



ANNUAL REPORT 2025

Advancing Regional Scale Through Strategic Assets



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Cover Rationale

The 2025 Annual Report cover design for Lianson Fleet Group visualises the Group's strategic shift towards regional expansion and repositioning through a clear, integrated operational narrative. A continuous, flowing pathway connects offshore energy, maritime transport, logistics, and port infrastructure, symbolising how LFG's diverse assets operate in cohesion across the Southeast Asia region. Set against a Southeast Asia map backdrop, the illustrations reinforce geographic reach and market presence, while the consistent visual language highlights scale, connectivity, and execution across core business segments.

The vector-based illustration style and calm blue palette convey stability, trust, and operational resilience. Strategic use of white space and structured composition ensures clarity, allowing complex operations to be communicated with confidence and ease. Overall, the cover positions Lianson Fleet Group as a future-ready maritime and offshore services provider, advancing regional scale through strategic assets while maintaining a steady, purposeful course for sustainable growth.

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CORPORATE INFORMATION



VISION

Steering the industry towards a sustainable future.



MISSION

Deliver world-class services driven by a continuous pursuit of excellence and anticipating industry needs. We are committed to delivering reliable, innovative and sustainable solutions that propel the energy industry forward while fostering a sense of ownership among our employees, clients and shareholders.



CORE VALUES



COMMUNICATION

We foster clear, purposeful dialogue across all levels, ensuring aligned goals and shared understanding among our teams, clients, and stakeholders.



APPRECIATION & ACCOUNTABILITY

We acknowledge and appreciate individual and team contributions, and we take ownership of our actions and results. Each team member is responsible for delivering on commitments, learning from outcomes, and contributing positively to shared success.



RELIABLE

We honour our commitments through consistent delivery, and building lasting trust with our clients and partners while maintaining the highest standards of integrity in all our operations.



EFFICIENCY & EFFECTIVENESS

We optimise our processes and resources to deliver superior results, embracing smart solutions and best practices to maximise productivity while maintaining quality.

CORPORATE INFORMATION

Board of Directors

Lim Chern Yuan

Non-Independent Non-Executive Chairman

Lim Chern Wooi

Managing Director

Dato' Mohamed Sabri bin Mohamed Zain

Non-Independent Non-Executive Director

Captain Adarash Kumar

A/L Chranji Lal Amarnath

Independent Non-Executive Director

Farina binti Farikhullah Khan

Independent Non-Executive Director

Dato' Syed Naqiz Shahabuddin

bin Syed Abdul Jabbar

Independent Non-Executive Director

Ginny Yeow Mei Ying

Independent Non-Executive Director

Puteri Liza Elli Sukma

Independent Non-Executive Director

Audit and Risk Management Committee

Farina binti Farikhullah Khan

Chairperson

Captain Adarash Kumar

A/L Chranji Lal Amarnath

Member

Puteri Liza Elli Sukma

Member

Nomination and Remuneration Committee

Dato' Syed Naqiz Shahabuddin

bin Syed Abdul Jabbar

Chairman

Ginny Yeow Mei Ying

Member

Dato' Mohamed Sabri bin Mohamed Zain

Member

Company Secretaries

Chua Siew Chuan

(SSM PC No. 201908002648)

(MAICSA No. 0777689)

Chin Mun Yee

(SSM PC No. 201908002785)

(MAICSA No. 7019243)

Registered Office

Level 7, Menara Milenium,
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Wilayah Persekutuan

Tel. No. : +603 2084 9000

Fax No. : +603 2094 9940

Head/Management Office

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59200 Kuala Lumpur Malaysia

Tel. No. : +60 19 764 3940

Email : enquiry@lianson.com

Labuan Office

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Lazenda Warehouse (Type B)
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87000 Labuan F.T.

Tel. No. : +608 7410 387

Fax No. : +608 7410 424

Email : labuan@lianson.com

CORPORATE INFORMATION

Auditors

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Level 10, Menara TH 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral,
P O Box 10192, 50706 Kuala Lumpur,
Wilayah Persekutuan

Tel. No. : +603 2173 1188
Fax No. : +603 2173 1288

Principal Bankers

Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited

Share Registrar

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan

Tel. No. : +603 7890 4700
Fax No. : +603 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Market
Listed since : 25 June 2014
Sector : Energy
Stock name : LFG
Stock code : 5255

