2. Share capital

As at the LPD, the issued share capital and paid-up share capital of Liannex Fleet is SGD100 comprising of 100 Liannex Fleet Shares.

3. Substantial shareholders

As at the LPD, the substantial shareholders of Liannex Fleet and their direct and indirect shareholdings in Liannex Fleet are as follows:

		Direct		Indirect	
	Country of incorporation/ Nationality	No. of Liannex Fleet Shares	%	No. of Liannex Fleet Shares	%
Liannex Corporation	Singapore	100	100	-	-
Mr. LHW	Malaysian	-	-	(1)100	100
Madam Bah	Malaysian	-	-	(2)100	100

Notes:

(1) Deemed interest by virtue of his shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.

(2) Deemed interest by virtue of her shareholding in Liannex Maritime through Liannex Corporation and her spouse's shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.

4. Directors

As at the LPD, the directors of Liannex Fleet and their direct and indirect shareholdings in Liannex Fleet are as follows:

			Direct		Indirect	
	Nationality	Designation	No. of Liannex Fleet Shares	%	No. of Liannex Fleet Shares	%
Mr. LHW	Malaysian	Director	-	-	(1)100	100
Madam Bah	Malaysian	Director	-	-	(2)100	100

Notes:

(1) Deemed interest by virtue of his shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.

(2) Deemed interest by virtue of her shareholding in Liannex Maritime through Liannex Corporation and her spouse's shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.

5. Subsidiaries and associated companies

As at the LPD, the subsidiaries of the Liannex Fleet are as follows:

Name of company	Place/Date of incorporation	Issued ordinary share capital	Equity interest held (%)	Principal activity
Barisar	Singapore/ 29 April 2013	SGD50,000	100	Ship brokering services
Bursar	Singapore/ 14 November 2012	SGD50,000	100	Ship brokering services
Ferlisar	Singapore/ 2 November	SGD50,000	100	Ship brokering services

BACKGROUND INFORMATION ON LIANNEX FLEET *(Cont'd)*

Name of company	Place/Date of incorporation	Issued ordinary share capital	Equity interest held (%)	Principal activity
Gimsar	Singapore/ 25 June 2014	SGD50,000	100	Ship brokering services
Handal	Singapore/ 8 April 2016	SGD50,000	100	Crane services for all industries except construction
Himsar	Singapore/1 October 2015	SGD50,000	100	Ship brokering services
Kangsar	Singapore/ 24 May 2012	SGD50,000	100	Ship brokering services
Kelisar	Singapore/ 25 June 2014	SGD50,000	100	Ship brokering services
Melisar	Singapore/ 25 June 2014	SGD50,000	100	Ship brokering services
Nimsar	Singapore/ 25 June 2014	SGD50,000	100	Ship brokering services
Yinson Power Marine	Malaysia/ 19 September 2008	RM10,440,000	49	Forwarding of freight

Liannex Fleet does not have any associated companies as at the LPD.

6. Financial information

A summary of the financial information of the Liannex Fleet Group based on the Accountants' Report on the Liannex Fleet Group for the past 3 FYEs 31 December 2021 to 31 December 2023, as set out in **Appendix VI-A** of this Circular, as well as the latest unaudited financial information of the Liannex Fleet Group for the 8-month FPE 31 August 2024 is set out below:

	FYE 31 December						8-month FPE 31 August (2)	
	Audited	Translated	Audited	Translated	Audited	Translated	Unaudited	Translated
	2021	2021	2022	2022	2023	2023	2024	2024
	(SGD '000)	(1) (RM '000)	(SGD '000)	(1) (RM '000)	(SGD '000)	(1) (RM' 000)	(SGD '000)	(1) (RM '000)
Revenue	12,009	37,038	22,013	70,237	26,766	90,943	16,319	54,848
PBT	2,381	7,343	7,052	22,501	9,614	32,665	5,107	17,166
PAT	2,381	7,343	7,052	22,501	9,367	31,826	5,106	17,163
Invested equity (7)	3,973	12,264	3,973	13,058	3,973	13,851	(8)*	(8)*
Total equity/NA	5,412	16,706	12,464	40,964	21,832	76,111	4,643	15,947
Dividend paid	-	-	-	-	-	-	-	-
No. of Liannex Fleet Shares in issue (3)	-	-	-	-	-	-	100	100
NA per Liannex Fleet Share (SGD/RM)	-	-	-	-	-	-	46,430	159,468
Earnings per Liannex Fleet Share (SGD/RM) (4)	-	-	-	-	-	-	51,060	171,625
Current ratio (times) (5)	0.02	0.02	0.04	0.04	0.04	0.04	0.10	0.10
Total borrowings	11,450	35,345	19,651	64,585	12,868	44,860	56,007	194,809
Gearing (times) (6)	2.12	2.12	1.58	1.58	0.59	0.59	12.06	12.06

Notes:

(1) Translated based on the following middle rates as published by BNM:

	Income and expenses using the average middle rate prevailing at 5.00 p.m. for the FYE/FPE	***Assets and liabilities using the middle rate prevailing at 5.00 p.m. as at 31 December/31 August***
FYE/FPE	***SGD/MYR***	***SGD/MYR***
31 December 2021	*3.0842*	*3.0869*
31 December 2022	*3.1907*	*3.2866*
31 December 2023	*3.3977*	*3.4862*
31 August 2024	*3.361*	*3.435*

(2) There is no readily available comparative interim financial information for the Liannex Fleet Group for the 8-month FPE 31 August 2023, as the Liannex Fleet Group was recently formed in April 2024.

(3) There was no shares of Liannex Fleet in issue for the FYEs 31 December 2021, 31 December 2022 and 31 December 2023 as Liannex Fleet was incorporated on 21 February 2024 with an issued share capital of 100 Liannex Fleet Shares at SGD1.00 per Liannex Fleet Share.

(4) Computed based on PAT of the Liannex Fleet Group divided by the number of Liannex Fleet Shares in issue.

(5) Computed based on current assets of the Liannex Fleet Group divided by current liabilities of the Liannex Fleet Group.

(6) Computed based on total borrowings of the Liannex Fleet Group divided by total equity of the Liannex Fleet Group.

(7) Comprises the share capital of the subsidiaries of the Liannex Fleet Group, which was derived from the Accountants' Report of Liannex Fleet for the FYEs 31 December 2021, 31 December 2022 and 31 December 2023.

(8) For avoidance of doubt, the share capital of Liannex Fleet for the 8-month FPE 31 August 2024, after taking into consideration the consolidation adjustments, is SGD100 (equivalent to RM343.50).

During the years under review:

(i) there were no exceptional and/or extraordinary items;

(ii) there are no accounting policies adopted by the Liannex Fleet Group which are peculiar to the Liannex Fleet Group because of the nature of its business or the industry in which it is involved in; and

(iii) there are no audit qualifications to the combined financial statements of the Liannex Fleet Group.

Commentaries on financial performance:

FYE 31 December 2021 vs. FYE 31 December 2022

The Liannex Fleet Group's revenue increased by SGD10.0 million or 83% to SGD22.0 million for the FYE 31 December 2022 (FYE 31 December 2021: SGD12.0 million). The increase was mainly due to the additional revenue contribution of steel bulk carriers acquired by Bursar and Handal in July 2022 and October 2021, respectively. The Liannex Fleet Group's steel tug and barges fleet had also experienced an overall revenue growth of 15% year-on-year as a result of higher utilisation.

The Liannex Fleet Group's PAT increased by SGD4.7 million or 195.8% to SGD7.1 million for the FYE 31 December 2022 (FYE 31 December 2021: SGD2.4 million). Similarly, the increase was mainly due to profit contributions from Bursar and Handal, unrealised foreign exchange gains and fair value gains on derviatives during the year.

FYE 31 December 2022 vs. FYE 31 December 2023

The Liannex Fleet Group's revenue increased by SGD4.8 million or 21.8% to SGD26.8 million for the FYE 31 December 2023 (FYE 31 December 2022: SGD22.0 million). The increase was a result of a full year contribution of charter income by the steel bulk carrier of Bursar.

The Liannex Fleet Group's PAT increased by SGD2.3 million or 32.4% to SGD9.4 million for the FYE 31 December 2023 (FYE 31 December 2022: SGD7.1 million). The increase was mainly due to higher profit contributions from Bursar.

FYE 31 December 2023 vs. 8-month FPE 31 August 2024

The Liannex Fleet Group's revenue decreased by SGD2.3 million or 8.6% to SGD24.5 million (based on an annualised revenue for the 8-month FPE 31 August 2024) (FYE 31 December 2023: SGD26.8 million). The decrease was mainly due to third-party voyage revenues which have yet to be recognised for the financial year, of which contributed SGD2.5 million for the FYE 31 December 2023.

The Liannex Fleet Group's PAT decreased by SGD1.7 million or 18.1% to SGD7.7 million ((based on an annualised revenue for the 8-month FPE 31 August 2024) (FYE 31 December 2023: SGD 9.4 million). The decrease was also primarily attributed to third-party voyage revenues which have yet to be recognised for the financial year as elaborated above.

The Liannex Fleet Group's total equity stood at SGD4.6 million as at 31 August 2024, reflecting a decrease of SGD17.2 million or 78.7% compared to SGD21.8 million as at 31 December 2023. The total equity of as at 31 December 2023 is extracted from the audited combined financial statements of the subsidiaries, prior to the incorporation of Liannex Fleet and the acquisition of its subsidiaries during the 8-month FPE 31 August 2024. The reduction in equity primarily reflects consolidation adjustments made upon the acquisition of Liannex Fleet's subsidiaries, which was funded by borrowings drawn down during the year. Total borrowings of the Liannex Fleet Group increased by SGD43.1 million or 335.1% during the 8-month FPE 31 August 2024.

7. Material contracts

The Liannex Fleet Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular.

8. Material commitments

Save as disclosed below, as at the LPD, the board of directors of Liannex Fleet is not aware of any material commitments incurred or known to be incurred by the Liannex Fleet Group which may have a material impact on the profits or NA of the Liannex Fleet Group:

	SGD'000	RM'000
Approved and contracted capital expenditure commitments	1,400	4,596

9. Contingent liabilities

As at the LPD, the board of directors of Liannex Fleet is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the profits or NA of the Liannex Fleet Group.

10. Material litigation

As at the LPD, the Liannex Fleet Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Liannex Fleet has no knowledge of any proceedings pending or threatened against the Liannex Fleet Group or any facts which are likely to give rise to any proceedings which may adversely and materially affect the business or financial position of the Liannex Fleet Group.

BACKGROUND INFORMATION ON YINSON POWER MARINE

1. History and business

Yinson Power Marine is a private limited company incorporated under the laws of Malaysia on 19 September 2008 under its present name.

Yinson Power Marine commenced its business operations on 19 September 2008 and is principally involved in the provision of marine transport services and leasing of tugboats and barges.

Yinson Power Marine had entered into long-term bare boat charter contracts with Liannex Fleet for its fleet of steel tug boats and steel barges, primarily uitlised for the transport of commodities such as coal, gypsum and anhydrite in the regional trading routes of Malaysia, Singapore, Indonesia, and Vietnam. Yinson Power Marine's revenues are all generated in Singapore.

Yinson Power Marine is a 49%-owned subsidiary of Liannex Fleet, which in turn is a wholly-owned subsidiary of Liannex Corporation. The remaining 51% equity interest in Yinson Power Marine is held by Mr. LHW.

As at the LPD, Yinson Power Marine owns 3 steel tug boats and 4 steel barges, the details of which are set out below:

No.	Category	Brief description and existing use	Audited NBV as at 31 December 2023	Capacity per unit	Age	Contract value	Contract maturity
			(RM)	(GT)	(years)	(RM' million)	
1.	Steel tug boats	Provision of marine transport services and freight forwarding	150,000	217 to 277	11 to 15	8.8	December 2027
2.	Steel barges	Provision of marine transport services and freight forwarding	2,611,000	3,105 to 3,107	11 to 15	13.3	December 2027

Save as disclosed above, there are no other major assets owned by Yinson Power Marine to be acquired by our Company in relation to the Proposed Acquisition of Yinson Power Marine.

2. Share capital

As at the LPD, the issued share capital of Yinson Power Marine is RM19,240,000 comprising 10,440,000 Yinson Power Marine Shares and 8,800,000 RCPS. As at the LPD, all the outstanding RCPS are held by Liannex Fleet. The salient terms of the RCPS are set out below:

(a) the holder will have the option to convert the RCPS or part thereof into fully paid Yinson Power Marine Shares at the conversion ratio of 1 new ordinary share for every 1 RCPS held;

(b) the RCPS shall rank in priority to the ordinary shares with regard to the repayment or return of capital and participation in surplus assets and profits in the event of winding up;

(c) the RCPS shall not be entitled to any right of voting at any general meeting nor receipt of any notices of general meetings;

(d) the RCPS can be redeemed at the option of Yinson Power Marine at any time and redemption can be allowed in whole or part;

(e) any entitlement of dividend will be at the option of Yinson Power Marine; and

(f) the RCPS shall not be transferable.

3. Substantial shareholders

As at the LPD, the shareholders of Yinson Power Marine and its direct and indirect shareholding in Yinson Power Marine are as follows:

		Direct				Indirect			
	Country of incorporation / Nationality	No. of Yinson Power Marine Shares	%	No. of RCPS	%	No. of Yinson Power Marine Shares	%	No. of RCPS	%
Liannex Fleet	Singapore	5,115,600	49	8,800,000	100	-	-	-	-
Liannex Corporation	Singapore	-	-	-	-	(1)5,115,600	49	(1)8,800,000	100
Mr. LHW	Malaysian	5,324,400	51	-	-	(2)5,115,600	49	(2)8,800,000	100
Madam Bah	Malaysian	-	-	-	-	(3)10,440,000	100	(3)8,800,000	100

Notes:

(1) Deemed interest by virtue of its shareholding in Liannex Fleet pursuant to Section 8(4) of the Act.
(2) Deemed interest by virtue of his shareholding in Liannex Corporation pursuant to Section 8(4) of the Act.
(3) Deemed interest by virtue of her shareholding in Liannex Corporation and her spouse's shareholding in Liannex Corporation pursuant to Section 8(4) of the Act.

4. Directors

As at the LPD, the directors of Yinson Power Marine and their direct and indirect shareholdings in Yinson Power Marine are as follows:

			Direct				Indirect			
	Nationality	Designation	No. of Yinson Power Marine Shares	%	No. of RCPS	%	No. of Yinson Power Marine Shares	%	No. of RCPS	%
Mr. LHW	Malaysian	Director	5,324,400	51	-	-	(1)5,115,600	49	(1)8,800,000	100
Madam Bah	Malaysian	Director	-	-	-	-	(2)10,440,000	100	(2)8,800,000	100
Lim Chern Yuan	Malaysian	Director	-	-	-	-	-	-	-	-

Notes:

** Negligible*
(1) Deemed interest by virtue of his shareholding in Liannex Fleet via Liannex Corporation pursuant to Section 8(4) of the Act.
(2) Deemed interest by virtue of her shareholding in Liannex Corporation and her spouse's shareholding in Liannex Corporation pursuant to Section 8(4) of the Act.

5. Subsidiaries and associated companies

As at the LPD, Yinson Power Marine does not have any subsidiary or associated company.

6. Financial information

A summary of the audited financial information of Yinson Power Marine for the past 3 FYEs 31 December 2021 to 31 December 2023 and the unaudited financial information of Yinson Power Marine for the 8-month FPE 31 August 2023 and FPE 31 August 2024 is set out below:

	Audited			**Unaudited**	
	FYE 31 December			**8-month FPE 31 August**	
	2021	**2022**	**2023**	**2023**	**2024**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
Revenue	6,962	6,863	7,079	4,889	4,594
PBT	(2,052)	280	2,490	1,796	708
PAT	(2,052)	280	1,975	1,796	708
Share capital	10,440	10,440	10,440	10,440	10,440
Total equity/NA	3,759	4,039	6,014	5,835	6,722
No. of Yinson Power Marine Shares in issue ('000)	10,440	10,440	10,440	10,440	10,440
NA per Yinson Power Marine Share (RM)	0.36	0.39	0.58	0.56	0.64
Earnings per Yinson Power Marine Share (RM) (1)	-	0.03	0.19	0.17	0.07
Current ratio (times) (2)	0.04	0.09	3.56	1.19	N/A
Total borrowings	-	-	-	-	-
Gearing (times) (3)	-	-	-	-	-

Notes:

(1) Computed based on PAT of Yinson Power Marine divided by number Yinson Power Marine in issue.
(2) Computed based on current assets of Yinson Power Marine divided by current liabilities of Yinson Power Marine.
(3) Computed based on total borrowings of Yinson Power Marine divided by total equity of Yinson Power Marine.

During the years under review:

(i) there were no exceptional and/or extraordinary items;

(ii) there are no accounting policies adopted by Yinson Power Marine which are peculiar to Yinson Power Marine because of the nature of its business or the industry in which it is involved in; and

(iii) there are no audit qualifications to the audited financial statements of Yinson Power Marine.

Commentaries on financial performance:

FYE 31 December 2021 vs. FYE 31 December 2022

Yinson Power Marine's revenue decreased by RM99,123 or 1.4% to RM6.9 million for the FYE 31 December 2022 (FYE 31 December 2021: RM7.0 million). The decrease was mainly due to the disposal of a steel barge in May 2022, thus reducing chartering income.

Yinson Power Marine's PAT increased by RM2.3 million or 113.6% to RM0.3 million for the FYE 31 December 2022 (FYE 31 December 2021: LAT of RM2.0 million). The increase was mainly due to a gain on disposal of a steel barge, along with lower depreciation costs as a result of several vessels being fully depreciated during the year.

FYE 31 December 2022 vs. FYE 31 December 2023

Yinson Power Marine's revenue increased by RM0.2 million or 3.1% to RM7.1 million for the FYE 31 December 2023 (FYE 31 December 2022: RM6.9 million). The increase was mainly due to higher utilisation rates of its fleet during the year.

Yinson Power Marine's PAT increased by RM1.7 million or 605.4% to RM2.0 million for the FYE 31 December 2023 (FYE 31 December 2022: RM0.3 million). The increase was mainly due to the gain on disposal of a steel barge, along with lower depreciation costs as a result of several vessels being fully depreciated during the year.

