td>YBHPL</td><td>AFBV</td></tr></table>	Sponsor	Borrower	FPSO Operator	Shareholder	Lender	YPOPL	AFPS	YBSD	YBHPL	AFBV
Sponsor	Borrower	FPSO Operator	Shareholder	Lender								
YPOPL	AFPS	YBSD	YBHPL	AFBV								
2.	Shareholder Contributions	<p>The Shareholder shall make Shareholder Contributions in accordance with the terms of the agreement.</p> <p>Each of the Sponsor, the Shareholder and the Borrower agrees to take, or cause to be taken, all actions (corporate and otherwise) necessary to:</p> <p>(i) authorise and effectuate Equity Contributions required under the agreement;</p> <p>(ii) ensure that all Equity Interests in the Borrower, including any Equity Interests issued in connection with such Equity Contributions, are pledged in favour of the Lender under the Dutch Share Pledge.</p> <p>“Equity interest” here refers to capital stock and all warrants, options or other rights to acquire capital stock (but excluding any debt security that is convertible into, or exchangeable for, capital stock.</p>										
3.	Base Equity Contributions (USD100 million)	The Shareholder shall make or cause to be made, on each Base Equity Contribution Date, Shareholder Contributions in accordance with clause 2.1 of the agreement in an amount equal to 20% of the Project Costs to be paid with the proceeds of the Loan requested on the next occurring Utilisation Date after such Base Equity Contribution Date. The Shareholder shall not be required to make or cause to be made Shareholder Contributions pursuant to the relevant provisions of the agreement in an amount exceeding the Base Equity Contribution.										
4.	Sponsor Contributions	At any time that the Shareholder is required to make any Shareholder Contribution pursuant to the agreement, to the extent the Shareholder has insufficient funds to provide such Shareholder Contribution, the Sponsor shall provide a Sponsor Contribution and procure that such Sponsor Contribution is provided by the Shareholder to the Borrower as required in accordance with the agreement.										
5.	No recourse to Sponsor	A failure by the Sponsor or the Shareholder to comply with the requirements stipulated in the terms and conditions of the agreement will constitute an Event of Default under the agreement. However, notwithstanding anything in the finance documents, all amounts payable or expressed to be payable by the Sponsor to the Lender under the agreement or in respect of its obligations and liabilities under the finance documents shall be recoverable only from and to the extent of the Secured Property and the proceeds of realisation or enforcement of the Secured Property and the Sponsor shall not be personally liable for those moneys, obligations and liabilities.										

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SALIENT TERMS OF THE DRAFT UNDERTAKING AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

6.	Undertakings of the Sponsor and the Shareholder	<p><u>General</u></p> <p>The following undertakings are given by the Sponsor and the Shareholder (except as otherwise expressly provided in the agreement) with respect to itself to the Lender and shall remain in full force on and from the Closing Date until (a) in the case of the Sponsor, the last day of the Availability Period and (b) in the case of the Shareholder, the date that all outstanding Loans under the facility and all other amounts owing to the Lender under or in connection with the finance documents are repaid in full ("Discharge Date").</p> <p><u>Ownership of the Borrower and FPSO Operator</u></p> <p>(i) The Shareholder shall at all times maintain direct ownership of 100% of the issued share capital of and all other Equity Interest in the Borrower.</p> <p>(ii) On and after the Closing Date and prior to the FPSO Operator Transfer Completion Date, the Shareholder shall at all times maintain direct or indirect ownership 100% of the issued share capital of the FPSO Operator.</p> <p>(iii) The Sponsor shall not transfer, assign, sell or otherwise dispose of ("Transfer") any of its interests in the Borrower (directly or indirectly) to any transferee (a "Transferee") unless such Transfer is consummated in compliance with the following conditions:</p> <p>a) the Lender provides its prior written consent to the Transferee (such consent not to be unreasonably withheld or delayed); or</p> <p>b) the Transfer satisfies the following conditions:</p> <p>(A) the Sponsor continues to control the Borrower;</p> <p>(B) the Lender has received all information reasonably requested in respect of such Transferee to satisfy all necessary "know your customer" or other similar checks under all applicable laws in respect of such Transferee and such Transferee or any affiliate thereof has not been indicted or subjected to civil penalties for violations of applicable Anti-Corruption Laws, Anti-Money Laundering Laws or sanctions;</p> <p>(C) after giving effect to the Transfer the Borrower is not controlled, whether directly or indirectly, by a competitor;</p> <p>(D) no continuing Default under the relevant provisions of the Facility Agreement or any other continuing Event of Default shall have occurred before or after giving effect to such transfer.</p>
7.	Termination	<p>(i) Subject to the terms and conditions of the agreement, the agreement and any obligations hereunder shall terminate on the Discharge Date.</p>

SALIENT TERMS OF THE DRAFT UNDERTAKING AGREEMENT (WHICH IS TO BE ENTERED INTO BY THE PARTIES (CONT'D))

		<p>(ii) The obligations and liabilities of the Shareholder stipulated under the provisions of the Shareholder and Sponsor Contributions in the agreement shall terminate upon the expiry of the Availability Period.</p> <p>(iii) The obligations and liabilities of the Sponsor stipulated under the Shareholder and Sponsor Contributions and the undertakings of the Sponsor and Shareholder in the agreement shall terminate upon the expiry of the Availability Period.</p>
8.	Governing Law	The agreement shall be governed by English law.

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INFORMATION ON AFPS

1. HISTORY AND BUSINESS

AFPS was incorporated in the Netherlands as a private limited company on 14 December 2021 under the laws of the Netherlands. AFPS belongs to the group of companies owned, directly or indirectly, by Enauta.

AFPS commenced business in December 2021. AFPS is principally involved in the provision of own, lease, sub-lease and operate floating production and offloading vessels and related equipment and any other equipment in connection with upstream and downstream operations. Its main asset is the FPSO which will be operating in the Santos basin, Brazil as the FPSO will be redeployed solely for the purpose of the Time Charter Agreement.

AFPS does not have any subsidiaries or associate companies.

For your information, AFPS is a private limited company incorporated for the purpose of owning the FPSO known as “FPSO Atlanta”, which is currently undergoing the process of the redeployment to modify, upgrade and extend FPSO Atlanta’s life design in accordance with the agreed specifications as detailed in the EPCI Contract. As such, from its date of incorporation up to the LPD, AFPS did not have any annual production capacity and output.

2. SHARE CAPITAL

As at the LPD, the issued share capital of AFPS is USD1.00 (equivalent to RM4.62) comprising 1 ordinary share.

3. DIRECTORS AND SHAREHOLDER’S SHAREHOLDINGS

As at the LPD, the details of the directors, shareholder and their respective shareholdings in AFPS are as follows:

Name	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
<u>Directors</u>					
Richard Ivo Larry van Dijk	Dutch	-	-	-	-
Carlos Mastrangelo	Italian	-	-	-	-
<u>Shareholder</u>					
AFBV	Netherlands	1	100	-	-

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, AFPS does not have any subsidiaries and associated companies.

INFORMATION ON AFPS (CONT'D)

5. SUMMARY FINANCIAL INFORMATION

A summary of the financial information of AFPS based on its unaudited financial statements for the period from its date of incorporation to 31 December 2021 and audited FYE 31 December 2022 as well as the unaudited results of the AFPS for the FPE 31 March 2023 are as follows:

	Unaudited FPE 31 Dec 2021 USD	Audited FYE 31 Dec 2022 USD'000	Unaudited 3M-FPE 31 Mar 2023 USD'000
Revenue	-	-	-
- Other income	-	-	618
Gross loss ("GL")	-	-	-
Loss before tax ("LBT")	-	3,640	501
Loss after tax ("LAT")	-	3,640	501
Share capital	*1	*1	*1
Share premium	1	317,208	399,283
Accumulated losses	-	(3,640)	(4,141)
Shareholders' funds/ NA	1	313,568	395,142
Total borrowings	-	-	-
Current assets	-	56,294	87,487
Current liabilities	-	115,693	109,611
Number of shares	1	1	1
Losses per share (USD)	N/A	3,640	501
NA per share (USD)	1	0.99	395,142
Current ratio (times)	N/A	0.49	0.80

The table below denotes amount equivalent to RM:

	Unaudited FPE 31 Dec 2021 RM	Audited FYE 31 Dec 2022 RM'000	Unaudited 3M-FPE 31 Mar 2023 RM'000
Revenue	-	-	-
- Other income	-	-	2,852
GL	-	-	-
LBT	-	16,800	2,312
LAT	-	16,800	2,312
Share capital	*4.62	*4.62	*4.62
Share premium	4.62	1,464,074	1,842,891
Accumulated losses	-	(16,800)	(19,113)
Shareholders' funds/ NA	4.62	1,447,274	1,823,778
Total borrowings	-	-	-
Current assets	-	255,209	403,796
Current liabilities	-	533,981	505,910
Number of shares	4.62	4.62	4.62
Losses per share (RM)	N/A	16,800	2,312

INFORMATION ON AFPS (CONT'D)

	Unaudited FPE 31 Dec 2021	Audited FYE 31 Dec 2022	Unaudited 3M-FPE 31 Mar 2023
	RM	RM'000	RM'000
NA per share (RM)	4.62	1,447,273	1,823,778
Current ratio (times)	N/A	2.26	3.69

Notes:

(a) * Denotes 1 share capital

(b) AFPS was only incorporated on 14 December 2021 with its financial year end on 31 December. As such, there was no requirement to prepare audited financial statements for its first year of operation.

Commentaries on financial performance:**FYE 2021 vs FYE 2022**

AFPS was incorporated in FYE 2021. The LBT of USD3.64 million (equivalent to RM16.8 million) incurred by AFPS in FYE 2022 was mainly due to operating expenses as well as general and administrative expenses in relation to FPSO Atlanta.

3M-FPE 2023

The lower LBT of USD0.5 million (equivalent to RM2.3 million) is due to only 3 months of insurance operating, general and administrative expenses were incurred for the FPSO Atlanta.

No gearing ratios are available as there are no borrowings recorded as to date. Current ratio has increased from 0.49 times to 0.80 times due to higher cash and cash equivalents in 3M-FPE 2023.

There was no accounting policy adopted that is peculiar to the AFPS business or industry it is involved. The financial statements of AFPS has not been audited since incorporation.

6. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by AFPS which, upon becoming enforceable, may have a material impact on AFPS's financial results/position:

Capital Commitments	USD'000
EPCI Contract	59,288 (equivalent to RM273.6 million)

Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by AFPS which, upon becoming enforceable, may have a material impact on AFPS's financial results/ position.

INFORMATION ON AFPS (CONT'D)

7. MATERIAL CONTRACTS

Save as disclosed below, AFPS have not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past two years immediately preceding the date of this Circular:

- (i) Call Option Agreement dated 21 February 2022 between AFBV, AFPS and YBHPL for the grant of Call Option which if exercised, requires AFBV to sell and YBHPL to acquire the entire equity interest of AFPS for a purchase consideration equivalent to the option price as defined in the Call Option Agreement, based upon the terms and conditions in the agreement.

As stated in **Section 2** of the main Circular, YHB Group will enter into the following key agreements prior to the Closing, for purposes of setting out the obligations between the parties with respect of AFBV to part finance the construction of “FPSO Atlanta”:

- (i) Facility Agreement; and
- (ii) Undertaking Agreement.

8. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, AFPS is not involved in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may materially and adversely affect its financial position or business, and there is no proceeding, pending or threatened, or of any fact likely to give rise to a proceeding which may materially and adversely affect the financial position or business of AFPS.

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DIRECTORS' REPORT ON AFPS



Date: June 26, 2023

**The Board of Directors of
Yinson Holdings Berhad**

Level 16, Menara South Point,
Mid Valley City, Medan Syed Putra Selatan,
59200 Kuala Lumpur
W.P. Kuala Lumpur

Dear Sir/Madam,

After your inquiries in connection to a certain call option agreement, the management board of AFPS B.V. (**AFPS**, and the **Board** respectively) hereby wishes to report that in relation to AFPS during the period between 31 December 2022 (*i.e.*, the last day of the financial year of which the latest audited financial statements of AFPS have been approved and adopted up to the date of this letter, that, to the best of its knowledge:

- (i) the business of AFPS has been satisfactorily maintained;
- (ii) no circumstances have arisen since the latest audited financial statements of AFPS, which have adversely affected the trading or the value of the assets of AFPS;
- (iii) the current assets of AFPS appear in its books at a value believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by AFPS;
- (v) there has been no default or any known event that could give rise to a default situation in respect of payment of either interest and/ or principal sums in relation to any borrowings, since the latest audited financial statements of AFPS;
- (vi) since the latest audited financial statements of AFPS, no event or circumstance has occurred which has resulted in physical loss of, or damages or destruction to assets or facilities owned or leased by AFPS for the conduct of its operations; and
- (vii) since the latest audited financial statements of AFPS, there have been no material changes or any unusual factors affecting the financial performance or business of AFPS.

This letter is addressed solely to Yinson Holdings Berhad for the purpose of inclusion in a certain circular to its shareholders in connection with the Proposed Acquisition (as defined therein, being the acquisition of all issued and outstanding shares in the capital of AFPS).

Yours faithfully,
For and on behalf of
AFPS B.V

Gracia Manders

**Gracia Manders
Director A**

Rotterdam
Coolsingel 104, Unit 2.1
3011 AG, Rotterdam

AFPS BV*Carlos Mastrangelo*

Carlos Mastrangelo
Director B

EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS

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Strictly Private & Confidential

27 June 2023

The Board of Directors
YINSON HOLDINGS BERHAD
 Level 16, Menara South Point,
 Medan Syed Putra Selatan
 Mid Valley City,
 59200 Kuala Lumpur

Dear Sirs

OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION

1. INTRODUCTION

On 2 June 2023, AmlInvestment Bank had, on behalf of the Board announced that YHB proposes to undertake the proposed acquisition of the entire equity interest in the AFPS by YBHPL from AFBV by way or exercising a Call Option granted pursuant to the Call Option Agreement for a purchase consideration equivalent to the Option Price.

On 21 February 2022, the AFPV, YBHPL and AFPS entered into a Call Option Agreement, whereby AFBV irrevocably and unconditionally granted the option to purchase all of the shares in the capital of AFPS consisting of one share with a par value of USD1.00 (equivalent to RM4.62) to YBHPL on the terms and conditions set out in the Call Option Agreement. The initial option period is between 400 to 465 days after 21 February 2022 (inclusive) during which the Call Option can be exercised by the Holder, i.e. between 28 March 2023 to 1 June 2023. The option period has currently been further extended via a letter of extension dated 26 May 2023 to 14 July 2023.

Following the exercise of the Call Option by YBHPL, YBHPL will acquire the Sale Shares for the Purchase Consideration, free from encumbrances, in accordance with the terms and subject to the conditions of the Call Option Agreement. AFBV is the sole and legitimate holder of the Sale Shares, currently consisting of one share with a par value of USD 1.00 (equivalent to RM 4.62). The estimated Purchase Consideration is payable on the Closing Date. For avoidance of doubt, subject to satisfaction of the conditions in the Call Option Agreement, the parties have agreed to achieve Closing of the Call Option on 31 July 2023.

FHCA was engaged by the Board of YHB to provide a expert opinion on the fairness of the Purchase Consideration of the Proposed Acquisition.

2. BACKGROUND INFORMATION ON AFPS

AFPS was incorporated in the Netherlands as a private limited company on 14 December 2021 under the laws of the Netherlands. AFPS belongs to the group of companies owned, directly or indirectly, by Enauta. Enauta engages in the exploration and production of oil and natural gas in Brazil. Founded in 2009, Enauta holds a portfolio of 20 assets located in eight Brazilian basins, from Foz do Amazonas to Santos Basin. Enauta owns a 45% stake in the Manati offshore oil field and it operates the Atlanta field in the Santos Basin's BS-4 block which entered production in 2018. Enauta is headquartered in Rio de Janeiro.

AFPS commenced business in December 2021. AFPS' main corporate purpose is to own, lease, sub-lease and operate floating production and offloading vessels and related equipment and any other equipment in connection with upstream and downstream operations. Its main asset is the FPSO which will be operating in the Santos basin, Brazil as the FPSO will be redeployed solely for the purpose of the Time Charter Agreement.

FHMH Corporate Advisory Sdn Bhd trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS (CONT'D)



As at the date of this Letter, the total authorised and paid-up share capital of the Target Company is USD1.00, comprising of one (1) ordinary share at a par value of USD1.00.

Its main asset is the FPSO which will be operating in the Santos basin, Brazil as the FPSO will be redeployed solely for the purpose of the Time Charter Agreement.

AFPS does not have any subsidiaries or associate companies.

As at the LPD, the directors of AFPS are Richard Ivo Larry van Dijk and Carlos Mastrangelo.

Further information on AFPS is set out in **Appendix VI** of the Circular.

3. TERMS OF REFERENCE

Sources of Information

The sources of information which we have used to form our opinion on the purchase consideration of the Target Company is as follows:

- (i) Draft Circular to shareholders;
- (ii) Draft audited financial statement of AFPS B.V. for Financial year ended ("**FYE**") 31 December 2022;
- (iii) the Call Option Agreement and the appendices therein;
- (iv) Future financial information of AFPS ("**Future Financials**")
- (v) Representation and discussion by the management of Yinson (the "**Management**");
- (vi) Letter of representation from YHB dated 26 June 2023, confirming, inter alia, the factual accuracy, completeness and reliability of the information provided to us including the Future Financials as well as the reasonableness of the underlying bases and assumptions of the Future Financials; and
- (vii) Other publicly available information in respect of the Proposal.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the information provided to us. We have also relied on the Board and Management to exercise due care to ensure that all information and documents provided to us and that all relevant facts, information and representations necessary for our evaluation of the Proposed Acquisition have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate.

Based on the reviews and enquiries made by us, we are satisfied that the information and documents provided by Yinson to us are sufficient, and we have no reason to believe that any such information provided to us is untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this Letter. We have also assumed that the Proposed Acquisition will be implemented based on the terms as set out in the Call Option Agreement dated 20 February 2022, without material waiver or modification.

It should be noted that the valuation in itself is highly dependent on the value of the assets within the Target Company and the bases and assumptions used therein. It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports were based. As such, the adoption of such assumptions does not imply that we warrant their validity or achievability. It is also based on prevailing economic, market and other conditions that may change significantly over a relatively short period of time.

Date of Opinion

The date of our opinion is 5 May 2023 (herein also referred to as the "**Date of Opinion**").

**EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS
(CONT'D)**

**Scope and Limitation of Review**

FHCA was not involved in the formulation of the Proposed Acquisition or any deliberation and negotiation on the terms and conditions of the Proposed Acquisition. Our role as the Independent Expert does not extend to expressing an opinion on the commercial merits of the Proposed Acquisition. The assessment of the commercial merits of the Proposed Acquisition is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposal.

The directors and Management are responsible to make available to us all relevant information pertaining to the above evaluation exercise, including informing us of any material changes in the subject matters which may have an impact on our opinion.

Our work includes holding discussions and making enquiries from the directors and Management regarding representations made on AFPS or Yinson. We rely on the directors and Management's oral and written representations and in no event shall we, our partners, principals, directors, shareholders, agents or employees be liable for any misrepresentations by the directors and Management.

Our procedures and inquiries did not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Letter. Further, certain information relied upon are only representation of the directors and Management, as well as reliance on third party experts as explained in the relevant sections of this Letter.

The preparation of the Letter is based upon market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by the Management. Such conditions may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given by FHCA that the information and documents provided will remain unaltered subsequent to the issuance of the Letter. However, should FHCA become aware of any significant change affecting the information contained in this Letter; being informed of any material changes in the subject matters which may have an impact on FHCA's opinion or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive that there are material omission in this Letter, we will immediately notify the Board. If circumstances require, a supplementary Letter will be issued to the Board.

We have obtained a responsibility statement from the directors and Management that all material facts, financial and other information essential to our evaluation have been disclosed to us and that they have seen this Letter and they, individually and collectively, accept full responsibility for the accuracy of such information contained in this Letter, and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein false or misleading.

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EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS (CONT'D)



4. VALUATION METHODOLOGY

Basis and Methodology Used to Form an Opinion on Valuation

In establishing our opinion on the fairness of the Purchase Consideration, FHCA has considered various methodologies, which are commonly used for evaluation and took into consideration AFPS's future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its operations.

Based on the above, FHCA had adopted the Discounted Free Cash Flow to Equity ("**Discounted FCFE**") as the sole methodology to assess the fair value of AFPS due to the computation of the option price and as the construction of the asset has yet to be completed, the true value of the FPSO can only be derived from its future income generating capabilities. We are of the opinion that the basis of the value of AFPS is dependent on the FPSO and the Charter Agreement. As such, the value of AFPS is derived based on the project cost of the FPSO and the future earnings to be generated post completion of the FPSO. For discussion purposes, we note that the computation of the Purchase Consideration and option price was arrived at based on the following:

Option price parameters	Estimated value (US\$'million)	Basis
EPCI Milestone Deferred Payments incurred and paid by the Company on or prior to the date of Closing	70.70	Based on the latest EPCI milestone
20% of the FPSO acquisition cost equivalent to USD16.0 million incurred and paid by the Company prior to the date of Closing	16.00	The FPSO Atlanta donor vessel was acquired by AFPS B.V. for a purchase consideration of \$80.0 million.
20% of insurance costs incurred and paid by the Company on or prior to the date of Closing as agreed	1.20	Based on actual insurance costs incurred.
Cash and cash equivalents in the Company minus any non-Call Grantor Loan related liabilities on the date of Closing	0	Any cash balances in AFPS is expected to be used to settle any outstanding liabilities) other than the Call Grantor Loan) and will vary depending on the closing date and milestone achievements. For the purpose of this exercise, we have assumed that the excess cash balance is nil
Total Purchase Consideration	87.90	

Further, FHCA had also considered other valuation methodologies and found that the following methodologies are not suitable in the assessment of the fairness of the Purchase Consideration based on the following factors:

Valuation Methodologies	Discussion
Comparable Transaction Analysis (" CTA ")	<p>CTA is a valuation method which seeks to compare against other recent comparable transactions undertaken by companies listed on local stock exchanges that had entered acquisitions and/or disposal of similar assets. It also reflects a reasonable estimate of multiples or premiums that others have paid for similar companies in the past.</p> <p>We have also conducted our searches on precedent transactions involving the the acquisition of an FPSO or FPSO holding entities for the past three (3) years from S&P Capital IQ as at Date of Opinion. We noted that there was insufficient</p>

EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS (CONT'D)



Valuation Methodologies	Discussion
	<p>information as the details were not publicly available. We also note that the purchase and pricing of physical assets are unlike that of equity where comparison can be made on multiples. As discussed in the above, we are of the opinion that the value of AFPS derives from the project cost of the FPSO and the future earnings to be generated post completion of the FPSO.</p> <p>In this regard, we are of the opinion that CTA is not suitable for the assessment of the fair market value of the equity interest in the Target Company.</p>
Relative Valuation Analysis ("RVA")	<p>RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth. Under the RVA, reference was made to the valuation statistics of comparable companies to get an indication of the current market expectation with regards to the implied value of the equity interest in the Target Company and compared the implied trading multiples to determine the firm's financial worth.</p> <p>As explained in the above CTA analysis, the value of AFPS consist primarily of that of the FPSO. Aside from that, there are no other operations within the Target Company as the FPSO has yet to be delivered. As such a valuation based on multiples is not a suitable method to assess the fair market value of AFPS.</p>
Revalued Net Asset Valuation ("RNAV")	<p>RNAV methodology is suitable for companies which are heavy with assets that are not carried at cost whereby there needs to be a revaluation performed on the fixed assets of the company to determine its fair value.</p> <p>The FPSO sitting in the balance sheet of AFPS has yet to be completed and is still under construction, therefore is currently captured at cost and revaluation will not be possible. The mode of calculation for the option price is computed based on the table above hence further adjustments will still be made to the balance sheet of AFPS prior to closing. As such RNAV is not a suitable method to assess the fair market value of AFPS.</p>

Discounted FCFE Methodology

Discounted FCFE Methodology is a valuation method which considers both the time value of money and the projected net cash flow generated discounted at a specified discount rate to derive at the valuation of the subject matter. It is based on discounted cash flows, involving the application of an appropriately selected discount rate applied on the projected future cash flows to be earned by the equity holders of a company.

$$\text{Equity value} = \frac{\text{Present value of Projected FCFE based on the Future Financials}}{(1+DR)^1} + \frac{\text{Terminal value}}{(DR-g)}$$

$$V_0 = \frac{FCFE_1}{(1+DR)^1} + \frac{FCFE_n}{(1+DR)^n} + \frac{FCFE_{TV}}{(DR-g)}$$

Where:

V_0 = Value today

$FCFE_1$ = Expected FCFE in year 1

$FCFE_{TV}$ = Terminal year FCFE

DR = Discount rate derived using the Capital Asset Pricing Model ("CAPM")

n = represent time, in years into the future

g = terminal year growth rate

The cost of equity takes into account a combination of risk factors associated with the industry in which the Target Company is involved in, namely, the systematic risk, i.e. the inherent market risk such as the interest

**EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS
(CONT'D)**


rate fluctuation, and the capital structure, i.e. the financing risk. These risks are translated into the cost of equity which is built upon the CAPM. The cost of equity formula is as follows:

$$\text{Cost of equity} = \text{Risk-Free Rate} + [\text{Re-gearred Beta} \times (\text{Market Return} - \text{Risk-Free Rate})]$$

For the purpose of determining the CAPM, reference was made to companies that are primarily involved in the provision of marine transportation with FPSOs which are listed on Bursa Malaysia Securities Berhad ("**Bursa Securities**"), have been listed for more than one year and are profit making. Three (3) listed companies fulfilled the criteria, which are Bumi Armada Berhad ("**Armada**"), MISC Berhad ("**MISC**") and YHB ("**Comparable Companies**").