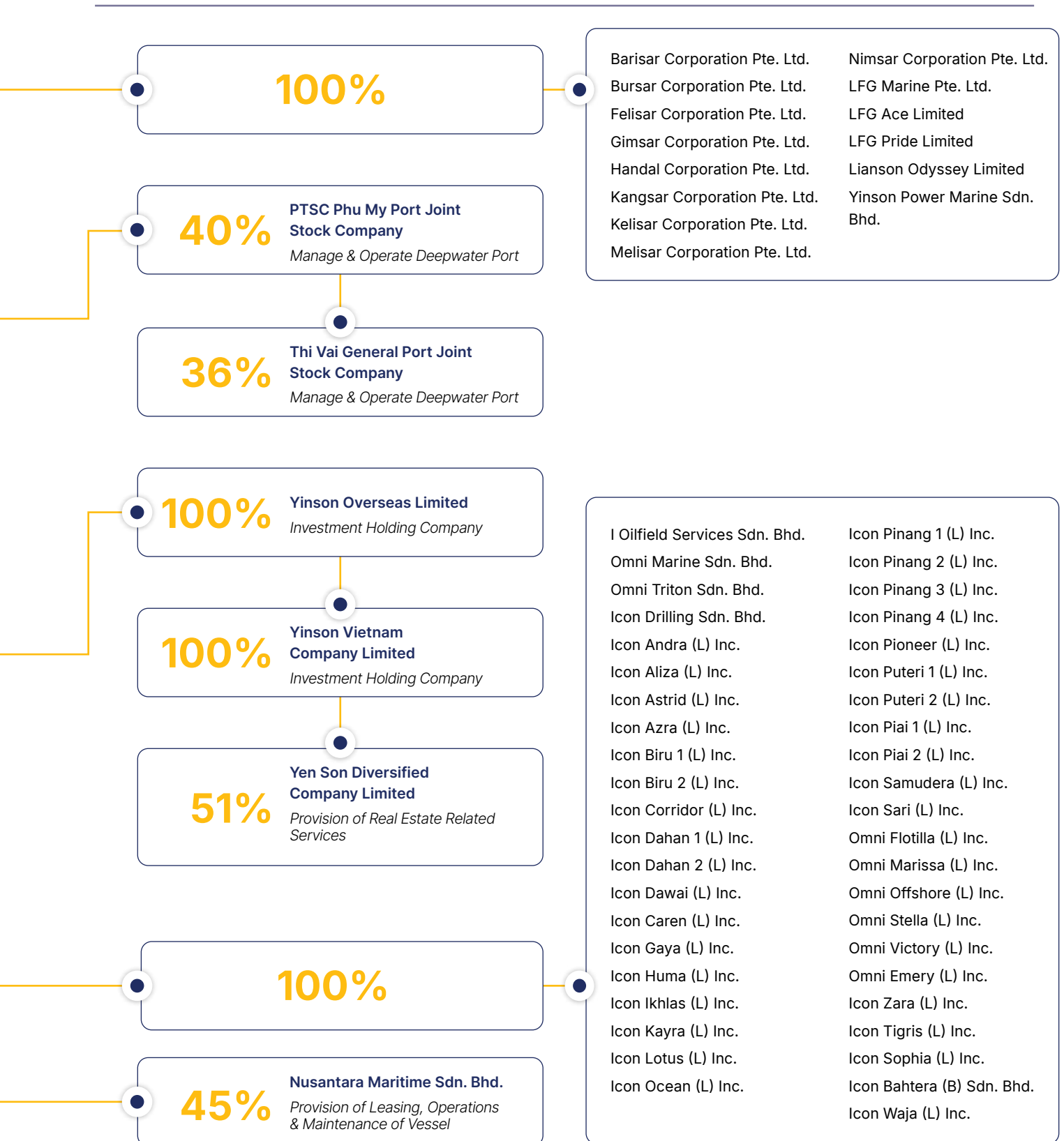




CORPORATE STRUCTURE (AS AT 30 MARCH 2026)



CORPORATE STRUCTURE (AS AT 30 MARCH 2026)



Holder of the Petroleum Nasional Berhad ("PETRONAS") License.

TYPE OF VESSELS

Our Fleet Strength

With a strong and diversified fleet of 54 vessels, the Group delivers integrated marine and offshore solutions across regional waters. Our vessels are strategically deployed to support offshore energy activities, marine logistics, and bulk transportation, reinforcing our operational reliability and industry expertise.

Backed by experienced crews and a result driven and efficient asset management, our fleet reflects our commitment to performance, safety and long-term value creation.