8-month FPE 31 August 2024 vs. 8-month FPE 31 August 2023

Yinson Power Marine's revenue decreased by RM0.3 million or 6.0% to RM4.6 million for the 8-month FPE 31 August 2024 (8-month FPE 31 August 2023: RM4.9 million), mainly due to slightly lower utilisation rates of its vessels.

Yinson Power Marine's PAT decreased by RM1.1 million or 60.6% to RM0.7 million for the 8-month FPE 31 August 2024 (8-month FPE 31 August 2023: RM1.8 million), mainly due to higher repair and maintenance costs incurred.

7. Material contracts

Yinson Power Marine has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular.

8. Material commitments

As at the LPD, the board of directors of Yinson Power Marine is not aware of any material commitments incurred or known to be incurred by Yinson Power Marine which may have a material impact on the profits or NA of Yinson Power Marine.

9. Contingent liabilities

As at the LPD, the board of directors of Yinson Power Marine is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the profits or NA of Yinson Power Marine.

10. Material litigation

As at the LPD, Yinson Power Marine is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Yinson Power Marine has no knowledge of any proceedings pending or threatened against Yinson Power Marine or any facts which are likely to give rise to any proceedings which may adversely and materially affect the business or financial position of Yinson Power Marine.

BACKGROUND INFORMATION ON REGULUS OFFSHORE

1. History and business

Regulus Offshore is a private limited company incorporated under the laws of Malaysia on 7 July 2011 under the Companies Act 1965 and is deemed registered under the Act.

Regulus Offshore commenced its business operations on 7 July 2011 and is principally involved in the provision of leasing, operations, and maintenance of OSVs.

Regulus Offshore is a 70%-owned subsidiary of Yinson Offshore, which in turn is a wholly-owned subsidiary of YHB.

Regulus Offshore generates revenue by chartering its fleet of OSV vessels and providing ancillary services to vessel charterers including vessel management, repair and maintenance, crewing and operations, provisions, insurance, and logistic support throughout the charter. Regulus Offshore primarily operates in the Malaysian O&G industry, where it derives all of its revenue in the past 3 financial years.

As at the LPD, Regulus Offshore owns 2 AHTS, as well as 1 PSV, the details of which are set out below:

No.	Category	Brief description and existing use	Audited NBV as at 31 January 2024	Capacity per unit	Age	Contract value	Contract maturity
			(RM)	(GT)	(years)	(RM' million)	
1.	AHTS	Provision of offshore support services to offshore production assets and drilling activities such as personnel transfer, supply runs, cargo transports, towing, static tow, anchor handling and accommodation services.	37,520,984	1,678 to 2,534	10 to 14	4.8	January 2025
2.	PSV	Provision of offshore support services to offshore production assets and drilling activities such as personnel transfer, supply runs, cargo transports and accommodation services.	11,985,287	2,426	14	N/A(1)	N/A(1)

Note:

(1) Not applicable as there is no active contract for the PSV given that it is customary for PSV on spot charters to be off-hire during monsoon period i.e. between the month of November to February.

Save as disclosed above, there are no other major assets owned by Regulus Offshore to be acquired by our Company in relation to the Proposed Acquisition of Regulus Offshore.

2. Share capital

As at the LPD, the issued share capital of Regulus Offshore is RM25,750,000 comprising 750,000 Regulus Offshore Shares and 25,000,000 RPS.

As at the LPD, all the outstanding RPS are held by Yinson Offshore and the salient terms of RPS are set out below:

(a) Regulus Offshore shall have the option to redeem all RPS or any part thereof at any time provided that distributable reserves of Regulus Offshore exceeds the issue price of RM1.00 per RPS and any accrued dividend payable to the holder of the RPS;

(b) The rights of the holder of the RPS to receive dividends is subject to there being sufficient distributable reserve at the relevant dividend date. Dividends on the RPS shall be non-cumulative and at the board of directors of Regulus Offshore's discretion; and

(c) The holder of the RPS shall be entitled to receive notices of general meetings, reports, and audited accounts, and to attend general meetings of Regulus Offshore. RPS do not entitle its holder to the right to vote at general meetings, except on matters affecting its rights and interests, subject to the contract and/or term sheet of issuance of the RPS.

3. Substantial shareholders

As at the LPD, the shareholders of Regulus Offshore and its direct and indirect shareholding in Regulus Offshore are as follows:

		Direct				Indirect			
	Country of incorporation/ Nationality	**No. of Regulus Offshore Shares**	**%**	**No. of RPS**	**%**	**No. of Regulus Offshore Shares**	**%**	**No. of RPS**	**%**
Yinson Offshore	Malaysia	525,000	70.0	25,000,000	100.0	-	-	-	-
Mat Sin Bin Bidin	Malaysian	225,000	30.0	-	-	-	-	-	-
YHB	Malaysia	-	-	-	-	(1)525,000	70.0	(1)25,000,000	100.0
Mr. LHW	Malaysian	-	-	-	-	(2)525,000	70.0	(2)25,000,000	100.0
Madam Bah	Malaysian	-	-	-	-	(3)525,000	70.0	(3)25,000,000	100.0

Notes:

(1) Deemed interest by virtue of its shareholding in Yinson Offshore pursuant to Section 8(4) of the Act.

(2) Deemed interest by virtue of his spouse's and children's direct shareholdings in YHB pursuant to Section 59(11)(c) of the Act and Liannex Corporation's and YLSB's direct shareholding in YHB pursuant to Section 8(4) of the Act.

(3) Deemed interest by virtue of her spouse's and children's direct shareholdings in YHB pursuant to Section 59(11)(c) of the Act and Liannex Corporation's and YLSB's direct shareholding in YHB pursuant to Section 8(4) of the Act.

4. Directors

As at the LPD, the directors of Regulus Offshore and their direct and indirect shareholdings in Regulus Offshore are as follows:

			Direct				Indirect			
	Country of incorporation/ Nationality	Designation	No. of Regulus Offshore Shares	%	No. of RPS	%	No. of Regulus Offshore Shares	%	No. of RPS	%
Sheikh Ahmad Darabi Bin Sulaiman	Malaysian	Director	-	-	-	-	-	-	-	-
Mohamed Sabri Bin Mohamed Zain	Malaysian	Director	-	-	-	-	-	-	-	-
Liaw Thong Jung	Malaysian	Director	-	-	-	-	-	-	-	-

5. Subsidiaries and associated companies

As at the LPD, Regulus Offshore does not have any subsidiary or associated company.

6. Financial information

A summary of the audited financial information of Regulus Offshore for the past 3 FYEs 31 January 2022 to 31 January 2024 and the unaudited financial information of Regulus Offshore for the 8-month FPE 30 September 2023 and FPE 30 September 2024 is set out below:

	Audited			Unaudited	
	FYE 31 January			8-month FPE 30 September	
	2022	2023	2024	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	30,905	43,676	46,097	28,727	52,698
PBT	4,018	6,791	20,756	8,777	34,868
PAT	4,018	9,912	15,660	7,273	29,666
Share capital	750	750	750	750	750
Total equity/NA	16,610	26,522	42,181	33,794	71,847
No. of Regulus Offshore Shares in issue ('000)	750	750	750	750	750
NA per Regulus Offshore Share (RM)	22.15	35.36	56.24	45.06	95.80
Earnings per Regulus Offshore Share (RM) (1)	5.36	13.22	20.88	9.70	39.55
Current ratio (times) (2)	3.11	1.42	2.61	4.19	N/A
Total borrowings	-	-	-	-	-
Gearing (times) (3)	-	-	-	-	-

Notes:

(1) Computed based on PAT of Regulus Offshore divided by number of Regulus Offshore Shares in issue.
(2) Computed based on current assets of Regulus Offshore divided by current liabilities of Regulus Offshore.
(3) Computed based on total borrowings of Regulus Offshore divided by total equity of Regulus Offshore.

During the years under review:

(i) there were no exceptional and/or extraordinary items;

(ii) there are no accounting policies adopted by Regulus Offshore which are peculiar to Regulus Offshore because of the nature of its business or the industry in which it is involved in; and

(iii) there are no audit qualifications to the audited financial statements of Regulus Offshore.

Commentaries on financial performance:

FYE 31 January 2022 vs. FYE 31 January 2023

Regulus Offshore's revenue increased by RM12.8 million or 41.4% to RM43.7 million for the FYE 31 January 2023 (FYE 31 January 2022: RM30.9 million). The increase was mainly due to higher daily charter rates upon contract renewals.

Regulus Offshore's PAT increased by RM5.9 million or 147.5% to RM9.9 million for the FYE 31 January 2023 (FYE 31 January 2022: RM4.0 million). The increase was mainly due to higher profits generated from higher revenue and deferred tax assets recognised during the year.

FYE 31 January 2023 vs. FYE 31 January 2024

Regulus Offshore's revenue increased by RM2.4 million or 5.5% to RM46.1 million for the FYE 31 January 2024 (FYE 31 January 2023: RM43.7 million). The increase was mainly due to higher daily charter rates upon contract renewals.

Regulus Offshore's PAT increased by RM5.8 million or 58.6% to RM15.7 million for the FYE 31 January 2024 (FYE 31 January 2023: RM9.9 million). The increase was mainly due to a decrease in costs of sales and a non-recurring other income arising from a deposit being forfeited for intended sale of a vessel.

8-month FPE 30 September 2024 vs. 8-month FPE 30 September 2023

Regulus Offshore's revenue increased by RM24.0 million or 83.4% to RM52.7 millon for the 8-month FPE 30 September 2024 (8-month FPE 30 September 2023: RM28.7 million), mainly due to significantly higher daily charter rates secured upon contract renewals.

Regulus Offshore's PAT increased by RM22.4 million or 307.9% to RM29.7 million for the 8-month FPE 30 September 2024 (8-month FPE 30 September 2023: RM7.3 million), mainly due to the higher revenue generation.

7. Material contracts

Regulus Offshore has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular.

8. Material commitments

As at the LPD, the board of directors of Regulus Offshore is not aware of any material commitments incurred or known to be incurred by Regulus Offshore which may have a material impact on the profits or NA of Regulus Offshore.

9. Contingent liabilities

As at the LPD, the board of directors of Regulus Offshore is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the profits or NA of Regulus Offshore.

10. Material litigation

As at the LPD, Regulus Offshore is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Regulus Offshore has no knowledge of any proceedings pending or threatened against Regulus Offshore or any facts which are likely to give rise to any proceedings which may adversely and materially affect the business or financial position of Regulus Offshore.

BACKGROUND INFORMATION ON YINSON CAMELLIA

1. History and business

Yinson Camellia is a private limited company incorporated under the laws of Malaysia on 27 August 2019 under the Companies Act 2016 under its present name.

Yinson Camellia commenced its business operations on 27 August 2019 and is principally involved in the provision of chartering OSVs.

Yinson Camellia is a wholly-owned subsidiary of Yinson Offshore, which in turn is a wholly-owned subsidiary of YHB.

Yinson Camellia generates revenue by chartering its AHTS and providing ancillary services to vessel charterers including vessel management, repair and maintenance, crewing and operations, provisions, insurance, and logistic support throughout the charter. Yinson Camellia primarily operates in the Malaysian O&G industry, where it derives all of its revenue in the past 3 financial years.

As at the LPD, Yinson Camellia owns 1 AHTS, the details of which are set out below:

No.	Category	Brief description and existing use	Audited NBV as at 31 January 2024	Capacity	Age	Contract value	Contract maturity
			(RM)	(GT)	(years)	(RM' million)	
1.	AHTS	Provision of offshore support services to offshore production assets and drilling activities such as personnel transfer, supply runs, cargo transports, towing, static tow, anchor handling and accommodation services.	25,434,189	1,706	14	39.6	December 2027

Save as disclosed above, there are no other major assets owned by Yinson Camellia to be acquired by our Company in relation to the Proposed Acquisition of Yinson Camellia.

2. Share capital

As at the LPD, the issued share capital of Yinson Camellia is RM1 comprising 1 Yinson Camellia Share.

3. Substantial shareholders

As at the LPD, the substantial shareholders of Yinson Camellia and their direct and indirect shareholdings in Yinson Camellia are as follows:

		Direct		Indirect	
	Country of incorporation/Nationality	No. of Yinson Camellia Share	%	No. of Yinson Camellia Share	%
Yinson Offshore	Malaysia	1	100	-	-
YHB	Malaysia	-	-	(1)1	100

	Country of incorporation/Nationality	Direct No. of Yinson Camellia Share	Direct %	Indirect No. of Yinson Camellia Share	Indirect %
Madam Bah	Malaysian	-	-	(3)1	100

Notes:

(1) Deemed interest by virtue of its shareholding in Yinson Offshore pursuant to Section 8(4) of the Act.
(2) Deemed interest by virtue of his spouse's and children's direct shareholdings in YHB pursuant to Section 59(11)(c) of the Act and Liannex Corporation's and YLSB's direct shareholding in YHB pursuant to Section 8(4) of the Act.
(3) Deemed interest by virtue of her spouse's and children's direct shareholdings in YHB pursuant to Section 59(11)(c) of the Act and Liannex Corporation's and YLSB's direct shareholding in YHB pursuant to Section 8(4) of the Act.

4. Director

As at the LPD, the sole director of Yinson Camellia and his direct and indirect shareholdings in Yinson Camellia are as follows:

	Country of incorporation/Nationality	Designation	Direct No. of Yinson Camellia Share	Direct %	Indirect No. of Yinson Camellia Share	Indirect %
Liaw Thong Jung	Malaysian	Director	-	-	-	-

5. Subsidiaries and associated companies

As at the LPD, Yinson Camellia does not have any subsidiary or associated company.

6. Financial information

A summary of the audited financial information of Yinson Camellia for the past 3 FYEs 31 January 2022 to 31 January 2024 and the unaudited financial information of Yinson Camellia for the 8-month FPE 30 September 2023 and FPE 30 September 2024 is set out below:

	Audited			Unaudited	
	FYE 31 January			8-month FPE 30 September	
	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2023 (RM'000)	2024 (RM'000)
Revenue	11,919	13,464	13,896	9,149	9,406
PBT/(LBT)	755	2,192	5,458	4,465	(1,627)
PAT/(LAT)	404	2,351	3,423	2,992	(1,209)
Share capital	1	1	1	1	1
Total equity/NA	(3,833)	(1,622)	1,718	1,302	421
Dividend paid	-	-	-	-	-
No. of Yinson Camellia Shares in issue	1	1	1	1	1
Current ratio (times) (1)	1.49	0.56	0.42	0.27	0.56
Total borrowings	-	-	-	-	-
Gearing (times) (2)	-	-	-	-	-

	Audited			Unaudited	
	FYE 31 January			8-month FPE 30 September	
	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2023 (RM'000)	2024 (RM'000)
Gearing (times) (2)	-	-	-	-	-

Notes:

(1) Computed based on current assets of Yinson Camellia divided by current liabilities of Yinson Camellia.
(2) Computed based on total borrowings of Yinson Camellia divided by total equity of Yinson Camellia.

During the years under review:

(i) there were no exceptional and/or extraordinary items;

(ii) there are no accounting policies adopted by Yinson Camellia which are peculiar to Yinson Camellia because of the nature of its business or the industry in which it is involved in; and

(iii) there are no audit qualifications to the audited financial statements of Yinson Camellia.

Commentaries on financial performance:

FYE 31 January 2022 vs. FYE 31 January 2023

Yinson Camellia's revenue increased by RM1.5 million or 13.0% to RM13.5 million for the FYE 31 January 2023 (FYE 31 January 2022: RM12.0 million). The AHTS is currently on a long-term charter contract until December 2027. The increase was mainly due to favourable forex impact in the financial year.

Yinson Camellia's PAT increased by RM2.0 million or 482.2% to RM2.4 million for the FYE 31 January 2023 (FYE 31 January 2022: RM0.4 million). The increase was mainly due to favourable forex impact, increase in other operating income and a decrease in financing costs.

FYE 31 January 2023 vs. FYE 31 January 2024

Yinson Camellia's revenue increased by RM0.4 million or 3.2% to RM13.9 million for the FYE 31 January 2024 (FYE 31 January 2023: RM13.5 million). The AHTS is currently on a long-term charter contract until December 2027. The increase was mainly due to favourable forex impact in the financial year.

Yinson Camellia's PAT increased by RM1.1 million or 45.6% to RM3.4 million for the FYE 31 January 2024 (FYE 31 January 2023: RM2.3 million). The increase was mainly due to favourable forex impact, increase in other operating income and decrease in financing costs.

8-month FPE 30 September 2023 vs. 8-month FPE 30 September 2024

Yinson Camellia's revenue increased by RM0.3 million or 2.8% to RM9.4 million for the 8-month FPE 30 September 2024 (8-month FPE 30 September 2023: RM9.1 million), mainly due to the strengthened USD against RM as the revenues generated by Yinson Camellia were denominated in USD. Yinson Camellia's AHTS is currently on a long-term charter contract until December 2027 and its utilisation rates stayed constant throughout both periods.

Yinson Camellia's PAT decreased by RM4.2 million or 140.4% to -RM1.2 million for the 8-month FPE 30 September 2024 (8-month FPE 30 September 2023: RM3.0 million), also mainly attributed to the strengthened USD against RM in light of the amounts owing by Yinson Camellia to related entities which are denominated in USD.

7. Material contracts

Yinson Camellia has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular.

8. Material commitments

As at the LPD, the board of directors of Yinson Camellia is not aware of any material commitments incurred or known to be incurred by Yinson Camellia which may have a material impact on the profits or NA of Yinson Camellia.

9. Contingent liabilities

As at the LPD, the board of directors of Yinson Camellia is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the profits or NA of Yinson Camellia.

10. Material litigation

As at the LPD, Yinson Camellia is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Yinson Camellia has no knowledge of any proceedings pending or threatened against Yinson Camellia or any facts which are likely to give rise to any proceedings which may adversely and materially affect the business or financial position of Yinson Camellia.

BACKGROUND INFORMATION ON ICON BAHTERA

1. History and business

ICON Bahtera is a private limited company incorporated under the laws of Brunei Darussalam on 23 June 2014 under the Brunei CA.

ICON Bahtera is a 51%-owned subsidiary of Icon Fleet, which in turn is a wholly-owned subsidiary of ICON. The remaining 49% ordinary shares are held by Zell Transportation.