In arriving at the appropriate discount rate, we have applied the prevailing risk-free rate and market risk premium, as well as adopted the betas of available comparable companies with relevant adjustments made taking into consideration the gearing and the risk profile as well as other risk factors that may affect the Target Company.

It is important to note that any comparison made with respect to the Comparable Companies are merely to provide an indication to the implied valuation of the Target Company and the selection of Comparable Companies and adjustments made are highly subjective and judgmental and the selected companies may not be entirely comparable due to various factors.

One should also note that the Comparable Companies tabulated herein are by no means exhaustive and may differ from the Target Company in terms of, inter alia, composition of business activities, scale of operations, geographical location of operations, profit track record, financial profile, risk profile, future prospects, capital structure, marketability of their securities and other criteria.

All information obtained was sourced from S&P Capital IQ as at the Date of Opinion unless stated otherwise.

Details of the Comparable Companies and the input parameters for CAPM at the Date of Opinion are set out as follows:

Comparable Companies	Principal activities
Armada	Armada provides marine transportation, FPSO, operations, dessert construction, and engineering and maintenance services to offshore oil and gas companies. The company's operations segment is involved in the provision of FPSO vessels, floating gas solution unit, and subsea construction assets services.
MISC	MISC provides energy-related maritime solutions and services worldwide. The company operates LNG carriers, FPSOs and mobile offshore production units and semi-submersible floating production systems.
YHB	Yinson operated as a floating, production, storage and offloading service provider. The company designs, constructs, leases, and sub-leases FPSO on bareboat charter basis, as well as offers related operation and maintenance services; builds, owns and operates renewable generating assets.

In assessing the fairness of the Purchase Consideration, the Comparable Companies' betas are adjusted (de-gearred) for their individual gearing ratio, and then re-gearred based on the gearing level of the Target Company.

Comparable Companies	Market Cap (RM million)	Levered Beta	Net Debt/ Equity	Unlevered Beta
Bumi Armada	3,817	1.66	146.7%	0.79
MISC	32,763	0.84	34.33%	0.66
Yinson	7,527	1.06	101.3%	0.60
Median				0.66

EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS (CONT'D)



Bases and Assumptions for Future Financials

The Future Financials have been prepared based on a set of assumptions made by the management of the Target Company, which includes assumptions about future events and outlook that may or may not necessarily occur. In particular, the Future Financials are dependent on the achievability of the specific assumptions as set out below.

The FCFE for each financial year in the Future Financials used to derive at the Discounted FCFE valuation are extracted from the estimate, forecast and projections based on the management's best estimate. Further, the Discounted FCFE Methodology is a commonly used investment appraisal technique to evaluate the attractiveness of an investment opportunity which takes into consideration, amongst others, the time value of money as well as future cash flows to be derived from the business over a specific period. The actual results may vary considerably from the Future Financials.

As the Discounted FCFE methodology entails the discounting of future cash flows to be earned by the equity holders at a specified discount rate to arrive at the fair value of the investment, the riskiness of generating such cash flows will also be taken into consideration.

Notwithstanding the above, we wish to highlight that the Discounted FCFE valuation is based on prevailing economic, market and other conditions as at Date of Opinion for valuation parameters, in addition to publicly available information and information provided by the Company. Such conditions may change significantly over a short period of time. The resultant effect of such changes may materially and/or adversely affect the valuation. In particular, the Future Financials are dependent on the achievability of the specific assumptions as set out below. The results of the Future Financials can be materially affected by economic and other circumstances.

Key bases and assumptions	FHCA Comments
<p>The forecast and projections were prepared on the based on the terms and conditions within the Charter Agreement.</p> <p>Total revenue for the entire charter period based on daily charter rate stipulated in the Charter Agreement is approximately US\$1,343 million at 98% uptime.</p>	<p>We are of the view that the assumptions used for the forecast and projections of the revenue is fair as:</p> <ul style="list-style-type: none"> • The forecast and projections have been prepared based on the terms of the Charter Agreement. • Yinson's fleet are built to run 365 days a year and historically have been consistently maintaining over 99% uptime over the past 5 years across the fleet.
Tenure of the charter agreement is 15 years with options to renewed.	For the purpose of this valuation, we have assumed that the charter contract will not be renewed. As such the terminal value is determined based on the scrap value of the FPSO at the end of the term.
Operations costs was determined based on scheduled maintenance work and spare parts estimated by Yinson based on historical performance of their other vessels.	We are of the view that this assumption is fair as the cost, which is made up mainly of crew, maintenance works and spare parts, were estimated based on a combination of fee quotes obtained by the project team as well as past experiences in operating within the same jurisdictions.
Income tax rate of 17%.	Income tax rate computed is based on Singaporean tax rate of 17% on the profit margin under the EPCI Contract.



General Assumptions

- (i) It is assumed that the Future Financials as prepared by the management of YHB will be achieved. YHB assumed full responsibility for the accuracy, completeness, reliability and the reasonableness of the bases and assumptions of the Future Financials;
- (ii) It is assumed that the Charter Agreement and Time Charter O&M agreement will proceed as signed without major variation to the terms and conditions set forth;
- (iii) There will be no significant changes in the principal activities, key management personal, operating policies, accounting and business policies presently adopted by the management;
- (iv) The Future Financials have been prepared based on prevailing economic conditions and information available as at the date of its preparation and does not encompass any assessment of the potential for future changes in the economic conditions in Malaysia and Brazil;
- (v) There will be no significant changes to the prevailing economic, political and market conditions in Malaysia and elsewhere that will have direct and indirect effects on the activities of the Target Company and performance of the Target Company and the business of the customers and suppliers;
- (vi) There will be no material changes to the present legislation and Government's regulations and other operation regulations or restrictions affecting the activities or the market in which the Target Company operate;
- (vii) Other than as set out above, there will be no significant changes in the credit period granted or received by the Target Company;
- (viii) The statutory income tax rate and other relevant duty and tax rate will remain at their respective existing rates with no significant changes in the bases of taxation and there will be no significant changes in the structure which would adversely affect the cash flows of the Target Company;
- (ix) There will be no material adverse effect from service disruptions, equipment or network breakdown or other similar occurrences, wars, epidemic, terrorist attacks and other natural risks, both domestic and foreign, which will adversely affect the operations, income and expenditure of the Target Company;
- (x) The rate of inflation will not fluctuate significantly from their projected levels;
- (xi) The exchange rate between RM, USD and the various currencies in which the Target Company may derive its income/expenses in will not fluctuate significantly from their projected levels;
- (xii) There will be no significant changes in wages, supplies, administration, overhead expenses and other costs other than those forecast and projected;
- (xiii) There will be no termination of any significant agreements or contracts from which the legal rights accrue to the Target Company. Such agreements or contracts are assumed to be renewed based on current terms upon expiry;
- (xiv) There will be adequate supply of manpower and other relevant resources for its business activities; and
- (xv) There will be no major legal proceedings against the Target Company which will adversely affect the activities or performance of the Target Company.

EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS (CONT'D)



Evaluation of the fairness of the Purchase Consideration

In the evaluation of the fairness of the Purchase Consideration based on the Discounted FCFE Methodology using the Future Financials as provided by the management of the Target Company and YHB and the inputs from the Comparable Companies, the following were noted:

CAPM Inputs	
Net Debt/Equity Ratio of Target Company	1.00%
Risk-Free Rate ^[1]	3.76%
Market Return ^[2]	9.45%
Re-gear Beta ^[3]	0.66
Illiquidity premium ^[4] , %	1.85%
Cost of equity derived using CAPM	11.54%
Terminal Value ^[5]	US\$22.00 million
Fair value of the Target Company	US\$101.48 million

Notes:

- [1] Based on the risk-free rate for Malaysia as extracted from Bank Negara Malaysia website. This risk-free rate is based on the yield of ten (10) years Malaysian Government Securities as at the Date of Opinion.
- [2] Based on the historical average market return for Malaysia as extracted from S&P capital IQ. The historical average market return is based on the average return of FTSE Bursa Malaysia Top 100 Index for the past ten (10) years extracted on the Date of Opinion, of which the 10-year period is selected as it is reflective of the most recent economic cycle (based on Malaysia's historical GDP data) as well as to commensurate the time horizon selected for the risk-free rate.
- [3] Re-gear beta is arrived at based on the net debt/equity ratio of Target Company.
- [4] For the purposes of this valuation, we have opted to include a discount of 1.85% to account for the illiquidity and unsystematic risks of AFPS as extracted from Ibbotson SBI valuation yearbook for low cap companies.
- [5] For the purpose of this valuation, we have assumed that the charter contract is not renewed. Hence we have assumed that the FPSO will be scrapped at the end of the Charter Agreement. A scrap value of US\$22.00 million was prescribed by the management of YHB based on the estimated weight of the FPSO at 45,000 tons and the estimated price of steel of USD500/ton at the end of the contract term.

However, based on the underlying assumptions of the Future Financials, we have performed a sensitivity analysis on the total uptime of the FPSO. We have adjusted the Future Financials based on the following parameters to illustrate the potential upsides and also the possible downturn of the Future Financials due to unforeseen circumstances.

Results of the sensitivity test is as shown below:

Sensitivity tested	Parameters	Valuation US\$'million
Variation of vessel uptime without renewal of charter agreement	95% uptime	88.77
	99% uptime	114.18

Premise on the above, the valuation of the entire equity interest in AFPS range between US\$88.77 million and US\$114.18 million based on the sensitivities tested in the above. As such we are of the opinion that the purchase consideration of \$87.90 million for AFPS falls below the range and is fair.

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**EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS
(CONT'D)**

5. SALIENT TERMS OF THE AGREEMENTS
5.1 Salient terms of the Call Option Agreement

1.	Parties involved		Call Grantor	Target Company	Holder
			AFBV	AFPS	YBHPL
2.	Option	Subject to the terms and conditions of the agreement and in consideration for payment of the sum of USD 1.00, the Call Grantor hereby irrevocably and unconditionally grants to the Holder, during the Option Exercise Period, the right and option to purchase all of the shares so that during the Option Exercise Period, the Holder has the option to purchase and require the Call Grantor to sell the AFPS Shares ("Call Option").			
3.	Option fee	The sum of USD 1.00 ("Option Fee")			
4.	Consideration	The Call Option is granted by the Call Grantor to the Holder in consideration of payment of the Option Fee paid by the Holder to the Call Grantor, receipt whereof the Call Grantor acknowledges.			
5.	Exercise of option	During the Option Exercise Period, the Holder shall have the right to deliver a notice of exercise to the Call Grantor and the Target Company for the purposes of exercising the Call Option.			
6.	Notice of exercise	A notice of exercise shall be irrevocable and may not be withdrawn unless the FPSA is a Total Loss prior to the date of Closing. In the event of Total Loss, the Call Option shall automatically terminate without any costs and/or liabilities to all parties.			
7.	Option Price	<p>The price, in USD, to be paid by the Holder to the Call Grantor for the AFPS Shares shall be equal to the Effective Book Value of the date of the closing.</p> <p>The "Effective Book Value" means an amount equal to the total sum of the following:</p> <p>EPCI Milestone Deferred Payments incurred and paid by the Company on or prior to the date of Closing;</p> <p>20% of the FPSO acquisition cost equivalent to USD 16,000,000 incurred and paid by the Company prior to the date of Closing;</p> <p>20% of insurance costs incurred and paid by the Company on or prior to the date of Closing as agreed in Exhibit 7 of EPCI Contract; and</p> <p>cash and cash equivalents in the Company on the date of the Closing.</p> <p>Less</p> <p>any liabilities or indebtedness on the book of the Company on the date of the Closing (excluding Call Grantor Loan).</p>			
8.	Representation	<p>The Call Grantor represents and warrants that, amongst other:-</p> <p>a) The Call Grantor is the legal and beneficial owner of the land and is entitled to sell and transfer or procure the sale and transfer of the full legal and beneficial ownership in the AFPS Shares to the Holder on the terms set out in the agreement;</p> <p>b) On Closing, there will be no mortgage, claim, option, charge (fixed or floating), mortgage, rent charge, option, restriction, interest, lien, pledge, equity, encumbrances, right to acquire, right of pre-emption, right to first</p>			

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		<p>refusal, title retention or any other third party or preference, or other encumbrance or security interest or any agreement or arrangement having a similar effect or any agreement to create any of the following ("Encumbrance") on, over or affecting the AFPS Shares;</p> <p>c) Other than the Call Option created pursuant to the agreement and/or concerning the Call Grantor Loan, being the loan facility agreement to be entered into between AFPS as borrower and AFBV as lender, there is no agreement or commitment to give or create any such Encumbrance and no person has made any claim to be entitled to any right over or affecting the AFPS Shares;</p> <p>d) to the best of the Call Grantor's knowledge, no consent, authorisation, license or approval of or notice to the Call Grantor's shareholders or any governmental, administrative, judicial or regulatory body, Exercise of Call Option or organisation is required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the agreement or the performance by the Call Grantor of its obligations under the agreement;</p> <p>e) Except as permitted under Section 5.3 and/or transactions disclosed in Exhibit 6.1.3.9 or in connection with Exhibit 6.1.3.11 of the agreement, the Target Company has never traded and has incurred no liabilities, except for such transactions and liabilities arising out of, the Call Grantor Loan, the EPCI Contract and other agreements entered or to be entered with the Holder and its affiliates and/or the activities for the purposes of establishing its presence in the Netherlands, or as approved by the Holder;</p> <p>f) The Target Company has no assets (including shares) exceeding USD 100,000.00 per asset or has not purchased assets exceeding USD 500,000.00 in aggregate per 12 month period from the date of incorporation of the Target Company, except for the FPSO, other assets related to the FPSO and the EPCI Contract, and/or any other assets as approved by the Holder;</p> <p>g) On the date of Closing, the Target Company is not party to any agreement other than (i) Call Grantor Loan and as provided for in accordance with the agreement; (ii) the EPCI Contract; (iii) the charter agreement; (iv) the Sale and Purchase Agreement (limited to the confidentiality obligations which survive its termination), (v) as reasonably required to perform the activities comprised in its business purpose and/or substance requirements; (vi) any confidentiality obligations that may survive after termination of the agreements listed in Exhibits 6.1.3.9 and/or 6.1.3.11 or (vi) any obligations that may survive after termination;</p> <p>h) No share or loan capital of the Target Company is under option or is agreed conditionally or unconditionally to be created or issued or put under option on Closing other than as per the agreement;</p> <p>i) On Closing, no breach is continuing or would reasonably be expected to result from the Call Grantor Loan unless it's a default caused by the Contractor Group under the EPCI Contract;</p> <p>j) the AFPS Shares shall constitute the entire issued and outstanding share capital of the Target Company and, on Closing, there will be no rights which have not yet been exercised granted to any party to subscribe for shares in the capital of the Target Company and/or to convert any amounts outstanding or owned to the Target Company into shares in the capital of the Target Company; and</p>
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		<p>k) all information disclosed and all information which may be provided by the Target Company, the Call Grantor or any of their affiliates or their representatives to the Holder or its affiliates or their representatives for the purposes of the due diligence exercise and or pursuant to the agreement, is or will be (as the case may be) when given, is true, complete and accurate in all material respects as at the time of disclosure.</p> <p>Save and except for item (a) and (k) above (which are to be referred to as the ("Material Breach of Representations and Warranties")), breach of the representations and warranties made under Section 7 of the agreement prior to the Closing shall not be treated as having prevented the Holder from exercising the Call Option, including for the purpose of Sections 9.2. and 9.3 of the agreement.</p>
9.	Due Diligence	<p>a) During the Option Exercise Period, the Holder shall be entitled to conduct further reasonable due diligence on the Target Company, to the satisfaction of the Holder ("Due Diligence Exercise").</p> <p>b) The Call Grantor and the Target Company shall cooperate in good faith and promptly provide any reasonable information requested by the Holder in order to facilitate the Due Diligence Exercise, save that Company and Call Grantor shall not be required to provide information previously provided to the Holder pursuant to the agreement.</p> <p>c) If the Call Grantor or the Target Company become aware that any of the information provided to the Holder is or is to become untrue or incorrect in any material respect, the Call Grantor or the Target Company undertake to notify the Holder in writing as soon as practicable and provide all further information as the Holder may reasonably request.</p>
10.	Term	<p>The agreement shall become effective on 21 February 2021 and shall remain effective until termination of the agreement pursuant to item 6 above or expiration of the Option Exercise Period (if the Call Option has not been exercised) in each case, whichever occurs first. The Call Option shall remain open to be exercised at any time during the Option Exercise Period. Upon termination of the agreement due to the reason agreed under item 6 above or expiration of the Option Exercise Period (if the Call Option has not been exercised), the Agreement shall automatically terminate without any liability, and the parties and the guarantor of the Grantor shall no longer have any right or obligation under the agreement, except for such liabilities, rights and obligations that shall survive such termination or expiration as expressly provided in the agreement.</p>
11.	Expiry	<p><u>Expiry of Call Option</u></p> <p>If the Holder has been prevented from exercising the Call Option by the end of the Option Exercise Period or if Closing has not occurred due to (a) a failure by the Call Grantor to advance the loans under the Call Grantor Loan to the Target Company when required in accordance with the terms of the agreement, (b) the Call Grantor's failure in performing or fulfilling its obligations under Sections 5.4.1, 5.4.3, 5.4.4 and 5.4.7 of the agreement; (c) a Material Breach of Undertakings by the Call Grantor as defined in Section 6.2 of the agreement; (d) a Material Breach of Representations and Warranties by the Call Grantor; (e) any action or omission of the Call Grantor and/or the Target Company that is reasonably foreseeable that will have the effect of preventing the exercise of the Call Option and/or Closing (including but not limited to a termination of the EPCI Contract for the default by the Target Company giving rise to a right to terminate the EPCI Contract under Section 25.6 of the EPCI Contract); or (f) a breach of obligation by the Call</p>

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	<p>Grantor or the Target Company under Sections 8 and 8A.2 and 8A.3 of the agreement (provided that any failure to provide information/documents pursuant to these sections may be remediated by providing such information or document promptly upon Target Company or Call Grantor becoming aware of such failure); provided that (i) such action and/or omission cannot be remediated and/or indemnified on the basis of the provisions of the agreement; and (ii) such action or omission was the principal reason the Holder was unable to exercise the Call Option (each cause agreed under items (a) to (f) above are together referred to herein as "Target Company's Call Option Impediment Cause"), the consequences as stipulated in Section 9.3 of the agreement shall apply. Save and except for a Material Breach of Undertakings or a Material Breach of Representations and Warranties, any breach of the undertakings, representations and warranties made under Sections 6 and 7 of the agreement prior to Closing shall not be treated as having prevented the Holder from exercising the Call Option.</p> <p>For the avoidance of doubt in what concerns in item 11(b) above, parties shall discuss in good faith if the Closing is prevented by a cause outside the Target Company's or Call Grantor's control.</p> <p><u>Expiry of Payment</u></p> <p>If, by the end of the Option Exercise Period, the Holder has been prevented from exercising the Call Option or the Closing has not occurred for the reasons provided in item 11 above, the Call Grantor shall ensure that the Target Company shall pay to the Contractor the EPCI Contract Price (being the price for the whole of the work that the contractor is required to carry out) without application of the EPCI Profit Discount in accordance with the terms of the EPCI Contract. The non-application of the EPCI Profit Discount to the EPCI Contract Price shall be the Holder's sole and exclusive financial compensation for its non-exercise of the Call Option by the end of the Option Exercise Period or if Closing has not occurred for the reasons provided in item 11 above and no further amount whatsoever, including any damages, shall be paid to the Holder. If the Call Option is not exercised by the Holder for any reason (save for the reasons provided in item 11 above), the EPCI Profit Discount shall automatically apply under the EPCI Contract.</p> <p>For the avoidance of doubt, the EPCI Profit Discount shall remain automatically applied in any case of EPCI termination due to Contractor's default Clause 25.1 under the EPCI Contract and termination due to Force Majeure, Clause 25.7 of the EPCI Contract.</p> <p>"EPCI Profit Discount" is defined as the conditional discount in the Contract EPCI Price as agreed under Table A1.2.c of the Exhibit 2 (<i>Remuneration – Milestones</i>) of the EPCI Contract, which shall automatically apply from the Effective Date and in any case shall be always and automatically applied by parties if: (a) Contractor does not exercise the Call Option as agreed under the Call Option Agreement, provided that there is no Company's Call Option Impediment Cause (as defined in the EPCI Contract); or (b) if this Contract is terminated pursuant to Clause 25.1. in the event of Contractor's default, as reflected in Exhibit 2 (<i>Remuneration - Milestones</i>) of the EPCI Contract; or (c) if the EPCI Contract is terminated pursuant to Clause 25.7 of the EPCI Contract.</p> <p><u>Remediation of undertakings, representations and warranties</u></p> <p>Should the Call Grantor fail to comply with any undertakings, representations and warranties provided which are capable of being remediated, the Call Grantor shall be entitled to remedy such failure within a) fifteen (15) days from a notice from the Holder (as per Section 9.5 of the agreement) or Call Grantor (as per Section 9.6 of the agreement), or b) a</p>
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		reasonable time frame provided that such remediation is accomplished before Closing, and promptly notify the Holder in writing of the results of such remediation.
12.	Expert Determination	<p>In the event that a technical dispute arises between the parties, other than the dispute as to the Option Price, and the parties have been unable to resolve such matter amicably within 30 days (unless specifically indicated otherwise in the Agreement), the parties may agree to jointly refer the dispute or difference for determination to an expert who is independent, has industry related experience and has the academic and/or technical qualifications to be expected of an expert in their fields.</p> <p>Any dispute as to the Option Price shall be referred to an option expert to be agreed between the parties.</p>
13.	Governing Law	The agreement and non-contractual obligations arising from or connected with the agreement shall be governed by the laws of England without reference to its conflict of laws principles which might lead to the application of the laws of another state.