Offshore Support Vessel



Our Platform Supply Vessels (PSVs) serve as critical offshore logistics lifelines, purpose-built to transport substantial volumes of cargo to offshore drilling and production sites, while also providing essential logistical support and accommodation for offshore construction activities. Equipped with advanced navigation and dynamic positioning systems (DP2), these vessels ensure operational continuity and safe delivery in demanding offshore environments.



Our Anchor Handling Tug Supply vessels (AHTSs) are built for strength and versatility. Designed for anchor handling, rig towing and offshore support operations, they are capable of performing complex marine tasks with precision, power and reliability, even under challenging sea conditions. They also can be deployed as Straight Supply Vessels with ample deck space and accommodation for offshore construction activities.



Our Accommodation Workboats (AWBs) are equipped with Dynamic Positioning Class 2 (DP2) system and four point mooring capabilities. Designed with expansive deck space and fixed pedestal offshore crane for offshore light construction activities. Additionally, the vessels offer accommodation up to 200 personnel, providing robust support for offshore construction, maintenance, and accommodation needs.

Marine Transportation



Our Tugs and Barges units offer cost-effective and adaptable marine transportation solutions, particularly for coastal and project cargo operations. Combining towing power with substantial cargo capacity, this configuration enhances logistical efficiency and operational flexibility.



Our Dry Bulk Carriers facilitate the efficient transportation of key commodities such as coal, grain, minerals and other bulk cargo. These vessels support regional and international trade flows, ensuring dependable cargo movement across supply chains.

LIST OF VESSELS (AS AT 30 MARCH 2026)

Offshore Support Vessel

PSV

1. Icon Amira
2. PTSC Huong Giang

AWB

1. Icon Valiant
2. Icon Aliza

AHTS

1. Icon Sophia
2. Omni Marissa
3. Icon Zara
4. Icon Tigris
5. Omni Stella
6. Icon Ikhlas
7. PTSC Lam Kinh
8. Tanjung Biru 1
9. Tanjung Sari
10. Tanjung Puteri 1
11. Icon Lotus
12. Yinson Perwira



Marine Transportation

Dry Bulk Carriers

1. Lianson Hermes
2. Lianson Odyssey
3. LFG Ace
4. LFG Pride

Tugs & Barges

- | | | |
|----------------------|---------------------|---------------------|
| 1. CERAH & CERIA | 7. Ikhlas & Sejati | 13. Utara & Selatan |
| 2. Aman & Damai | 8. Intan & Baiduri | 14. Setia & Indah |
| 3. Angkasa & Raya | 9. Langit & Bintang | 15. Warna & Warni |
| 4. Bahagia & Riang | 10. Mentari & Bumi | 16. Sehati & Sejiwa |
| 5. Putera & Puteri | 11. Embun & Pelangi | 17. Ramah & Mesra |
| 6. Gilang & Gemilang | 12. Timur & Barat | |

CHAIRMAN'S STATEMENT

Dear Shareholders,

One year after our transformation into Lianson Fleet Group Berhad ("LFG" or "the Group"), we are steadily shaping a stronger, more resilient maritime platform — one that is built to perform through cycles and to compound value over time.

Our mandate for the year was clear: protect earnings quality, strengthen operational discipline, and position the Group for sustainable growth. In doing so, we focused on three priorities — improving fleet performance, broadening our participation beyond traditional offshore support, and ensuring our cost base and capital deployment are calibrated for durability.

It is with pleasure that I present the Annual Report of LFG for the financial year ended 31 December 2025.

||
Our mandate for the year was clear: protect earnings quality, strengthen operational discipline, and position the Group for sustainable growth. ||

Lim Chern Yuan
Non-Independent Non-Executive Chairman
Lianson Fleet Group Berhad



CHAIRMAN'S STATEMENT

NAVIGATING GLOBAL CURRENTS WITH DISCIPLINE

2025 tested global confidence across energy and shipping markets. Oil supply growth outpaced demand, interest rates remained elevated, and operators across the region exercised greater caution in capital spending. In Malaysia, offshore activity moderated as projects were re-phased, affecting OSV demand. Brent crude averaged approximately USD69 per barrel, reflecting a well-supplied market and softer demand growth.

In this environment, discipline matters more than optimism. LFG responded by sharpening execution — lifting utilisation, improving charter performance and maintaining cost control with a practical focus: bringing the business to the right cost level before reinvesting for growth. This is not simply a cost-cutting exercise. It is about ensuring every ringgit spent strengthens readiness, reliability and returns.

At the same time, Southeast Asia's underlying fundamentals remained resilient, supported by intra-regional trade and continued infrastructure investments. We believe these structural drivers continue to support long-term demand for marine logistics, transportation and essential maritime services.