ICON Bahtera commenced its business operations on 23 June 2014 and is principally involved in the leasing of offshore support vessels and the provision of ship management services to the O&G industry.

As at the LPD, ICON Bahtera owns and operates 1 AWB named " Icon Kayra", the details of which are set out below:

No.	Name	Brief description and existing use	Audited NBV as at 31 January 2024	Capacity per unit	Age	Contract value	Contract maturity
			(RM)	(GT)	(years)	(RM' million)	
1.	Icon Kayra	Provision of offshore support services to offshore production assets and drilling activities such as personnel transfer, supply runs, cargo transports, towing, static tow, anchor handling and accommodation services.	25,434,189	4,951	10	2.7	December 2024

Icon Kayra was constructed as an offshore maintenance support supple, fire-fighting ship class 1 and certified with special purpose 2008 / MSC (266(84), with Dynamic poisioning 2. It consists of a continuous main deck, a double hull configuration, 78 watertight compartments, four elevated accommodations decks, a bridge deck, the compass deck, and an elevated forecastle deck. A mess hall on the forward main deck. Icon Kayra can house up to 200 personnel and is built mainly for accommodation and equipment transportation along with 200 personnel from port to offshore platforms. It has a cargo capacity of approximately 2,000 cubic meters of drill water and 1,300 cubic meters of fuel oil and other components. All revenues generated by ICON Bahtera for the FYE 31 December 2023 are derived in Brunei.

Save as disclosed above, there are no other major assets owned by ICON Bahtera to be acquired by our Company in relation to the Proposed Acquisition of ICON Bahtera.

2. Share capital

As at the LPD, the issued share capital and paid-up share capital of ICON Bahtera is BND100,000 comprising 100,000 ICON Bahtera Shares.

3. Substantial shareholders

As at the LPD, the substantial shareholders of ICON Bahtera and their direct and indirect shareholdings in ICON Bahtera are as follows:

		Direct		Indirect	
	Country of incorporation/ Nationality	**No. of ICON Bahtera Shares**	**%**	**No. of ICON Bahtera Shares**	**%**
Icon Fleet	Malaysia	51,000	51.0	-	-
Zell Transportation[7]	Brunei	49,000	49.0	-	-
ICON	Malaysia	-	-	[1]51,000	51.0
Liannex Maritime	Malaysia	-	-	[2]51,000	51.0
Liannex Corporation	Singapore	-	-	[3]51,000	51.0
Mr. LHW	Malaysian	-	-	[4]51,000	51.0
Madam Bah	Malaysian	-	-	[5]51,000	51.0
Siti Nurul Hameezah Binti Haji Awang	Bruneian	-	-	[6]49,000	49.0

Notes:

(1) Deemed interest by virtue of its shareholding in Icon Fleet pursuant to Section 8(4) of the Act.
(2) Deemed interest by virtue of its shareholding in ICON pursuant to Section 8(4) of the Act.
(3) Deemed interest by virtue of its shareholding in ICON via Liannex Maritime pursuant to Section 8(4) of the Act.
(4) Deemed interest by virtue of his shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act and deemed interest by virtue of his spouse's shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.
(5) Deemed interest by virtue of her shareholding in Liannex Maritime through Liannex Corporation and her spouse's shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.
(6) Deemed interest by virtue of her shareholding in Zell Transportation pursuant to Section 8(4) of the Act.
(7) The substantial shareholders of Zell Transportation are Siti Nurul Hameezah Binti Haji Awang (90.0% direct interest in Zell Transportation) and Hajah Siti Salina Binti Haji Masri (10.0% direct interest in Zell Transportation).

4. Directors

As at the LPD, the directors of ICON Bahtera and their direct and indirect shareholdings in ICON Bahtera are as follows:

			Direct		Indirect	
	Nationality	**Designation**	**No. of ICON Bahtera Shares**	**%**	**No. of ICON Bahtera Shares**	**%**
Siti Nurul Hameezah Binti Haji Awang	Bruneian	Director	-	-	[1]49,000	49.0
Muhammad Abdul Hakeem Bin Haji Awang	Bruneian	Director	-	-	-	-
Lee Yu-Jin	Malaysian	Director	-	-	-	-
Siti Nursalwana Binti Haji Awang	Bruneian	Alternate director to Muhammad Abdul Hakeem Bin Haji Awang	-	-	-	-

Note:

(1) Deemed interest by virtue of her shareholding in Zell Transportation pursuant to Section 8(4) of the Act.

5. Subsidiaries and associated companies

As at the LPD, ICON Bahtera does not have any subsidiary or associated companies.

6. Financial information

A summary of the financial information of ICON Bahtera for the past 3 FYEs 31 December 2021, 2022 and 2023 and the unaudited financial information of ICON Bahtera for the 8-month FPE 31 August 2023 and FPE 31 August 2024 is set out below:

	FYE 31 December						**8-month FPE 31 August**			
	Audited	**Translated**	**Audited**	**Translated**	**Audited**	**Translated**	**Unaudited**	**Translated**	**Unaudited**	**Translated**
	2021	**2021**	**2022**	**2022**	**2023**	**2023**	**2023**	**2023**	**2024**	**2024**
	(BND'000)	**(RM'000)**	**(BND'000)**	**(RM'000)**	**(BND'000)**	**(RM'000)**	**(BND'000)**	**(RM'000)**	**(BND'000)**	**(RM'000)**
Revenue	27,043	83,407	24,451	78,017	20,604	70,006	14,670	49,317	11,449	39,898
PBT/(LBT)	3,697	11,402	1,594	5,086	1,130	3,838	906	3,046	(2,053)	(7,154)
PAT/(LAT)	3,697	11,402	1,594	5,086	1,139	3,838	906	3,046	(2,053)	(7,154)
Share capital	100	309	100	329	100	349	100	343	100	331
Total equity/NA	21,719	67,045	23,313	76,621	22,143	77,195	27,819	95,422	25,990	86,071
Dividend paid	-	-	-	-	1,127	3,929	-	-	-	-
No. of ICON Bahtera Shares in issue ('000)	100	100	100	100	100	100	100	100	100	100
NA per ICON Bahtera Share (BND/MYR)	217.19	670.45	233.13	766.21	221.43	771.95	278.19	954.22	163.54	541.60
Earnings per ICON Bahtera Share (BND/MYR) (2)	36.97	114.02	15.94	50.86	11.30	38.38	9.06	30.46	N/A	N/A
Current ratio (times) (3)	0.73	0.73	0.66	0.66	0.66	0.66	0.85	0.85	0.68	0.68
Total borrowings	5,280	16,299	-	-	-	-	-	-	-	-
Gearing (times) (4)	0.24	0.24	-	-	-	-	-	-	-	-

Notes:

(1) Translated based on the following middle rates as published by BNM:

	Income and expenses using the average middle rate prevailing at 5.00 p.m. for the FYE/FPE	***Assets and liabilities using the middle rate prevailing at 5.00 p.m. as at 31 December/31 August***
FYE/FPE	***BND/MYR***	***BND/MYR***
31 December 2021	*3.0842*	*3.0869*
31 December 2022	*3.1907*	*3.2866*
31 December 2023	*3.3977*	*3.4862*
31 August 2023	*3.3617*	*3.4301*
31 August 2024	*3.4848*	*3.3117*

(2) Computed based on PAT of ICON Bahtera divided by number of ICON Bahtera Shares in issue.
(3) Computed based on current assets of ICON Bahtera divided by current liabilities of ICON Bahtera.
(4) Computed based on total borrowings of ICON Bahtera divided by total equity of ICON Bahtera.

During the years under review:

(i) there were no exceptional and/or extraordinary items;

(ii) there are no accounting policies adopted by ICON Bahtera which are peculiar to ICON Bahtera because of the nature of its business or the industry in which it is involved in; and

(iii) there are no audit qualifications to the audited financial statements of ICON Bahtera.

Commentaries on financial performance:

FYE 31 December 2021 vs. FYE 31 December 2022

ICON Bahtera's revenue decreased by BND2.5 million or 9% to BND24.5 million for the FYE 31 December 2022 (FYE 31 December 2021: BND 27.0 million). The decrease was mainly due to lower utilisation from Icon Kayra (88% for the FYE 31 December 2021 vs. 75% for the FYE 31 December 2022) due to dry docking done in February 2022.

ICON Bahtera's PAT decreased by BND2.1 million or 56.9% to BND1.6 million for the FYE 31 December 2022 (FYE 31 December 2021: BND3.7 million). The decrease was mainly due to lower revenue and higher depreciation cost offset with lower finance cost.

FYE 31 December 2022 vs. FYE 31 December 2023

ICON Bahtera's revenue decreased by BND3.9 million or 16% to BND20.6 million for the FYE 31 December 2023 (FYE 31 December 2022: BND24.5 million). The decrease was mainly due lower charter rates during the period (averaging BND32,300 for the FYE 31 December 2023 vs. BND29,500 for the FYE 31 December 2022)
.
Icon Bahtera's PAT decreased by BND0.5 million or 28.5% to BND1.1 million for the FYE 31 December 2023 (FYE 31 December 2022: BND1.6 million). The decrease was mainly due to lower revenue and higher ship management fees.

8-month FPE 31 August 2023 vs. 8-month FPE 31 August 2024

ICON Bahtera's revenue decreased by BND3.2 million or 22.0% to BND11.4 million for the 8-month FPE 31 August 2024 (8-month FPE 31 August 2023: BND14.6 million), mainly due to lower utilisation from ICON Kayra (19% for the 8-month FPE 31 August 2024 as compared to 78% for the 8-month FPE 31 August 2023), partially offset by higher charter rates during the year as a result of securing spot charters.

ICON Bahtera's PAT decreased by BND3.0 million or 326.6% to a LAT of BND2.1 million for the 8-month FPE 31 August 2024 (8-month FPE 31 August 2023: PAT of BND0.9 million), mainly due to the lower revenue as ICON Kayra was on spot charters during the 8-month FPE 31 August 2024, compared to the corresponding period where it was on a long term charter.

7. Material contracts

ICON Bahtera has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular.

8. Material commitments

As at the LPD, the board of directors of ICON Bahtera is not aware of any material commitments incurred or known to be incurred by ICON Bahtera which may have a material impact on the profits or NA of ICON Bahtera.

9. Contingent liabilities

As at the LPD, the board of directors of ICON Bahtera is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the profits or NA of ICON Bahtera.

10. Material litigation

As at the LPD, ICON Bahtera is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of ICON Bahtera has no knowledge of any proceedings pending or threatened against ICON Bahtera or any facts which are likely to give rise to any proceedings which may adversely and materially affect the business or financial position of ICON Bahtera.

BACKGROUND INFORMATION ON ICON WAJA

1. History and business

ICON Waja is a private limited company incorporated under the laws of Labuan, Malaysia on 19 April 2013 under the Labuan CA.

ICON Waja is an 85%-owned subsidiary of Icon Fleet, which in turn is a wholly-owned subsidiary of ICON. The remaining 15% equity interest is held by Zell Transportation.

ICON Waja commenced its business operations on 19 April 2013 and is principally involved in the leasing of vessels.

As at the LPD, ICON Waja owns and operates 1 AWB named " Icon Valiant", the details of which are set out below:

No.	Name	Brief description and existing use	Audited NBV as at 31 January 2024	Total capacity	Age	Contract value	Contract maturity
			(RM)	(GT)	(years)	(RM' million)	
1.	Icon Valiant	Provision of offshore support services to offshore production assets and drilling activities such as personnel transfer, supply runs, cargo transports, towing, static tow, anchor handling and accommodation services.	25,434,189	4,393	9	69.2	February 2027

The main purpose of Icon Valiant is to accommodate offshore workers and marine crew of up to 200 workers and provide temporary equipment storage for the platforms. It currently bears the Malaysian flag with a deadweight tonnage up to 3,000 tonnes and a cargo capacity of approximately 1,560 cubic meters of fuel oil, and 2,263 cubic meters of drill water. All revenues generated are derived in Brunei.

Save as disclosed above, there are no other major assets owned by ICON Waja to be acquired by our Company in relation to the Proposed Acquisition of ICON Waja.

2. Share capital

As at the LPD, the issued share capital of ICON Waja is RM9,291,013 comprising 3,000,001 ICON Waja Shares.

3. Substantial shareholders

As at the LPD, the substantial shareholders of ICON Waja and their direct and indirect shareholdings in ICON Waja are as follows:

		Direct		Indirect	
	Country of incorporation/ Nationality	No. of ICON Waja Shares	%	No. of ICON Waja Shares	%
Icon Fleet	Malaysia	2,550,001	85.0	-	-
Zell Transportation [(7)]	Brunei	450,000	15.0	-	-
ICON	Malaysia	-	-	[(1)]2,550,001	85.0
Liannex Maritime	Malaysia	-	-	[(2)]2,550,001	85.0

BACKGROUND INFORMATION ON ICON WAJA *(Cont'd)*

	Country of incorporation/ Nationality	Direct		Indirect	
		No. of ICON Waja Shares	%	No. of ICON Waja Shares	%
Liannex Corporation	Singapore	-	-	(3)2,550,001	85.0
Mr. LHW	Malaysian	-	-	(4)2,550,001	85.0
Madam Bah	Malaysian	-	-	(5)2,550,001	85.0
Siti Nurul Hameezah Binti Haji Awang	Bruneian	-	-	(6)450,000	15.0

Notes:

(1) Deemed interest by virtue of its shareholding in Icon Fleet pursuant to Section 8(4) of the Act.
(2) Deemed interest by virtue of its shareholding in ICON pursuant to Section 8(4) of the Act.
(3) Deemed interest by virtue of its shareholding in ICON via Liannex Maritime pursuant to Section 8(4) of the Act.
(4) Deemed interest by virtue of his shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act and deemed interest by virtue of his spouse's shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.
(5) Deemed interest by virtue of her shareholding in Liannex Maritime through Liannex Corporation and her spouse's shareholding in Liannex Maritime through Liannex Corporation pursuant to Section 8(4) of the Act.
(6) Deemed interest by virtue of her shareholding in Zell Transportation pursuant to Section 8(4) of the Act.
(7) The substantial shareholders of Zell Transportation are Siti Nurul Hameezah Binti Haji Awang (90.0% direct interest in Zell Transportation) and Hajah Siti Salina Binti Haji Masri (10.0% direct interest in Zell Transportation).

4. Directors

As at the LPD, the sole director of ICON Waja and his direct and indirect shareholdings in ICON Waja are as follows:

			Direct		Indirect	
Name	**Country of incorporation/Nationality**	**Designation**	**No. of ICON Waja Shares**	**%**	**No. of ICON Waja Shares**	**%**
Lee Yu Jin	Malaysian	Director	-	-	-	-

5. Subsidiaries and associated companies

As at the LPD, ICON Waja does not have any subsidiaries or associated companies.

6. Financial information

A summary of the financial information of ICON Waja for the past 3 FYEs 31 December 2021, 2022 and 2023 and the unaudited financial statements of ICON Waja for the 8-month FPE 31 August 2023 and FPE 31 August 2024 is set out below:

	Audited			Unaudited	
	FYE 31 December			8-month FPE 31 August	
	2021	2022	2023	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	16,180	15,164	7,880	4,187	9,137
PBT	9,505	9,959	3,812	1,815	5,916
PAT	9,220	9,660	3,697	1,761	5,738
Share capital	9,291	9,291	9,291	9,291	9,291
Total equity/NA	51,934	61,594	35,291	63,409	41,207
Dividend paid	-	-	-	-	-
No. of ICON Waja Shares in issue ('000)	3,000	3,000	3,000	3,000	3,000
NA per ICON Waja Share	17.31	20.53	11.76	21.14	12.27

	Audited			Unaudited	
	FYE 31 December			8-month FPE 31 August	
	2021	2022	2023	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(RM)					
Earnings per ICON Waja Share (RM) (1)	3.07	3.22	1.23	0.61	0.50
Current ratio (times) (2)	0.38	3.74	0.34	2.04	0.71
Total borrowings (RM'000)	9,834	-	-	-	-
Gearing (times) (3)	0.19	-	-	-	-

Notes:

(1) Computed based on PAT of ICON Waja divided by number of ICON Waja Shares in issue.
(2) Computed based on current assets of ICON Waja divided by current liabilities of ICON Waja.
(3) Computed based on total borrowings of ICON Waja divided by total equity of ICON Waja.

During the years under review:

(i) there were no exceptional and/or extraordinary items;

(ii) there are no accounting policies adopted by ICON Waja which are peculiar to ICON Waja because of the nature of its business or the industry in which it is involved in; and

(iii) there are no audit qualifications to the audited financial statements of ICON Waja.

Commentaries on financial performance:

FYE 31 December 2021 vs. FYE 31 December 2022

ICON Waja's revenue decreased by RM1.0 million or 6.2% to RM 15.2 million for the FYE 31 December 2022 (FYE 31 December 2021: RM16.2 million). The decrease was mainly due to lower utilisation rates during the year (100% for the FYE 31 December 2021 vs. 90% for the FYE 31 December 2022).

ICON Waja's PAT increase by RM0.5 million or 5.4% to RM9.7 million for the FYE 31 December 2022 (FYE 31 December 2021: RM9.2 million). The increase was mainly due to lower finance cost.

FYE 31 December 2022 vs. FYE 31 December 2023

ICON Waja's revenue decreased by RM7.3 million,or 48.0% to RM7.9 million for the FYE 31 December 2023 (FYE 31 December 2022: RM15.2 million). The decrease was mainly due to lower utilisation during the year (90% for the FYE 31 December 2022 vs. 62% for the FYE 31 December 2023).

ICON Waja's PAT decreased by RM6.0 million or 61.9% to RM3.7 million for the FYE 31 December 2023 (FYE 31 December 2022: RM9.7 million). The decrease was mainly due to lower revenue.

8-month FPE 31 August 2023 vs. 8-month FPE 31 August 2024

ICON Waja's revenue increased by RM4.9 million or 118.2% to RM9.1 million for the 8-month FPE 31 August 2024 (8-month FPE 31 August 2023: RM4.2 million), mainly due to higher utilisation during the period (80% during the 8-month FPE 31 August 2024 vs. 55% during the 8-month FPE 31 August 2023).