5.2 Salient terms of the Charter Agreement

1.	Parties involved		
		Charterer	Owner
		Enauta	AFBV
2.	Conditions	<p>(a) Notwithstanding the execution date, the effective date of the agreement shall be on the same day of which Closing takes place, subject to the terms and conditions of the Call Option Agreement ("Effective Date")</p> <p>(b) In the event (i) the Call Option is not exercised at any time during the option exercise period (as per section 4.7 of the Call Option Agreement); (ii) the expiry of the Call Option (as per section 9.2 of the Call Option Agreement); (iii) the expiry of the Payment (as per section 9.3 of the Call Option Agreement); (iv) otherwise the Call Option Agreement is terminated (all above subject to the terms and conditions of the Call Option Agreement), then the Agreement shall be null and void and of no effect, with the Charterer and the Owner expressly waiving any action, lawsuit, administrative or arbitral proceeding extrajudicial claim, tax assessments, fines or any other proceeding ("Claim") each may have against each other under the Agreement, including termination fee, whether known or unknown, and whether foreseeable or unforeseeable.</p>	
3.	Scope of the Agreement	The agreement is for the time chartering of the FPSO by the Owner to the Charterer for the Charter Period, for its utilization in the production, processing, storage and offloading of oil and gas in connection with the operations of the Charterer in the Operation Site. The FPSO shall be fully equipped and manned and fit for its intended purposes in accordance with Exhibit A.1 (GTD) and fully able to perform its functions as specified in the agreement during the Charter Period.	
4.	Modification and Compliance of the FPSO	The Owner shall develop and be responsible for all necessary engineering design work, including design details, workshop drawings and specifications, and perform all the work to upgrade and modify the OSX2 in accordance with the agreement ("Construction Works") in order to deliver a complete and modified FPSO, which in all aspects meets the requirements set forth in the applicable laws, governmental authorizations, the requirements of the FPSO set forth in Exhibit A of the agreement	

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		<p>("Specifications"), the acceptance criteria, the performance requirements and the other requirements of the Agreement (including the expected production set forth in Exhibit B), and, to the extent not specified by the foregoing, the Good Oil and Gas Field Practices, such that the FPSO be ready to produce, process, store and offload oil and gas as of the Required Final Acceptance Date (as defined below).</p> <p>Final Acceptance here refers to:</p> <ul style="list-style-type: none"> (i) The Owner shall give notice to the Charterer when it believes that the FPSO has met the conditions for Final Acceptance by providing to the Charterer notice to this effect, along with the supporting documents as may be necessary to evidence the satisfaction of the conditions for Final Acceptance, for the Charterer's review pursuant to Section 5.8. (ii) The successful completion of the Final Acceptance Tests, where the Final Acceptance Criteria shall have been met, as provided in item 1.17.2 of Exhibit A.1, including the criteria in item 1.17.2(c) (the 72 (seventy-two) hours of continuous operation test); and (iii) The Owner shall have performed all of its obligations which are required to have been performed prior to or by the date of Final Acceptance. (iv) Upon Final Acceptance, the Charterer shall issue a certificate to the Owner confirming that the FPSO is ready to operate. Following delivery of such certificate to the Owner, the Owner shall be entitled to the payment of the applicable Charter Rate in accordance with Exhibit B. (v) The Owner shall ensure that Final Acceptance occurs by no later than the date falling 24 months after the execution date of the agreement ("Required Final Acceptance Date"). (vi) If the Owner fails to achieve the Final Acceptance by the Required Final Acceptance Date, the Owner shall pay Delay Damages to the Charterer, as per Article VII of the agreement.
5.	Operation Site and Location	<p>The Charterer may, at any time during the Charter Period, with the consent of the Owner, request Owner to relocate the FPSO from the Location to a new location or operating site offshore Brazil, provided always that the technical and operational capability of the FPSO is compatible with such new location or operating site (without necessitating any upgrade or major modification of the FPSO requiring the dry dock or quay side docking of the FPSO). During the relocation period (including any time between stoppage and resumption of the FPSO production) the charter rate (set forth in Exhibit B in the agreement) shall be equivalent to the standby charter rate (set forth in Exhibit B in the agreement). Any relocation of the FPSO under Section 2.4 of the agreement which requires improvements, changes, fitting of additional equipment or other modifications to the FPSO shall be deemed a variation and the variation procedures provided in Article XIII of the agreement shall apply.</p>
6.	Maintenance and Operation	<p>The Charterer has entered into the services agreement with the Operator, which is a member of the Owner Group, for the Operator to, amongst others, provide manning and maintain, repair and preserve the FPSO to keep it operating in good condition, manned, supplied, furnished and equipped so that the FPSO remains compliant with the requirements of the Good Oil and Gas Field Practices and the applicable laws during the Charter Period ("Time Charter O&M Agreement").</p>
7.	Extension Option	<p>The Charterer shall have the right (exercisable in its sole discretion) to extend the Charter Period beyond the initial Expiry Date for an additional period of 2 years and thereafter for additional successive periods of 1 year</p>

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		(provided that such additional successive periods shall be limited to 3 extensions of 1 year each) by giving notice thereof to the Owner at least 120 days prior to the then Expiry Date.
8.	Suspensions of the Charter Period	<p>Amongst others:</p> <p>(a) The Charterer shall be entitled to suspend all or any part of the performance of the Agreement at any time following the Commencement Date by providing 7 days prior written notice to the Owner. Any notice of suspension shall specify the effective date of suspension and the estimated duration of the suspension. The Charterer shall not be entitled to suspend all or any part of the performance of the agreement at any time before the Commencement Date.</p> <p>(b) The Owner shall be entitled to suspend the charter of the FPSO (but without moving or demobilizing it) under the agreement by providing 7 days prior written notice to Charterer due to the events described under Section 18.2(i), (ii) and (viii) of the agreement, without prejudice to its right to terminate the agreement, provided to the extent such suspension shall only occur after the expiration of any applicable cure period without remediation by the Charterer. The full charter rate shall be payable to the Owner throughout such suspension period under this Section 3.4 (e) and shall not extend the Charter Period.</p>
9.	Rules Applicable to Delay Damages	The liability of the Owner for delay damages as set out in Section 7.1(a) of the agreement shall be limited to a cumulative amount corresponding to USD 20million.
10.	Owner's Undertakings	<p>Amongst others:</p> <p>(a) The Owner shall not, and shall cause any Affiliate not to, sell, dispose, transfer the ownership or possession of the FPSO to any third party and shall at all times during the Charter Period remain the exclusive owner of the FPSO.</p> <p>(b) The Owner shall not place or permit to exist on the FPSO or the agreement any mortgage, charge, pledge, lien, assignment, title transfer, title retention, sale, option or any other encumbrance or any other security interest of any kind or any other agreement having a similar effect or any promise to create or do any of the foregoing, including any lease, claim or right of others (including any right under any agreement, loan, lease or pooling agreement) ("Encumbrances") save and except for the Permitted Encumbrance, as defined below:</p> <p>(i) The Owner shall be entitled to grant an Encumbrance upon or over the FPSO and/or the Agreement in favour of Owner's financing parties, provided that Owner's financing parties are solely and exclusively a member of the Charterer's affiliate.</p> <p>(ii) In event Owner's financing parties agrees to assign or novate Owner's financing arrangements or Owner enters into a new financing arrangements with any entity other than a Charterer's affiliate, the Charterer shall enter into a new letter of quiet enjoyment with such new financing parties substantially in the form of Exhibit D of the agreement on terms and conditions to be previously approved by the Charterer (items (i) and (ii) "Permitted Encumbrance").</p>
11.	Performance of the Charter	The Owner shall (or shall appoint the Operator as its representative to) import and re-export the FPSO, its parts, spare parts, equipment and any other materials, consumable or not, necessary for the performance of the agreement into and from Brazil.

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12.	Charter of the FPSO	From the Commencement Date and throughout the Charter Period, the Charterer shall have the full use of the FPSO in its capacity as time charterer in accordance with the provisions of the agreement.
13.	Uses	The Charterer shall not permit the FPSO to be used in connection with purposes other than exploration and production of hydrocarbons in fields offshore Brazil.
14.	Termination for the Owner's Cause.	<p>The Charterer may, without prejudice to any other rights or remedies it may have under the agreement or otherwise, terminate the agreement in any of the following circumstances, amongst others, by giving a written notice of termination to the Owner with immediate effect (unless a cure period is otherwise expressly provided in this section:</p> <ul style="list-style-type: none"> i) if there is any accident or delay during the Construction Works which could reasonably be expected to (a) result in a material adverse event of the Owner or (b) cause the Owner to delay the provisional acceptance by the date falling 360 days after the date between 4 December 2023 and 20 December 2023. For the purpose of Section 18.1(i) of the agreement, a delay shall be expected to cause the Owner to fail to achieve Notice of Readiness for Hook-up by such 360 days' period, if the expected delay is confirmed by the conclusive findings and decision made by a duly appointed expert through an expert determination under Section 20.2 of the agreement. ii) if the Owner fails to achieve the Final Acceptance by the date falling 360 days after the date of the Required Final Acceptance Date. iii) if the Owner sells the FPSO or otherwise transfers the possession of the FPSO to a third party during the Charter Period without the Charterer's prior consent. iv) if a lien or other right or claim is attached to the FPSO by a third party (except for the Permitted Encumbrance) by any reason solely attributable to the Owner Group, and such lien, right or claim is not discharged or cured by the Owner within 120 days from the date on which the lien, right or claim occurs and such lien, right or claim adversely and materially affects the production of the FPSO. v) if the Owner fails to comply with any material obligation under the agreement (not otherwise expressly covered in this Section) which adversely affects the production of the FPSO or pursuant to events that affects the safe operation of the FPSO provided that the Owner does not remedy such failure within a reasonable time frame from a notice of default from the Charterer (which time frame, in any event, shall not exceed 60 days, unless the remediation reasonably requires a longer period for its implementation, in which case the Owner shall (x) provide the Charterer with a correction plan satisfactory to the Charterer and (y) implement and diligently follow such correction plan. vi) if the Owner assigns or transfers the Agreement or any of its rights or interests in the agreement without the prior consent of the Charterer. vii) if the Owner Parent Company Guarantee expires before all Owner's obligations under the agreement are fully discharged and the Owner fails to deliver a substitute and satisfactory guarantee to Charterer in accordance with Section 21.5(b) of the agreement. viii) If the Owner ceases to own the whole (100% (one hundred percent) or, if under British registry or equivalent, 64/64th of the FPSO or if there is a direct or indirect change of control in the Owner by YPOPL without the prior consent of the Charterer.

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	<p>ix) if the shares or other ownership rights issued by the Owner is subject to any Encumbrance (other than a Permitted Encumbrance) or is seized or otherwise attached as a result of any claim by a third party and such seizure or attachment is not discharged by the Owner within 120 days from and including the day on which the arrest or attachment occurs.</p> <p>Without prejudice to its right to terminate the agreement or any other rights or remedies that it may have under the agreement, the Charterer shall, on and after the expiry of any relevant cure period as agreed by the parties in the agreement, be entitled (but it shall have no obligation) to take any action whatsoever on behalf of the Owner to remedy any default of the Owner under the agreement (including by means of any implementation, doing or taking of any actions whatsoever that the Charterer may deem whatsoever necessary) and to continue to take such action until the default has been remedied in all respects. When the Charterer is performing or having performed such actions as aforesaid, the Owner shall provide all requested assistance and access, and allow such remedial/actions as the Charterer deems necessary to remedy the default. The Charterer may, subject to Section 10.6 of the agreement, at its sole option either deduct the costs incurred in respect of remedying the default from amounts due to the Owner on the succeeding monthly statements) or require reimbursement of such amount on demand from the Owner. For the avoidance of doubt, in such circumstances no payment will be made by the Charterer to the Owner in respect of the action taken to remedy the default or the effects of the same.</p> <p>Without prejudice to the Charterer's right to terminate the agreement (on the expiration of the relevant cure period or, as applicable, immediately) without having given to the Owner the notices provided in this section and without extension of any cure period provided hereunder, the Charterer shall notify the Owner in writing of any default, specifying in reasonable detail the said default, and the Owner shall within a period of seven (7) days (date of notice included), or any other period deemed appropriate by the Charterer, acknowledge said notice of default. If accepted by it, the Owner shall commence and complete the appropriate corrective actions within the cure period stipulated under Section 18.1 of the agreement for each of the circumstances indicated by the Charterer.</p> <p>In the event of a requisition, whether de jure or de facto, for hire or use of the FPSO by any governmental authority (save for governmental authority of Malaysia or the Flag State) during the Charter Period which results in the loss of use thereof by the Charterer. ("Requisition for Hire"), the Owner shall be temporarily released from its obligations to charter the FPSO to the Charterer during the period of the FPSO is on hire or being used by a governmental authority (other than by Malaysia or Flag State) and Owner Group will perform all obligations of the agreement in favour to the applicable governmental authority in the same fashion that would otherwise perform to the Charterer, without prejudice to the Charterer's right to terminate pursuant Section 18.3 of the agreement. In such event, the charter rates applicable in accordance with the Owner's performance shall continue to be payable throughout the period of such Requisition for Hire until the time when the agreement would have expired or terminated pursuant to any of the provisions hereof, provided, however, that any hire or other compensation whatsoever received by the Owner Group in respect of this Requisition for Hire for the remainder of the Charter Period or the period of the Requisition for Hire, whichever is shorter, and any amounts paid to the Owner Group by any third party with respect to any claim arising out of or in relation to such Requisition for Hire shall be payable by the Owner to the Charterer within 1 (one) month from such payment. As applicable, the Owner must proceed with all reasonable Claims against any relevant party in accordance with instructions of the Charterer to cover Charterer's losses resulting from the Requisition for Hire, provided that the Charterer is not able to make such</p>
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		claim on behalf of the members of the Owner Group, and all reasonable costs resulting from such claims incurred by Owner shall be promptly reimbursed by the Charterer.
15.	Termination for the Charterer's Cause.	<p>The Owner may, without prejudice to any other rights or remedies it may have under the agreement or otherwise, terminate the agreement in any of the following circumstances, amongst others, by giving a written notice of termination to the Charterer with immediate effect (unless a cure period is otherwise expressly provided:</p> <ul style="list-style-type: none"> i) if the Charterer shall have failed to pay undisputed amounts payable to the Owner under the agreement and such failure shall have remained uncured for a period of 60 (sixty) days following the Owner's notice to the Charterer. ii) the Charterer shall have assigned or transferred the Agreement or any of its rights or obligations hereunder except as permitted under Article XIX or agreed to by the Owner. iii) the Time Charter O&M Agreement shall have been terminated for the Charterer's default or convenience pursuant to the terms thereunder. iv) if the Charterer violates any Anticorruption Laws or Anti Money Laundering Laws or breaches any provision of Section 21.1 of the agreement. v) if the Charterer's Affiliate, as a financing party, defaults on any of its obligations under its financing arrangements with the Owner, and such defaults are not cured within the cooperation period provided thereunder. vi) If the Charterer Parent Company Guarantee expires before all Charterer's obligations hereunder are fully discharged and the Charterer fails to deliver a substitute and satisfactory guarantee to Owner in accordance with Section 21.5(b) of the agreement. <p>Without prejudice to the Owner's right to terminate the agreement (on the expiration of the relevant cure period or, as applicable, immediately) without having given to the Charterer the notice provided in this section and without extension of any cure period provided hereunder, the Owner shall notify the Charterer in writing of any default, specifying in reasonable detail the said default, and the Charterer shall within a period of seven (7) days (date of notice included), or any other period deemed appropriate by the Owner, acknowledge said notice of default. If accepted by it, the Charterer shall commence and complete the appropriate corrective actions within the cure period stipulated under Section 18.2 of the agreement for each of the circumstances indicated by the Owner.</p> <p>Notwithstanding anything to the contrary, the Charterer shall be entitled to offset any undisputed amount payable to the Owner against amount owed by Owner to the Charterer's affiliate (in its capacity as a financing party of Owner and with the consent of such Charterer's Affiliate) in a proportion of USD 6million to each USD 9million invoiced by the Owner to the Charterer.</p> <p>In relation to termination fee payable to the Owner pursuant to item 6 of Exhibit B of the agreement, the Charterer shall be entitled to pay directly to Owner's financing party and with the consent of such party, any and all outstanding amount owed under Financing Arrangements in consideration upon which the Owner is released from such Financing Arrangements. Charterer will pay to the Owner the remaining part of termination fee not paid.</p>

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16.	Termination for Force Majeure and Total Loss	<p>If the charter of the FPSO or other obligation under the Agreement is prevented for a continuous period of 180 days or for a cumulative period of 210 days within a 24 month period by reason of a force majeure event) of which notice has been given pursuant to Section 17.1 of the Agreement, or due to a Compulsory Acquisition or a Requisition for Hire by a Government Authority, then the Charterer may give to the Owner a notice of termination of the agreement with immediate effect (subject only to Section 18.3(c)), provided that (1) the terminating Party is in compliance with its obligations in accordance with Article XVIII and (il) if such force majeure event ceases to exist or if the Parties agree on an alternative course of action for the performance of the Agreement during the period from the notice of termination to the date when such termination would become effective, then such termination notice shall be automatically rescinded and shall be of no further effect.</p> <p>Compulsory Acquisition here refers to requisition for title or other compulsory acquisition, nationalization, requisition, appropriation, expropriation, deprivation, forfeiture or confiscation for any reason of the FPSO by any Governmental Authority (save for the Governmental Authority of Malaysia or the Flag State) or other competent authority where the Owner is deprived of its ownership in the FPSO.</p>
17.	Termination for the Charterer's Convenience	<p>The Charterer shall have the right (exercisable in its sole discretion) to terminate the agreement by convenience at any time by giving written notice to the Owner at least 120 (days in advance, in which case the Charterer shall pay to the Owner an amount equivalent to the sum of (x) the charter rates set out in invoices duly issued but not then paid and the charter rates due in respect of the remaining period until the Expiry Date or such earlier date on which the charter of the FPSO is terminated ("Termination Date") and not already included in any monthly statement, (y) the reimbursement of all reasonable and documented costs incurred by the Owner for the demobilization, according to the demobilization plan agreed by the parties; and (z) as liquidated damages, a termination fee equal to 90% (ninety percent) of the Charter Hires NPV. ("Consequences of termination for the Charterer's Convenience")</p> <p>Charter Hires NPV here refers to the net present value of the full charter rate payable for the number of days remaining until the Expiry Date, calculated on a monthly basis and discounted by a rate of 10% (ten percent) per year.</p>
18.	Consequences of Termination	<p>In the event of termination of the agreement:</p> <ul style="list-style-type: none"> i. except in case of Total Loss, the Owner shall perform any relevant demobilization (including the offloading of any balance oil stored in the FPSO on the Termination Date to the Charterer's tankers) in order to remove the FPSO from the operation site, in which case the provisions of Section 9.21 of the agreement shall apply; ii. Following any termination of the agreement stated below, amongst others: <ul style="list-style-type: none"> (A) before, on or after Commencement Date, in the event of termination under Section 18.1 of the agreement: <ul style="list-style-type: none"> 1. <u>Charterer's Affiliate is the sole lender to Owner</u> <ul style="list-style-type: none"> (i) With Charterer's consent, AFBV may exercise all rights arising under or pursuant to the agreement and the Owner will effect and cause to give effect to all such rights, including any transfer(s) as may be required. In any such event, the Charterer will cause its affiliate to cancel any outstanding debt under its financing arrangements.

EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS (CONT'D)



		<p>(ii) Owner and Charterer will work together to sell the FPSO, including charterer's items and charterer's additional items and the Owner will then transfer, or cause to be transferred, all net sale proceeds to the Charterer (after debts affixed to the FPSO, tax, etc are paid or provisioned for).</p> <p>2. <u>Charterer's Affiliate is NOT the sole lender to Owner</u></p> <p>Charterer may exercise its rights pursuant to a letter of quiet enjoyment, including the right to pay any outstanding debt owned by the Owner to the Owner's financing Parties, to purchase and transfer title in the FPSO from the Owner to the Charterer (or any assigning third party, including Owner competitors and excluding sanction persons).</p> <p>3. <u>Termination after the extension period</u></p> <p>Should the Charterer exercise the extension option pursuant Section 3.3 of the agreement and the Charterer give notice of termination pursuant to Clause 18.1 of the agreement, Owner will not be entitled to receive, and Charterer will not have to pay the extension bonus, including any applicable interest.</p> <p>(B) before the Commencement Date, Termination Fee will be payable in cases of Charterer Default, Charterer Convenience and Force Majeure from month 18 of the construction period onwards.</p> <p>(C) on or after the Commencement Date, in the event of termination for Force Majeure and Total Loss:</p> <p>The Charterer shall pay to the Owner an amount equivalent to the sum of (x) the charter rates set out in invoices duly issued but not then paid and the charter rates due in respect of the period until the Termination Date and not included in any monthly statement, (y) the reimbursement of all reasonable and documented costs incurred by the Owner for the demobilization, according to the demobilization plan agreed by the parties; and (z) as liquidated damages, a termination fee equal to 75% (seventy-five percent) of the Charter Hires NPV.</p> <p>1. Reimbursement to be paid under termination for Compulsory Acquisition. If any compensation is received by the Owner in respect of Compulsory Acquisition within eighteen months from the termination of the agreement by the Charterer and the Charterer has in fact paid to the Owner all such payments due under Consequences of termination for the Charterer's Convenience, such compensation shall be reimbursed by the Owner to the Charterer after accounting for the following deductions against all such payments due and payable by the Charterer to the Owner, an amount equivalent to the difference between:</p> <p>a) the net present value (at the date of the compensation paid) of the of the Full Charter Rate that would be payable for the number of for the number of days remaining until the date falling on the 20th (twentieth) anniversary of the Commencement Date adding the amount of USD 15million, and</p> <p>b) the Termination Fee paid in the event Termination for Force Majeure and Total Loss.</p> <p>2. The reimbursement only applies if the compensation is greater than such difference (a-b).</p>
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		(D) In the event of Total Loss of the FPSO, no termination fee or demobilization costs reimbursement is applicable.
19.	Charterer Assignment	The Charterer may, with the prior written consent from the Owner, assign all its rights, title and interest in and to the agreement to its financing parties or an agent for its financing parties as security for its obligations under the respective financing arrangements.
20.	Governing Law	The agreement and all non-contractual obligations arising from or connected with the agreement shall be governed by the laws of England without reference to its conflict of laws principles which might lead to the application of the laws of another state.