CHAIRMAN'S STATEMENT

EXPANDING HORIZONS — FROM OSV ROOTS TO A BROADER MARITIME PLATFORM

2025 marked a meaningful step in LFG's evolution into a more diversified maritime asset owner. We recorded our first revenue contributions from marine logistics and transportation, while expanding beyond Malaysia and Brunei into growth markets including Singapore, Vietnam, Indonesia, Thailand, Cambodia and Bangladesh.

This expansion was pursued with intent and selectivity. Our strategy is not diversification for its own sake. It is diversification that raises earnings visibility, improves resilience and strengthens long term relevance across the maritime and energy value chain.

During the year, we broadened our footprint through:

- strategic joint ventures in Vietnam, including ventures in port and warehouse operations with established partners;
- partnerships to explore opportunities in LNG carriers, tankers and drilling related assets; and
- fleet optimisation initiatives that balanced earnings visibility with capital discipline — including the acquisition of three bulk carriers and selective disposals within the OSV fleet to streamline operations and reduce cyclicality.

Together, these steps reflect a deliberate approach: simplify where necessary, strengthen where it counts, and expand where returns are sustainable.

REINFORCING FINANCIAL RESILIENCE

LFG delivered a stronger financial performance in FY2025, supported by improved average charter rates, higher utilisation and continued operating discipline. Revenue increased from RM235.8 million to RM286.5 million, while profit before tax rose from RM32.6 million to RM98.9 million. Profit after tax improved from RM26.2 million to RM90.9 million, reflecting healthier underlying performance.

Stronger cost management and reduced downtime supported margin improvement. Contributions from the marine logistics and transportation segment in the second half of the year further strengthened the earnings profile, while fleet rationalisation — including the disposal of selected OSV assets — generated one off gains that enhanced bottom line performance.

While broader market dynamics influence share price movements, the Board observed improving investor sentiment towards the Group during the year. This reflects growing market confidence in LFG's clearer strategic direction, strengthened governance framework and progress in reshaping our operating profile.

ANCHORING SUSTAINABLE GROWTH — COST DISCIPLINE BEFORE CAPITAL ACCELERATION

Sustainable growth is built on two foundations: sound governance and the right economics. In FY2025, we strengthened our sustainability and governance practices by refining key policies, improving oversight and aligning standards across our expanding portfolio.

Equally important, we have been deliberate about cost consciousness. The Group is focused on operating at the right cost base - one that preserves service quality, safety and fleet readiness, while enabling stronger cash generation and resilience. Only when the business is structurally "right sized" do we accelerate reinvestment, ensuring new growth is funded responsibly and targeted at segments that deepen earnings durability.

We are encouraged by our continued inclusion in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, reflecting consistent progress in embedding sustainability practices across our operations. Our ambition is not only to meet expectations, but to raise the benchmark over time through disciplined execution.

CHAIRMAN'S STATEMENT

POISED FOR THE VOYAGE AHEAD

LFG is entering the next phase of our transformation by leveraging maritime expertise and regional partnerships to reposition as a maritime and energy focused infrastructure player in ASEAN.

Our collaboration with PetroVietnam Drilling (PTSC) provides a strategic platform to participate in upstream and infrastructure related opportunities across Vietnam and the wider region. With a long term perspective, we also continue to evaluate adjacent opportunities in offshore power related solutions, including cable installation, aligned with emerging regional connectivity and energy integration initiatives such as the ASEAN Power Grid. In the year ahead, our priorities remain consistent:

1. Operate at the right cost base and strengthen earnings quality;
2. Optimise and professionalise our asset portfolio to lift utilisation and reliability; and
3. Reinvest selectively where returns are sustainable and where LFG's capabilities create durable advantage.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board, I extend my sincere appreciation to our employees for their dedication, our shareholders for their continued trust, and our partners and bankers for their steadfast support.

I also warmly welcome our Board members appointed during the year and express our gratitude to those who have completed their tenure. Their contributions have been instrumental in guiding the Group through an important period of change. With our course set, our discipline strengthened and our portfolio evolving, we look forward to navigating the journey ahead together.



MANAGEMENT DISCUSSION AND ANALYSIS

EXECUTING FOR RESILIENCE, DIVERSIFICATION AND REGIONAL GROWTH

2025 marked a year of disciplined execution for Lianson Fleet Group Berhad (“**LFG**” or “**the Group**”) as the Group continued to strengthen its operating platform, broaden its earnings base and improve portfolio resilience amid evolving market conditions. While market conditions across parts of the offshore support vessel (“OSV”) segment remained mixed, the Group remained focused on operational discipline, commercial execution and strategic repositioning to improve earnings visibility and reduce exposure to cyclical volatility.