ICON Waja's PAT increased by RM4.0 million or 225.8% to RM5.7 million for the 8-month FPE 31 August 2024 (8-month FPE 31 August 2023: RM1.8 million), mainly due to higher revenue and other income arising from insurance claims.

7. Material contracts

ICON Waja has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Circular.

8. Material commitments

As at the LPD, the director of ICON Waja is not aware of any material commitments incurred or known to be incurred by ICON Waja which may have a material impact on the profits or NA of ICON Waja.

9. Contingent liabilities

As at the LPD, the director of ICON Waja is not aware of any contingent liabilities, which upon becoming enforceable, may have a material impact on the profits or NA of ICON Waja.

10. Material litigation

As at the LPD, ICON Waja is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the director of ICON Waja has no knowledge of any proceedings pending or threatened against ICON Waja or any facts which are likely to give rise to any proceedings which may adversely and materially affect the business or financial position of ICON Waja.

BACKGROUND INFORMATION ON THE VENDORS

1. Liannex Corporation

Liannex Corporation was incorporated on 19 July 1993 in Singapore under the Singapore CA as a private limited company. Liannex Corporation is principally involved in provision of land and marine logistics, trading in coal, cement, gypsum, quarry dust, granite and other products and assembles buses and provides related services and also engages in investment holding.

As at the LPD, Liannex Corporation has an issued share capital of SGD16,326,083 comprising 16,326,083 ordinary shares.

The directors and shareholders of Liannex Corporation and their respective shareholding in Liannex Corporation as at the LPD are as follows:

	No. of ordinary shares in Liannex Corporation	%
Mr. LHW	16,326,081	100.0
Madam Bah	2	*

Note:

** Negligible*

1.1 Mr. LHW

Mr. LHW, a Malaysian, aged 72, is currently a director and the controlling shareholder of Liannex Corporation. He is also the founder, Group Executive Chairman and Non-Independent Executive Director of YHB.

1.2 Madam Bah

Madam Bah, a Malaysian, aged 71, is currently a director and a shareholder of Liannex Corporation. She is the wife of Mr. LHW. She is also a Non-Independent Executive Director of YHB.

1. Yinson Offshore

Yinson Offshore was incorporated on 27 November 2019 in Malaysia under the Act as a private limited company. The principal activity of Yinson Offshore is investment holding.

As at the LPD, Yinson Offshore has an issued share capital of RM6,656,550 comprising 6,656,550 ordinary shares.

Yinson Offshore is a wholly-owned subsidiary of YHB.

As at the LPD, the board of directors of Yinson Offshore is as follows:

Name	Designation
Chai Jia Jun	Director
Liaw Thong Jung	Director
Lim Chern Yuan (Alternate to Chai Jia Jun)	Alternate Director

2.1 YHB

YHB was incorporated on 9 March 1993 in Malaysia under the CA 1965 and is deemed registered under the Act. YHB is listed on the Main Market of Bursa Securities. The principal activity of YHB is investment holding and provision of management services, whilst the principal activities of YHB and its subsidiaries ("**YHB Group**") include, without limitation, floating marine assets for chartering and service activities incidental to the O&G industry, provision of operations and maintenance of floating marine assets to the offshore O&G industry, the generation of electricity through renewable resources, operations and investments in green technologies, investment and asset management activities, and treasury management services to companies within the YHB Group.

As at the LPD, YHB has an issued share capital of RM2,704,577,532.50 comprising 3,205,110,087 ordinary shares (including 269,581,500 treasury shares).

BACKGROUND INFORMATION ON THE VENDORS *(Cont'd)*

The directors and substantial shareholders of YHB and their respective direct and/or indirect interest in YHB as at the LPD are as follows:

		Direct		Indirect	
Name	**Designation**	**No. of ordinary shares in YHB**	**%^**	**No. of ordinary shares in YHB**	**%^**
Directors					
Mr. LHW	Group Executive Chairman/Executive Director	43,981,061	1.50	(1)674,119,051	22.96
Lim Chern Yuan	Group Chief Executive Officer/Executive Director	5,013,084	0.17	-	-
Tan Sri Dato' (Dr) Wee Hoe Soon @ Gooi Hoe Soon	Senior Independent Non-Executive Director	-	-	-	-
Madam Bah	Executive Director	9,915,320	0.34	(2)635,429,102	21.65
Dato' Mohamad Nasir Bin Ab Latif	Independent Non-Executive Director	-	-	-	-
Datuk Abdullah Bin Karim	Independent Non-Executive Director	-	-	-	-
Fariza Binti Ali @ Taib	Non-Independent Non-Executive Director	-	-	-	-
Raja Datuk Zaharaton Binti Raja Zainal Abidin	Independent Non-Executive Director	-	-	-	-
Gregory Lee	Independent Non-Executive Director	-	-	-	-
Sharifah Munira Binti Syed Zaid Albar	Independent Non-Executive Director	-	-	-	-
Lim Poh Seong	Independent Non-Executive Director	-	-	-	-
Substantial shareholders					
Employees Provident Fund Board		508,877,982	17.34	-	-
YLSB		577,760,183	19.68	-	-
Kumpulan Wang Persaraan (Diperbadankan)		138,321,800	4.71	(3)85,851,612	2.93

BACKGROUND INFORMATION ON THE VENDORS *(Cont'd)*

Notes:

(1) *Deemed interest by virtue of his spouse's and children's direct shareholdings in YHB pursuant to Section 59(11)(c) of the Act and Liannex Corporation's and YLSB's direct shareholdings in YHB pursuant to Section 8(4) of the Act.*

(2) *Deemed interest by virtue of her spouse's and children's direct shareholdings in YHB pursuant to Section 59(11)(c) of the Act and Liannex Corporation's and YLSB's direct shareholding in YHB pursuant to Section 8(4) of the Act.*

(3) *Deemed interest in the shares held by the Fund Manager of Kumpulan Wang Persaraan (Diperbadankan) pursuant to Section 8 of the Act.*

^ *Excluding 269,581,500 treasury shares in YHB.*

2. Zell Transportation

Zell Transportation was incorporated on 20 March 2010 in Brunei Darussalam under the Companies Act, Chapter 39 as a private limited company.

The principal activity of Zell Transportation is vessel ownership, vessel chartering and a range of marine services, including vessel operations, logistics and support services tailored specifically for the offshore O&G industry.

As at the LPD, Zell Transportation has an issued and paid-up share capital of BND25,000 comprising 25,000 ordinary shares.

As at the LPD, the board of directors of Zell Transportation and their respective direct and/or indirect interest in Zell Transportation are as follows:

		Direct	
Name	**Designation**	**No. of ordinary shares in Zell Transportation**	**%**
Muhammad Abdul Hakeem Bin Haji Awang	Director	-	-
Siti Nurul Hameezah Binti Haji Awang	Director	22,500	90.0
Hajah Siti Salina Binti Haji Masri	Director	2,500	10.0

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

pwc

The Board of Directors
Icon Offshore Berhad,
Suite 28.01, Level 28,
Menara Southpoint, Mid Valley City,
58000 Kuala Lumpur.

7 January 2025

Our Ref: PwC/REES/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF

Dear Sirs,

Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements of Financial Position of Icon Offshore Berhad

1 We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of Icon Offshore Berhad (the "Company" or "IOB") as at 31 December 2023 (the "Pro Forma Consolidated Statements of Financial Position"). The Pro Forma Consolidated Statements of Financial Position which we have stamped for the purpose of identification, have been compiled by the directors of the Company (the "Directors") for purposes of inclusion in IOB's circular to shareholders (the "Circular to Shareholders") in connection with:

(i) the proposed acquisition of 100 ordinary shares in Liannex Fleet Pte Ltd ("Liannex Fleet"), representing 100% of the issued and paid-up share capital of Liannex Fleet by IOB from Liannex Corporation (S) Pte Ltd to be wholly satisfied via issuance of 206,818,182 new ordinary shares in IOB ("Consideration Shares").

(ii) the proposed acquisition of 5,324,400 ordinary shares in Yinson Power Marine Sdn Bhd ("Yinson Power Marine"), representing 51% ordinary shares in Yinson Power Marine, being one of the subsidiaries to be held under Liannex Fleet, by IOB from Mr Lim Han Weng to be wholly satisfied via issuance of 20,454,545 Consideration Shares.

(iii) the proposed acquisition of 525,000 ordinary shares and 25,000,000 non-convertible redeemable preference shares in Regulus Offshore Sdn Bhd ("Regulus Offshore"), representing 70% of the issued and paid-up share capital issued in Regulus Offshore by IOB from Yinson Offshore Services Sdn Bhd ("Yinson Offshore") to be wholly satisfied via issuance of 154,545,455 Consideration Shares;

(iv) the proposed acquisition of 1 ordinary share in Yinson Camellia Sdn Bhd ("Yinson Camellia") representing 100% of the issued share capital of Yinson Camellia by IOB from Yinson Offshore to be wholly satisfied via issuance of 27,272,727 Consideration Shares;

(collectively known as the "Proposals").

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

pwc

The Board of Directors
Icon Offshore Berhad
PwC/REES/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF
7 January 2025

Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements of Financial Position of Icon Offshore Berhad (continued)

2 The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes thereon to the Pro Forma Consolidated Statements of Financial Position.

3 The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors to illustrate the impact of the events or transactions as set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position on the Company's consolidated statement of financial position as at 31 December 2023 as if the events or transactions had taken place on that date. As part of this process, information about the Company's consolidated financial position has been extracted by the Directors from the Company's consolidated financial statements for the financial year ended 31 December 2023, on which an audit report dated 18 April 2024 has been published.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

4 The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with Malaysian Institute of Accountants' ("MIA") Guidance Note for Issuers of Pro Forma Financial Information.

Reporting Accountants' Responsibilities

5 Our responsibility is to express an opinion, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with MIA's Guidance Note for Issuers of Pro Forma Financial Information.

6 We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by MIA. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with MIA's Guidance Note for Issuers of Pro Forma Financial Information.

7 For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

pwc

The Board of Directors
Icon Offshore Berhad
PwC/REES/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF
7 January 2025

Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements of Financial Position of Icon Offshore Berhad (continued)

Reporting Accountants' Responsibilities (continued)

8 The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Circular to Shareholders in connection with the Proposals is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

9 A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria, involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

10 The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company and its subsidiaries and the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

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

pwc

The Board of Directors
Icon Offshore Berhad
PwC/REES/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF
7 January 2025

Reasonable Assurance Report on the Compilation of Pro Forma Consolidated Statements of Financial Position of Icon Offshore Berhad (continued)

Our Independence and Quality Management

12 We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

13 Our firm applies International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Opinion

14 In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with MIA's Guidance Note for Issuers of Pro Forma Financial Information.

Restriction on distribution and use

15 This report is issued for the sole purpose of inclusion in the Circular to Shareholders in connection with the Proposals and should not be used or relied upon for any other purposes. Accordingly, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

Yours faithfully,

PricewaterhouseCoopers PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

The Pro Forma Consolidated Statements of Financial Position of Icon Offshore Berhad as at 31 December 2023 below have been prepared solely for illustration purposes to show the effects of the Proposals (as set out in Note 2 below) on the audited consolidated statement of financial position of Icon Offshore Berhad as at 31 December 2023 based on the assumption that the Proposals had been effected on 31 December 2023, and should be read in conjunction with the accompanying notes.

			Pro Forma I	Pro Forma II
	Notes	Audited as at 31 December 2023 RM'	After Proposed acquisitions of Liannex Fleet and Yinson Power Marine RM'	After Pro Forma I and Proposed acquisitions of Regulus Offshore and Yinson Camellia RM'
NON-CURRENT ASSETS				
Property, plant and equipment		492,008,149	730,732,248	878,506,875
Right-of-use assets		469,287	469,287	469,287
Deferred tax assets		18,052,782	18,052,782	18,052,782
Derivatives		-	253,392	253,392
Goodwill		-	-	86,218,530
Other intangible assets		-	66	1,180,213
Amounts due from related parties		-	-	926,229
		510,530,218	**749,507,775**	**985,607,308**
CURRENT ASSETS				
Inventories		4,271,023	4,271,023	4,271,023
Derivatives		-	824,225	824,225
Trade receivables, other receivables and prepayments		48,295,244	49,352,464	79,758,020
Amounts due from related parties		-	-	4,388,610
Tax recoverable		4,337,901	4,414,806	7,358,725
Cash and bank balances		147,358,131	150,867,580	165,315,008
		204,262,299	209,730,098	261,915,611
Non-current assets held for sale		11,934,000	11,934,000	11,934,000
		216,196,299	**221,664,098**	**273,849,611**
CURRENT LIABILITIES				
Trade and other payables	4.1	47,748,457	52,453,575	60,036,650
Amounts due to related parties		-	-	34,231,525
Dividend payable		27,081,874	27,081,874	27,081,874
Lease liabilities		504,987	504,987	1,018,526
Borrowings		248,795,659	271,090,703	271,090,703
Tax payables		1,731,880	1,846,783	2,032,067
		325,862,857	**352,977,922**	**395,491,345**
NET CURRENT LIABILITIES		**(109,666,558)**	**(131,313,824)**	**(121,641,734)**

PRICEWATERHOUSECOOPERS PLT KUALA LUMPUR for identification only Chartered Accountants

1

ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (continued)

The Pro Forma Consolidated Statements of Financial Position of Icon Offshore Berhad as at 31 December 2023 below have been prepared solely for illustration purposes to show the effects of the Proposals (as set out in Note 2 below) on the audited consolidated statement of financial position of Icon Offshore Berhad as at 31 December 2023 based on the assumption that the Proposals had been effected on 31 December 2023, and should be read in conjunction with the accompanying notes. (continued)

	Notes	Audited as at 31 December 2023 RM'	Pro Forma I After Proposed acquisitions of Liannex Fleet and Yinson Power Marine RM'	Pro Forma II After Pro Forma I and Proposed acquisitions of Regulus Offshore and Yinson Camellia RM'
NON-CURRENT LIABILITIES				
Lease liabilities		49,950	49,950	1,605,820
Deferred tax liabilities		23,485,306	24,229,257	53,535,185
Borrowings		-	22,509,244	22,509,244
		23,535,256	**46,788,451**	**77,650,249**
NET ASSETS		**377,328,404**	**571,405,500**	**786,315,325**
EQUITY				
Share capital	4.2	317,941,247	540,621,358	718,765,447
Warrant reserves		32,725,739	32,725,739	32,725,739
Currency translation reserve		3,081,196	3,081,196	3,081,196
Share based payment reserve		39,163	39,163	39,163
Capital contribution reserve		7,613,546	7,613,546	7,613,546
Capital reorganisation reserve	4.3	-	(26,157,666)	(26,157,666)
Accumulated losses	4.4	(16,061,208)	(18,506,557)	(20,056,821)
Equity attributable to owners of the Company		**345,339,683**	**539,416,779**	**716,010,604**
Non-controlling interests	4.5	31,988,721	31,988,721	70,304,721
TOTAL EQUITY		**377,328,404**	**571,405,500**	**786,315,325**
Supplementary information:				
Number of ordinary shares in issue ('000)		541,637	768,910	950,728
Net assets per share (RM/share) [1]		0.64	0.70	0.75
Gearing ratio [2]		0.72	0.54	0.41

Notes:

[1] *Net assets per share is computed based on the total equity attributable to owners of the Company divided by the number of ordinary shares in issue*
[2] *Gearing ratio is computed as total borrowings (excluding lease liabilities) divided by total equity attributable to owners of the Company*

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

1 INTRODUCTION

The Pro Forma Consolidated Statements of Financial Position ("Pro Forma SOFP") of Icon Offshore Berhad ("Icon", "IOB" or "the Company") as at 31 December 2023 and the accompanying notes thereon, have been prepared for inclusion in the Circular to Shareholders in connection with the proposed acquisition of:

a. 100% of Liannex Fleet Pte. Ltd. ("Liannex Fleet") and the remaining 51% of Yinson Power Marine Sdn. Bhd. ("Yinson Power Marine") (collectively known as "Proposal 1") and;
b. 70% of Regulus Offshore Sdn. Bhd. ("Regulus Offshore") and 100% of Yinson Camellia Sdn. Bhd. ("Yinson Camellia") (collectively known as "Proposal 2")

All proposals are collectively referred to as the "Proposals".

The Pro Forma SOFP, for which the Directors of the Company are solely responsible, have been prepared solely for illustrative purposes only to show the effects of the Proposals as set out above on the audited consolidated statement of financial position of Icon as at 31 December 2023 based on the assumption that the Proposals had been effected on 31 December 2023.

The Pro Forma SOFP, because of its hypothetical nature, does not give a true picture of the actual effects of the Proposals on the consolidated statement of financial position of Icon as at 31 December 2023 ("SOFP") had the Proposals been effected on that date. Further, the Pro Forma SOFP does not purport to predict the future financial position of the Company and its subsidiaries (collectively referred to as the "Group").

2 BASIS OF PREPARATION FOR PRO FORMA SOFP

The Pro Forma SOFP has been prepared in accordance with the Malaysian Institute of Accountants' ("MIA") Guidance Note for Issuers of Pro Forma Financial Information and is based on the Company's consolidated statement of financial position as at 31 December 2023 which has been prepared based on Malaysian Financial Reporting Standards and International Financial Reporting Standards and in a manner consistent with both the format of the audited consolidated financial statements and accounting policies adopted by the Company for the financial year ended 31 December 2023, except for the adoption of the following additional accounting policies which will be adopted by the Company when the Proposals are undertaken.

(a) Accounting policy for common control business combinations

The Group applies the predecessor method of accounting to account for business combinations under common control. Under the predecessor method of accounting, assets and liabilities acquired are not restated to their respective fair values but are recorded at the carrying amounts from the perspective of the common controlling party, and adjusted to ensure uniform accounting policies within the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recognised as a reserve and reflected within equity as capital reorganisation reserve.

(b) Accounting policy for derivatives

The Group uses derivative financial instruments, interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. For derivative assets, the portion of the asset that is expected to be realised within 12 months is presented as current assets. Otherwise, they should be classified as non-current assets. For derivative liabilities, the portion of a liability settlement that cannot be deferred for at least 12 months after the balance sheet date is presented as a current liability, where the remainder should be presented as a non-current liability.

The Group does not apply hedge accounting.