5.3 Salient terms of the Time Charter O&M Agreement

1.	Parties involved	<table><tr><th>Company</th><th>Contractor</th></tr><tr><td>Enauta</td><td>YBSD</td></tr></table>	Company	Contractor	Enauta	YBSD
Company	Contractor					
Enauta	YBSD					
2.	Conditions	<p>Notwithstanding the execution date, the effective date of the Agreement shall be on the same day on which Closing takes place, subject to the terms and conditions of the Call Option Agreement ("Effective Date")</p> <p>In the event (i) the Call Option is not exercised at any time during the Option Exercise Period; (ii) the expiry of the Call Option (iii) the expiry of the Payment; or (iv) otherwise the Call Option Agreement is terminated (all above subject to the terms and conditions of the Call Option Agreement), then the Agreement shall be null and void and of no effect, with the Charterer and AFPS ("the Owner") expressly waiving any claim each may have against each other under the agreement.</p>				
3.	Guarantees	<p>Concurrently with the execution of the agreement the Contractor shall deliver to the Company a Contractor Parent Company Guarantee.</p> <p>"Contractor Parent Company Guarantee" here refers to a parent company guarantee in favour of the Company to guarantee the due performance by the Owner and Contractor of their respective obligations under the agreement.</p>				
4.	Term/ Services Period	<p>The agreement shall come into effect on the Effective Date and, unless earlier terminated pursuant to the agreement, shall expire on the date falling on the 15th anniversary of the date on which the first oil is produced, provided always that final acceptance has occurred pursuant the Time Charter Agreement or such date as extended in accordance with Section 3.3 or 3.4 of the agreement (" Expiry Date") ("Services Period")</p>				
5.	Scope of the Agreement	<p>This scope of the agreement is to provide all operation and maintenance services in connection with the FPSO by the Contractor to the Company, including (i) management, manning, supervision and operation of the FPSO and Company's items, (ii) the maintenance of the FPSO in a good state of repair, order and condition such that the FPSO remains at all times during the Services Period fit for the performance of the production, receiving, storage and processing of crude oil, the compression, injection, and transfer of natural gas to a pipeline, injection of water into the wells at the Operation Site and the storing and offloading of processed oil, all in accordance with the operational requirements ("Commercial Operations") and (iii) the supply of all such items (except for the spare parts required for the preventive and predictive maintenance of the FPSO) and the performance of all such activities which are necessary for the performance of the Commercial</p>				

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		Operations (the "Services") in accordance with the Commercial Operations programs, all applicable laws, governmental authorizations, HSE Requirements and Good Oil and Field Practices, the operational requirements, the operation and maintenance manuals for the FPSO delivered to the Company by the Owner, the Company's instructions and other requirements of the Agreement (the 'Requirements')
6.	Charter	<p>Amongst others:</p> <p>a) The Contractor acknowledges that the Company has entered into Time Charter Agreement with the Owner, which is a member of the contractor group, for the time charter of the FPSO and agrees that defaults, breaches or failures of the Owner under the Time Charter Agreement shall not reduce, eliminate or affect in any way the Contractor's obligations or warranties under the agreement and that any such default, breach or failure of or by the Owner under the Time Charter Agreement shall be considered to be a default, breach or failure of the Contractor under the agreement.</p> <p>b) The Contractor shall not be relieved from performing any of its obligations under the agreement on the grounds that such obligation is to be performed by the Owner, unless the obligation is fully performed under either the agreement or the Time Charter Agreement and fully discharges the performance of the relevant obligation in both the agreement and the Time Charter Agreement.</p>
7.	Early Termination Option	The Company shall have the right (exercisable in its sole discretion) to terminate the agreement by convenience at any time in accordance with the agreement. by giving written notice to the Contractor at least 120 days in advance.
8.	Extension Option	The Company shall have the right (exercisable in its sole discretion) to extend the Services Period beyond the initial Expiry Date for an additional period of 2 years and thereafter for additional successive periods of 1 year (provided that such additional successive periods shall be limited to 3 extensions of 1 year each by giving notice thereof to the Contractor at least 120 days prior to the then applicable Expiry Date.
9.	Operations of the FPSO	<p>Amongst others:</p> <p>a) The Contractor shall carry out the Services in accordance with the commercial operations programs, the operational requirements and other Requirements as provided in the agreement.</p> <p>b) The Contractor shall comply with the Operation and Maintenance Manuals, including as to its integrated management system. If, for any reason, the Contractor fails to comply with the Operation and Maintenance Manuals, the Contractor shall promptly provide the Company with a remedy plan and/or justification for such failure or non-compliance (whether or not such plan or justification is requested by the Company).</p>
10.	Maintenance of the FPSO	<p>Amongst others:</p> <p>The Contractor shall be responsible for all preventive and predictive maintenance and repair of the FPSO at its own cost (save in case of repair work to be performed pursuant to Section 5.8(a)(ii)) of the agreement so as to ensure that the FPSO is able to perform the Commercial Operations on a continuous basis (7-day per week, 24-hour per day) in accordance with all Requirements throughout the Services Period. The Contractor shall be responsible for the replacement, maintenance and repair of the FPSO's parts and equipment and shall bear any installation or other cost and expense, including the costs of labor, materials and spare parts. In carrying</p>

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		out the preventive and predictive maintenance of the FPSO, the Contractor shall use the spare parts supplied by the Owner.
11.	Termination for Contractor's Cause	<p>The Company may, without prejudice to any other rights or remedies it may have hereunder or otherwise, terminate the agreement in any of the following circumstances, by giving a written notice of termination to the Contractor with immediate effects (unless a cure period is otherwise expressly provided in the Section 17.1 of the agreement)</p> <ul style="list-style-type: none"> i) If a lien or other right or claim is attached to the FPSO by a third party (except for the permitted encumbrance in accordance with Section 7.9(a)) of the agreement by any reason solely attributable to the Contractor Group, and such lien, right or claim is not discharged or cured by the Contractor Group within 120 days from the date on which the lien, right or claim occurs and such lien, right or claim adversely and materially affects the production of the FPSO. ii) If the Contractor fails to comply with any material obligation under the Agreement which adversely affects the production of the FPSO or pursuant to events that are that affects the safe operation of the FPSO provided that Contractor does not remedy such failure within a reasonable time frame from a notice of default from the Company (which time frame, in any event, shall not exceed 60 days, unless the remediation reasonably requires a longer period for its implementation, in which case the Contractor shall (x) provide the Company with a correction plan satisfactory to the Company and (y) implement and diligently follow such correction plan; iii) The Time Charter Agreement has been terminated for the Owner's default pursuant to the terms of the agreement. iv) If the Contractor assigns or transfers the agreement or any of its rights or interests in the agreement without the prior consent of the Company. v) if the Contractor Parent Company Guarantee expires before all Contractor's obligations hereunder are fully discharged and the Contractor fails to deliver a substitute and satisfactory guarantee to the Company in accordance with the agreement. vi) If the shares or other ownership rights issued by the Contractor is subject to any encumbrance (other than a permitted encumbrance) or is seized or otherwise attached as a result of any claim by a third party and such seizure or attachment is not discharged by the Contractor within 120 days from and including the day on which the arrest or attachment occurs. <p>Without prejudice to its right to terminate the agreement or any other rights or remedies that it may have under the agreement, the Company shall, on and after the expiry of any relevant cure period as agreed by the Parties in the agreement, be entitled (but it shall have no obligation) to take any action whatsoever on behalf of the Contractor to remedy any default of the Contractor under the agreement (including by means of any implementation, doing or taking of any actions whatsoever that the Company may deem whatsoever necessary) and to continue to take such action until the default has been remedied in all respects. When the Company is performing or having performed such actions as aforesaid, the Contractor shall provide all requested assistance and access, and allow such remedial/actions as the Company deems necessary to remedy the default. The Company may, subject to Section 9.6 of the agreement, at its sole option either deduct the costs incurred in respect of remedying the default from amounts due to the Contractor on the succeeding monthly statements) or require reimbursement of such amount on demand from the Contractor. For the avoidance of doubt,</p>

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		<p>in such circumstances no payment will be made by the Company to the Contractor in respect of the action taken to remedy the default or the effects of the same.</p> <p>Without prejudice to the Company's right to terminate the agreement (on the expiration of the relevant cure period or, as applicable, immediately) without having given to the Contractor the notices provided in this section and without extension of any cure period provided hereunder, the Company shall notify the Contractor in writing of any default, specifying in reasonable detail the said default, and the Contractor shall within a period of seven (7) days (date of notice included), or any other period deemed appropriate by the Company, acknowledge said notice of default. If accepted by it, the Contractor shall commence and complete the appropriate corrective actions within the cure period stipulated under Section 17.1 of the agreement for each of the circumstances indicated by the Company.</p> <p>Upon termination pursuant to Section 18.1 of the Time Charter Agreement and upon the election made under Section 18.1.4 of the Time Charter Agreement, the Contractor shall ensure that the FPSO continues to operate as would otherwise be required by the agreement until the handover of the operations from the Contractor to the Company (or its assignee, as applicable), subject to the applicable O&M rates under the agreement), until the relevant transfer has been effected, provided always that period of such operations does not exceed 6 from the date of Time Charter Agreement's termination. If the Contractor Group fails to take the appropriate and necessary actions to allow the transfer of title being effective, such time limit will be extended accordingly.</p>
12.	Termination for the Company's Cause	<p>The Contractor may, without prejudice to any other rights or remedies it may have hereunder or otherwise, terminate the agreement in any of the following circumstances, by giving a notice of termination to the Company with immediate effects:</p> <ul style="list-style-type: none"> i) If the Company shall have failed to pay undisputed amounts payable to the Contractor under the agreement and such failure shall have remained uncured for a period of 60 days following the Contractor's notice to the Company to this end. ii) The Time Charter Agreement shall have been terminated for the Company's default or convenience pursuant to the terms thereunder. iii) If the Company violates any Anticorruption Laws or Anti Money Laundering Laws or breaches any provision of Section 20.1 of the agreement. iv) If the Company's affiliate, as a financing party, defaults on any of its obligations under its financing arrangements with the Owner, and such defaults are not cured within the cooperation period provided thereunder. v) If the Company's Parent Company Guarantee expires before all Company's obligations hereunder are fully discharged and the Charterer fails to deliver a substitute and satisfactory guarantee to Owner in accordance with Section 21.5(b) pursuant Time Charter Agreement. <p>Without prejudice to the Contractor's right to terminate the agreement (on the expiration of the relevant cure period or, as applicable, immediately) without having given to the Company the notice provided in this section and without extension of any cure period provided hereunder, the Contractor shall notify the Company in writing of any default, specifying in reasonable detail the said default, and the Company shall within a period of seven (7) days (date of notice included), or any other period deemed appropriate by the Contractor, acknowledge said notice of default. If accepted by it, the Company shall commence and complete the appropriate corrective actions</p>

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(CONT'D)**


		<p>within the cure period stipulated under Section 17.2 of the agreement for each of the circumstances indicated by the Contractor.</p> <p>i) In the event of Total Loss, the agreement shall terminate, in which case the Termination Date shall be the date of the Total Loss. In any such instance, there is no termination fee and/or no reimbursement costs to demobilize and move the FPSO at least 500 meters away from the operation site ("Demobilization") is applicable.</p> <p>ii) If the FPSO is considered to have become a Total Loss under the Time Charter Agreement, it shall be considered as a Total Loss.</p>
13.	Consequences of Termination	Following any termination of the agreement, there is no termination fee and each party waive any claim in this respect, without prejudice to demobilization costs, when applicable.
14.	Transfer of Ownership by the Owner	The agreement shall remain in full force and effect regardless of any sale, transfer or disposition of the ownership of the FPSO to a third party by the Owner in violation of Article VIII of the agreement and other provisions of the Time Charter agreement.
15.	Governing Law	The agreement and all non-contractual obligations arising from or connected with the agreement shall be governed by the laws of England without reference to its conflict of laws principles which might lead to the application of the laws of another state.

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6. OUTLOOK AND PROSPECTS

World Economic Outlook

Global growth has slowed to the extent that the global economy is perilously close to falling into recession, defined as a contraction in annual global per capita income, only three years after emerging from the pandemic-induced recession of 2020. Very high inflation has triggered unexpectedly rapid and synchronous monetary policy tightening around the world to contain it, including across major advanced economies. Although this tightening has been necessary for price stability, it has contributed to a significant worsening of global financial conditions, which is exerting a substantial drag on activity. This drag is set to deepen given the lags between changes in monetary policy and its economic impacts, and the fact that real rates are expected to continue to increase.

Asset prices have been in broad, synchronous decline, investment growth has weakened substantially, and housing markets in many countries are worsening rapidly. Shockwaves continue to emanate from the Russian Federation's invasion of Ukraine, especially in energy and other commodity markets. Against this backdrop, confidence has fallen precipitously. The world's three major engines of growth, the United States, the Euro area, and China, are undergoing a period of pronounced weakness, with adverse spillovers for emerging market and developing economies ("EMDEs"), many of which are already struggling with weakening domestic conditions.

Global inflation has been pushed higher by demand pressures, including those from the lagged effects of earlier policy support, and supply shocks, including disruptions to both global supply chains and the availability of key commodities. In some countries, inflation has also been spurred by large currency depreciations relative to the U.S. dollar, as well as tight labour market conditions.

Inflation remains high worldwide and well above central bank targets in almost all inflation-targeting economies. Although inflation is likely to gradually moderate over the course of the year, there are signs that underlying inflation pressures could be becoming more persistent. In response, central banks around the world have been tightening policy faster than previously expected. Monetary policy tightening in advanced economies, a strong U.S. dollar, geopolitical tensions, and high inflation have dampened risk appetite and led to widespread capital outflows and slowing bond issuance across EMDEs. Financial conditions have particularly worsened.

Most commodity prices have eased, to varying degrees, largely due to the slowdown in global growth and concerns about the possibility of a global recession. By historical standards, however, they remain elevated, prolonging challenges associated with energy and food insecurity. Crude oil prices have steadily declined from their mid-2022 peak; meanwhile, natural gas prices in Europe soared to an all-time high in August but have since fallen back toward pre-invasion levels.

Non-energy prices, particularly metal prices, have declined alongside weak demand. While food prices have eased from earlier peaks, food price inflation remains very high in some EMDEs. Against this backdrop, global growth is forecast to slow to 1.7% in 2023. This pace of growth would be the third weakest in nearly three decades, overshadowed only by the global recessions caused by the pandemic in 2020 and the global financial crisis in 2009. Global trade is also expected to slow sharply alongside global growth, despite support from a continued recovery in services trade. This suggests that the negative shocks of the past three years, namely the pandemic, the invasion of Ukraine, and the rapid increase in inflation and associated tightening of monetary policy worldwide, are having a lasting impact on economic prospects.

In advanced economies, conditions have deteriorated sharply, owing to declining confidence alongside high inflation and rapid monetary policy tightening. In the United States, one of the most aggressive monetary policy tightening cycles in recent history is expected to slow growth sharply. The Euro area is also contending with severe energy supply disruptions and price hikes associated with the Russian Federation's invasion of Ukraine. In all, growth in advanced economies is forecast to slow from 2.5% in 2022 to 0.5% in 2023.

In EMDEs, growth prospects have worsened materially, with the forecast for 2023 downgraded 0.8 percentage point to a subdued 3.4%. The downward revision results in large part from weaker external demand and tighter financing conditions. EMDE growth is anticipated to remain essentially unchanged in 2023 relative to last year, as a pickup in China offsets a decline in other EMDEs. Excluding China, EMDE



growth is forecast to decelerate from 3.8% in 2022 to 2.7% in 2023 as significantly weaker external demand is compounded by high inflation, tighter financial conditions, and other domestic headwinds. The deviation between EMDE investment and its pre-pandemic trend is expected to remain substantial. EMDE investment growth is envisaged to remain below its 2000-21 average pace, dampened significantly by weakening activity, heightened uncertainty, and rising borrowing costs. Low-income countries ("LICs") are expected to grow 5.1% in 2023. Cost-of-living increases and a deterioration in the external environment are weighing heavily on activity in many LICs and compounding weakness in LICs with fragile and conflict affected situations.

(Source: *Global Economic Prospects, January 2023, World Bank Group*)

Brazilian Economic Outlook

In Brazil, structural bottlenecks resulted in a meagre average GDP growth (0.6 percent) over the past decade, despite favorable demographics. Productivity growth remains weak, due to a complex tax system, a cumbersome business environment that discourages entrepreneurship, slow and unequal human capital accumulation, ineffective State intervention policies (at the sectoral level), low savings, and compressed public investment to accommodate higher current spending and increasing pension obligations.

The COVID-19 pandemic left Brazil with one of the highest global death tolls, but a rapid vaccine rollout program launched in mid-2021 and a comprehensive economic support policy contributed to a return to relative normality. As of March 30, 2023, 85 percent of Brazilians had received at least one dose of the vaccine, and 77 percent had received two.

In 2022, real GDP grew by 2.9 percent, largely propelled by household consumption, which advanced 4.3 percent in the year. The labor market recovery continued, as unemployment dropped to 7.9 percent by December 2022—the lowest level since 2015—with improved labor conditions for women, youth, and Afro-Brazilians. Brazil's unemployment rate increased to 8.4 percent in January 2023, interrupting a sequence of ten consecutive retreats in the margin, and 0.5 percentage point above the levels of December 2022, but still 2.8 percentage points below January 2022. Additionally, labor force participation stood at 61.9 percent in January 2023 (down from 62.3 percent in January 2022), and closed below prepandemic levels (63.3 percent).

Inflation has been a persistent challenge for Brazil: its peak at 12.1 percent in April 2022 led to a significant monetary tightening cycle that brought the policy rate to 13.75 percent in December 2022. Fiscal consolidation continued in 2022, supported by higher revenues (8.2 percent of real growth), economic recovery, and favorable terms of trade. As a result, Brazil's primary surplus stood at 1.3 percent of GDP (0.6 percentage point higher than in 2021), and public debt reached 72.9 percent of GDP (down from 78.3 percent in 2021).

In 2023, real GDP growth is expected to slow to 0.8 percent due to monetary tightening, still high inflation, and subdued global demand. Together, these factors are likely to depress private consumption, exports, and investment. On the fiscal front, public debt is expected to increase gradually to 78.5 percent of GDP by 2025 due to higher refinancing costs, and temporary higher social expenditures. Restoring sustainability still represents one of the most urgent economic challenges for Brazil, despite the ongoing fiscal consolidation achieved throughout 2021–22. The medium-term growth outlook is also subject to risks if total factor productivity remains at current levels. Achieving a higher potential output trajectory would require a revitalized impulse toward implementing structural reforms that could boost and support both investment and productivity.

An expansion of federal social transfers continues to play a key role in providing income support to the poorest segments of society and reducing poverty rates. These transfers contributed to reducing poverty rates to 24.3 percent in 2022, down from 28.4 percent in 2021 (the poverty rate is based on the US\$6.85/day, PPP). An overhaul of the *Bolsa Familia* program, including an extra benefit of R\$150 per child (ages 0–5) in all recipient families and a strong consolidation effort, is expected to contribute to a slight reduction in poverty to 23.9 percent in 2023. Further reductions may occur as the economy recovers, but they will remain volatile in the absence of stronger investment in human capital among the less well-off.

Striking the right balance between protecting the poor and ensuring public finance sustainability, including at subnational levels, will be a key policy challenge in the years ahead.



Supporting the transition to a greener and more resilient growth model also remains a major challenge. Brazil holds more than 60 percent of the Amazon rainforest, the largest tropical forest in the world. It also has a high share of renewables in its energy matrix, but its high exposure to climate risks and deforestation calls for a strong reform agenda to address these challenges.

Due to the recent increase in deforestation emissions, Brazil is no longer on track to meet its national determined contribution (NDC) targets: a 37-percent reduction in greenhouse gas emissions by 2025, and a 43-percent reduction by 2030, relative to 2005 levels. In addition, Brazil has yet to develop an integrated long-term national strategy to achieve its climate goals. Recent reforms in the infrastructure sector, together with the federal administration's renewed interest in the climate agenda, provide sound opportunities for Brazil's green recovery and for lifting millions of Brazilians out of poverty.

(Source: Worldbank: The World Bank in Brazil updated 27 April 2023)

Oil and Gas Sector Outlook

World GDP growth in 2023 is forecast at 3.2%. This assumes that the ramifications of the pandemic, geopolitical developments in Eastern Europe and global financial tightening amid rising inflation do not negatively impact the 2023 growth dynamic to a major degree. It also assumes that major economies revert back towards their growth potentials. However, downside risk exists. Global inflation continues to be a major concern, along with the consequence of further monetary tightening measures by key central banks. The continuation of the pandemic into 2023 is another risk that could curb growth depending on the extent of measures taken to reduce contagion. While labour markets are forecast to remain tight, supply chain bottlenecks may not be resolved in the short term and high debt levels across the globe may persist. In the OECD, GDP growth is expected at 2.1% in 2023, from 2.9% in 2022. In the non-OECD, 2023 GDP growth is forecast at 4.2%, compared to 3.9% in 2022.

Better-than-expected containment of COVID-19 and expected firm global economic growth are projected to support global oil demand in 2023, which is forecast to grow by 2.7 mb/d y-o-y. Within the regions, OECD oil demand is forecast to rise by 0.6 mb/d and non-OECD oil demand is projected to show an increase of 2.1 mb/d, mostly in China and India. This is supported by a recovery in transportation fuels and firm industrial fuels demand, including petrochemical feedstock. In terms of fuels, gasoline and diesel are expected to lead oil demand growth in 2023, on increasing mobility in major consuming countries, such as the US, China and India. Both on-road diesel, including trucking, as well as increasing industrial, construction and agricultural activities in OECD America, Europe and China will support diesel demand. Light distillates will be supported by capacity additions – NGL plants in the US, Propane Dehydrogenation (PDH) plants in China, and steady petrochemical margins. Jet fuel will continue to recover, as domestic and international air travel pick up, but business travel is expected to continue to lag. Uncertainties remain, including COVID-19-related challenges, particularly in China, as well as geopolitical uncertainties and their impact on oil demand.

Non-OPEC oil supply is forecast to grow by 1.7 mb/d y-o-y in 2023, supported by stronger demand. Upstream investment in non-OPEC countries is expected at around \$415 billion (bn), broadly the same level as in 2022 and 18% more than in 2021. However, this level is still only half of the \$755 bn seen in back 2014. New production by projects sanctioned up to 2023 is forecast at around 19.7 mb/d, up by 10% compared to the 17.8 mb/d seen in 2022. Liquids production growth in the US is forecast at 1.1 mb/d, mainly from US Permian crude and non-conventional NGLs, as well as from the Gulf of Mexico. Oil production in Norway, Brazil, Guyana, Kazakhstan, and Argentina is forecast to increase through new field start-ups and ramp-ups of existing projects. Moreover, non-OPEC processing gains and OPEC NGLs are forecast to grow by 70 tb/d and 50 tb/d, respectively, y-o-y.