During FY2025, the Group executed its diversification strategy beyond its traditional offshore support vessel (“OSV”) base, delivering its first meaningful revenue contributions from marine transportation while expanding its commercial footprint into selected regional markets. These initiatives strengthened the Group’s operating platform, improved earnings resilience and broadened its participation across the maritime value chain.

In parallel, Management remained focused on financial discipline, operational efficiency and portfolio optimisation. The Group continued to prioritise cost discipline, asset redeployment, fleet utilisation and internal integration initiatives to strengthen operating leverage and improve earnings quality.

Lim Chern Wooi
Managing Director
Lianson Fleet Group Berhad



MANAGEMENT DISCUSSION AND ANALYSIS

These efforts translated into stronger financial and operational performance in FY2025. The marine transportation segment began contributing to the Group's earnings following its commencement in July 2025, supporting improved earnings visibility and portfolio resilience, while the Group's order book increased to RM501.0 million from RM253.9 million in 2024, reflecting stronger contract visibility and improved earnings certainty across the fleet.

Despite softer conditions across parts of the OSV market, the Group remained operationally resilient, supported by the continued relevance of its core AHTS fleet, particularly its 60-tonne bollard pull vessels, which remained well-positioned for offshore production and regional charter demand. This was further evidenced by the successful award of a long-term AHTS charter in Vietnam, reinforcing the regional relevance and deployment competitiveness of the Group's assets.

Cost-control initiatives, lower vessel downtime and improved deployment efficiency contributed to stronger operating leverage and margin improvement during the year, supported by firmer commercial execution and tighter operational discipline across the fleet.



MANAGEMENT DISCUSSION AND ANALYSIS



FINANCIAL REVIEW

The Group recorded stronger financial results in 2025, reflecting meaningful progress in executing its strategic priorities. Higher charter economics, tighter operational controls and disciplined asset diversification supported improved results amid evolving market conditions.

Revenue increased from RM235.8 million in 2024 to RM286.5 million in 2025, driven by higher average daily charter rates and improved fleet utilisation. This topline growth translated into improved profitability, with profit before tax rising from RM32.6 million to RM98.9 million. Profit after tax similarly strengthened, improving from RM26.2 million to RM90.9 million, supported by enhanced operational efficiency and targeted fleet optimisation undertaken during the year. These gains were further complemented by improved cost discipline, which enhanced overall margin performance.

REVENUE

RM 286.5 Million
+22% over FY2024



EBITDA

RM 164.5 Million
+61% over FY2024



PROFIT AFTER TAX

RM 90.9 Million
+247% over FY2024



MANAGEMENT DISCUSSION AND ANALYSIS

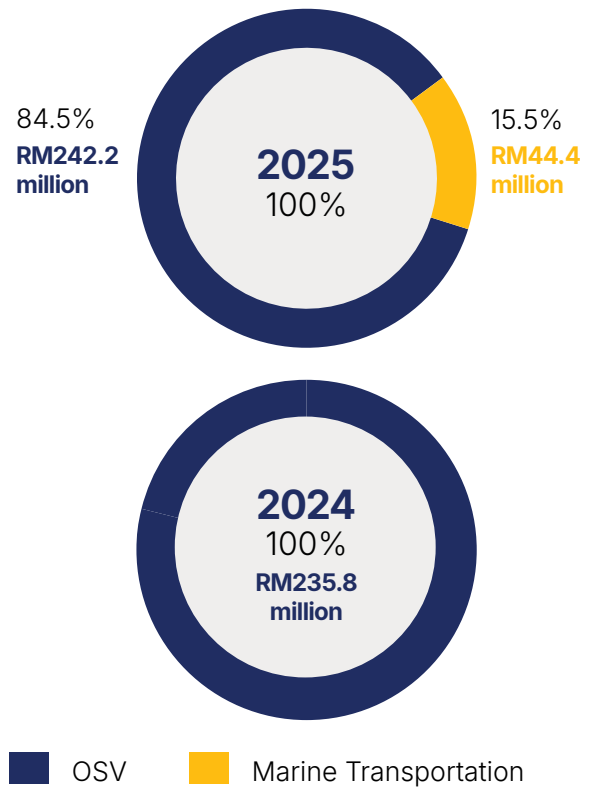
Segment Review

FY2025 marked the maiden earnings contribution from the Group’s marine transportation segment, with revenue recognition commencing in the second half of the financial year. This represents an important milestone in the Group’s diversification strategy, supporting early market penetration, incremental income contribution and improved earnings visibility.