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Chartered Accountants

ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

2 BASIS OF PREPARATION FOR PRO FORMA SOFP (CONTINUED)

(c) Accounting policy for other intangible assets

Other intangible assets include computer software and customer relationships. These intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line basis over their estimated useful lives and commences from the date the intangible assets are ready for use.

2.1 Details of the Proposals

The Proposals entail the acquisitions by Icon of the respective equity interests of the following companies which will be settled via the issuance of new Icon ordinary shares ("Icon Shares").

Details of the key information of the Proposals as extracted from the relevant Share Sale Agreements dated 22 November 2024 ("SSA") entered between Icon and the respective vendors are as follows:

A. Proposal 1 - Proposed acquisitions of Liannex Fleet and the remaining 51% interest in Yinson Power Marine

Key Information	Proposed acquisition of Liannex Fleet	Proposed acquisition of the remaining 51% interest in Yinson Power Marine
Purchaser	Icon	Icon
Vendor	Liannex Corporation (S) Pte. Ltd. ("Liannex Corp") as the ultimate holding company of Icon	Lim Han Weng, as the 99.99% shareholder of Liannex Corporation (S) Pte. Ltd.
Interest to be acquired	100 ordinary shares, representing the entire issued and paid-up share capital of Liannex Fleet	5,324,400 ordinary shares, representing 51% of the issued and paid-up share capital of Yinson Power Marine
Mode of settlement	Allotment and issuance of 206,818,182 new Icon Shares	Allotment and issuance of 20,454,545 new Icon Shares

Liannex Fleet was incorporated on 21 February 2024 to undertake an internal reorganisation and proposed acquisition of 11 subsidiaries of its ultimate holding company, Liannex Corp.

The effects of Proposal 1 are illustrated based on the Combined Financial Statements of Liannex Fleet as at 31 December 2023, which combines the financial information of the 11 subsidiaries ("Liannex Fleet Group").

The conditions precedents of the SSA entered between Icon and the respective vendors in respect of Proposal 1 includes the settlement of all of Liannex Fleet Group's related company balances with Liannex Corp's associates or related parties ("Liannex Corp Group") as of the date of completion, where the settlement of all related company balances have already been included in determining the purchase consideration.

Total consideration of Proposal 1 is to be satisfied by way of issuance of 227,272,727 Icon Shares upon completion date defined as the date where the notice on the fulfilment of the last of the conditions precedent have been received.

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

2 BASIS OF PREPARATION FOR PRO FORMA SOFP (CONTINUED)

2.1 Details of the Proposals (continued)

B. Proposal 2 - Proposed acquisitions of Regulus Offshore and Yinson Camellia

Key Information	Proposed acquisition of Regulus Offshore	Proposed acquisition of Yinson Camellia
Purchaser	Icon	Icon
Vendor	Yinson Offshore Services Sdn Bhd, a wholly owned subsidiary of Yinson Holdings Berhad	Yinson Offshore Services Sdn Bhd, a wholly owned subsidiary of Yinson Holdings Berhad
Interest to be acquired	525,000 ordinary shares and the entire 25,000,000 non-convertible redeemable preference shares, representing 70% of the issued and paid-up share capital of Regulus Offshore	1 ordinary share, representing the entire issued and paid-up share capital of Yinson Camellia
Mode of settlement	Allotment and issuance of 154,545,455 new Icon Shares	Allotment and issuance of 27,272,727 new Icon Shares

Total consideration of Proposal 2 is to be satisfied by way of issuance of 181,818,182 Icon Shares upon completion date defined as the date where the notice on the fulfilment of the last of the conditions precedent have been received.

The SSA between Icon and Yinson Offshore Services Sdn Bhd states that Regulus Offshore and Yinson Camelia or any affiliate of the Vendor should identify any shareholder advances or loans owed to the Vendor or its affiliates that remain outstanding and is not settled nor not having been terminated and settled as of the completion date, the Purchaser shall settle such outstanding shareholder advances or loans within 90 days from the completion date of the SSA.

2.2 Inter-conditionality

The proposed acquisitions of Liannex Fleet and Yinson Power Marine ("Proposal 1") are inter-conditional and hence are illustrated as a single transaction for the purposes of the Pro Forma SOFP.

The proposed acquisitions of Regulus Offshore and Yinson Camellia ("Proposal 2") are inter-conditional and hence are illustrated as a single transaction for the purposes of the Pro Forma SOFP.

Proposal 1 and Proposal 2 are not illustrated in any particular sequence and are not inter-conditional with each other or any other corporate exercises undertaken or to be undertaken by the Group.

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

3 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

3.1 Pro Forma I – Proposed acquisitions of Liannex Fleet and Yinson Power Marine

Pro Forma I incorporates the effects of the completion of Proposal 1, being fulfilment of all conditions precedent set out in the respective SSAs. For the purposes of illustration in the Pro Forma SOFP, the acquisitions have been accounted for as business combinations under common control as Liannex Fleet, including Yinson Power Marine and Icon are under the common control of Mr Lim Han Weng and Mdm Bah Kim Lian.

For purposes of illustration in the Pro Forma SOFP, it is assumed that the acquisition date is 31 December 2023 and the purchase consideration is satisfied by way of 227,272,727 new Icon shares being issued.

For the purposes of the Pro Forma SOFP, the fair value of purchase consideration is computed based on an indicative issue price of RM0.98 being closing share price of Icon on the Latest Practicable Date ("LPD") as of 13 December 2024, bringing the total fair value of shares issued to be RM222,727,272 for illustration purposes in the Pro Forma SOFP.

Where the consideration for an acquisition is settled by the issue of a specified number of shares, the issue of shares will be recorded by reference to their value at the date of issue. The requirement to base the final share consideration on the share price as of the completion date could result in a purchase consideration that is materially different from that assumed in the Pro Forma SOFP, and the total purchase consideration included in this Pro Forma SOFP should not be taken to represent the actual purchase consideration during completion of Proposal 1.

The Pro Forma adjustment has included the settlement of all Liannex Fleet Group's related company balances between Liannex Fleet Group and Liannex Corp Group, as of 31 December 2023 in accordance with the conditions precedent in the SSA., For the purposes of the Pro Forma SOFP it is assumed that settlement of all such balances have already been included in determining the purchase consideration in the SSA.

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

3 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

3.1 Pro Forma I – Proposed acquisitions of Liannex Fleet and Yinson Power Marine (continued)

The details of the carrying amounts of assets and liabilities acquired and settlement of related company balances of Liannex Corp Group as part of Proposal 1 as at 31 December 2023 are as follows:

	Carrying values on assumed acquisition date of 31 December 2023	
	SGD'	**RM' equivalent ***
Property, plant and equipment	68,561,446	238,724,099
Derivative assets (non-current)	72,774	253,392
Derivative assets (current)	236,717	824,225
Other Intangible assets	19	66
Trade receivables, other receivables and prepayments	303,633	1,057,220
Tax recoverable	22,087	76,905
Cash and bank balances	1,007,912	3,509,449
Trade and other payables	(635,460)	(2,212,608)
Borrowings (current)	(6,403,126)	(22,295,044)
Borrowings (non-current)	(6,464,644)	(22,509,244)
Tax payables	(33,000)	(114,903)
Deferred tax liabilities	(213,662)	(743,951)
Redeemable Convertible Preference Shares ("RCPS") issued to related party of Liannex Corp	(2,896,929)	(10,086,817)
Amounts due from Liannex Corp	57,745	201,062
Amounts due to Liannex Corp	(31,783,827)	(110,668,107)
Total carrying values of assets and liabilities	21,831,685	76,015,744
Add: Settlement of related company balances		
• RCPS issued to related party of Liannex Corp	2,896,929	10,086,817
• Amount due from Liannex Corp	(57,745)	(201,062)
• Amount due to Liannex Corp	31,783,827	110,668,107
Adjusted net assets	56,454,696	196,569,606
Capital reorganisation reserve arising from acquisition		26,157,666
Fair value of purchase consideration settled by new Icon Shares		222,727,272

*assumed conversion rate of RM3.4819 to SGD1.0000 as at 31 December 2023.

As per the accounting policy detailed in Note 2, the difference between the fair value of purchase consideration and carrying values of the assets and liabilities acquired is recognised within equity as a capital reorganisation reserve.

Acquisition related costs

Transaction costs incurred in relation to Proposal 1 are estimated to be RM2,492,510. Out of these amounts, it was determined that RM2,445,349 relates to the acquisitions and are directly charged to the profit or loss whilst the remaining RM47,161 relates to share issuance cost which has been taken against share capital. Transaction costs are assumed to be payable in the Pro Forma SOFP.

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Chartered Accountants

ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

3 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

3.2 Pro Forma II - After Pro Forma I and the proposed acquisitions of Regulus Offshore and Yinson Camellia

Pro Forma II incorporates the effects of Pro Forma I and the completion of Proposal 2, being fulfilment of all conditions precedent set out in the respective SSAs. For the purposes of illustration in the Pro Forma SOFP, the acquisitions have been accounted for as a business combination applying the acquisition method in accordance with MFRS 3 'Business Combinations'.

For purposes of illustration in the Pro Forma SOFP, it is assumed that the acquisition date is 31 December 2023 ("assumed acquisition date") and the purchase consideration is satisfied by way of new 181,818,182 Icon Shares being issued.

For the purposes of the Pro Forma SOFP, the purchase consideration is computed based on an indicative issue price of RM0.98 being closing share price of Icon on the LPD as of 13 December 2024, bringing the total fair value of shares issued to be RM178,181,817 for illustration purposes in the Pro Forma SOFP.

Where the consideration for an acquisition is settled by the issue of a specified number of shares, the issue of shares will be recorded by reference to their value at the date of issue. The requirement to base the final share consideration on the share price as of the completion date could result in a purchase consideration and resultant goodwill that is materially different from that assumed in the Pro Forma SOFP, and the total purchase consideration included in this Pro Forma SOFP should not be taken to represent the actual purchase consideration during completion of Proposal 2.

The Pro Forma adjustment includes the settlement of all shareholder advances or loans owed to the related parties within 90 days from the completion date of the SSA in accordance with the terms and conditions of the SSA. For the purposes of the Pro Forma SOFP it is assumed that all amounts due to related parties are classified as current liabilities.

ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

3 EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

3.2 Pro Forma II - After Pro Forma I and the proposed acquisitions of Regulus Offshore and Yinson Camellia (continued)

For illustrative purposes only, the Provisional Purchase Price Allocation ("Provisional PPA") represents a preliminary assessment of fair value performed by an external valuer on the identifiable assets and liabilities of both Regulus Offshore and Yinson Camellia based on the entities' net assets as at 30 September 2024, effected as at 31 December 2023, as follows:

	Provisional PPA on assumed acquisition date			
	Regulus Offshore RM'	Yinson Camellia RM'	Elimination RM'	Total RM'
Property, plant and equipment	126,134,122	21,640,505	-	147,774,627
Other intangible assets	5,708	1,174,439	-	1,180,147
Amounts due from related parties (non-current)	2,802,238	-	(1,876,009)	926,229
Amounts due from related parties (current)	10,822,339	-	(6,433,729)	4,388,610
Trade receivables, other receivables and prepayments	27,130,396	3,275,160	-	30,405,556
Tax recoverable	214,899	2,729,020	-	2,943,919
Cash and bank balances	13,477,307	970,121	-	14,447,428
Amounts due to related parties	(22,464,275)	(20,076,988)	8,309,738	(34,231,525)
Lease liability (non-current)	(1,555,870)	-	-	(1,555,870)
Lease liability (current)	(513,539)	-		(513,539)
Trade and other payables	(3,552,389)	(2,442,693)	-	(5,995,082)
Tax payables	(133,821)	(51,463)	-	(185,284)
Deferred tax liabilities	(24,647,116)	(4,658,812)	-	(29,305,928)
Total identifiable assets and liabilities at fair value	127,719,999	2,559,289	-	130,279,288
Less: Non controlling interest recognised	(38,316,000)	-	-	(38,316,000)
Provisional goodwill arising from acquisition	62,050,547	24,167,983	-	86,218,530
Fair value of purchase consideration settled by new Icon Shares	151,454,546	26,727,272	-	178,181,818

Goodwill is a derived amount based on differences between the fair value of the purchase consideration and the fair value of the identifiable assets and liabilities. The fair value of the Icon shares may differ upon completion of the acquisition and would have a corresponding effect on goodwill.

The exercise to allocate purchase consideration to assets acquired and liabilities assumed will be performed at a later stage and hence the identification and measurement of the various components of business combination, including goodwill and non-controlling interests could be materially different from the amounts shown in the Pro Forma SOFP.

<u>Acquisition related costs</u>

Transaction costs incurred in relation to Proposal 2 are estimated to be RM1,587,993. Out of these amounts, it was determined that RM1,550,264 relates to the acquisitions and are directly charged to the profit or loss whilst the remaining RM37,729 relates to share issuance cost which has been taken against share capital. Transaction costs are assumed to be payable in the Pro Forma SOFP.

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

4 NOTES TO THE PRO FORMA SOFP

The movement in selected financial statement line items of the Company are as follows:

4.1 Trade and other payables

For illustrative purposes, based on the Company's audited Consolidated SOFP, the current trade and other payables balance upon the implementation of the Proposals as at 31 December 2023 is as follows:

	RM'
Per audited balance of the Group as at 31 December 2023	**47,748,457**
Add: Current trade and other payables acquired per Proposal 1	2,212,608
Add: Acquisition related cost payable for Proposal 1 (Note 3.1)	2,492,510
Pro Forma I	**52,453,575**
Add: Current trade and other payables acquired per Proposal 2	5,995,082
Add: Acquisition related cost payable for Proposal 2 (Note 3.2)	1,587,993
Pro Forma II	**60,036,650**

4.2 Share Capital

For illustrative purposes, based on the Company's audited Consolidated SOFP the share capital balance upon the implementation of the Proposals as at 31 December 2023 is as follows:

	No of Shares	**Share Capital** RM'
Per audited balance of the Group as at 31 December 2023	**541,637,488**	**317,941,247**
Add: Issuance of shares for Proposal 1 (Note 3.1)	227,272,727	222,727,272
Less: Share issuance cost for Proposal 1 (Note 3.1)	-	(47,161)
Pro Forma I	**768,910,215**	**540,621,358**
Add: Issuance of shares for Proposal 2 (Note 3.2)	181,818,182	178,181,818
Less: Share issuance cost for Proposal 2 (Note 3.2)	-	(37,729)
Pro Forma II	**950,728,397**	**718,765,447**

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

4 NOTES TO THE PRO FORMA SOFP (CONTINUED)

4.3 Capital Reorganisation Reserve

For illustrative purposes, based on the Company's audited Consolidated SOFP and the application of the additional accounting policies as per Note 2, the capital reorganisation reserve balance upon the implementation of the Proposals as at 31 December 2023 is as follows:

	Capital Reorganisation Reserve
	RM'
Per audited balance of the Group as at 31 December 2023	-
Impact of Proposal 1	(26,157,666)
Pro Forma I / Pro Forma II	**(26,157,666)**

4.4 Accumulated losses

For illustrative purposes, based on the Company's audited Consolidated SOFP, the balance upon the implementation of the Proposals as at 31 December 2023 is as follows:

	Accumulated losses
	RM'
Per audited balance of the Group as at 31 December 2023	**(16,061,208)**
Acquisition related expenses for Proposal 1 (Note 3.1)	(2,445,349)
Pro Forma I	**(18,506,557)**
Acquisition related expenses for Proposal 2 (Note 3.2)	(1,550,264)
Pro Forma II	**(20,056,821)**

4.5 Non-controlling Interests ("NCI") reserve

For illustrative purposes, based on the Company's audited Consolidated SOFP, the balance upon the implementation of the Proposals as at 31 December 2023 is as follows:

	Non-controlling Interests reserve
	RM'
Per audited balance of the Group as at 31 December 2023 / Pro Forma I	**31,988,721**
Recognition of NCI from Proposal 2	38,316,000
Pro Forma II	**70,304,721**

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

5 ILLUSTRATIVE SUMMARISED FINANCIAL INFORMATION SHOWING THE EFFECTS OF CERTAIN SUBSEQUENT EVENTS PERTAINING TO THE COMPLETED TRANSACTIONS OF LIANNEX FLEET GROUP

The illustrative summarised financial information set out in this Note is prepared solely for illustrative purposes to show the effects of certain subsequent events pertaining to the completed transactions of Liannex Fleet Group on certain line items of the Pro Forma SOFP. The subsequent events are set out below and are assumed that these events had been effected on 31 December 2023. The illustrative financial information should be read in conjunction with the accompanying Note 5.1.

5.1 Basis of preparation

The illustrative summarised financial information at 31 December 2023 and the accompanying notes thereon are based on the Pro Forma SOFP and incorporate the following subsequent events:

Liannex Fleet was incorporated on 21 February 2024 to undertake an internal reorganisation and acquisitions of 11 subsidiaries of its ultimate holding company, Liannex Corp. On 17 May 2024, Liannex Fleet completed the acquisitions of the entire equity interest of 10 subsidiaries of Liannex Corp and on 23 May 2024, Liannex Fleet completed the acquisition of a 49% equity interest in Yinson Power Marine. The total purchase consideration for these acquisitions was SGD25,094,572 (RM87,376,790*), which was funded via short term borrowings obtained by Liannex Fleet.

The subsequent events above are hereafter referred to as the "Acquisitions", and are illustrated to be effected on 31 December 2023 on Pro Forma I and II as set out in the Pro Forma SOFP as per Note 5.2. The effects of these are illustrated in Illustrative I(a) and I(b).