Looking ahead to 2023, strong world oil demand growth, along with the increase in non-OPEC supply, are forecast to lead to demand for OPEC crude to increase by 0.9 mb/d y-o-y to average 30.1 mb/d. Nevertheless, uncertainty to the forecast remain to the downside, with much depending on the course of the pandemic and related measures, global financial tightening in the light of growing inflation, and the resolution of the ongoing geo-political issues in Eastern Europe.

(Source: OPEC Monthly Oil Market Report, dated May 2023)

EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS (CONT'D)

**7. LIMITATIONS**

Target Company in terms of, inter-alia, composition of business activities, scale of business operations, risk, profile, accounting and tax policies, track record, prospects, competitive environment, financial positions and that such business may have fundamentally different profitability objectives. One should also note that any comparison made with respect to the Comparable Companies are merely to provide a comparison to the implied valuation of the Target Company and the selection of Comparable Companies are highly subjective and judgemental and the selected Comparable Companies may not be entirely comparable due to various factor.

Further, the Discounted FCFE Methodology to a certain extent places reliance on the Future Financials, which is the net result of forecasting a range of variables for significant periods of time, most of which cannot be forecast and projected with a high degree of precision.

The valuation is highly dependent on, amongst others, the achievability of the Future Financials as well as the materialisation of the bases and assumptions used therein. Key variables such as economic growth, demand, competition, and regulatory policies are beyond the control of the Target Company. The Future Financials are also typically very sensitive to small changes in key variables and changes in environmental and economic conditions.

As such, relatively small changes in key variables can have a significant impact on the output of the abovementioned valuation model. It should also be noted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the Future Financials were based.

It should also be noted that the global social and economic conditions have been affected by the COVID-19 outbreak in 2020 and 2021 (which continued unabated into 2022) and the implementation of various lockdowns and the closure of international borders over the past two (2) years. Despite the high vaccination rate and the recent re-opening of economic activities, the near-term outlook remains uncertain and any surge in infection rate and/or discovery of new COVID-19 variant of concerns may result in the Government re-implementing orders/policies, which may restrict business activities. As such, there could potentially be disruption to the overall industries, progress and recovery may be slower during this period amidst market uncertainty.

As a result, the range of values that can be produced by a particular valuation model can be quite wide using combinations of assumptions which individually may appear reasonable. A degree of professional judgement is required to establish the range of values in any valuation exercise.

8. CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our assessment on the fair value of the entire equity interest in AFPS, which is a subject of the Proposed Acquisition, FHCA has considered various valuation methodologies, which are commonly used for the evaluation and took into consideration AFPS's future earning generating capabilities, projected future cash flows and its sustainability as well as various business considerations and risk factors affecting its business.

Premise on the above, the valuation of the entire equity interest in AFPS range between US\$88.77 million and US\$114.18. As such we are of the opinion that the purchase consideration of \$87.90 million for AFPS falls below the range and is fair.

**EXPERT'S OPINION ON THE FAIRNESS OF THE PURCHASE CONSIDERATION FOR AFPS
(CONT'D)**

**9. RESTRICTIONS**

Save for the purpose stated herein, this Letter cannot be relied upon by any party other than Yinson. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part. We are not required to give testimony or to be in attendance in court with reference to the opinion herein provided. Neither FHCA nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

Should FHCA become aware of any significant change affecting the information contained in this Letter or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive or have reasonable grounds to believe that there is material omission in this Letter, we will immediately notify the Board. If circumstances require, a supplementary Letter will be issued to the Board.

Yours faithfully

FHMH CORPORATE ADVISORY SDN BHD


DING SU-LYNN
Director


ANDREW HENG
Director

MEMORANDUM ON POLICIES ON FOREIGN INVESTMENTS AND REPATRIATION OF PROFITS IN NETHERLANDS



Meijburg Legal

Memorandum

To Yinson Holdings Berhad
att.: The Board of Directors
From Meijburg Legal
Date 26 June 2023
Reference DAC/2023/0572/26947938

Subject: Yinson Holdings Berhad - Distributions and foreign investors with respect to a Dutch B.V.

We have been engaged by Yinson Holdings Berhad ("**Yinson**") to prepare a legal memorandum in connection with the proposed acquisition (the "**Proposed Acquisition**") of AFPS B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, having its registered office (*statutaire zetel*) in Rotterdam, the Netherlands, its principal place of business at Coolsingel 104 Unit 2.1, (3011 AG) Rotterdam, the Netherlands, and registered with the trade register (*handelsregister*) (the "**Trade Register**") of the Chamber of Commerce (*Kamer van Koophandel*) (the "**Chamber of Commerce**") under number 84788666 ("**AFPS**").

We understand that this legal memorandum will be used for inclusion in the circular to the shareholders of Yinson to be issued in connection with the Proposed Acquisition.

We note that this legal memorandum is for general information purposes only and is intended to provide a high-level summary of the legal aspects of distributions by AFPS (see below under paragraph 1) and limitations/restrictions that may exist towards foreign investors shareholders pursuant to Dutch corporate law (i.e. the Dutch Civil Code ("**DCC**") and the current articles of association of AFPS (see below under paragraph 2).

1. Distributions by AFPS

1.1 Distributions by AFPS - in general

Under current Dutch corporate law as well as under article 21 of the current articles of association of AFPS, any distribution by AFPS, is subject to the following two tests:

- the balance sheet test, to be performed by the general meeting of the B.V. (see below under paragraph 1.2) (the "**Balance Sheet Test**"); and
- the solvency/liquidity test, to be performed by the management board of the B.V. (see below under paragraph 1.3) (the "**Solvency Test**").

The Balance Sheet Test and the Solvency Test will have to be performed prior to any

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MEMORANDUM ON POLICIES ON FOREIGN INVESTMENTS AND REPATRIATION OF PROFITS IN NETHERLANDS (CONT'D)



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type of distribution of AFPS to its shareholder(s), including distributions of (interim) dividend and distributions out of share premium reserves, retained earnings and other freely distributable reserves. The rationale for these tests is to protect the position of creditors.

1.2 Distributions by a Dutch B.V. - Balance Sheet Test

1.2.1 Pursuant to the Balance Sheet Test, the general meeting of the B.V. may resolve to declare distributions from the freely distributable equity of the B.V. The distributable equity is the amount of the equity exceeding the aggregate amount of:

- (i) the legal reserves (as defined below); and
- (ii) the reserves to be maintained by virtue of the articles of association ("**Statutory Reserves**").

1.2.2 Legal reserves are the reserves designated in Section 2:373 paragraph 4 of the DCC as legal reserves ("**Legal Reserves**"). The most relevant Legal Reserves are the revaluation reserve (which typically must be formed if assets are revalued and the increased value is reflected on the balance sheet) and the participation reserve (which typically must be formed if the increased value of a participation is shown on the balance sheet without such participation being able to distribute this increased value to itself).

1.2.3 Statutory Reserves are the reserves which must be maintained by virtue of the articles of association of the B.V. We have reviewed the current articles of association of AFPS and concluded that they do not contain any Statutory Reserves.

1.2.4 If AFPS has losses but the overall equity position remains positive, such losses will not impact the position of AFPS to make distributions, provided the Balance Sheet Test and the Solvency Test are met.

1.2.5 Furthermore, if AFPS has a negative equity position and does not have any Legal Reserves and/or Statutory Reserves, the prevailing view in Dutch literature is that it is nevertheless possible to resolve to a distribution, provided that the Solvency Test will be met.

1.3 Distributions by a Dutch B.V. - Solvency Test

1.3.1 Each distribution requires the prior approval of the board of directors of AFPS. A distribution without such approval is null and void. The board of directors of AFPS is required to perform the Solvency Test and must establish the financial position of AFPS and determine - to the best of its knowledge - that AFPS continues to be able to pay its due and payable debts. According to the Dutch Parliamentary History, debts to be paid within at least one year from the date of the board resolution must be taken into account. The board of directors of AFPS must assess the financial position of AFPS and in particular whether they have a reasonable basis to believe

MEMORANDUM ON POLICIES ON FOREIGN INVESTMENTS AND REPATRIATION OF PROFITS IN NETHERLANDS (CONT'D)



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that AFPS will continue to be in a position to pay its debts as and when they fall due after the distribution.

- 1.3.2 When performing the Solvency Test, the board of directors of AFPS should not only take into account debts that are incurred but not yet payable, but also those that are likely to be incurred in the foreseeable future when giving effect to approved business plans and long term agreements (such as leases and employment contracts), as well as other indebtedness, such as long term debt financing and debts arising on the basis of applicable laws, such as tax laws.
- 1.3.3 If, based on the Solvency Test, the board of directors of AFPS concludes that after the contemplated distribution AFPS would no longer be able to satisfy its payable debts, it shall be required (by law) to withhold its approval. The board of directors of AFPS may not withhold its approval on any other ground. If the board of directors of AFPS does not support the distribution for other reasons, it can in principle only try to persuade the shareholder(s) not to make the distribution by making use of its advisory vote in the general meeting of shareholders of AFPS.
- 1.3.4 If AFPS, after the distribution, is not able to continue the payment of its due and payable debts, its managing directors of AFPS can be held personally liable vis-à-vis AFPS for the amount of the distribution (with statutory interest), if they knew or reasonably should have been aware that following the distribution AFPS would no longer be able to pay its debts as and when they fall due. Shareholder(s) can be obliged to repay (a part of) the distributed amount received if it/they knew or should reasonably have been aware of the solvency risk of the distribution.

2. Foreign investors/shareholders

2.1 Foreign investors/shareholders - limitations/restrictions

- 2.1.1 There are no quality requirements (*kwaliteitseisen*) for shareholders included in the current articles of association of AFPS.
- 2.1.2 Based on the DCC, there are no limitations/restrictions towards foreign investors/shareholders.

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MEMORANDUM ON TAX REPORT ON FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS



Meijburg & Co
Tax & Legal

Memorandum

To Yinson Holdings Bhd
att.: The Board of Directors
From Meijburg & Co
Date 26 June 2023
Reference EB/FvH/LHG/JIJ/2023/0174/26879887

Subject: Yinson Holdings Bhd - General tax report on foreign investments, taxation and repatriation of profits from the Netherlands

We have been engaged by Yinson Holdings Berhad ("**Yinson**") to prepare a general tax expert memorandum on the Dutch tax environment in relation to the proposed acquisition of 100% of the shares in AFPS BV ("**AFPS**") (referred to as the "**Proposed Transaction**"). We understand that this memorandum will be used for inclusion in the circular to the shareholders of Yinson to be issued in connection with the Proposed Acquisition.

We note that this tax expert memorandum is general of nature and does not assess if and to what extent the tax environment in the Netherlands applies to AFPS. Furthermore, this tax expert memorandum is not and cannot be considered a due diligence undertaking and should not be regarded as such.

1 Foreign investments

1.1 Non-resident taxation rules

1.1.1 General

Foreign corporate shareholders holding an interest of 5% or more ("substantial interest") in a Dutch resident company may be subject to Dutch corporate income tax on dividend income and capital gains derived from the Dutch resident company (non-resident taxation). Foreign corporate shareholders may only become subject to Dutch non-resident taxation if the following conditions are met:

- Holds the substantial interest for the primary purpose of, or one of the primary purposes being the avoidance of Dutch personal income tax at another party ("**subjective test**"); or
- There is an artificial structure or transaction ("**objective test**").

If there is no private individual which (indirectly) holds at least 5% of the shares in the Dutch resident company, there can be no avoidance of Dutch personal income tax. Consequently, in such case the Dutch non-resident taxation rules should not be applicable.

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MEMORANDUM ON TAX REPORT ON FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS (CONT'D)



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The application of the subjective and objective test is similar as under the Dutch domestic dividend withholding exemption. Please refer to our comments under paragraph 3.1.2.

1.1.2 Application of the non-resident taxation rules

In case the non-resident taxation rules apply, both the regular benefits (dividends) and the capital gains will be part of the Dutch taxable base. Tax is levied at the statutory corporate income tax rate of 25.8% in 2023 (19% up to an amount of EUR 200,000). Any dividend withholding tax ("DWHT") levied on items of the aggregate income can be credited.

2 Taxation

2.1 Corporate Income Tax

2.1.1 Taxation and tax residence

In general, corporate income tax ("CIT") is levied on resident companies on their worldwide income. Resident companies are companies incorporated under Dutch civil law or companies incorporated under foreign law with their effective management in the Netherlands. Non-resident companies have a limited tax liability regarding income from Dutch sources.

The top CIT rate (in 2023) levied on taxable profits (including capital gains) is 25.8% in excess of EUR 200,000. A 19% tax rate applies to the first EUR 200,000 of taxable profits.

2.1.2 Tax returns

Dutch private limited liability companies (in Dutch: "besloten vennootschappen", or "BV") are, in principle, each year invited by the Dutch tax authorities to file a CIT return. Moreover, the tax inspector can invite any party that he suspects is liable for tax to file a CIT return. A taxpayer can also request an invitation to file a tax return and is in some instances even obligated to request the tax inspector to invite them to file a tax return. Not complying with the obligation can result in an offense penalty being imposed.

The standard deadline for filing a CIT return is five months after the end of the financial year. The tax return must be accurate and filed (electronically) without reservations. Deferrals may be granted upon request. Under this deferral arrangement, an 11-month deferral is typically granted on top of the standard five-month deadline. Not filing a CIT return or not filing it on time, may result in a penalty.

After the CIT return has been filed, a final tax assessment is imposed by the Dutch tax authorities. The authority to impose a final assessment ends three years after the financial year (and extended by the duration of the deferral that was granted for filing the CIT return).

The statute of limitations is, in principle, five years (and extended by the duration of the deferral that was granted for filing the CIT return). If there are income components

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sourced from or held outside the Netherlands, an extended 12-year deadline applies. The authority to impose additional assessments is restricted to situations where the taxpayer acted in bad faith or there is a 'new fact' (i.e., a fact that the tax inspector was not yet aware of or which he reasonably should have been aware of when imposing the original assessment).

2.1.3 Functional currency

In principle, companies must file their CIT return in euro. However, if the following conditions are met, a company is allowed to file its return in a functional currency other than euros.

- The company uses the same functional currency for accounting purposes.
- A request is filed to the Dutch tax authorities before the first year in which the company intends to apply the functional currency.
- If the request is granted, the company should apply the functional currency for a minimum period of ten years.

2.1.4 Tax residency

For Dutch corporate income tax, dividend withholding tax, and withholding tax on interest and royalties, companies that are incorporated under the laws of the Netherlands are regarded as Dutch tax resident by default.

However, if based on the facts and circumstances the Dutch incorporated entity may also be regarded tax resident in another country, e.g. based on the effective place of management, application of the relevant tax treaty (if any) and the relevant provisions thereof may determine the tax residency and corresponding rights to levy taxes in respect of this entity between jurisdictions involved.

Companies incorporated under foreign law are treated as residents if their effective place of management is located in the Netherlands.

To determine the place of effective management all facts and circumstances of the individual case are relevant. However, the Dutch substance requirements may be used as general guidance to assess the tax residency of an entity in the Netherlands.

2.2 Value Added Tax

The Netherlands levies a Value Added Tax ("VAT") on the supply of goods and services rendered in the Netherlands, on the importation of goods and on the acquisition of goods within the European Union. The standard VAT rate in the Netherlands is 21%. On certain necessities and energy-saving insulation activities on houses, a reduced VAT rate of 9% is applicable. If goods are supplied between countries in the European Union, goods are supplied to countries outside the European Union or in case of international services, a special VAT rate of 0% is applicable.

The VAT is levied from entrepreneurs. Each entrepreneur that is obliged to file a VAT return must be registered with the Dutch tax authorities and will be granted a VAT identification number.

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2.3 Payroll taxes

The Netherlands levies payroll taxes from Dutch employees, which includes wage tax and social security contributions. The person or company to whom one or more persons are in an employment relationship qualify as a withholding agent for Dutch payroll tax purposes. An employment relationship is based on an employment contract between an employer (the withholding agent) and an employee). The employment relationship can be based on a temporary employment contract as well as an indefinite employment contract.

The company that qualifies as a withholding agent must be registered with the Dutch tax authorities and will be granted a payroll tax number.

2.4 Transfer pricing principles in the Netherlands

2.4.1 Transfer pricing principles

2.4.1.1 Arm's length principle

The arm's length principle is explicitly incorporated into Dutch tax law (Section 8b CITA 1969). Under this principle, associated parties must deal with one another as if they were unrelated third parties with regard to prices (transfer pricing) and other conditions that they use for mutual transactions. The detailed working of the principle is set out based on the OECD transfer pricing guidelines and – specifically from a Dutch perspective – a number of policy statements on transfer pricing that illustrate and in some respects expand on the OECD guidelines.

Pursuant to the arm's length principle, taxable profits from domestic or cross-border transactions between associated parties may be adjusted to conform to how profits would have been attributed between independent parties. Such an adjustment of profits may then lead to secondary adjustments, such as deemed dividends or capital contributions. If there is a deemed dividend, dividend withholding tax may apply.

2.4.1.2 Combatting mismatches; application of the arm's length principle

As of financial years commencing on or after January 1, 2022 the Netherlands will only allow downward adjustments of the profit for tax purposes based on the arm's length principle (which also contains the total profit definition of Section 3.8 Personal Income Tax Act 2001), if and insofar as the taxpayer convincingly demonstrates that a corresponding upward adjustment is subject to a profit tax at the associated counterparty. The latter is met if a country has a profit tax and the amount of the upward adjustment is included in the tax base there. That may also be the case if the corresponding upward adjustment is subject to tax at a 0% rate. For institutionally exempt entities (also Dutch ones) or entities established in a state that does not have a profit tax, the absence of a profit tax (or not being subject to a profit tax) means that there cannot, by definition, be an upward adjustment that is subject to a profit tax.

2.4.2 Transfer pricing documentation

The taxpayer is required to possess documentation showing how the transfer prices were set and whether the prices conform to the arm's length principle. The choice of

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method for setting transfer prices lies with the taxpayer as long as it can be justified that an appropriate method has been applied.

In principle, transfer pricing documentation based on Section 8b CITA does not have to adhere to a specific format. However, since January 1, 2016 multinational enterprises whose consolidated group turnover exceeded EUR 50 million in the preceding tax year must also prepare a Master File and a Local File. What must be included in these files has been laid down by decree (based on the OECD models). The Master File and Local File(s) should be available at the time the CIT return is due for a specific year.

Moreover, internationally operating enterprises with activities in the Netherlands and a consolidated group turnover of at least EUR 750 million in the preceding tax year must also prepare a Country-by-Country report ("CbC report").

The CbC report must contain information about the countries where the group is active. The various information that must be reported for each entity and for each country includes the recorded profit, the taxes paid and the number of employees.

According to this requirement, the reporting entity of the multinational enterprise must submit an annual Country-by-Country report to the tax authorities in the country where that entity is a tax resident. The reporting entity is the ultimate parent company, the surrogate parent company or another group entity. The reporting entity must submit the Country-by-Country report within 12 months of the last day of the financial year. For example, if the group's financial year begins on January 1, 2022, then the group companies must submit their Country-by-Country report no later than December 31, 2023. The Dutch-resident entities of a multinational enterprise must let the Dutch tax authorities know which entity within the multinational enterprise will be submitting the Country-by-Country report and in which country. The Dutch tax authorities must have been notified of this no later than the last day of each reporting year. Penalties may be imposed where there is intentional non-compliance or "serious misconduct" by the reporting entity regarding its obligation to file the CbC Report, whereby a maximum penalty of EUR 900,000 (for 2023) may be imposed or the entity could even face criminal prosecution.

Provided that the taxpayer complies with the applicable documentation requirements, the burden of proof generally lies with the Dutch tax authorities to demonstrate that the prices charged are not at arm's length. However, if such documentation (in particular the Local File) is not available, the burden of proof may reverse. Although the choice of transfer pricing method is up to the taxpayer, it may be prudent for documentation purposes to carry out a benchmarking study or studies based on a functional analysis of the taxpayer and a comparison with the transaction that independent third parties would have agreed under similar circumstances.

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2.5 Relevant provisions for a FPSO operated off the coast of Brazil

Yinson confirmed that AFPS will operate a FPSO¹ off the coast of Brazil in the future. Given this specific fact, the foreign source exemption and/or the tax sparing credit may be relevant for AFPS.

2.5.1 Foreign source exemption

In principle, a company incorporated under Dutch law is subject to Dutch CIT for its worldwide income. However, in case activities are undertaken through a permanent establishment, the Netherlands unilaterally grant an exemption for the positive and negative results that can be allocated to the permanent establishment (including allocation of costs). The result allocable to the permanent establishments (based on the arm's length principle) is exempt from the Dutch tax base in the yearly CIT return.

Operating a FPSO may result in the recognition of a permanent establishment according to the double tax treaty concluded between Brazil and the Netherlands ("BR-NL DTT"). As a result of the foreign source exemption, during the life of the foreign source the company cannot deduct foreign source losses from its Dutch source income.

2.5.2 Tax sparing credit

In case the FPSO would be leased under a bareboat contract to a customer based in Brazil, AFPS may benefit from the tax sparing credit as defined under Article 12 of the BR-NL DTT under the condition that the bareboat charter contract is considered as a right to use industrial or commercial equipment (i.e., the vessel). However, this assessment should be made based on all facts and circumstances as the Dutch and Brazil tax authorities generally take a substance over form approach with respect to contracting.

From a tax treaty perspective and Dutch domestic tax law, the remuneration for the right as described in Article 12 of the BR-NL DTT is considered royalty income (i.e., passive income) which may be subject to 15% Brazilian WHT. However, the BR-NL DTT also provides for a tax sparing credit of (up to) 20% for the Dutch bareboat charter entity in respect of royalties, even if the actual WHT withheld is 15% or less. The relevant tax sparing clause, which is a treaty provision, requires the Netherlands to grant tax credits at a deemed WHT rate for specific payments made by Brazilian residents.

2.6 EU Mandatory Disclosure Rules

2.6.1 Introduction

The EU has issued a directive ("DAC6"), holding mandatory disclosure rules ("MDR"). These rules require qualifying intermediaries and relevant taxpayers to report and disclose information on certain cross-border transactions to local tax authorities.

¹ Floating Production Storage and Offloading.

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The rules as included in DAC6 apply mainly to direct taxes (e.g. CIT), but do not apply to VAT or (most) customs duties. Some forms of indirect taxes, such as insurance tax, are included. However, upon implementing DAC6 in local legislation, Member States have the option to expand the scope of the rules of covered taxes and may have issued country-specific guidance on the interpretation of these rules. The MDR should therefore be considered for all relevant EU countries involved in the transactions.

The MDR has been implemented in Dutch law and effectively apply as from 1 January 2021. In addition, retroactive reporting requirements applied for the period between 25 June 2018 up to 1 January 2021.