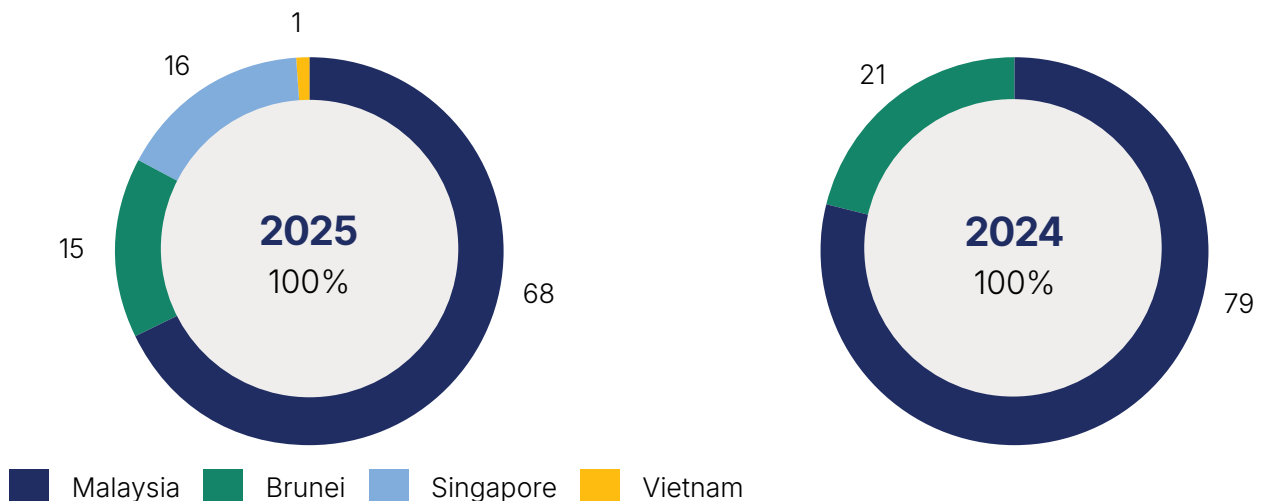
The Group also continued to optimise its overall fleet portfolio as part of a broader asset rebalancing strategy across both its OSV and marine transportation segments. Within the OSV segment, the Group selectively redeployed and rationalised assets to improve fleet quality, capital efficiency and long-term deployment competitiveness. In parallel, the acquisition of three bulk carriers under the marine transportation segment strengthened the Group’s presence in the marine logistics market, broadened its asset mix and supported its broader diversification strategy.

Geographically, LFG has historically operated predominantly in Malaysia and Brunei, providing offshore and marine support services to the regional oil and gas industry. In line with its growth strategy, FY2025 saw the Group further strengthen its presence in Singapore and Vietnam, while

extending operations into Indonesia, Thailand, Bangladesh and other Southeast Asian markets. This expansion positions LFG to access a broader pool of opportunities while reducing dependence on any single market or operating segment, strengthening the resilience of the Group’s earnings profile.



The Group’s operations are carried out predominantly in Malaysia. Revenue earned by the Group analysed by the location of its external customers is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

STRATEGIC EVOLUTION AND REVIEW OF OPERATIONS

Rebranding as a Catalyst for Transformation

One year after rebranding to 'Lianson Fleet Group', we have sharpened our strategic identity as a diversified maritime asset and energy infrastructure player. The rebranding has enhanced stakeholder perception and aligned the Group's operating structure with our long-term ambition of building resilient, recurring income streams across complementary sectors.

OSV Business

The OSV business remains LFG's core pillar, underpinning our Malaysian maritime roots and long-standing operational capabilities, cash flow generation and market presence. While the Group continues to diversify into adjacent maritime and logistics segments, the OSV fleet remains central to LFG's value proposition, providing critical support services to offshore oil and gas operations and anchoring the Group's credibility as a maritime services provider.

Strategic Fleet Optimisation and Capital Discipline

During 2025, the Group undertook and structured a programme to right-size and modernise our OSV fleet, prioritising capital efficiency, asset quality and long-term sustainability. This included the targeted divestment of ageing vessels maintain a leaner and more competitive asset base.