*assumed conversion rate of RM3.4819 to SGD1.0000 as at 31 December 2023.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON *(Cont'd)*

ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

5 ILLUSTRATIVE SUMMARISED FINANCIAL INFORMATION SHOWING THE EFFECTS OF CERTAIN SUBSEQUENT EVENTS PERTAINING TO THE COMPLETED TRANSACTIONS OF LIANNEX FLEET GROUP (CONTINUED)

5.2 Illustrative summarised financial information

	Notes	Illustrative I (a) After Pro Forma I and effects of the Acquisitions RM'	Illustrative I (b) After Pro Forma II and effects of the Acquisitions RM'
NON-CURRENT ASSETS		**749,507,775**	**985,607,308**
CURRENT ASSETS		**221,664,098**	**273,849,611**
CURRENT LIABILITIES			
Borrowings	(a)	358,467,493	358,467,493
Other current liabilities		81,887,219	124,400,642
TOTAL CURRENT LIABILITIES		**440,354,712**	**482,868,135**
NON-CURRENT LIABILITIES		**46,788,451**	**77,650,249**
NET ASSETS		**484,028,710**	**698,938,535**
EQUITY			
Share capital		540,621,358	718,765,447
Warrant reserves		32,725,739	32,725,739
Currency translation reserve		3,081,196	3,081,196
Share based payment reserve		39,163	39,163
Capital contribution reserve		7,613,546	7,613,546
Capital reorganisation reserve	(b)	(113,534,456)	(113,534,456)
Accumulated losses		(18,506,557)	(20,056,821)
Equity attributable to owners of the Company		**452,039,989**	**628,633,814**
Non-controlling interests		31,988,721	70,304,721
TOTAL EQUITY		**484,028,710**	**698,938,535**
Supplementary information			
Number of ordinary shares in issue ('000)		768,910	950,728
Net assets per share (RM/share) [1]		0.59	0.66
Gearing ratio [2]		0.84	0.61

Notes:
[1] *Net assets per share is computed based on the total equity attributable to owners of the Company divided by the number of ordinary shares in issue*
[2] *Gearing ratio is computed as total borrowings (excluding lease liabilities) divided by total equity attributable to owners of the Company.*

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

5 ILLUSTRATIVE SUMMARISED FINANCIAL INFORMATION SHOWING THE EFFECTS OF CERTAIN SUBSEQUENT EVENTS PERTAINING TO THE COMPLETED TRANSACTIONS OF LIANNEX FLEET GROUP (CONTINUED)

5.2 Illustrative summarised financial information (continued)

5.2.1 Notes to the illustrative summarised financial information

As only the Current Borrowings and Capital Reorganisation Reserve in Pro Forma I and Pro Forma II as set out on Pro Forma SOFP on pages 1 and 2 are impacted by the Acquisitions, the effects of the Acquisitions on these selected financial line items are illustrated as follows:

(a) Current Borrowings

The movements of the Illustrative Current Borrowings incorporating the effects of the Proposals to the Pro Forma SOFP as shown in Note 3 and the Acquisitions as set out in Note 5.1 are shown below:

	Current Borrowings RM'
Pro Forma I	**271,090,703**
Add: Drawdown of borrowings to finance the Acquisitions	87,376,790
Illustrative I (a) / Illustrative I (b)	**358,467,493**

(b) Capital Reorganisation Reserve

The movement of the Illustrative Capital Reorganisation Reserve incorporating the effects of the Proposals to the Pro Forma SOFP as shown in Note 3 and the Acquisitions as set out in Note 5.1 are shown below:

	Capital Reorganisation Reserve RM'
Pro Forma I	**(26,157,666)**
Add: Effect of the Acquisitions	(87,376,790)
Illustrative I (a) / Illustrative I (b)	**(113,534,456)**

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ICON OFFSHORE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND ACCOMPANYING NOTES THEREON

6 APPROVAL BY BOARD OF DIRECTORS

Pursuant to the board resolution on 22 November 2024, the Board of Directors have approved amongst others that Dato' Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar to act and sign the Pro Forma SOFP of the Company as at 31 December 2023, and any modifications, variations and/or amendments relating there to. Accordingly, the Pro Forma SOFP of the Company as at 31 December 2023 was signed and executed on 7 January 2025.

DATO' SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR
DIRECTOR

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The Board of Directors
Icon Offshore Berhad,
Suite 28.01, Level 28,
Menara Southpoint, Mid Valley City,
58000 Kuala Lumpur.

20 November 2024

PwC/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF

Dear Sirs,

Reporting Accountant's Opinion on the Combined Financial Statements contained in the Accountant's Report of Liannex Group

Our Opinion

We have audited the accompanying financial statements of Liannex Fleet Pte Ltd ("Liannex Fleet") and its subsidiaries (the "Liannex Group") which comprise the combined statements of financial position as at 31 December 2023, 31 December 2022 and 31 December 2021, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021, and notes to the combined financial statements including summary of material accounting policies (together, the "Combined Financial Statements"), as set out on pages 1 to 53. The Combined Financial Statements have been prepared for purposes of inclusion in Icon Offshore Berhad ("IOB")'s circular to shareholders (the "Circular to Shareholders") in connection with the proposed acquisition of Liannex Group by IOB (the "Proposal").

In our opinion, the Combined Financial Statements give a true and fair view of the combined financial position of Liannex Group as at 31 December 2023, 31 December 2022 and 31 December 2021 and of its combined financial performance and cash flows for the financial years then ended, in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

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The Board of Directors
Icon Offshore Berhad
PwC/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF
20 November 2024

Reporting Accountant's Opinion on the Combined Financial Statements contained in the Accountant's Report of Liannex Group (Continued)

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Reporting Accountant's Responsibilities for the Audit of the Combined Financial Statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of Liannex Group in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Directors' Responsibilities for the Combined Financial Statements

The Directors of Liannex Fleet (the "Directors") are responsible for the preparation of the Combined Financial Statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the Combined Financial Statements that is free from material misstatement, whether due to fraud or error.

In preparing the Combined Financial Statements, the Directors are responsible for assessing Liannex Group's' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Liannex Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountant's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Combined Financial Statements.

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The Board of Directors
Icon Offshore Berhad
PwC/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF
20 November 2024

Reporting Accountant's Opinion on the Combined Financial Statements contained in the Accountant's Report of Liannex Group (Continued)

Reporting Accountant's Responsibilities for the Audit of the Combined Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Liannex Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Liannex Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Combined 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 opinion. However, future events or conditions may cause Liannex Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Combined Financial Statements, including the disclosures, and whether the Combined Financial Statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Liannex Group to express an opinion on the Combined Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

pwc

The Board of Directors
Icon Offshore Berhad
PwC/IOB/IM/WDY/DDR/006Vl00000C9N9mIAF
20 November 2024

Reporting Accountant's Opinion on the Combined Financial Statements contained in the Accountant's Report of Liannex Group (Continued)

Restriction on Distribution and Use

This report is issued for the sole purpose of inclusion in the Circular to Shareholders in connection with the Proposal, and should not be used or relied upon for any other purposes. Accordingly, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

PricewaterhouseCoopers PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

LIANNEX FLEET PTE LTD
(Incorporated in Singapore)
(Registration No.: 202406787C)

ACCOUNTANTS' REPORT
COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2023, 31 DECEMBER 2022 AND 31 DECEMBER 2021

Liannex Fleet Pte Ltd
(Incorporated in Singapore)
(Registration No.: 202406787C)

COMBINED FINANCIAL STATEMENTS

Contents **Page(s)**

Liannex Fleet Pte Ltd
(Incorporated in Singapore)
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COMBINED FINANCIAL STATEMENTS

Combined statements of comprehensive income

	Note	31.12.2023	31.12.2022	31.12.2021
		Financial years ended		
		SGD	SGD	SGD
Revenue	6	26,766,417	22,012,729	12,008,794
Cost of sales		(14,007,634)	(13,569,743)	(8,216,872)
Gross profit		12,758,783	8,442,986	3,791,922
Other income		248,286	580,546	146,060
Administrative expenses		(1,278,905)	(1,060,471)	(865,432)
Fair value (losses)/gains from derivative	8	(266,734)	748,165	(171,940)
Finance costs	7(a)	(1,847,590)	(1,659,379)	(519,472)
Finance income	7(b)	55	120	171
Profit before tax	8	9,613,895	7,051,967	2,381,309
Tax expenses	9	(246,667)	(8)	(30)
Net profit for the financial year/ Total comprehensive income for the financial year		9,367,228	7,051,959	2,381,279

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The accompanying notes form an integral part of these financial statements.

Liannex Fleet Pte Ltd
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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of financial position

	Note	31.12.2023	31.12.2022	As at 31.12.2021
		SGD	SGD	SGD
NON-CURRENT ASSETS				
Property, plant and equipment	10	68,561,446	70,358,132	47,575,933
Derivative assets	11	72,774	210,120	-
Intangible assets	12	19	64	250
		68,634,239	70,568,316	47,576,183
CURRENT ASSETS				
Prepayments	13(b)	303,633	311,245	297,932
Trade and other receivables	13(a)	57,745	198,789	-
Derivative assets	11	236,717	366,105	-
Tax recoverable		22,087	-	-
Cash and cash equivalents	14	1,007,912	917,018	300,568
		1,628,094	1,793,157	598,500
CURRENT LIABILITIES				
Derivative liabilities	11	-	-	117,044
Borrowings	15	6,403,126	6,529,383	11,450,102
Amounts due to ultimate holding company of the Operating Companies	16	31,783,827	36,742,673	27,715,798
Other payables	17	635,460	606,535	527,416
Tax payable		33,000	-	-
		38,855,413	43,878,591	39,810,360
NET CURRENT LIABILITIES		(37,227,319)	(42,085,434)	(39,211,860)
		31,406,920	28,482,882	8,364,323
CAPITAL AND RESERVES				
Invested equity	18	3,973,388	3,973,388	3,973,388
Retained earnings		17,858,297	8,491,069	1,439,110
Total equity		21,831,685	12,464,457	5,412,498

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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of financial position (continued)

				As at
	Note	31.12.2023	31.12.2022	31.12.2021
		SGD	SGD	SGD
NON-CURRENT LIABILITIES				
Borrowings	15	6,464,644	13,121,496	-
Derivative liabilities	11	-	-	54,896
Deferred tax liability	20	213,662	-	-
Redeemable preference convertible shares	19	2,896,929	2,896,929	2,896,929
		9,575,235	16,018,425	2,951,825
		31,406,920	28,482,882	8,364,323

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Liannex Fleet Pte Ltd
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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of changes in equity

	Invested equity SGD	Retained earnings SGD	Total SGD
As at 1.1.2023	3,973,388	8,491,069	12,464,457
Total comprehensive income:			
Net profit for the financial year	-	9,367,228	9,367,228
As at 31.12.2023	3,973,388	17,858,297	21,831,685
As at 1.1.2022	3,973,388	1,439,110	5,412,498
Total comprehensive income:			
Net profit for the financial year	-	7,051,959	7,051,959
As at 31.12.2022	3,973,388	8,491,069	12,464,457
As at 1.1.2021	3,973,388	(942,169)	3,031,219
Total comprehensive income:			
Net profit for the financial year	-	2,381,279	2,381,279
As at 31.12.2021	3,973,388	1,439,110	5,412,498

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Liannex Fleet Pte Ltd
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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of cash flows

	Note	Financial years ended 31.12.2023 SGD	31.12.2022 SGD	31.12.2021 SGD
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		9,613,895	7,051,967	2,381,309
Property, plant and equipment:				
- depreciation		5,338,069	4,501,397	3,183,973
- gain on disposal		(5,958)	(108,699)	-
- write-off		-	-	738
Amortisation of intangible assets		45	186	192
Finance costs		1,847,590	1,659,379	519,472
Fair value losses/(gains) from derivative		266,734	(748,165)	171,940
Unrealised foreign currency - exchange difference		(255,021)	(422,669)	(58,843)
Operating profit before working capital changes		16,805,354	11,933,396	6,198,781
Changes in working capital:				
Increase/(Decrease) in trade and other receivables		148,656	(210,449)	69,519
Decrease in amounts due to the ultimate holding company of the Operating Companies		(16,840,286)	(12,107,808)	(5,140,121)
Decrease in other payables		(412,621)	(21,214)	(1,490,510)
Cash generated used in operations		(298,897)	(406,075)	(362,331)
Income tax paid		(22,092)	(8)	(30)
Net cash flow used in operating activities		(320,989)	(406,083)	(362,361)
CASH FLOWS FROM INVESTING ACTIVITY				
Purchase of property, plant and equipment		(583)	(23,173,919)	(11,295,316)
Net cash flow used in investing activity		(583)	(23,173,919)	(11,295,316)

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Liannex Fleet Pte Ltd
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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of cash flows (continued)

	Note	Financial years ended 31.12.2023 SGD	31.12.2022 SGD	31.12.2021 SGD
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of borrowings		-	13,401,600	11,252,520
Repayment of borrowings		(6,528,088)	(4,778,154)	(1,435,309)
Interest paid on borrowings*		(820,635)	(706,423)	(88,140)
Advances from the ultimate holding company of the Operating Companies		7,761,189	16,279,429	2,052,408
Repayments to the ultimate holding company of the Operating Companies		-	-	(85,115)
Net cash flow from financing activities		412,466	24,196,452	11,696,364
Net change in cash and cash equivalents		90,894	616,450	38,687
Cash and cash equivalents at beginning of the financial year		917,018	300,568	261,881
Cash and cash equivalents at end of the financial year	14	1,007,912	917,018	300,568

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* Included in the Group's finance cost paid is finance cost relating to interest rate swaps of SGD50,278 and SGD13,170 paid during the financial year ended 31 December 2022 and financial year ended 31 December 2021 respectively, and netted off against finance income relating to interest rate swaps of SGD400,570 received during the financial year ended 31 December 2023.

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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of cash flows (continued)

Non-cash transactions of property, plant and equipment

1) The Group acquired property, plant and equipment by way of:

			As at
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Cash	583	23,173,919	11,295,316
Payments on behalf by ultimate holding company of the Operating Companies	3,295,228	4,150,331	10,561,738
Accruals	441,546	100,334	27,078
Total additions of property, plant and equipment	3,737,357	27,424,584	21,884,132

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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of cash flows (continued)

Reconciliation of liabilities arising from financing activities

	Borrowings SGD	Amounts due to the ultimate holding company of the Operating Companies SGD	Total SGD
2023			
As at 1.1.2023	19,650,879	36,742,673	56,393,552
Financing cash flows			
Advances from the ultimate holding company of the Operating Companies	-	7,761,189	7,761,189
Principal payment	(6,528,088)	-	(6,528,088)
Interest payment	(1,221,205)	-	(1,221,205)
Non-cash changes arising from operating activities			
Payments made on behalf by the ultimate holding company of the Operating Companies	-	6,460,404	6,460,404
Expenses charged by the ultimate holding company of the Operating Companies		3,465,727	3,465,727
Chartering revenue	-	(26,766,417)	(26,766,417)
Non-cash changes arising from investing activity			
Property, plant and equipment paid on behalf by the ultimate holding company of the Operating Companies	-	3,295,228	3,295,228
Proceeds from disposal of property, plant and equipment received on behalf by the ultimate holding company of the Operating Companies	-	(201,932)	(201,932)
Non-cash changes arising from financing activities			
Interest expense	1,221,205	1,026,955	2,248,160
Currency translation differences	(255,021)	-	(255,021)
As at 31.12.2023	12,867,770	31,783,827	44,651,597

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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of cash flows (continued)

Reconciliation of liabilities arising from financing activities (continued)

	Borrowings SGD	Amounts due to the ultimate holding company of the Operating Companies SGD	Total SGD
2022			
As at 1.1.2022	11,450,102	27,715,798	39,165,900
Financing cash flows			
Drawdowns	13,401,600	-	13,401,600
Advances from the ultimate holding company of the Operating Companies	-	16,279,429	16,279,429
Principal payment	(4,778,154)	-	(4,778,154)
Interest payment	(656,145)	-	(656,145)
Non-cash changes arising from operating activities			
Payments made on behalf by the ultimate holding company of the Operating Companies	-	5,709,632	5,709,632
Expenses charged by the ultimate holding company of the Operating Companies		4,195,289	4,195,289
Chartering revenue	-	(22,012,729)	(22,012,729)
Non-cash changes arising from investing activity			
Property, plant and equipment paid on behalf by the ultimate holding company of the Operating Companies	-	4,150,331	4,150,331
Proceeds from disposal of property, plant and equipment received on behalf by the ultimate holding company of the Operating Companies	-	(248,033)	(248,033)
Non-cash changes arising from financing activities			
Interest expense	656,145	952,956	1,609,101
Currency translation differences	(422,669)	-	(422,669)
As at 31.12.2022	19,650,879	36,742,673	56,393,552

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COMBINED FINANCIAL STATEMENTS (CONTINUED)

Combined statements of cash flows (continued)

Reconciliation of liabilities arising from financing activities (continued)

	Borrowings	Amounts due to the ultimate holding company of the Operating Companies	Total
	SGD	SGD	SGD
2021			
As at 1.1.2021	1,691,734	19,895,558	21,587,292
Financing cash flows			
Drawdowns	11,252,520	-	11,252,520
Advances from the ultimate holding company of the Operating Companies	-	2,052,408	2,052,408
Repayment of advances from the ultimate holding company of the Operating Companies	-	(85,115)	(85,115)
Principal payment	(1,435,309)	-	(1,435,309)
Interest payment	(74,970)	-	(74,970)
Non-cash changes arising from operating activities			
Payments made on behalf by the ultimate holding company of the Operating Companies	-	3,002,623	3,002,623
Expenses charged by the ultimate holding Company of the Operating Companies		3,356,069	3,356,069
Novation*	-	509,979	509,979
Chartering revenue	-	(12,008,794)	(12,008,794)
Non-cash changes arising from investing activity			
Property, plant and equipment paid on behalf by the ultimate holding company of the Operating Companies	-	10,561,738	10,561,738
Non-cash changes arising from financing activities			
Interest expense	74,970	431,332	506,302
Currency translation differences	(58,843)	-	(58,843)
As at 31.12.2021	11,450,102	27,715,798	39,165,900

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*This amount relates to amount due to a fellow subsidiary of the ultimate holding company of the Operating Companies which was novated to amount due to ultimate holding company of the Operating Companies.

The accompanying notes form an integral part of these financial statements

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

1 General information

Liannex Fleet Pte Ltd, (the "Company" or "Liannex Fleet") is a private limited liability company incorporated and domiciled in Singapore on 21 February 2024. The registered office and principal place of business of the Company is 28 Kranji Loop, #05-07/08, Singapore 739571. The Company's immediate holding company is Liannex Corporation (S) Pte. Ltd. ("Liannex Corp"), a company incorporated in Singapore. Mr. Lim Han Weng holds 16,326,081 shares in Liannex Corp whilst the remaining 2 shares are held by his wife Madam Bah Kim Lian. The Directors regard Mr. Lim Han Weng and Madam Bah Kim Lian as the Company's ultimate controlling shareholders.