2.6.2 Responsibility for reporting

The primary obligation to report rests with the 'qualifying intermediary'. A qualifying intermediary is defined broadly as any person that 'designs, markets, organises, manages or makes available for implementation a cross-border arrangement' and, in addition, any person that knows or could be reasonably expected to know that they have provided, directly or indirectly, 'aid, assistance or advice' in relation to a reportable cross-border arrangement. As such, this may also include firms providing advice or a secondary opinion in relation to a cross border arrangement, and in-house advisory teams (such as, but not limited to, tax and legal functions).

The reporting obligation lies with all intermediaries involved which may lead to multiple reporting across EU Member States. If an intermediary has evidence that another intermediary has already disclosed an arrangement, this may release the first intermediary from the obligation to report the same arrangement. However, as each intermediary will have to consider their own local laws and the information available to them on the arrangement a separate reporting obligation may still remain. Where an intermediary is unable to report due to legal professional privilege the onus to report moves to other intermediaries or the taxpayer. In the Netherlands, lawyers may have this legal professional privilege but tax advisors in principle do not have such a legal privilege.

2.6.3 Reportable Transactions

To be reportable, an arrangement must be i) cross-border, involving one or more EU Member States, and ii) meet at least one "hallmark". There is no definition of 'arrangement', and hence this term should be interpreted broadly.

The hallmarks are broad and require disclosure of a wide range of arrangements; some of which may involve tax benefits, while others may have no tax motivation.

Some hallmarks have a 'main benefit test' ("MBT") filter which means that the arrangement is only reportable if one of the main benefits of the arrangement is the obtaining of a tax advantage.

- Category A - relate to confidentiality imposed on clients, contingent fee arrangements and mass marketed type arrangements (MBT).

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- Category B - relate to planning for loss utilisation/buying, converting income into an item that benefits from a favourable tax treatment and circular transactions with a net tax benefit (MBT).
- Category C - relate to cross border payments where there is a low / no / preferential tax treatment, and hybrid / double deduction transactions (some transaction have a MBT).
- Category D - relate to transactions intended to circumvent transparency reporting rules or hide beneficial ownership.
- Category E - relate to transfer pricing, regarding the use of unilateral safe harbour rules, hard to value intangibles and restructuring of assets/ functions/risks where a taxpayer's annual EBIT is reduced by 50% or more.

2.6.4 Timing for reporting

The arrangements should be reported within 30 days counted from the earliest of i) the day after the arrangement has been made available to the taxpayer, ii) the day after the arrangement is ready for implementation, or iii) the moment the first step of implementation has been undertaken.

3 Repatriation of profits

3.1 Dividend withholding tax

3.1.1 General

The Netherlands levies DWHT at a rate of 15%. Dutch resident companies – besides non-holding cooperatives – are in principle subject to 15% DWHT with respect to distributions made. The rate at which DWHT is to be withheld may be reduced (up to nil) under a double tax treaty. Furthermore, a distribution may be exempt from Dutch dividend WHT based on a domestic exemption.

3.1.2 Domestic DWHT exemption

3.1.2.1 General

Based on Dutch tax law a domestic DWHT exemption can be applied if - in short - the following cumulative conditions are met:

- The company that receives the dividend is a resident of an EU/EEA country and/or a country with which the Netherlands has concluded a tax treaty for the avoidance of double taxation which includes a dividend provision. In addition, the recipient should not be resident of another non-EU/EEA state, under the application of a tax treaty, with which the Netherlands has not concluded a tax treaty which includes a dividend provision ("**residency test**"); and
- At the time of the distribution of the dividend, the shareholding in the Dutch company held by the company which receives the dividend would qualify for the application of the Dutch participation exemption. Typically, this requires that the recipient owns at least 5% of the nominal value of the contributed outstanding share capital in the Dutch company ("**shareholding test**").

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Despite meeting the above criterion, the domestic exemption does not apply if the company that receives the dividend is not considered the beneficial owner of the dividend or if the structure is considered abusive.

The Dutch tax authorities may seek to deny the right to a reduction or exemption from Dutch dividend tax in certain cases under anti-dividend stripping rules. For example, the rules might be applied on the sale of Dutch shares by a non-Dutch company (which has no right to a dividend tax reduction) to a Dutch intermediary (which can claim dividend tax relief) while the original shareholder retains the right to repurchase the shares after the dividend has been paid. An internet consultation on tightening the dividend stripping rules took place at the beginning of 2022. As a result of that internet consultation the rules may be tightened in the future.

3.1.2.2 Anti-abuse rules

The Netherlands has incorporated general anti-abuse rules in its domestic dividend WHT legislation. There is abuse if, in short:

- The shares in the Dutch resident company are held for the principal purpose or one of the principal purposes of avoiding Dutch dividend WHT being levied at another party ("**subjective test**"); and
- There is an artificial structure or transaction ("**objective test**").

The subjective test is met if the DWHT paid by the shareholder of the Dutch resident company is less than what would have been payable if the (indirect) shareholders of the taxpayer had held the shares in the Dutch resident company directly. In order to review whether the subjective test is met, all intermediate companies between the Dutch resident company and the first (indirect) shareholder being engaged in an active business enterprise are to be disregarded. If dividends distributed to the first indirect shareholder being engaged in an active business enterprise would also be exempt from Dutch DWHT, then there will be no avoidance of Dutch DWHT.

No artificial structure is present if a structure is set up based on valid commercial reasons that reflect economic reality. Valid commercial reasons are present, for example, if the company holding the interest in the Dutch resident company carries on an enterprise (i.e., a trade) and the interest in the Dutch resident company is a functional part of the business assets of that company. This test can also be satisfied where there are intermediate holding companies between companies that have a substantive business. Those intermediate holding companies must fulfil a linking function, but they are also required to have certain relevant substance themselves.

3.2 Withholding tax

3.2.1 Conditional withholding tax on interest and royalties

3.2.1.1 General

As of 1 January 2021, a conditional withholding tax ("**CWHT**") applies to interest and royalty payments to related companies in low-tax jurisdictions and in abusive situations. The CWHT is levied at the highest CIT-rate, which is 25.8% in 2023. The purpose of the

MEMORANDUM ON TAX REPORT ON FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS (CONT'D)



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CWHT on interest and royalty payments is to prevent companies to use the Netherlands as a gateway for interest and royalty payments to low-tax jurisdictions.

3.2.1.2 Applicability: interest or royalty payments to low-tax jurisdictions

The CWHT applies to dividend, interest and royalty payments by Netherlands resident companies to a related company that resides in a low-tax jurisdiction (i.e., a tax jurisdiction with a statutory CIT-rate of less than 9% or jurisdictions that are on the EU blacklist for non-cooperating jurisdictions). Moreover, payments made by a permanent establishment ("PE") in the Netherlands can also be subjected to the CWHT.

For the purpose of the CWHT, companies are related when a shareholder can exercise decision-making influence in another company. Generally, this is the case when the shareholders can exercise more than 50% of the voting rights in another company. Furthermore, a company can be related with a Dutch resident company when a third company owns more than 50% of the shares in both companies (and can exercise more than 50% of the voting rights). Besides that, a company can be related when multiple shareholders together, who do not own more than 50% of the shares in a company on a single-company basis, qualify as a cooperating group (in Dutch: "samenwerkende groep"). Whether a group of companies qualify as a cooperating group should be determined on an all facts and circumstances test.

3.2.1.3 Applicability: anti-abuse rules

Besides direct payments to related companies in low-tax or EU blacklist jurisdictions, the CWHT also applies to abusive situations. Abusive situations are defined as artificial (tax) structures with the main purpose, or one of the main purposes, to avoid the Dutch CWHT. For instance, the interposition of a non-low-taxed and low-substance company that is not the beneficial owner of the dividend, interest or royalty payments can qualify as an abusive situation. The application of the subjective and objective test is similar as under the domestic Dutch DWHT exemption. Please refer to our comments under paragraph 3.1.2.2.

3.2.1.4 Tax base and payment of the CWHT

The CWHT is levied over the gross benefits in the form of dividends, interests or royalties, taking the at arm's length principle into account. In principle, the CWHT is levied from the company that makes the interest or royalty payment (the withholding company). The withholding company should withhold 25.8% of the dividend, interest or royalty payment and pay the Dutch tax authorities within 1 month after the calendar year in which the payment took place. When the CWHT is not (correctly) paid, the tax inspector can issue an additional tax assessment to the receiving company. Moreover, under certain circumstances, directors of the withholding company can be held liable for the CWHT.

3.2.2 Conditional withholding tax on dividends

As from 1 January 2024 qualifying dividend payments will also fall under the scope of the CWHT (see above). The CWHT will be introduced alongside the current DWHT which has a tax rate of 15%. The CWHT on dividends will be levied at the high CIT-rate (25.8% in 2023). For a dividend payment to qualify for the CWHT, the same

**MEMORANDUM ON TAX REPORT ON FOREIGN INVESTMENTS, TAXATION AND
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requirements apply as for interest and royalty payments and will thus only apply to payments to related companies in low-tax jurisdictions and in abusive situations. When both the DWHT and the CWHT on dividends apply to dividend payments, the CWHT on dividends provides for a deduction of the regular DWHT paid.

A handwritten signature in dark ink that reads 'Meijburg & Co' in a cursive, flowing script.

Meijburg & Co

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS



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Yinson Holdings Berhad

For attention of the board of directors
Level 16, Menara South Point
Mid Valley City
Medan Syed Putra Selatan
59200 Kuala Lumpur

Re: 10504722 - Yinson Holdings Berhad / legal opinion on the ownership / title to shares of AFPS B.V. under the laws of the Netherlands

Amstelveen, 26 June 2023

Dear addressees,

You requested us, the undersigned, acting as your Dutch special legal adviser (*advocaat*), to render this opinion letter in connection with the proposed acquisition (the **Proposed Acquisition**) by Yinson Bouvardia Pte Ltd, a company incorporated under the laws of Singapore with its registered office at 600 North Bridge Road, #23-01 Parkview Square, Singapore (**Yinson Bouvardia**), of AFPS B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, having its registered office (*statutaire zetel*) in Rotterdam, the Netherlands, its principal place of business at Coolsingel 104 Unit 2.1, (3011 AG) Rotterdam, the Netherlands and registered with the trade register (*handelsregister*) (the **Trade Register**) of the Chamber of Commerce (*Kamer van Koophandel*) (the **Chamber of Commerce**) under number 84788666 (the **Company**).

In rendering this opinion letter, we have solely examined and relied upon the documents as specified in **Annex 1**. Any attachments thereto and documents mentioned or referred to therein are excluded for the purpose of this opinion letter except to the extent explicitly stated otherwise in **Annex 1**.

We have only expressed opinions on matters of the laws of the European territory of the Kingdom of the Netherlands (the **Netherlands**) as they currently stand and as they have been published as at the date of this opinion letter. We have made no investigations into the laws of any other jurisdiction as a basis for the opinions as expressed herein, and we do not express or imply any opinion on such jurisdictions.

Furthermore, for the purpose of this opinion letter, we have not expressed an opinion on Dutch tax law, international law, competition law and/or anti-trust law. We express no opinion on any laws of the European Communities (insofar as not implemented in the Netherlands in statutes or regulations of general application) unless it concerns EU Regulations (*Verordeningen*) in effect in the Netherlands on the date of this opinion letter.

The opinions as rendered in this opinion letter have been given on the basis of, and are subject to (i) the assumptions set out in **Annex 2** and (ii) the qualifications set out in **Annex 3**. The

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Amstelveen
Rotterdam

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS (CONT'D)

opinions given in this opinion letter are strictly limited to the matters set out in paragraphs 1 up to and including 4 below.

Annex 1, Annex 2 and **Annex 3** (together hereinafter the **Annexes**) form an integral part of this opinion letter. This opinion letter cannot be read and/or interpreted without the Annexes.

We are of the opinion that:

Corporate Status

1. The Company has been duly incorporated on 14 December 2021 and is validly existing under the laws of the Netherlands as a legal entity in the form of a '*besloten vennootschap met beperkte aansprakelijkheid*' (a private company with limited liability).
2. Based solely on the information included in the Overview of Corporate Relations, the Company does not have any wholly owned Dutch subsidiaries being Dutch legal entities (*rechtspersonen*).

Corporate power, capacity and authority

3. The Company has full power, capacity, and authority under its Articles of Association to enter into valid and binding agreements, make representations and commit to undertakings in its own name in the Netherlands with respect to the Proposed Acquisition.

Shareholding

4. Based solely on the information included in the Excerpt and the Shareholders' Register:
 - a) the total issued and outstanding share capital (*aandelenkapitaal*) of the Company is USD 1 (one US dollar), comprising of 1 (one) share (*aandeel*) (the **Share**);
 - b) Atlanta Field B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its registered office (*statutaire zetel*) in Rotterdam, The Netherlands, its principal place of business at Coolsingel 104 Unit 2.1, (3011AG) Rotterdam, the Netherlands and registered with the Trade Register of the Chamber of Commerce under number 56395205, is the sole shareholder (*aandeelhouder*) of the Share and as such has the full legal and beneficial title to the Share (the **Shareholder**);
 - c) no Dutch law right of pledge (*pandrecht*) has been established on the Share; and
 - d) the Shareholder may transfer (*overdragen*) the full ownership (*eigendom*) of the Share to Yinson Bouvardia in accordance with the Articles of Association and Dutch law.

The opinions reflected above express and describe Dutch legal concepts in English and not in their original Dutch terms. Consequently, the opinions reflected above are issued and may only be relied upon on the express condition that they shall be governed by (and that all words and expressions used herein shall be construed and interpreted in accordance with) the laws of the Netherlands.

This opinion letter is strictly limited to the matters set forth herein, and no opinion may be inferred or implied beyond those expressly stated herein. In issuing this opinion letter, we do not assume

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS (CONT'D)

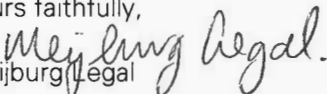
any obligation to notify or to inform you of any developments subsequent to the date hereof which might render its contents untrue or inaccurate in whole or in part at such time.

This opinion letter may only be relied upon by you, and our willingness to render this opinion letter is based, on the condition that you accept and agree that (i) the competent courts at Rotterdam, the Netherlands have exclusive jurisdiction to settle any issues of interpretation or liability arising out of or in connection with this opinion letter, (ii) any legal relationship arising out of or in connection with this opinion letter (whether contractual or non-contractual), including the above submission to jurisdiction, is governed by the laws of the Netherlands, (iii) any liability arising out of or in connection with this opinion letter shall be limited to the amount which is paid out under Meijburg Legal's insurance policy in the matter concerned and (iv) no person other than Meijburg Legal may be held liable in connection with this opinion letter.

This opinion letter is given solely for the benefit of the persons to whom it is addressed and solely in connection with the Proposed Acquisition. This opinion letter may not be relied upon for any other purpose or by any other person and may not be transmitted or disclosed to any other person or entity (including governmental agency or stock or other exchange) or filed with any person or entity or be quoted or referred to in any public document without our prior written consent except:

- (i) that a copy of this opinion letter may be disclosed to the legal advisers and other advisers of the addressee, the ultimate holding company of Yinson Bouvardia, involved in the Proposed Acquisition;
- (ii) that a copy of this opinion letter will be attached to the circular to be distributed to the shareholders of the addressee in relation to the Proposed Acquisition, which it is noted will be a publicly available document (including on the website of Bursa Malaysia Securities Berhad (**Bursa Securities**));
- (iii) that a copy of this opinion letter may be submitted to Bursa Securities as part of the relevant regulatory approval process in relation to the Proposed Acquisition; and
- (iv) as required by the laws or regulations of any country with jurisdiction over your affairs.

Yours faithfully,


Meijburg Legal

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS (CONT'D)

ANNEX 1

- a) an electronic copy of the executed notarial deed of incorporation (*akte van oprichting*) of the Company dated 14 December 2021 (the **Deed of Incorporation**), as filed with the Trade with the Chamber of Commerce;
- b) an electronic copy of the executed deed of amendment of the articles of association (*statuten*) of the Company, dated 5 October 2022 (the **Articles of Association**), stated to be the articles of association of the Company currently effective according to the Excerpt (as referred to in **Annex 1**) as filed with the Trade Register of the Chamber of Commerce;
- c) an electronic copy of the excerpt of the Trade Register regarding the Company, provided by the Chamber of Commerce dated 26 June 2023 relating to the registration of the Company under number 84788666 (the **Excerpt**);
- d) an electronic copy of an overview of corporate relations (*concernrelaties*) of the Trade Register regarding the Company, provided by the Chamber of Commerce dated 26 June 2023 (the **Overview of Corporate Relations**); and
- e) an electronic copy of part of the shareholders' register (*aandeelhoudersregister*) of the Company with the last entry dated 20 January 2021 (the **Shareholders' Register**).

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS (CONT'D)

ANNEX 2

The opinions in this opinion letter are subject to the following assumptions:

- i. the genuineness and completeness of all signatures of the individuals executing the original copies of the documents listed in **Annex 1**;
- ii. the conformity to the originals of all documents submitted to us as copies and the genuineness and completeness of all original documents;
- iii. the Deed of Incorporation is a valid notarial deed (*authentieke akte*), the contents of which were correct and complete as of the date thereof and there were no defects in the incorporation of the Company on the basis of which a court might dissolve (*ontbinden*) such Company;
- iv. the Company has not been dissolved (*ontbonden*), granted a (provisional) suspension of payments (*(voorlopige) surseance van betaling verleend*), declared bankrupt (*failliet verklaard*), its assets have not been placed under administration (*onder bewind gesteld*), the Company has not been made subject to foreign insolvency proceedings as defined in article 2 (4) of the Regulation (EU) 2015/848 of 20 May 2015 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) or similar insolvency proceedings in other jurisdictions, the Company has not ceased to exist due to statutory merger or statutory split (*juridische fusie of juridische splitsing*) and no corporate action pertaining thereto or concerning a conversion (*omzetting*) has been initiated or executed and the Company has not received a notice from any chamber of commerce concerning its dissolution under article 2:19a of the Dutch Civil Code (*Burgerlijk Wetboek, DCC*) or from the relevant district court (*rechtbank*) concerning its dissolution under article 2:21 DCC; although not constituting conclusive evidence thereof, our assumption is supported by (a) the contents of the Excerpt and (b) information obtained on the date of issue of this opinion letter online from the EU registrations and the central insolvency register (*centraal insolventieregister*) in The Hague, the Netherlands;
- v. the Company is not the subject of any sanctions and measures, including but not limited to those concerning export control, pursuant to European Union regulations, under the Sanctions Act 1977 (*Sanctiewet 1977*) or other legislation; although not constituting conclusive evidence thereof, our assumption is supported by information obtained on the date of issue of this opinion letter online from the European Union Consolidated Financial Sanctions List;
- vi. the execution of agreements in relation to the Proposed Acquisition or otherwise is in the corporate interest, as referred to in article 2:7 DCC;
- vii. no works council (*ondernemingsraad*) has been established, is in the process of being established or should be established with respect to the business of the Company, nor is there any works council with jurisdiction over the Company;
- viii. any resolution from the Company's management board to enter into any agreements by the Company do not require the approval of the Company's general meeting as set out in article 18 paragraph 2 of the Articles of Association that would prevent the Company's management board from entering into any agreements; and

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS (CONT'D)

- ix. there are no regulations and/or other rules (*reglementen en/of andere regels*) adopted by any of the Company's corporate bodies (*organen*) that would preclude the Company's management board from validly adopting any resolution to enter into any agreements.

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS (CONT'D)

ANNEX 3

The opinions in this opinion letter are subject to the following qualifications:

- A. this opinion letter is subject to any limitations arising from (a) rules relating to bankruptcy (*faillissement*), (provisional) suspension of payments (*voorlopige surseance van betaling*), fraudulent preference (*pauliana*), liquidation (*ontbinding*), public or private out-of-court restructuring plans (*openbare of besloten onderhands akkoordprocedure*), reorganisation, foreign insolvency proceedings as defined in article 2 (4) of the Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) and other laws of general application relating to or affecting the rights of creditors and (b) sanctions and measures, including but not limited to those concerning export control, pursuant to European Union regulations, under the Sanctions Act 1977 (*Sanctiewet 1977*) or other legislation;
- B. the Excerpt, the Overview of Corporate Relations and the Shareholders' Register do not provide conclusive evidence that the facts set out therein are correct; however, in relation to the Excerpt only, under the Trade Register Act 2007 (*Handelsregisterwet 2007*) subject to limited exceptions, the Company cannot invoke the incorrectness or incompleteness of the Trade Register registration against third parties who were unaware of such incorrectness or incompleteness;
- C. the information obtained from the central insolvency register (*centraal insolventieregister*) referred to in paragraph iv of **Annex 2** does not provide conclusive evidence that the Company has not been declared bankrupt or granted a (provisional) suspension of payments (*voorlopige surseance van betaling*);
- D. pursuant to article 2:7 DCC as it relates to the Company, any transaction entered into by a legal entity may be nullified by the legal entity itself or its receiver in bankruptcy (*curator*) if the objects of that entity were transgressed by the transaction and the other party to the transaction knew or should have known this without independent investigation (*wist of zonder eigen onderzoek moest weten*). The Netherlands Supreme Court (*Hoge Raad der Nederlanden*) has ruled that in determining whether the objects of a legal entity are transgressed, not only the description of the objects in that legal entity's articles of association (*statuten*) is decisive, but all (relevant) circumstances must be taken into account, in particular whether the interests of the legal entity were served by the transaction;
- E. the terms "enforceable", "enforceability", "valid", "legal" and "binding" (or any combination thereof) where used above, mean that the obligations assumed by the relevant party under the relevant document are of a type which the laws of the Netherlands generally recognises and enforces; they do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms; in particular, enforcement before the courts of the Netherlands will in any event be subject to:
 - a) the degree to which the relevant obligations are enforceable under their governing law (if other than the laws of the Netherlands);
 - b) the nature of the remedies available in the Dutch courts (and nothing in this opinion letter must be taken as indicating that specific performance or injunctive relief would be available as remedies for the enforcement of such obligations);

LEGAL OPINION ON THE OWNERSHIP OF TITLE TO THE SHARE OF AFPS UNDER THE LAWS OF NETHERLANDS (CONT'D)

- c) the acceptance of such courts of jurisdiction and the power of such courts to stay proceedings if concurrent proceedings are being brought elsewhere;
- d) prescription or limitation periods (within which suits, actions or proceedings must be brought); and
- e) the availability of defences such as, without limitation, set-off (*verrekening*) (unless validly waived), fraud (*fraude*), duress (*bedreiging*), error (*dwaling*), force majeure (*overmacht*), unforeseen circumstances (*onvoorziene omstandigheden*), deceit (*bedrog*), undue influence (*misbruik van omstandigheden*), abatement and counter-claim.

LEGAL OPINION ON THE ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY THE CALL GRANTOR OR AFBV UNDER THE LAWS OF ENGLAND AND WALES



28 June 2023

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Your reference

Our reference

Dear Sirs

English Law Legal Opinion – Call Option Agreement dated 21 February 2022

We have been engaged by Yinson Holdings Berhad (**Yinson**) to prepare a legal opinion in connection with a call option agreement dated 21 February 2022, relating to the proposed acquisition of shares held by Atlanta Field B.V. in AFPS B.V., which we understand from Yinson is a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), incorporated under the laws of the Netherlands, having its registered office (statutaire zetel) in Rotterdam, the Netherlands, its principal place of business at Coolsingel 104 Unit 2.1, (3011 AG) Rotterdam, the Netherlands, and registered with the trade register (handelsregister) of the Chamber of Commerce (Kamer van Koophandel) under number 84788666.