Concurrently, LFG actively redeployed our remaining OSVs across a balanced mix of long-term contracts and spot charters, allowing the Group to secure baseline earnings visibility while retaining flexibility to capture upside when charter rates improve.

Fleet Rationalisation and Modernisation

As part of our fleet optimisation initiatives, the Group disposed of six offshore vessels during the year:

- Five Anchor Handling Tug Supply (AHTS) vessels: Icon Azra, Omni Victory, Icon Samudera, Tanjung Dahan 1 and Tanjung Dahan 2,
- One Accommodation Workboat (AWB): Kayra.

These disposals executed with discipline, focusing on achieving or exceeding fair market valuations and reducing exposure to higher volatility assets. Importantly, the disposed assets were subsequently deployed in foreign jurisdictions, helping preserve domestic OSV supply dynamics.

Beyond near-term optimisation, the Group remains committed to a longer-term fleet modernisation strategy. LFG continues to actively evaluate opportunities to phase out ageing assets at appropriate valuations and acquire newer vessels - both within and beyond the OSV segment - in line with the Group's broader diversification strategy.



MANAGEMENT DISCUSSION AND ANALYSIS

Fleet Profile and Utilisation

As at 31 December 2025, the Group's OSV fleet remained predominantly anchored within the anchor handling tug supply ("AHTS") segment, supporting offshore installation, production and maintenance activities across regional markets.

The Group's AHTS vessels continued to play a central role in offshore operations, supporting anchor handling, towing and supply functions across offshore fields. Their continued deployment underscores the operational relevance of the Group's core fleet and its sustained role in supporting regional offshore activities.

Managing Seasonality and Operational Downtime

Management maintained a structured and forward-planned approach to dry-docking and maintenance scheduling during the year to minimise vessel downtime and align maintenance cycles with seasonal demand patterns. This proactive maintenance approach contributed to improved fleet availability, stronger deployment discipline and better operational continuity across the fleet.

Marine Transportation Business

The Marine Transportation business was established in FY2025 as part of the Group's diversification strategy, with initial revenue contributions recorded in the second half of the financial year. Designed to provide more stable and recurring income through longer-tenure charter arrangements, the segment complements the Group's core OSV business by broadening its earnings base and reducing exposure to the more cyclical offshore support market.

The segment also supports the Group's regional expansion strategy by extending its operating presence across key Southeast Asian markets and broadening participation in the marine logistics value chain.



Key developments during the year included:

- Acquisition of 36 marine transportation vessels, comprising 17 tugboats, 17 steel barges and 2 bulk carriers;
- Acquisition of 3 additional bulk carriers, subsequently fixed on long-term time charters; and
- Strategic expansion into Vietnam through port and warehouse-related logistics operations, completed in January 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Port, Warehouse and Integrated Logistics

The Port and Warehouse business represents a strategic extension of the Group's marine transportation and logistics platform, broadening our participation across the logistics value chain and enhancing earnings diversification while deepening our operational presence in Vietnam.

Key developments:

- Acquisition of port and warehouse operations in Vietnam, marking the Group's first foray into the port and warehouse segment.
- Expansion of logistics services to support end-to-end supply chain solutions.
- Strategic partnership with PTSC, a member of the Vietnam National Industry - Energy Group, enhancing market access and growth potential.

EMBEDDING ESG INITIATIVES FOR RESPONSIBLE GROWTH

Sustainability is a core enabler of the Group's long-term value creation and operational resilience. The Group's ESG strategy is anchored on embedding responsible practices across our operations, strengthening governance, and ensuring safe, efficient, and sustainable asset deployment as LFG expands across the maritime and energy value chain.

LFG is progressively integrating ESG considerations into operational planning, risk management, and decision-making processes. The Group prioritises high standards of operational integrity, safety performance, and governance discipline to support business continuity, regulatory compliance, and stakeholder confidence.

Environmental stewardship remains a key focus area, with ongoing evaluation of initiatives to improve operational efficiency and reduce emissions across both fleet and shore-based operations.



In 2025, LFG achieved a significant ESG milestone by being included in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index in December 2025. This recognition reflects the Group's commitment to internationally recognised sustainability standards and reinforces ESG as a strategic pillar underpinning LFG's long-term growth trajectory.

For further information on our sustainability initiatives and achievements in 2025, please refer to our Sustainability Statement, page 27.