The Company was incorporated to undertake an internal restructuring as described below for the purpose of the proposed acquisition of Liannex Corp's marine assets by Icon Offshore Berhad.

- On 17 May 2024, the Company completed its acquisition of the entire equity interest in the following entities from Liannex Corp, resulting in these companies being wholly owned subsidiaries of the Company.

  The list of the companies acquired, country of incorporation, principal place of business, principal activity, and shareholding percentages that the Company holds over them are as follows.

Operating Companies	Country of incorporation/ Principal place of business	Shareholding percentage	Principal activity
Barisar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Bursar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Ferlisar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Gimsar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Handal Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Himsar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Kangsar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Kelisar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Melisar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator
Nimsar Corporation Pte Ltd*	Singapore	100%	Vessel owner and operator

**Acquired on 17 May 2024*

- On 23 May 2024, the Company completed its acquisition of 49% equity interest and 100% of redeemable convertible preference shares in Yinson Power Marine Sdn. Bhd. from Liannex Asia Pacific Sdn. Bhd. which is in turn a wholly owned subsidiary of Liannex Corp. This resulted in Yinson Power Marine Sdn. Bhd. to be a subsidiary of the Company. The remaining 51% equity interest in Yinson Power Marine Sdn. Bhd. is owned by Mr. Lim Han Weng. Yinson Power Marine Sdn. Bhd. is a company incorporated and has a principal place of business in Malaysia. Its principal activity includes marine transport services and leasing of tug boat and barge.

- The total purchase consideration for the acquisition of 10 Singapore entities and Yinson Power Marine Sdn. Bhd. (collectively referred to as "Operating Companies") was SGD25,094,572 and was settled by the Company via offsetting its intercompany balances with Liannex Corp. The acquisitions were funded by way of a borrowing undertaken by the Company in which the proceeds from the borrowings was passed to Liannex Corp as intercompany advances before the completion of the acquisition of the Operating Companies as disclosed in Note 23 Event subsequent to reporting date.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1 General information (continued)

The Company is an investment holding company. The Company and its Operating Companies (collectively referred to as the "Group") in the Combined Financial Statements, are principally engaged in the provision of marine transport services, ship management services and leasing of tug boats and bulk carriers. There has been no significant change in the nature of these activities during the financial years presented in the Combined Financial Statements.

The Directors regard Mr. Lim Han Weng and Madam Bah Kim Lian as the ultimate controlling shareholders of the Group throughout the reporting periods covered in the Accountants' report and after the completion of the internal restructuring.

2 Basis of presentation

As the Company was only incorporated on 21 February 2024 and does not have any economic activities, assets and liabilities as of the date of incorporation, the Combined Financial Statements of the Group are effectively the Operating Companies' financial results and cash flows for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 and the Operating Companies' financial positions as at 31 December 2023, 31 December 2022 and 31 December 2021

The Combined Financial Statements of the Group for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 reflect:

- The total carrying amounts of assets and liabilities of the Company and Operating Companies as of 31 December 2023, 31 December 2022 and 31 December 2021;
- The financial results and cash flows of the Company and Operating Companies for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 ; and
- Net of the eliminations of the transactions among the Operating Companies.

The Combined Financial Statements of the Group for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The Combined Financial Statements of the Group have been prepared under the historical cost convention unless otherwise indicated in the Summary of Material Accounting Policies as set out in Note 3 to the Combined Financial Statements.

The preparation of the Combined Financial Statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at each reporting date, and the reported amounts of revenues and expenses during each reported period. It also requires the Board of Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgements are based on the Board of Directors' best knowledge of current events and actions, actual results may differ from these estimates.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2 Basis of presentation (continued)

As at 31 December 2023, 31 December 2022 and 31 December 2021 the Group's current liabilities exceeded its current assets by SGD37,227,319, SGD42,085,434 and SGD39,211,860 respectively. The Operating Companies have since obtained assurances of financial support from their ultimate holding company. The ultimate holding company of the Operating Companies has confirmed that it would not seek the repayment of amounts advanced to the Operating Companies by the ultimate holding company of the Operating Companies for a period of at least 12 months from the date of the Combined Financial Statements unless adequate financing has been secured by the Operating Companies. The ultimate holding company of the Operating Companies has also agreed to provide continuing financial support to the Operating Companies to enable it to meet its other liabilities as and when the fall due and to continue with its business without any significant curtailment of its operations for a period up to at least twelve months from the signing date of the Combined Financial Statements.

Based on the above factors, the Board of Directors of the Company are of the view that the Group is able to operate on a going concern basis. Further details of how the Group manages its liquidity risk is disclosed in Note 5.

a) Standards and amendments to published standards that are effective

The Group has applied the following amendments to published standards for the first time for the financial year beginning on 1 January 2021:
- Amendments to MFRS 16 "COVID-19-Related Rent Concessions"
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 "Interest Rate Benchmark Reform – Phase 2"

The Group has applied the following amendments to published standards for the first time for the financial year beginning on 1 January 2022:
- Amendments to MFRS 116 'Proceeds before Intended Use'
- Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract'
- Annual Improvements to MFRS 9 'Fees in the 10 per cent' test for Derecognition of Financial Liabilities'
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives
- Annua Improvements to MFRS 141 'Taxation in Fair Value Measurements'
- Amendments to MFRS 3 'Reference to the Conceptual Framework'

The Group has applied the following standard and amendments to published standards for the first time for the financial year beginning on 1 January 2023:
- MFRS 17 'Insurance Contracts' and its amendments
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – deferred tax related to assets and liabilities arising from a single transaction
- International Tax Reform – Pillar Two Model Rules Amendments to MFRS 112

The standard and amendments to published standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2 Basis of presentation (continued)

b) Standards early adopted by the Group

The following amendments to published standards were early adopted by the Group with effect from the financial year beginning 1 January 2021.

- Amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 'Disclosures of accounting policies'

  MFRS 101 "Presentation of Financial Statements" and MFRS Practice Statement 2 'Disclosure of accounting policies' require the disclosure of 'material' rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting Operating Companies to provide useful, entity-specific accounting policy information that users need to understand other information in the Combined Financial Statements.

  The amendments did not result in any changes to the Group's accounting policies. However, it impacted the accounting policy information disclosed in the Combined Financial Statements. The material accounting policies is disclosed in Note 3.

c) Amendments to published standards that have been issued but not yet effective

A number of new standards and amendments to published standards are effective and applicable to the Group for the financial year beginning on or after 1 January 2024 as set out below. None of these are expected to have significant effect on the Combined Financial Statements of the Group in the year of initial application:

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current and Non-current
- Amendments to MFRS 121 'The effects of changes in foreign exchange rates' – Lack of exchangeability
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
  - The new MFRS introduces a new structure of profit or loss statement.

    a. Income and expenses are classified into 3 new main categories:
      - Operating category which typically includes results from the main business activities;
      - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
      - Financing category that presents income and expenses from financing liabilities.

    b. Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
      - Management-defined performance measures ('MPMs') are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
      - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The amendments shall be applied retrospectively.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies

The principal accounting policies applied in the preparation of these Combined Financial Statements are set out below. Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Combined Financial Statements.

3.1 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. All property, plant and equipment are subsequently stated at historical cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Gains or losses on disposals are determined by comparing the net proceeds with the carrying amounts and are included in other income/(other expenses) in profit or loss.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

Property, plant and equipment are depreciated on the straight-line basis to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

Vessels	15 – 20 years
Drydock	5 years
Vessel equipment	5 years
Computer hardware	5 years
Office equipment	5 years

Drydocking expenditure represents major inspection and overhaul costs and is depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking. The Group has included these drydocking costs as a separate component of the vessel's costs.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each financial year. The residual values of the vessels is based on ship demolition prices i.e. scrap value.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.2 Financial assets

(a) Classification

The Group classifies its non-derivative financial assets under the 'amortised cost' measurement category. The classification of debt instruments depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at 'fair value through profit or loss' ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are 'solely payments of principal and interest' ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flows characteristics of the affected asset. The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The Group classifies its debt instruments under the 'amortised cost' measurement category.

- 'Amortised cost'

  Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at 'amortised cost'. Interest income from these financial assets is included in interest income using the effective interest rate method.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.2 Financial assets (continued)

(d) Subsequent measurement - Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Impairment for debt instruments

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at 'amortised cost'. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has two types of financial instruments that are subject to the ECL model:
- Trade receivables
- Other receivables (including non-trade amounts due from ultimate holding company of the Operating Companies)

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between the present value of cash flows according to contract and the present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

Simplified approach for trade amounts from the ultimate holding company of the Operating Companies

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables owing from ultimate holding company of the Operating Companies. Note 5.1(b) to the Combined Financial Statements sets out the measurement details of ECL.

General 3-stage approach for non-trade amounts due from the ultimate holding company of the Operating Companies and deposits

At each reporting date, the Group measures ECL through loss allowance for impairment at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance for impairment at an amount equal to lifetime ECL is required. Note 5.1(b) to the Combined Financial Statements sets out the measurement details of ECL.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.2 Financial assets (continued)

(d) Subsequent measurement - Impairment of financial assets (continued)

(ii) Significant increase in credit risk of financial assets

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.
The following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information such as the expected Gross Domestic Product ("GDP") growth rates is incorporated when assessing whether there is a significant increase in credit risk.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(iii) Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The Group considers a financial instrument as default, when the counterparty fails to make contractual payment within 90 days when they fall due based on historical collection trend.

Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.2 Financial assets (continued)

(d) Subsequent measurement - Impairment of financial assets (continued)

(iv) Groupings of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables are based on their shared credit risk characteristics (i.e. customers' geographical location and/or industry segment) and the days past due. The contract assets relate to unbilled work-in-progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the credit loss rates for the contract assets.

Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually. Other receivables (including non-trade amounts due from ultimate holding company of the Operating Companies) and deposits are assessed on individual basis for ECL measurement as credit risk information is obtained and monitored separately.

(v) Write-off

Trade amounts from the ultimate holding company of the Operating Companies

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, the debtors are insolvent, or the Group has exhausted all reasonable recovery action (including legal action).

Non-trade amounts due from the ultimate holding company of the Operating Companies and deposits

The Group write-off financial assets, in whole or in part, when they have exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.2 Financial assets (continued)

Derivative financial instruments

The Group uses derivative financial instruments, interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period.

Derivatives that do not qualify for hedge accounting are classified as fair value through profit or loss and changes in fair value are recognised in profit or loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. For derivative assets, the portion of the asset that is expected to be realised within 12 months is presented as current assets. Otherwise, they should be classified as non-current assets. For derivative liabilities, the portion of a liability settlement that cannot be deferred for at least 12 months after the balance sheet date is presented as a current liability, where the remainder should be presented as a non-current liability.

The Group does not apply hedge accounting.

3.3 Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

The Group classifies all financial liabilities as subsequently measure at amortised cost.

Trade and other payables

Trade and other payables are initially measure at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.3 Financial liabilities and equity instruments (continued)

Borrowings

Interest-bearing bank loans are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of financial year, in which case they are presented as non-current liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

3.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the combined statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3.5 Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.6 Trade and other payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of the financial year which are unpaid. Other payables generally arise from transactions outside the ordinary course of businesses of the Group. Trade and other payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred, which include non-refundable taxes and duties.

Trade and other payables are subsequently measured at 'amortised cost' using the effective interest method.

3.7 Borrowings and borrowing costs

(a) Borrowings

Borrowings are recognised initially at fair values, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the combined statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss within 'finance costs'.

Where the terms of a financial liability are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

When borrowings measured at amortised cost is modified without this resulting in de-recognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately in the profit or loss within 'finance costs'.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.7 Borrowings and borrowing costs (continued)

(b) Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.8 Taxes

Income tax expense comprise of tax expense and deferred tax expense.

Current income tax

Current income tax expense is an amount of income tax payable in respect of the taxable profit for a period. Current income tax liabilities for the current and prior periods shall be measured at the amount expected to be paid to the taxation authorities using the tax rates and interpretation to applicable tax laws that have been enacted or substantively enacted by the end of the financial year. Management evaluates its income tax provisions on a periodical basis.

Current income tax expenses are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases of asset and liabilities, except when the temporary differences arise from the initial recognition of goodwill or other assets and liabilities that is not a business combination and affects neither accounting profit nor taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.8 Taxes (continued)

Deferred tax assets and liabilities are measured using the tax rates expected to apply got the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of financial year. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the ta is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

3.9 Invested equity

The invested equity comprises the share capital of the Operating Companies.

3.10 Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct promise of goods and services (a performance obligation) in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. When the standalone selling prices are not directly observable, they are estimated based on expected cost-plus margin. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Chartering and hiring of vessels

The Group provides vessels to customers at the request of the customer. Provision of vessels is a single performance obligation. Revenue from chartering and hiring of vessels is recognised over the period based on time lapsed method, determined based on the actual time lapsed relative to the total services period. There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

Marine transportation services

The Group provides marine transportation services to customers at the request of the customer. Provision of marine transportation services is a single performance obligation. Revenue from provision of marine transportation services is recognised over the period based on time lapsed method, determined based on the actual time lapsed relative to the total services period. There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.11 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency is Singapore Dollars ("SGD") for 10 of the Operating Companies that were incorporated in Singapore and 1 operating company that was incorporated in Malaysia. The Combined Financial Statements are presented in SGD, being the presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the foreign currency exchange rates approximating those prevailing at the dates of the transactions or valuation where items are re-measured. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of the financial year using the foreign currency exchange rates approximating those prevailing at the reporting date, are recognised in the profit or loss. All foreign currency exchange gains and losses are presented on net basis in the profit or loss under 'Currency translation difference'.

(c) Group companies

The financial results and financial position of the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Group are translated from their functional currency into the presentation currency of the Group as follows:

- Assets and liabilities for each statements of financial position presented are translated at the closing foreign currency exchange rates approximating those prevailing at the reporting date;
- Income and expenses for each profit or loss are translated at average foreign currency exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the foreign currency exchange rates prevailing on the transaction dates, in which case income and expenses are translated at the foreign currency exchange rates on the dates of the transactions); and
- All resulting foreign currency exchange differences are recognised in the profit and loss as "Currency translation difference' and in the statements of financial position as 'Currency translation reserves'.

3.12 Redeemable convertible preference shares

The redeemable convertible preference shares are classified as liability in its entirely based on the terms of the contract. The terms of the redeemable convertible preference shares are disclosed in Note 19 to the financial statements.

The redeemable convertible preference shares are initially recognised at fair value. Subsequent to initial recognition, the liability is measured at amortised cost using the effective interest method until it is extinguished on conversion or redemption.

Upon conversion of redeemable convertible preference shares to equity, the amount credited to share capital is the aggregate of the carrying amounts of the liability component classified within liability at the time of conversion. No gain or loss is recognised.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3 Summary of material accounting policies (continued)

3.13 Redeemable convertible preference shares

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The Operating Companies' contribution to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Operating Companies have no further financial obligations.

4 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives after deducting their residual values. Management exercises judgment in estimating these useful lives based on their knowledge of the assets and industry experience. Typically, the useful lives align with the design life of the assets. For vessels, useful lives depend on their condition, which is influenced by factors such as frequency of usage, weather conditions, technical and commercial obsolescence, and physical wear and tear.

The Group assesses annually useful lives of the property, plant and equipment and if expectation differs from the original estimate, such difference will impact depreciation in the financial year in which such estimate has been changed.

For the financial year ended 31 December 2023, the impact of the sensitivity resulting from a 5 year increase/decrease in estimated useful life on the carrying value of property, plant and equipment and depreciation expenses charged to profit and loss annually are analysed as follows:

	Depreciation expense SGD
Useful life	
- Increase by 5 years, decrease in depreciation expenses	1,390,940
- Decrease by 5 years, increase in depreciation expenses	(3,226,071)

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

4 Critical Accounting Estimates and Judgements (continued)

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below. (continued)

(b) Revenue recognition for the vessels on hire

The Group currently recognises its revenue arrangements for the hiring of vessels under MFRS 15, "Revenue from Contracts with Customers", due to the substantive substitution rights retained by the Group throughout the period of use. The Group retains the right to substitute the vessels at any point during the hire period whilst ensuring that it benefits from doing so. This indicates that the customer does not have control over the use of the specific vessel, as the Group can substitute the vessel with another of similar specifications and capabilities.

5 Financial risk management

5.1 Financial risk factors

The Board of Directors is responsible for setting objectives and underlying principles of financial risk management for the Group. The Group then establishes detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

Market risk arises from the Group's use of interest bearing, and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rates or other market factors.

(i) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

Foreign currency risk arises when the Group enters into transactions denominated in a foreign currency other than its functional currency. The Group does not enter into foreign exchange contracts for speculative purposes.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(a) Market risk (continued)

Market risk arises from the Group's use of interest bearing, and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rates or other market factors. (continued)

(i) Foreign currency exchange risk (continued)

The Group's exposure to foreign currency exchange risk, based on the carrying amounts as at 31 December 2023, 31 December 2022 and 31 December 2021 expressed in SGD are as follows:

	Functional currency	Currency other than the functional currency	
	SGD	USD	MYR
As at 31.12.2023			
FINANCIAL ASSETS			
Cash and cash equivalents	218,463	720,224	69,225
Trade and other receivables	57,745	-	-
	276,208	720,224	69,225
FINANCIAL LIABILITIES			
Borrowings	-	(12,867,770)	-
Amounts due to the ultimate holding company of the Operating Companies	(31,783,827)	-	-
Other payables	(612,223)	(23,237)	-
Redeemable preference convertible shares	-	-	(2,896,929)
	(32,396,050)	(12,891,007)	(2,896,929)
Net exposure in the statements of financial position	(32,119,842)	(12,170,783)	(2,827,704)

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign currency exchange risk (continued)

	Functional currency	Currency other than the functional currency	
	SGD	USD	MYR
As at 31.12.2022			
FINANCIAL ASSETS			
Cash and cash equivalents	176,412	730,333	10,273
Trade and other receivables	198,789	-	-
	375,201	730,333	10,273
FINANCIAL LIABILITIES			
Borrowings	-	(19,650,879)	-
Amounts due to the ultimate holding company of the Operating Companies	(36,742,673)	-	-
Other payables	(579,300)	(27,235)	-
Redeemable preference convertible shares	-	-	(2,896,929)
	(37,321,973)	(19,678,114)	(2,896,929)
Net exposure in the statements of financial position	(36,946,772)	(18,947,781)	(2,886,656)
As at 31.12.2021			
FINANCIAL ASSETS			
Cash and cash equivalents	161,260	117,616	21,692
FINANCIAL LIABILITIES			
Borrowings	(631,095)	(10,819,007)	-
Amounts due to the ultimate holding company of the Operating Companies	(27,715,798)	-	-
Other payables	(517,927)	(9,489)	-
Redeemable preference convertible shares	-	-	(2,896,929)
	(28,864,820)	(10,828,496)	(2,896,929)
Net exposure in the statements of financial position	(28,703,560)	(10,710,880)	(2,875,237)

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign currency exchange risk (continued)

Sensitivity analysis

The following table details the sensitivity analysis when USD strengthens/ weakens by 2.5% (2022: 2.5%, 2021: 1%) against the respective functional currencies of the entities within the Group. With all other variables held constant, profit after tax and equity for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021, would have been higher/(lower) by approximately:

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
USD			
- strengthened 2.5%/2.5%/1%	(304,270)	(473,695)	(107,109)
- weakened 2.5%/2.5%/1%	304,270	473,695	107,109

(ii) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rate.