Our opinion in relation to the above is attached.

Yours faithfully

Norton Rose Fulbright (Asia) LLP

GST Reg. No: F00007071N

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LEGAL OPINION ON THE ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY THE CALL GRANTOR OR AFBV UNDER THE LAWS OF ENGLAND AND WALES (CONT'D)

28 June 2023
Yinson Holdings Berhad

 **NORTON ROSE FULBRIGHT**

1 Background

- 1.1 This opinion is given in relation to the English law aspects of the agreement (the **Agreement**) dated 21 February 2022 entered into between Atlanta Field B.V. (the **Grantor**), Yinson Bouvardia Holdings Pte. Ltd. (the **Holder**), and AFPS B.V. (the **Company**).
- 1.2 We have examined a copy of the Agreement (but not its Schedules or Exhibits or documents referred to but not appended to the Agreement) only.
- 1.3 For the purpose of giving this opinion, we have examined no other documents and have undertaken no other enquiries.
- 1.4 Our opinions are given in part 2. Part 3 explains their scope, part 4 describes the assumptions on which they are made and part 5 contains the qualifications to which they are subject.

2 Opinions

Based on, and subject to, the other provisions of this opinion, we are of the following opinion:

- 2.1 The obligations which the parties are expressed to assume in the agreements, representations, and undertakings given in the Agreement, in so far as such obligations are clear, ascertainable, and entirely within the control of that party, constitute legally valid and binding obligations and are enforceable under English law.

3 Scope

- 3.1 This opinion and any non-contractual obligations connected with it are governed by English law and are subject to the exclusive jurisdiction of the English courts.
- 3.2 This opinion is given only in relation to English law as it is understood at the date of this opinion. We have no duty to keep you informed of subsequent developments which might affect this opinion.
- 3.3 If a question arises in relation to a cross-border transaction, it may not be the English courts which decide that question and English law may not be used to settle it.
- 3.4 We express no opinion on, and have taken no account of, the laws of any jurisdiction other than England. In particular, we express no opinion on the effect of documents governed by laws other than English law.
- 3.5 We express no opinion on matters of fact.
- 3.6 Our opinion is limited to the matters expressly stated in part 2, and it is not to be extended by implication. In particular, we express no opinion on the accuracy of the assumptions contained in part 4. Each statement which has the effect of limiting our opinion is independent of any other such statement and is not to be impliedly restricted by it. Paragraph headings are to be ignored when construing this opinion.
- 3.7 This opinion is given solely for the benefit of Yinson and solely in connection with the proposed acquisition of all of the shares held by the Grantor in the Company (the **Proposed Acquisition**). This opinion may not be relied upon for any other purpose or by any other person and may not be transmitted or disclosed to any other person or entity (including governmental agency or stock or other exchange) or filed with any person or entity or be quoted or referred to in any public document. This opinion may be disclosed, but not relied upon for any purpose or by any person (including any shareholder of Yinson and Bursa Malaysia Securities Berhad (**Bursa Securities**)), as follows:

- (a) a copy of this opinion letter may be disclosed to the legal advisers and other advisers of Yinson;

LEGAL OPINION ON THE ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY THE CALL GRANTOR OR AFBV UNDER THE LAWS OF ENGLAND AND WALES (CONT'D)

28 June 2023
Yinson Holdings Berhad



- (b) a copy of this opinion letter will be attached to the circular to be distributed to the shareholders of Yinson in relation to the Proposed Acquisition, which it is noted will be a publicly available document (including on the website of Bursa Securities);
- (c) a copy of this opinion letter may be submitted to Bursa Securities as part of the relevant regulatory approval process in relation to the Proposed Acquisition; and
- (d) as required by the laws or regulations of any country with jurisdiction over Yinson.

4 Assumptions

This opinion is based on the following assumptions:

Effect of the Agreement

- 4.1 Each person which is expressed to be party to the Agreement:
 - (a) is duly incorporated and is validly existing;
 - (b) is not the subject of any insolvency or reorganisation proceedings in any jurisdiction;
 - (c) had the capacity to execute the Agreement and to perform the obligations it is expressed to assume under it;
 - (d) has taken all necessary corporate action to authorise it to execute the Agreement and to perform the obligations it is expressed to assume under it; and
 - (e) has duly executed the Agreement.
- 4.2 The Agreement has been executed in the form provided to us. There has been no amendments to, variation, waiver or discharge of any of the provisions of the Agreement. The Agreement has not terminated and the Option (as defined in the Agreement) remains exercisable and is exercised within the Option Exercise Period (as defined in the Agreement).
- 4.3 The Agreement is not (wholly or in part) void, voidable, unenforceable, ineffective or otherwise capable of being affected as a result of any vitiating matter (such as mistake, misrepresentation, duress, undue influence, fraud, breach of directors' duties, illegality or public policy) that is not clear from the terms of the Agreement.
- 4.4 The indemnity in Section 7.5 of the Agreement will be interpreted and enforced as a covenant to pay (i.e. as the recovery of a debt owed).
- 4.5 All shares in the Company are owned by the Grantor and are free from all encumbrances.
- 4.6 All parties are solvent both on a balance sheet and on a cash-flow basis, and will remain so immediately after the transactions contemplated by the Agreement have been completed.

Other facts

- 4.7 There are no other facts relevant to this opinion that do not appear from the documents referred to in part 1.
- 4.8 There are no matters contained within the Schedules and / or Exhibits and / or documents referred to but not appended to the Agreement which would affect our opinion.

LEGAL OPINION ON THE ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY THE CALL GRANTOR OR AFBV UNDER THE LAWS OF ENGLAND AND WALES (CONT'D)

28 June 2023
Yinson Holdings Berhad

 **NORTON ROSE FULBRIGHT**

- 4.9 In relation to Section 4.6, we have assumed that the Company will comply with its obligation to repay its share premium in accordance with the first sentence of Section 4.6 and therefore the subsequent sentences of Section 4.6 are redundant and so we do not give an opinion on these.
- 4.10 The parties have, prior to the date of exercise of the Option (as such term is defined in the Agreement), agreed the Estimated Option Price (as such term is defined in the Agreement), and will, following the date of the exercise of the Option, agree the Option Price.
- 4.11 If any amendment is to be made to the Agreement, we assume that such amendment will be made in writing, signed by all parties to the Agreement.
- 4.12 References to “either Party” in the Agreement are read as references to “any Party”.
- 4.13 The definition of “Applicable Laws” includes all applicable laws in all jurisdictions including English law and Dutch law.
- 4.14 References to the term “Grantor’s Guarantor” and “Grantor Guarantor” are typographical errors and that the parties did not intend for references to such term to be included in the Agreement.
- 4.15 All representations and warranties were, and will be, when given, correct.
- 4.16 The enforceability of any one obligation under the Agreement assumes that all other obligations under the Agreement have been performed in a timely manner.
- 4.17 In the event of a dispute relating to the Agreement, the Arbitration Tribunal will construe a dispute between the “Owner” and “Charterer” as used in this Agreement as a dispute between any of the parties to the Agreement and accordingly that such dispute can relate to the rights and obligations of any party under and in connection with the Agreement and will give an ordinary meaning to the term “Persons” and all other typographical errors will interpreted in the manner we have interpreted such typographical errors for the purposes of preparing this opinion.
- 4.18 All notices when given under the Agreement are sent by email and / or courier with, in the case of email, an electronic delivery receipt evidencing delivery, or in the case of courier, a delivery receipt issued by the relevant recipient.
- 4.19 No third party will seek to enforce the terms of the Agreement.

Other laws

- 4.20 We do not give opinion on the law of any jurisdiction other than England, in particular, we give no opinion on Dutch law or Malaysian law matters.

5 Qualifications

This opinion is subject to the following qualifications:

- 5.1 The enforcement of contractual obligations is subject to the general principles of contractual liability, in particular the matters described in the following paragraphs.
- 5.2 Apart from claims for the payment of debts (including the repayment of loans), contractual obligations are normally enforced by an award of damages for the loss suffered as a result of a breach of contract; and recoverable loss is restricted by principles such as causation, remoteness and mitigation. The specific performance of contractual obligations is a discretionary remedy and is only available in limited circumstances.
- 5.3 Contractual obligations can be discharged by matters such as breach of contract or frustration. Claims may become time-barred or may be subject to defences such as set-off or estoppel.

LEGAL OPINION ON THE ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY THE CALL GRANTOR OR AFBV UNDER THE LAWS OF ENGLAND AND WALES (CONT'D)

28 June 2023
Yinson Holdings Berhad

 **NORTON ROSE FULBRIGHT**

- 5.4 The interpretation of the meaning and legal effect of any particular provision of a contract is a matter of judgment, which will ultimately be determined by the relevant tribunal. In addition, a document may be capable of being rectified if it does not express the common intention of the parties.
- 5.5 English law has traditionally been protective of guarantors and has developed a number of defences for them. Although guarantees generally purport to exclude many of these defences, a guarantee, and any third party security generally, will be construed in favour of the guarantor or grantor of security where possible.
- 5.6 A clause in a contract which excludes or limits an obligation of one of the parties or the liability for breach of that obligation will be construed restrictively, against the person who wishes to rely on it.
- 5.7 If a provision of a contract is particularly one-sided, it is more likely to be construed against the party who wishes to rely on it.
- 5.8 A provision of a contract may be ineffective if it is incomplete or uncertain or provides for a matter to be determined by future agreement.
- 5.9 A provision of a contract which provides for the conclusive certification or determination of a matter by one party may not prevent judicial inquiry into the merits of the claim.
- 5.10 Although the parties to commercial contracts are generally free to agree what they want, this principle does have limits. For instance, a provision for the payment of a sum in the event of a breach of contract is unenforceable if it is a penalty; and a provision which prevents the assignment of a receivable may be ineffective.
- 5.11 A contractual provision for the forfeiture of a proprietary or possessory interest, such as the rights of a lessee under a chattel lease, may be overridden.
- 5.12 An undertaking to assume liability for stamp duty or similar taxes may be ineffective.
- 5.13 As a general principle, an authority or power of attorney can be revoked at any time, and will be revoked if the donor enters into insolvency proceedings. This is so even if the authority or power is expressed to be irrevocable and the revocation is therefore made in breach of contract. The main exception to this principle is where the authority or power is granted as part of a security arrangement.
- 5.14 A provision of a contract which purports to exclude the effect of prior or subsequent agreements, representations or waivers may be ineffective.
- 5.15 A provision of a contract which provides what will happen in the event of an illegality (including a provision for severance of part of the contract) may not be enforceable.
- 5.16 An agreement in respect of criminal liability may not be enforceable.
- 5.17 An indemnity for the costs of litigation may not be enforceable.
- 5.18 The parties' rights are subject to laws affecting creditors' rights generally, such as those relating to insolvency and reorganisation. These laws can apply to persons incorporated or resident outside England, as well as to those incorporated or resident in England.
- 5.19 In particular, on an insolvency:
 - (a) contractual and other personal rights will reduce proportionately with all similar rights, and contractual provisions which would conflict with this principle (such as a pro rata sharing clause) are ineffective;
 - (b) transactions entered into in the period before the insolvency starts (that period generally being no longer than two years) may be set aside in certain circumstances; and

LEGAL OPINION ON THE ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY THE CALL GRANTOR OR AFBV UNDER THE LAWS OF ENGLAND AND WALES (CONT'D)

28 June 2023
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 NORTON ROSE FULBRIGHT

- (c) the ability of a secured creditor to enforce its security may be subject to limitations, for instance in an administration or moratorium.
- 5.20 The law which governs a contract and any connected non-contractual obligations is not determinative of all issues which arise in connection with that contract. For instance:
 - (a) it may not be relevant to the determination of proprietary issues (such as those relating to security);
 - (b) rules which are mandatory (which includes public policy rules) in a jurisdiction which is connected with the contract or in the jurisdiction where the issue is decided may be applied regardless of the provisions of the contract; and
 - (c) in insolvency proceedings, the law governing those proceedings may override the law governing the contract.
- 5.21 There are circumstances in which the English courts may, or must, decline jurisdiction or stay proceedings. Additionally, it may not be possible to commence proceedings because of an inability to comply with service of process requirements.
- 5.22 The English courts have a discretion to accept jurisdiction in an appropriate case even though there is an agreement that other courts have (exclusive or non-exclusive) jurisdiction.
- 5.23 The jurisdiction of the English courts in relation to insolvency matters is not affected by the submission of the parties to the jurisdiction of the arbitration tribunal. The precise scope of that jurisdiction depends on the nature of the insolvency procedure in question.
- 5.24 Any provision of a contract which requires a party to comply with the sanctions-related legislation of a foreign jurisdiction may be unenforceable and unlawful.
- 5.25 Where the party attempting to bring an action for a breach or representation and / or warranty was aware that such representation and / or warranty was inaccurate when given may be unsuccessful in such action.



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INDEPENDENT AUDITOR'S REPORT

To: the shareholders of AFPS B.V.

Report on the audit of the financial statements for the year ended December 31 2022 included in the annual report

Our opinion

We have audited the financial statements for the year ended December 31, 2022 of AFPS B.V., based in Rotterdam.

In our opinion:

- The accompanying financial statements give a true and fair view of the financial position of AFPS B.V. as at December 31, 2022, and of its result and its cash flows for December 31, 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The statement of financial position as at December 31, 2022.
2. The following statements for the year ended December 31, 2022: the income statement, the statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of AFPS BV in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce and Industry in Rotterdam number 24362853. Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited.



Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks and performed the following specific procedures:

We presumed a risk of material misstatement due to fraud related to management override of control.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives and the supervisory board.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2 of the financial statements.

For significant transaction we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with Discussion with the management and the directors as well as, reading minutes.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union



(EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Audit approach going concern

Management has assessed the company's ability to continue as a going concern for the period of 12 months from the preparation date of the annual accounts and no events or circumstances have been identified that cast significant doubt on the company's ability to continue as a going concern. Our procedures performed to evaluate management's assessment included, among others:

- Evaluation on whether management's assessment contained all relevant information of which as a result of our audit we are aware of.
- Inquiries of management and others within the company regarding knowledge of events or conditions beyond the period of management's assessment.

Our procedures did not result in the identification of information that is inconsistent with management's going concern assessment.

Unaudited corresponding figures

We have not audited the financial statements for the year ended December 31, 2021. Consequently, we have not audited the corresponding figures included in the profit and loss account and in the statements of comprehensive income, changes in equity and cash flows and the related notes.

Report on the other information included in the annual report

The annual report contains other information, In addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.



We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.



We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, June 16, 2023

Deloitte Accountants B.V.

Initials for identification purposes:

Handwritten initials, possibly "DZ", in black ink.

T.J.M. Lommerse

Handwritten signature of T.J.M. Lommerse in black ink.

AFPS B.V.

Annual report for the year ended December 31, 2022

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated June 16, 2023

AFPSQGEP Netherlands B.V.

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Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated June 16, 2023

AFPS B.V.

Management board's report

The management board of AFPS B.V. (the "Company") herewith submits its annual report for the year ended December 31, 2022.

General information

The Company was incorporated on December 14, 2021, registered with number 84788666 in the chamber of commerce having its address at Coolsingel 104, WTC Rotterdam – Unit 2.1, 3011 AA Rotterdam and has as its main corporate purpose to own, lease, sublease and operate floating production and offloading vessels and any other upstream or downstream equipment.

The sole shareholder of the Company is Atlanta Field B.V. and the ultimate parent of the Company is Enauta Participações S.A., Rio de Janeiro, Brazil.

Financial information

The financial statements for the year ended December 31, 2022, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and in compliance with Part 9, Book 2 of the Dutch Civil Code.

The financial statements as at December 31, 2022 report a net equity position of USD 313,567,640 (2021: USD 0) and a loss for the year of USD 3,640,411 (2021: profit of USD 0).

Activities during the year

On February 9, 2022 the Company acquired FPSO OSX-2 for the amount of US\$ 80 million, currently called FPSO Atlanta.

The cost of acquisition and adaptation of FPSO Atlanta is approximately US\$ 500 million and considers the adaptation of the FPSO through a Turnkey Engineering, Procurement, Construction and Installation ("EPCI") Contract, with warranty and Operation and Maintenance ("O&M") for 24 months, signed with the supplier.

Staff numbers and employment costs

The Company had 1 (one) employee in 2022.

Information concerning application of code of conduct

The Company follows the code of conduct in place for the Enauta Group.

Activities in the field of research and development

The Company is not engaged in such activities.

Environmental activities

As of December 31, 2022, there were no environmental issues.

Risks on compliance with laws and regulations

We are not aware that the Company is in non-compliance with laws and regulations.

AFPS B.V.

Significant risks and uncertainties

Financial risk management objectives and policies

The Company's major financial instruments include only bank deposits at financial institutions. Risks associated with this financial instrument and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest risk

The Company does not have significant interest rate exposure since there is only a bank balance and an incremental borrowing rate applied for accounting purposes on leasing recognition (with no cash effects). There are no loans outstanding. Interest rate risks are therefore limited, and management assesses the Company's exposure as low.

Inflation risk

The Company does not have significant inflation risk exposure since its main operation relates to a leasing and a sub-lease contract whose terms and conditions were established concomitant and in the same financial basis.

Credit risk

The maximum exposure to credit risk at the reporting date was as follows amounts expressed in dollars:

	December 31, 2022	December 31, 2021
Cash and cash equivalents (note 13)	53,507,560	-
Total	53,507,560	-

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies.

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from the shareholders. Credit risk is considered limited due to the relationship between the Company and its shareholders.

The Company measures expected credit losses for short-term trade receivables using a provision matrix based on historical observed default rates adjusted by current and forward-looking information when applicable and available without undue cost or effort.

The Company measures the allowance for expected credit losses of other financial assets based on their 12-month expected credit losses unless their credit risk has increased significantly since their initial recognition, in which case the allowance for expected credit losses is based on their lifetime expected credit losses. Credit risk is considered limited due to the relationship between the Company and its shareholders.

AUDITED FINANCIAL STATEMENTS OF AFPS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

AFPS B.V.

Climate-related matters

At present, the impact of climate-related matters is not material to the Company's financial statements.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure it will always have enough cash resources to meet its liabilities when due in normal and non-routine circumstances without risking damage to the Company's reputation.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's presentation currency). The Company's foreign currency risk is limited due to the fact of most of transactions are in USD, which is the functional and presentation currency.

Hedging

The Company is not involved in any hedging agreements.

Market risk

Market risk is the risk that changes in market prices – e.g. as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company's exposure is low, since commercial contracts are settled with a related party for a long term and fixed price.

Future commitments

On December 31, 2022, the Company had a contracted commitment with the company Yinson for the construction and operation of the FPSO (Definitive System), according to the following financial schedule without any financial adjustment effects over time:

Future commitments				
FPSO YINSON - ATLANTA FIELD	2023	2024	2025	Total
Property, plant and equipment	237,864,080	4,825,039	38,710,609	281,399,728
FPSO – Insurance (Construction risks)	2,667,797	-	-	2,667,797
TOTAL OF COMMITMENTS	240,531,877	4,825,039	38,710,609	284,067,525

AFPS B.V.

Future outlook

It is expected that the Company will continue to hold the participation in its investment which purpose is to own, lease, sublease and operate floating production and offloading vessels and any other upstream or downstream equipment.

The company is not engaged in research and development and is not expect to do so in the future.

The company is not planning to increase the companies staff.


The main investments planned to the Company are those related to the adaptation of the FPSO to the Atlanta Field operation. The Company counts with the financial support of its ultimate shareholder (Enauta Participações S.A.) to finance this project if necessary.

Subsequent events

On February 10, 2023 the Company AFBV made a share premium contribution of cash to AFPS in the amount of US\$ 82,075,479.

The management board,

Rotterdam, June 16, 2023



R.I.L. van Dijk – Director A

C. F. Mastrangelo – Director B

AUDITED FINANCIAL STATEMENTS OF AFPS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

AFPS B.V.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

(In dollars – USD)

<u>ASSETS</u>	<u>NOTES</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	372,422,191	-
Prepaid expenses	7	<u>545,034</u>	-
Total non-current assets		<u>372,967,225</u>	-
CURRENT ASSETS			
Recoverable taxes		11,568	-
Prepaid expenses	7	2,774,491	-
Cash and cash equivalents	8	<u>53,507,560</u>	-
Total current assets		<u>56,293,619</u>	-
TOTAL ASSETS		<u>429,260,844</u>	-
<u>LIABILITIES AND NET EQUITY</u>			
CURRENT LIABILITIES			
Other payables	7	3,292,797	-
Trade payables	9	102,267,580	-
Related parties	10	<u>10,132,827</u>	-
Total non-current liabilities		<u>115,693,204</u>	-
EQUITY			
Share capital	11	1	1
Capital to be paid	11	-	(1)
Share premium	11	317,208,050	-
Loss for the year	11	<u>(3,640,411)</u>	-
Total net equity		<u>313,567,640</u>	-
TOTAL LIABILITIES AND NET EQUITY		<u>429,260,844</u>	-

The notes are an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF AFPS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

AFPS B.V.

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED
DECEMBER 31, 2022

(In dollars – USD)

	<u>NOTES</u>	<u>2022</u>	<u>2021</u>
General and administrative expenses	3	(395,414)	-
Other operating expenses	4	(3,052,659)	-
LOSS FROM OPERATIONS		(3,448,073)	-
FINANCIAL RESULTS			
Finance costs, net	5	(192,338)	-
NET FINANCIAL RESULT		(192,338)	-
LOSS BEFORE TAX		(3,640,411)	-
LOSS FOR THE YEAR		(3,640,411)	-

The notes are an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF APFS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

APFS B.V.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022
(In dollars – USD)

	Notes	Share capital	Capital to be paid	Share premium	Loss for the year	Total
Capital subscription	11	1	(1)	-	-	-
BALANCE AS AT DECEMBER 31, 2021		1	(1)	-	-	-
Capital contribution	11	-	1	-	-	1
Share premium contribution	11	-	-	317,208,050	-	317,208,050
Loss for the year	11	-	-	-	(3,640,411)	(3,640,411)
BALANCE AS AT DECEMBER 31, 2022		1	-	317,208,050	(3,640,411)	313,567,640

The notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

(In dollars – USD)

	<u>NOTES</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year before tax		(3,640,411)
Foreign exchange differences	5/9/10	318,565
Trade payables accrual	9	148,230
Related parties accrual	10	88,275
Changes in:		
Prepaid expenses, net of payables	7	(26,728)
Recoverable taxes		(11,568)
Net cash provided/(used in) operating activities		<u>(3,123,637)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed asset acquisition	8	(250,642,500)
Net cash used in investing activities		<u>(250,642,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital contribution	11	307,273,697
Net cash provided by financing activities		<u>307,273,697</u>
Increase in cash and cash equivalents		53,507,560
Cash and cash equivalents as at January 1		-
Cash and cash equivalents as at December 31		<u>53,507,560</u>

The notes are an integral part of these financial statements.