The interest rate profile of the Group's floating interest-bearing borrowings based on their carrying amounts as of the end of the reporting period was as follows:

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Floating interest rate borrowings	12,867,770	19,650,879	11,450,102

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. The Group's exposure to interest rate risk is mainly arising from floating interest rate term loans. The Group has managed this risk by entering into several interest rate swaps to convert 100% of the interest rate from external borrowings into fixed interest rate borrowings in order to manage the risks exposure from the variability in interest rates. Details of these interest rate swaps are further disclosed in Note 11 to the financial statements.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations, as and when they fall due.

As the Group does not hold collateral, the maximum exposure to credit risk to each class of financial instrument is the carrying amount of that class of financial instruments presented in the statement of financial position, except for the guarantee issued to a bank for banking facility granted to the ultimate holding company of the Operating Companies.

The Group does not have any significant credit exposure to any single counterparty or any counterparties having similar characteristics, except the following:

- Trade receivable due from the ultimate holding company of the Operating Companies.
- Bank balances

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(b) Credit risk (continued)

Trade and other receivables

The Group applies the simplified approach, using a provision matrix, to measure the expected credit loss for amount due from ultimate holding company of the Operating Companies. To measure expected credit loss on a collective basis, amount due from ultimate holding company of the Operating Companies are grouped based on similar credit risk and aging. The expected loss rates are based on the Group's historical credit loss experienced over prior years. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

The Group is of the view that the loss allowance for trade and other receivables as at 31 December 2023, 31 December 2022 and 31 December 2021 is immaterial.

Bank balances

The Group seeks to ensure that cash assets are invested safely and profitably by assessing counterparty risks and allocating placement limits for various creditworthy financial institutions. While bank balances are also subject to the impairment requirement of MFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Liquidity risk refers to the risks in which the Group encounters difficulties in meeting its short-term obligations. The Group's liquidity risk management framework is designed to ensure that the Group maintains sufficient liquidity to meet its operational and financial obligations as they fall due.

The Group's liquidity risk management is centrally managed by the Operating Companies' ultimate holding company, which oversees and handles the cash flow requirements, financing, and expenses of the Group. The Operating Companies' ultimate holding company procures vessels and other significant assets on behalf of the Group. By directing all chartering income to the Operating Companies' ultimate holding company., the Group ensures efficient resource allocation, consolidated financial planning, and reduced individual financial burdens on each of the operating company.

As such, the Operating Companies' ultimate holding company will maintain consistency in financial handling and mitigating liquidity risks. Furthermore, the Group operates under an offsetting mechanism whereby the amounts due from the Operating Companies' ultimate holding company are offset by the amounts due to it, ensuring they can meet their financial obligations while maintaining operational liquidity.

As at 31 December 2023, the Group's current liabilities exceeded its current assets by SGD37,227,319 (2022: SGD42,085,434, 2021: SGD39,211,860). Current liabilities of the Group consists of the following:

- Amounts due to the Operating Companies' ultimate holding company of SGD31,783,827 (2022: SGD36,742,673, 2021: SGD27,715,798) as a result of the liquidity risk management policy above; and
- External borrowings of SGD6,403,126 (2022: SGD6,529,383, 2021: SGD11,450,102) that are expected to be repaid within the next 12 months from the respective reporting date.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The Operating Companies have since obtained assurances of financial support from their ultimate holding company. The ultimate holding company of the Operating Companies has confirmed that it would not seek the repayment of amounts advanced to the Operating Companies by the ultimate holding company of the Operating Companies for a period of at least 12 months from the date of the Combined Financial Statements unless adequate financing has been secured by the Operating Companies. The ultimate holding company of the Operating Companies has also agreed to provide continuing financial support to the Operating Companies to enable it to meet its other liabilities as and when the fall due and to continue with its business without any significant curtailment of its operations for a period up to at least twelve months from the signing date of the Combined Financial Statements.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected pay. The table includes expected principal cash flows:

	On demand	Not later than 1 year	Later than 1 year but not later than 5 years	Total
	SGD	SGD	SGD	SGD
As at 31.12.2023				
Non-interest bearing				
Amount due to ultimate holding company of the Operating Companies	8,941,000	-	-	8,941,000
Other payables	635,460	-	-	635,460
Interest bearing				
Borrowings	-	7,164,832	6,821,788	13,986,620
Amount due to ultimate holding company of the Operating Companies	22,842,827	-	-	22,842,827
As at 31.12.2022				
Non-interest bearing				
Amount due to ultimate holding company of the Operating Companies	8,941,000	-	-	8,941,000
Other payables	606,535	-	-	606,535
Interest bearing				
Borrowings	-	7,559,105	14,039,037	21,598,142
Amount due to ultimate holding company of the Operating Companies	27,801,673	-	-	27,801,673

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected pay. The table includes expected principal cash flows (continued):

	On demand	Not later than 1 year	Later than 1 year but not later than 5 years	Total
	SGD	SGD	SGD	SGD
As at 31.12.2021				
Non-interest bearing				
Amount due to ultimate holding company of the Operating Companies	8,941,000	-	-	8,941,000
Other payables	527,416	-	-	527,416
Interest bearing				
Borrowings	11,452,009	636,143	-	12,088,152
Amount due to ultimate holding company of the Operating Companies	18,774,798	-	-	18,774,798
Gross settled – inflow (interest rate swap arrangement)	-	(2,272,179)	(8,788,647)	(11,060,826)
Gross settled – outflow (interest rate swap arrangement)	-	2,389,341	8,845,748	11,235,089

Redeemable Convertible Preference Shares issued by an operating company on 31 December 2019 is classified as a financial liability in the Combined Financial Statements for the financial year ended 31 December 2023, 31 December 2022 and 31 December 2021 and is redeemable in full at SGD2,896,929 upon occurrence of an event of default as disclosed in Note 19.

In the financial year ended 31 December 2021, as disclosed in Note 15, one operating company did not meet the Loan to Security ("LTS") ratio as required under the facility agreement of a borrowing.

Accordingly, for the financial year ended 31 December 2021, borrowings amounting to SGD8,580,592 were reclassified to current liabilities as at 31 December 2021.

The bank had not requested repayment as at 31 December 2021. To address this, additional security was sought, and consequently, the LTS ratios were met in the financial years ended 31 December 2022 and 31 December 2023. The borrowings were then reclassified to non-current liabilities in accordance with its timing of obligations to settle the liabilities.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(d) Fair values estimation

The carrying values of balances disclosed in the Combined Financial Statements approximate their fair values except as disclosed in the notes to the Combined Financial Statements. The Group categorises fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability

Fair value of assets and liabilities

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(i) Financial instruments not measured at fair value

Financial instruments not measured at fair value which are of short-term nature include bank balances, accruals, non-trade amounts due to the ultimate holding company of the Operating Companies and borrowings. Due to their short-term nature, the carrying amount of these current financial assets and financial liabilities measured at amortised costs approximates their fair value.

The carrying amounts of non-current portion of floating rate loans are reasonable approximation of fair values as these floating rate instruments are re-priced to market interest rates on or near the reporting date. Fair values of non-current floating rate loans are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.1 Financial risk factors (continued)

(d) Fair values estimation (continued)

(ii) Financial instruments that are measured at fair value

The fair value of derivative financial instruments to the financial statements classified by level of fair value hierarchy are as follows:

	Level 1 SGD	Level 2 SGD	Level 3 SGD	Total SGD
As at 31.12.2023				
Derivative assets				
- Interest rate swap contract	-	-	309,491	309,491
As at 31.12.2022				
Derivative assets				
- Interest rate swap contract	-	-	576,225	576,225
As at 31.12.2021				
Derivative liability				
- Interest rate swap contract	-	-	(171,940)	(171,940)

There has been no transfer between Level 1, Level 2 and Level 3 as at each reporting date.

The reconciliation of the derivative assets/(liability) categorised within Level 3 of the fair value hierarchy during the respective financial years is as follows :

	Financial years ended		
	31.12.2023 SGD	31.12.2022 SGD	31.12.2021 SGD
Derivate assets/(liability) at the beginning of the financial year	576,225	(171,940)	-
Fair value (losses)/gains recognised in profit and loss arising from interest rate swap contract (Note 8)	(266,734)	748,165	(171,940)
Derivative assets/(liability) at the end of the financial year	309,491	576,225	(171,940)

Derivative financial instruments are not traded in an active market. Management determines the fair value of derivative financial instruments through valuation based on banker's quotation. The key input to the calculation is the variable interest rates.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5 Financial risk management (continued)

5.2 Capital management

The Group manages its capital to ensure that it is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. The Group's management reviews the capital structure on an annual basis. As part of this review, management considers the cost of capital and the risk associated with each class of capital. Upon review, the Group will balance its overall capital structure through payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt, if necessary.

No changes were made in the objectives, policies or processes during the years ended 31 December 2023, 31 December 2022 and 31 December 2021. The capital structure of the Group consists of debt, which includes advances from the ultimate holding company of the Operating Companies, borrowings, and equity comprising issued capital and reserves as presented in the statement of changes in equity.

Over the past three financial years, certain Operating Companies within the Group have been required to comply with external covenants. These covenants stipulate the following requirements:

(a) Certain Operating Companies must maintain their Loan to Security ("LTS") ratios at specified thresholds.
(b) Certain Operating Companies must maintain a positive net asset ratio.
(c) The corporate guarantor, which is the ultimate holding company of the Operating Companies, must maintain both a positive net asset ratio above a certain threshold and a specified gearing ratio for certain borrowings, which were fully repaid in the financial year ended 31 December 2022.

While the respective Operating Companies and the corporate guarantor have met the requirements outlined in (b) and (c) for the respective financial years ended 31 December 2023, 31 December 2022 and 31 December 2021, one operating company did not meet the LTS ratio requirements in (a) as of 31 December 2021. To address this, additional security was sought, and consequently, the LTS ratios were met by the respective Operating Companies in the financial years ended 31 December 2022 and 31 December 2023. Further details can be found in Note 15 of the Combined Financial Statements.

6 Revenue

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Revenue from contracts with customers			
Chartering and hiring of vessels	23,894,990	18,806,017	8,995,449
Marine transportation services	2,871,427	3,206,712	3,013,345
	26,766,417	22,012,729	12,008,794
Timing of revenue recognition			
Over-time	26,766,417	22,012,729	12,008,794

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7 **(a) Finance costs**

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
- Term loans	(820,635)	(706,423)	(88,140)
- Ultimate holding company of the Operating Companies	(1,026,955)	(952,956)	(431,332)
Finance costs	(1,847,590)	(1,659,379)	(519,472)

(b) Finance income

- Bank deposits	55	120	171
Finance income	55	120	171

8 **Profit before tax**

Profit before tax is arrived after charging / (crediting):

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Ship management fees	4,313,524	3,656,804	994,562
Bunker expenses	1,056,980	1,239,439	1,138,128
Crew costs	2,146,880	2,052,828	2,008,061
Insurance costs	841,554	705,032	541,243
Upkeep and maintenance of vessels	698,596	1,695,697	614,822
Depreciation of property, plant and equipment	5,338,069	4,501,397	3,183,973
Employee benefits expenses (Note 8.1)	219,413	209,371	232,167
Survey expenses	376,646	305,704	169,564
Net foreign currency exchange (gain)/loss			
- Realised	13,970	13,143	52,955
- Unrealised	(255,021)	(422,669)	(58,843)
Income from insurance reimbursement	-	-	(85,115)
Fair value losses/(gains) from derivative	266,734	(748,165)	171,940
Gain on disposal of property, plant and equipment	(5,958)	(108,699)	-
Write-off of property, plant and equipment	-	-	738
Amortisation of intangible assets	45	186	192

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

8.1 Employee benefits expenses

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Salaries, allowances and bonuses	212,380	202,257	219,059
Employees provident fund	3,604	3,295	7,613
SOCSO contributions	560	516	1,057
Other employee benefits	2,869	3,303	4,438
Total Employee benefits expenses	219,413	209,371	232,167

9 Tax expenses

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Singapore income tax:			
- current income tax	33,000	-	-
- under accrual in previous financial year	5	8	30
	33,005	8	30
Deferred tax			
- Relating to origination/reversal of temporary differences	213,662	-	-
Tax expenses	246,667	8	30

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable income tax rate is as follows:

	Financial years ended		
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Profit before tax	9,613,895	7,051,967	2,381,309
Tax at statutory income tax rate of 17% for all financial years	1,634,362	1,198,834	404,823
Tax effects of:			
- different tax rate in Malaysia at 24%	51,333	6,147	(46,590)
- expenses not deductible for tax purposes	108,615	2,876	3,603
- tax exempt income	(1,521,427)	(1,203,062)	(395,671)
- utilisation of unrecognised deferred tax asset	(26,221)	(4,795)	-
- deferred tax asset not recognised	-	-	33,835
- under provision of income tax in prior financial year	5	8	30
	246,667	8	30

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

9 Tax expenses (continued)

Shipping income from vessels belonging to Operating Companies in Singapore are exempted from tax as these vessels are flagged inside of Singapore. With effect from 22 December 2022, two vessels belonging to an Operating Company of the Group were flagged outside of Singapore resulting in it's shipping income to no longer be exempted from tax. Resultingly, shipping income earned from the point of being a foreign flagged vessel were subject to tax.

Deferred tax assets have not been recognised in respect of the item below in the Malaysian Operating Company as it is not probable that there will available future taxable profits against which the unused tax losses can be offset:

			As at
	31.12.2023	31.12.2022	31.12.2021
	SGD	SGD	SGD
Unutilised tax losses (expiring in 2029)	-	116,273	140,980
Deferred tax asset not recognised at 24%	-	27,906	33,835

Included in the movement of the unused tax losses during the financial years are the effects of foreign currency translation.

As announced in Malaysia National Budget 2022, effective from year of assessment 2019, the unused tax losses can now be carried forward up to 10 years as compared to the previous 7 years.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

10 Property, plant and equipment

	Vessels SGD	Drydock SGD	Vessel equipment SGD	Office equipment SGD	Computer hardware SGD	Total SGD
2023						
Cost						
As at 1.1.2023	96,278,237	4,565,034	928,559	1,410	1,428	101,774,668
Additions	2,767,028	969,746	-	583	-	3,737,357
Disposals	(311,570)	-	-	-	-	(311,570)
As at 31.12.2023	98,733,695	5,534,780	928,559	1,993	1,428	105,200,455
Accumulated depreciation						
As at 1.1.2023	30,518,810	723,554	172,680	282	1,210	31,416,536
Depreciation	4,093,368	1,059,099	185,113	342	147	5,338,069
Disposals	(115,596)	-	-	-	-	(115,596)
As at 31.12.2023	34,496,582	1,782,653	357,793	624	1,357	36,639,009
Net book value						
As at 31.12.2023	64,237,113	3,752,127	570,766	1,369	71	68,561,446

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

10 Property, plant and equipment (continued)

	Vessels SGD	Drydock SGD	Vessel equipment SGD	Office equipment SGD	Computer hardware SGD	Total SGD
2022						
Cost						
As at 1.1.2022	72,908,875	1,307,045	302,605	-	1,428	74,519,953
Additions	23,539,231	3,257,989	625,954	1,410	-	27,424,584
Disposals	(169,869)	-	-	-	-	(169,869)
As at 31.12.2022	96,278,237	4,565,034	928,559	1,410	1,428	101,774,668
Accumulated depreciation						
As at 1.1.2022	26,905,640	34,772	2,993	-	615	26,944,020
Depreciation	3,642,051	688,782	169,687	282	595	4,501,397
Disposals	(28,881)	-	-	-	-	(28,881)
As at 31.12.2022	30,518,810	723,554	172,680	282	1,210	31,416,536
Net book value						
As at 31.12.2022	65,759,427	3,841,480	755,879	1,128	218	70,358,132

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

10 Property, plant and equipment (continued)

	Vessels SGD	Drydock SGD	Vessel equipment SGD	Office equipment SGD	Computer hardware SGD	Total SGD
2021						
Cost						
As at 1.1.2021	52,631,400	-	2,993	-	2,221	52,636,614
Additions	20,277,475	1,307,045	299,612	-	-	21,884,132
Write-off	-	-	-	-	(793)	(793)
As at 31.12.2021	72,908,875	1,307,045	302,605	-	1,428	74,519,953
Accumulated depreciation						
As at 1.1.2021	23,757,109	-	2,993	-	-	23,760,102
Depreciation	3,148,531	34,772	-	-	670	3,183,973
Write-off	-	-	-	-	(55)	(55)
As at 31.12.2021	26,905,640	34,772	2,993	-	615	26,944,020
Net book value						
As at 31.12.2021	46,003,235	1,272,273	299,612	-	813	47,575,933

During the financial year ended 31 December 2023, vessels with net book values of SGD16,505,154 (2022: SGD 11,209,830) (2021: SGD 11,331,898) were pledged to the bank as security for banking facilities granted to the ultimate holding company of the Operating Companies. Vessels with net book values of SGD 41,267,436 (2022: SGD 42,522,696) (2021: SGD 24,142,670) were also pledged to a bank for bank loans granted to several Operating Companies.

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