AFPS B.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in US dollars - USD, unless otherwise stated)

1. CORPORATE INFORMATION

The financial statements of AFPS B.V. (hereinafter "the Company" or "AFPS") for the year ended December 31, 2022 were authorized for issue by the management board on June 16, 2023.

The Company was incorporated on December 14, 2021.

The Company, having its legal address at Coolsingel 104, WTC Rotterdam – Unit 2.1, 3011 AA Rotterdam, the Netherlands, is a limited liability company and is registered under number 84788666 in the Trade register.

The Company's principal activities are to own, lease, sublease and operate floating production and offloading vessels and any other upstream or downstream equipment.

The Company belongs to the group of companies owned, directly or indirectly, by Enauta Participações S.A., a company organized under the laws of Brazil, having its registered office at Av. Almirante Barroso, 52, 13th floor, Centro, Rio de Janeiro – RJ, Brazil.

1.1 FINANCIAL REPORTING PERIOD

These financial statements cover the period from January 1st, 2022 to December 31, 2022, which ended at the balance sheet date of December 31, 2022 and were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and in compliance with Part 9, Book 2 of the Dutch Civil Code.

1.2 GOING CONCERN

These financial statements have been prepared on the basis of the going-concern assumption.

The Company counts with the financial support of its ultimate shareholder (Enauta Participações S.A.) to finance this project if necessary.

1.3 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention, based on the going concern principle.

Measurement basis

The financial statements have been prepared on a historical cost basis.

AFPS B.V.

Foreign currency translation

Presentation currency and translation of financial statements

The Company's functional and presentation currency is the US dollar.

New standards, amendments and interpretations adopted

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first - time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements
- Amendments to IAS 1 and IFRS Practice Statement 2 – disclosure of accounting policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

These amendments are not expected to have a material impact on the Company.

AFPS B.V.

The accounting policies used in the preparation of the annual financial statements of the Company for the year ended December 31, 2022 are set out at note 2 and consistent with those adopted and disclosed in the financial statements of the previous year.

AFPS B.V.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Equipment under construction

When an item of equipment comprises major components having different useful economic lives, they are accounted for as separate items of equipment.

Equipment under construction is carried at the costs incurred up to the end of the reporting period.

Such costs include materials and direct labor that can be allocated for constructions, the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for assets is required, the Company estimates the asset's recoverable amount. If the asset's recoverable amount as per estimation is higher than the carrying amount, no impairment will be registered. If the asset's recoverable amount is lower than the carrying amount, an impairment provision will be registered in the amount of the difference verified.

B. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

C. Equity

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as liabilities in the period in which they are declared.

D. Taxes

Current income tax

Current income tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

AFPS B.V.

E. Related parties

The accounting policies are consistent with the policies adopted by the parent company. Transactions between subsidiaries are composed of shared technical services, reimbursement, costs sharing, including balances, unrealized gains and losses on these transactions. The main balances in the statement of financial position and statement of profit or loss related to transactions with related parties result from transactions according to contractual conditions.

F. Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

3. GENERAL AND ADMINISTRATIVE EXPENSES

	2022
Payroll expenses	(9,784)
Accounting and bookkeeping services	(97,881)
Legal fees	(34,934)
Consulting expenses	(163,826)
Tax advisory fees	(4,139)
Cost sharing	(83,185)
Other	(1,665)
Total	<u>(395,414)</u>

General and administrative expenses are mainly related to payroll expenses, consulting fees and cost sharing from Enauta Netherlands B.V. and Enauta Energia ongoing operations within the Company.

AUDITED FINANCIAL STATEMENTS OF AFPS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

AFPS B.V.

4. OTHER OPERATING EXPENSES

Prepaid expenses recognition relates to insurance on marine hull, machinery, components, equipment, and materials manufactured or purchased for the construction of the FPSO Atlanta recognized during fiscal year 2022.

5. FINANCE COSTS

	2022
Bank charges	(1,363)
Foreign currency exchange – Realized	127,590
Foreign currency exchange – Unrealized (a)	(318,565)
Total	(192,338)

(a) The main amount is related to the Foreign currency exchange on accounts payable with Enauta Energia charged in Brazilian Reals in the amount of US\$ 315,268 and trade payable in the amount of US\$ 3,271.

6. PROPERTY, PLANT AND EQUIPMENT

At December 31, 2022 the balance of Property, plant and equipment refers to adaptation of FPSO Atlanta to the Definitive System (SD) in the amount of \$ 372,422,191.

Property, plant and equipment

Capital contribution (note 14)	9,934,354
Payment of Suppliers	250,642,500
EPOA – Enauta Energia (note 10)	8,071,376
Technical Services – Enauta Energia (note 10)	720,000
Cost sharing – AFBV (note 10)	937,882
Trade payable accrual (note 9)	102,116,079
	372,422,191

On February 9, 2022 the Company acquired FPSO OSX-2 for the amount of US\$ 80 million and the cost of acquisition and adaptation of FPSO Atlanta is approximately US\$ 500 and considers the adaptation of the FPSO through a Turnkey Engineering, Procurement, Construction and Installation ("EPCI") Contract, with warranty and Operation and Maintenance ("O&M") for 24 months, signed with the supplier Yinson.

The payments occur according to the milestones estimated in the contract and the execution schedule.

AUDITED FINANCIAL STATEMENTS OF AFPS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

AFPS B.V.

7. PREPAID EXPENSES AND OTHER PAYABLES

On December 31, 2022 the balances of Prepaid expenses are related to insurance over marine hull, machinery, all the components, equipment and materials manufactured or procured for the construction of FPSO Atlanta.

Type of insurance	Effective coverage term		Insured sums	Balance on Dec 31, 2022
	Beginning	Expiration		
Protection and Indemnity – P&I	2/20/2022	2/20/2023	500,000,000	26,855
Mobilization of FPSO Atlanta*	2/09/2022	4/25/2022	80,000,000	-
Construction risks	3/14/2022	3/31/2024	537,397,498	3,212,831
War risk	2/21/2022	2/21/2023	2,000,000	79,839
			1,119,397,498	3,319,525
Current assets				2,774,491
Non-current assets				545,034
				3,319,525

On December 31, 2022 most of these amount were accrued as Other payables, as detailed below:

Type of insurance	Balance on Dec 31, 2022
Marsh Limited (Construction risks)	2,667,797
Navium Marine (Mobilization of FPSO Atlanta)*	400,000
Convex (War risk)	225,000
	3,292,797

* Transportation of the FPSO, from Indonesia to Dubai in February 2022. The payment was made on March 10, 2023.

8. CASH AND CASH EQUIVALENTS

Cash at banks	53,507,560
Total cash and cash equivalents	53,507,560

Cash balances are at free disposal of the Company.

AFPS B.V.

9. TRADE PAYABLES

At December 31, 2022 the balances of Accounts payable are mainly related to adaptation of FPSO Atlanta (note 6).

FPSO adaptation – Yinson	102,116,079
Exchange variation – Yinson	3,271
Other payables and accruals	148,230
	<u>102,267,580</u>

10. RELATED PARTIES

The Company has an agreement with Enauta Energia S.A. to receive shared technical services in the construction of FPSO Atlanta, reimbursement from EPOA (Exclusivity and purchase option agreement) and also receives cost sharing from Enauta Netherlands and AFBV.

The balances of transactions recognized as current liabilities on December 31, 2022 can be specified as follows:

Enauta Energia S.A.	
Property, plant & equipment (a)	8,791,376
Cost sharing – result ©	56,903
Exchange variation (e)	<u>315,268</u>
	9,163,547
Enauta Netherlands	
Cost sharing – resu©(c)	21,879
Other – result (d)	<u>1,665</u>
	23,544
AFBV	
Property, plant & equipment (b)	937,882
Consulting – r©lt (c)	3,424
Exchange variation (e)	26
Cost sharing ©esult (c)	<u>4,404</u>
	945,736
Total	<u>10,132,827</u>

Most of these amounts were capitalized under “Property, plant and Equipment” (US\$ 9,729,258) and they were related to (a) US\$ 8,071,376 EPOA, (a) US\$ 720,000 Technical services and (b) US\$ 937,882 Cost sharing and the other amounts were allocated to “General and administrative expenses – (c) Cost sharing and (d) €er” and “(e) Financial Costs – foreign currency exchange”.

AFPS B.V.

The compensations of key management personnel

Key management personnel are the directors of the Company.

The management board received no remuneration for the year ended December 31, 2022 and 2021.

11. EQUITY

The issued share capital consists of 1 ordinary share, having a nominal value of USD 1 each.

The share premium contributions according to the details below were being fully used in the construction of FPSO Atlanta.

Date	USD
Jan 20, 2022	7,999,999
Feb 08, 2022	83,934,354
Apr 13, 2022	88,205,592
Aug 16, 2022	64,997,919
Nov 10, 2022	72,070,186
	317,208,050

12. SUPPLEMENTARY INFORMATION ON OIL AND GAS ACTIVITIES

The cost of acquisition and adaptation of FPSO Atlanta is approximately US\$ 500 million and considers the adaptation of FPSO through a Turnkey Engineering, Procurement, Construction and Installation ("EPCI") Contract, with warranty and Operation and Maintenance ("O&M") for 24 months, signed with the supplier.

Yinson has an option to purchase shares issued by the company that owns the FPSO Atlanta (AFPS) for an estimated amount of USD 88 million, approximately 20% of the investment in the acquisition and conversion of the FPSO up to the option exercise date, plus the company's cash balance on the exercise date. The call option, which has its exercise date related to the achievement of EPCI milestones and should occur during the year 2023, is linked to a financing to be granted by Atlanta Field BV to AFPS in an amount equivalent to 80% of the investment of AFPS in the acquisition and conversion of the FPSO. If the purchase option is exercised by Yinson, in addition to the beginning of the financing term, FPSO Atlanta charter, operation and maintenance contracts will come into force for a period of 15 years, with the possibility of extension for another five years, with the total amount projected amount of approximately US\$2 billion.

AUDITED FINANCIAL STATEMENTS OF AFPS FOR THE FYE 31 DECEMBER 2022 (CONT'D)

AFPS B.V.

13. COMMITMENTS AND CONTINGENCIES

On December 31, 2022, the Company had a contracted commitment with the company Yinson for the construction and operation of the FPSO (Definitive System), according to the following financial schedule without any financial adjustment effects over time:

Future commitments				
FPSO YINSON - ATLANTA FIELD	2023	2024	2025	Total
Property, plant and equipment	237,864,080	4,825,039	38,710,609	281,399,728
FPSO – Insurance (Construction risks)	2,667,797	-	-	2,667,797
TOTAL OF COMMITMENTS	240,531,877	4,825,039	38,710,609	284,067,525

There are no contingencies and commitments to be recorded or disclosed on December 31, 2022.

14. EMPLOYEE INFORMATION

The Company had 1 (one) employee in 2022.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel includes only the Board of Directors of the Company which is in line with Article 383 of Book 2 of the Dutch Civil Code.

None of the Directors received remuneration from the Company during the year.

In addition to the above, Your Trust Netherlands B.V. ("Your Trust"), provided key management personnel services to the Company. For these services, a fee of USD52,592 was charged for the year. This service fee of one director includes the provision of one employee of Your Trust entity in its role as statutory director of the Company. The fee for directorship is not separately agreed upon between the Company and Your Trust. Therefore this is not included in the key management personnel disclosure.

The remuneration for the services performed of the other director is not charged to this Company, which is not at arm's length.

AFPS B.V.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in assets and liabilities not affecting the Company's cash flows are as follows:

Trade payables – Property, plant and equipment	102,116,079
Related parties – Enauta Energia S.A. EPOA (Exclusivity and purchase option agreement)	8,071,376
Related parties – Enauta Energia S.A. Cost sharing	720,000
Related parties – AFBV Cost sharing	937,882
Capital increase	9,934,354
Prepaid expenses accrual	3,292,797

16. REMUNERATION OF THE AUDITORS

In the financial year 2022, the following fees of the audit firm Deloitte Touche Tohmatsu Limited, the Netherlands were charged to the Company (as referred to in the Book 2, Section 382a of the Dutch Civil Code

	<u>2022</u>
Audit of the financial statements	47,232
	<u>47,232</u>

17. SUBSEQUENT EVENTS

On February 10, 2023, AFBV made a share premium contribution of cash to AFPS in the amount of US\$ 82,075,479.

The financial statements were approved by the Management board on June 16, 2023.

Management board
Rotterdam, June 16, 2023

R.I.L. van Dijk

C.F. Mastrangelo

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors 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 contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

Information on and relating to AFPS and AFBV has been extracted from information provided and confirmed by AFBV, the directors and/or management of AFPS or extracted from publicly available sources and records. Therefore, the responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Circular.

2. CONSENTS AND CONFLICTS OF INTEREST**2.1 AmInvestment Bank**

AmInvestment Bank, being the Principal Adviser for the Proposed Acquisition, 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 RM1,383.52 million.

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 Proposed Acquisition 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 Proposed Acquisition.

FURTHER INFORMATION (CONT'D)

2.2 Providence Strategic Partners Sdn Bhd (“Providence”)

Providence, being the independent market researcher for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and extracts of its Independent Market Researcher Report referred to in **Section 4** of this Circular in the form and context in which they appear in this Circular.

Providence has confirmed that there is no conflict of interest which exists or is likely to exist or a circumstance which would or is likely to give rise to a possible conflict of interests in relation to its role as the independent market researcher for the Proposed Acquisition.

2.3 FHM Corporate Advisory Sdn Bhd

FHM Corporate Advisory Sdn Bhd has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the expert’s opinion on the fairness of the Purchase Consideration of AFPS and all references thereto in the form and context in which they appear in this Circular.

FHM Corporate Advisory Sdn Bhd confirms that, it is also not aware of any possible conflict of interest which exists or is likely to exist in its capacities as the provider of the expert report on the fairness of the Purchase Consideration of AFPS for the Proposed Acquisition.

2.4 KPMG Meijburg & Co

KPMG Meijburg & Co has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, memorandum on the tax report on foreign investments, taxation and repatriation of profits in Netherlands and all references thereto in the form and context in which they appear in this Circular.

KPMG Meijburg & Co confirms that, it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the expert providing the memorandum on tax report on foreign investments, taxation and repatriation of profits in Netherlands for the Proposed Acquisition.

2.5 KPMG Meijburg Legal

KPMG Meijburg Legal has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, legal opinion on the ownership of title to the shares of AFPS under the laws of Netherlands and memorandum on policies on foreign investments and repatriation of profits in Netherlands and all references thereto in the form and context in which they appear in this Circular.

KPMG Meijburg Legal confirms that, it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the expert providing the legal opinion on ownership of title to the shares of AFPS under the laws of Netherlands and memorandum of policies on foreign investments and repatriation of profits in Netherlands for the Proposed Acquisition.

2.6 Norton Rose Fulbright (Asia) LLP

Norton Rose Fulbright (Asia) LLP confirms that it has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the legal opinion on the enforceability of agreements, representations and undertakings given by the Call Grantor or AFBV under the laws of England and Wales and all references thereto in the form and context in which they appear in the Circular.

FURTHER INFORMATION (CONT'D)

Whilst they did provide preliminary high level comments on the Call Option Agreement (and certain of the agreements referenced therein) before it was executed, it is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the expert providing the opinion.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

Save as disclosed below, as at the LPD, the 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

	RM'000
Capital expenditure	
Approved and contracted for:	
- property, plant and equipment	111,925
- investments	8,784
	120,709

Contingent liabilities

As at the LPD, the 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.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies of them are available for inspection during normal business hours at the registered office of our Company at Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur W.P. Kuala Lumpur, from Mondays to Fridays (except public holidays) from the date of this Circular up to the time stipulated for the holding of the EGM:

- (i) the constitution of our Company;
- (ii) the constitution or Articles of Association of AFPS;
- (iii) our audited consolidated financial statements for the FYE 31 January 2022 and the FYE 31 January 2023 and 3-month FPE 30 April 2023;
- (iv) the Call Option Agreement;
- (v) the draft Facility Agreement;
- (vi) the draft Undertaking Agreement;
- (vii) the Directors' report on AFPS as set out in **Appendix V** of this Circular;
- (viii) the Expert's opinion on the fairness of the purchase consideration as set out in **Appendix VI** of this Circular;

FURTHER INFORMATION (CONT'D)

- (ix) the memorandum on policies on foreign investments and repatriation of profits in Netherlands as at set out in **Appendix VII** of this Circular;
- (x) the memorandum of tax report on foreign investments, taxation, and repatriation of profits as set out in **Appendix VIII** of this Circular;
- (xi) the legal opinion on the ownership of title to the Shares of AFPS under the laws of Netherlands as set out in **Appendix IX** of this Circular;
- (xii) the legal opinion on the enforceability of agreements, representations and undertakings given by the Call Grantor or AFBV under the laws of England and Wales as set out in **Appendix X** of this Circular;
- (xiii) the audited financial statements of AFPS for the FYE 31 December 2022 as set out in **Appendix XI** of this Circular;
- (xiv) the letters of consent and conflict of interest referred to in **Section 2** above;
- (xv) the material contracts as set out in **Section 7** of **Appendix IV** of this Circular; and
- (xvi) Report on outlook of the Global FPSO Market and Oil and Gas Industry, with a Focus on Brazil dated 1 June 2023 by Providence Strategic Partners Sdn Bhd.



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Yinson Holdings Berhad (“YHB” or the “Company”) will be held on a virtual basis through live streaming from the broadcast venue at Yinson Global Headquarters, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia on Thursday, 13 July 2023 at 12.30 p.m, or immediately after the conclusion or adjournment (as the case may be) of our Company’s 30th Annual General Meeting scheduled on the same day at 10.30 a.m., whichever is later, for the purpose of considering and if thought fit, passing the following resolution with or without modifications:

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN AFPS B.V. (“AFPS”) BY YINSON BOUVARDIA HOLDINGS PTE. LTD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY FROM ATLANTA FIELD B.V. BY WAY OF EXERCISING THE CALL OPTION GRANTED (“CALL OPTION”) PURSUANT TO THE CALL OPTION AGREEMENT DATED 21 FEBRUARY 2022 (“CALL OPTION AGREEMENT”) FOR A PURCHASE CONSIDERATION EQUIVALENT TO THE OPTION PRICE (“PROPOSED ACQUISITION”). THE TOTAL MAXIMUM COSTS FOR THE EXERCISE OF THE CALL OPTION IS ESTIMATED TO BE USD434.7 MILLION (EQUIVALENT TO RM2,006.4 MILLION) (COMPRISING OPTION PRICE OF USD87.9 MILLION (EQUIVALENT TO RM405.7 MILLION) AND USD346.8 MILLION (EQUIVALENT TO RM1,600.7 MILLION) CALL GRANTOR LOAN TO BE DRAWDOWN BY AFPS), SUBJECT TO ADJUSTMENTS AS DETAILED IN SECTION 2.5 OF THE CIRCULAR TO SHAREHOLDERS

“THAT, subject to and conditional upon the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given for the Directors of the Company (“Board”) to exercise the Call Option which requires Atlanta Field B.V. to sell and Yinson Bouvardia Holdings Pte. Ltd., an indirect wholly-owned subsidiary of the Company, to acquire the entire equity interest in AFPS, for the purchase consideration equivalent to the option price determined in the manner set out in the Call Option Agreement to be satisfied entirely via cash pursuant to the terms and conditions of the Call Option Agreement.

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Acquisition and for the exercise and completion of the Call Option with full power to assent to any conditions, variations, modifications and/or amendments in any manner as the Board may deem fit or as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition.”

By Order of the Board

WONG WAI FOONG (MAICSA 7001358) (SSM PC NO. 202008001472)
TAN BEE HWEE (MAICSA 7021024) (SSM PC NO. 202008001497)
CHERYL RINAI KALIP (LS0008258) (SSM PC NO. 201908001176)
Company Secretaries

Kuala Lumpur
28 June 2023

Notes:

1. IMPORTANT NOTICE

- (i) 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 present at the main venue. No Shareholders/proxy(ies) from the public will be physically present at the broadcast venue.
 - (ii) Members are entitled to attend, participate and speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM via the Remote Participation and Voting ("RPV") facilities available on Securities Services e-Portal of SS E Solutions Sdn. Bhd. at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Details for the EGM which are available on the Company's website at www.yinson.com and read the notes (2) to (10) below to participate in the EGM.
2. A member entitled to participate and vote at the EGM via the RPV is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead. A proxy may, but need not, be a member of the Company.
3. 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.
4. 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.
5. 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.
6. 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.
7. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - (i) Via hardcopy form

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially or certified copy of that power or authority shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
 - (ii) Via online system

The instrument appointing a proxy can be electronically submitted to the Share Registrar via Securities Services e-Portal at <https://sshsb.net.my/> (Kindly refer to the Administrative Details for the EGM which is available on the Company's website at www.yinson.com).
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the ordinary resolution set out in this Notice will be put to vote on a poll.
9. Last date and time for lodging the Form of Proxy is Tuesday, 11 July 2023 at 12.30 p.m.
10. Depositors who appear on the Record of Depositors as at 6 July 2023 shall be regarded as members of the Company who are entitled to participate and vote at the EGM or appoint proxies to participate and vote on his/her behalf.



FORM OF PROXY

YINSON HOLDINGS BERHAD

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

No. of Shares held	
CDS Account No.	

Tel No. _____
(During Office hours)

*I/We _____ NRIC/Passport/Registration No. _____
(Name in Full)
having Tel./Mobile No. _____ of _____

(Full Address)

being member(s) of YINSON HOLDINGS BERHAD, hereby appoint:

Proxy 1			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address	Tel./Mobile No.		

*and/or

Proxy 2			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address	Tel./Mobile 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 through live streaming from the broadcast venue at **Yinson Global Headquarters, Level 16, Menara South Point, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur, Malaysia** on **Thursday, 13 July 2023 at 12.30 p.m.** or immediately after the conclusion or adjournment (as the case may be) of our Company's 30th Annual General Meeting scheduled on the same day at 10.30 a.m., whichever is later, and to vote as indicated below:

No	Ordinary Resolution	For	Against
1	Proposed Acquisition		

Please indicate with an "X" in the space 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 _____ 2023

*Signature/Common Seal of Shareholder

* Delete if not applicable



Notes:

1. IMPORTANT NOTICE

- i. 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 present at the main venue. No Shareholders/proxy(ies) from the public will be physically present at the broadcast venue.
 - ii. Members are entitled to attend, participate and speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM via the Remote Participation and Voting ("RPV") facilities available on **Securities Services e-Portal** of SS E Solutions Sdn. Bhd. at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Details for the EGM which are available on the Company's website at www.yinson.com and read notes (2) to (10) below to participate in the EGM.
2. A member entitled to participate and vote at the EGM via the RPV is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead. A proxy may, but need not, be a member of the Company.
3. 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.
4. 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.
5. 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.
6. 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.
7. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - (i) Via hardcopy form

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially or certified copy of that power or authority shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
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8. Pursuant to Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the ordinary resolution set out in this notice will be put to vote on a poll.
9. Last date and time for lodging the Form of Proxy is Tuesday, 11 July 2023 at 12.30 p.m.
10. Depositors who appear in the Record of Depositors as at 6 July 2023 shall be regarded as members of the Company who are entitled to participate and vote at the EGM or appoint proxies to participate 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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