MANAGEMENT DISCUSSION AND ANALYSIS



QHSSE Excellence

The Group continues to strengthen the Quality, Health, Safety, Security and Environment ("QHSSE") framework, with initiatives focused on:

- Ensuring safe vessel operations and a healthy working environment through strict adherence to QHSSE policies, procedures, and regulatory requirements.
- Enhancing safety management competencies of both shore-based and onboard personnel through structured training, drills, audits, and emergency preparedness programmes.
- Safeguarding the health and safety of employees, particularly marine crew operating in high-risk environments, through robust risk management, health monitoring, and incident prevention measures.

MANAGEMENT DISCUSSION AND ANALYSIS



MARKET OUTLOOK AND FUTURE PLANS

Priorities for FY2026

FY2026 is expected to remain shaped by a competitive offshore marine environment, with geopolitical uncertainty, energy price volatility and supply chain disruption continuing to influence market conditions. Recent developments in the Middle East, including disruptions around the Strait of Hormuz, have contributed to near-term cost pressure while reinforcing the strategic importance of regional offshore production and marine support activity.

Within the OSV segment, market conditions are expected to remain mixed across selected vessel classes, although the Group's core AHTS fleet remains well-positioned to support offshore production, maintenance and regional charter demand.

The marine transportation segment is expected to deliver a broader earnings contribution in FY2026, supported by longer-tenure charter exposure, a more stable operating profile and improved earnings diversification.

Against this backdrop, Management remains focused on disciplined execution, with priorities centred on charter quality, capital discipline, selective asset optimisation and measured regional expansion.

MANAGEMENT DISCUSSION AND ANALYSIS



Stability Through Core Activity

The offshore oil and gas support market is expected to remain broadly stable in 2026, underpinned by ongoing production activities and selective project execution. While growth may be tempered by oil price fluctuations, activity levels and charter rates are expected to hold at sustainable levels. LFG also sees opportunities to deploy assets beyond domestic markets, including Thailand and Vietnam, to optimise utilisation and returns.



Marine Transportation and Logistics

Marine transportation and logistics are expected to deliver steady performance, supported by long-term contracts and regional trade flows in dry bulk commodities. Compared to the offshore support segment, this segment offers greater earnings visibility and plays an increasingly important role in balancing the Group's overall risk profile. Supported by recent strategic developments, the outlook for this segment and for LFG remains robust.

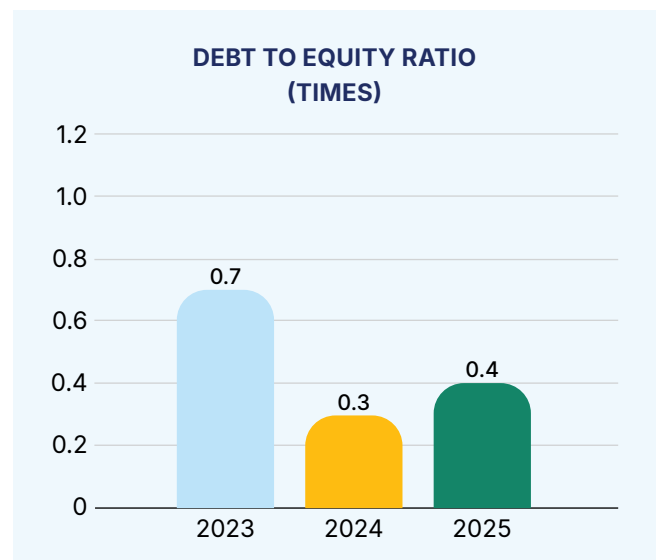
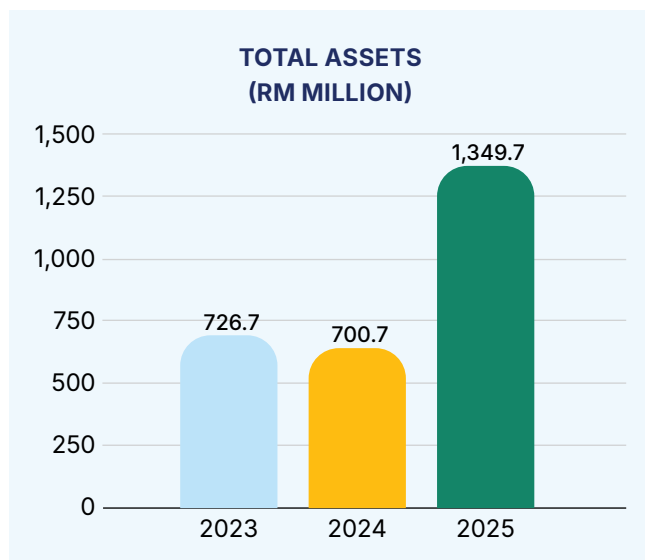
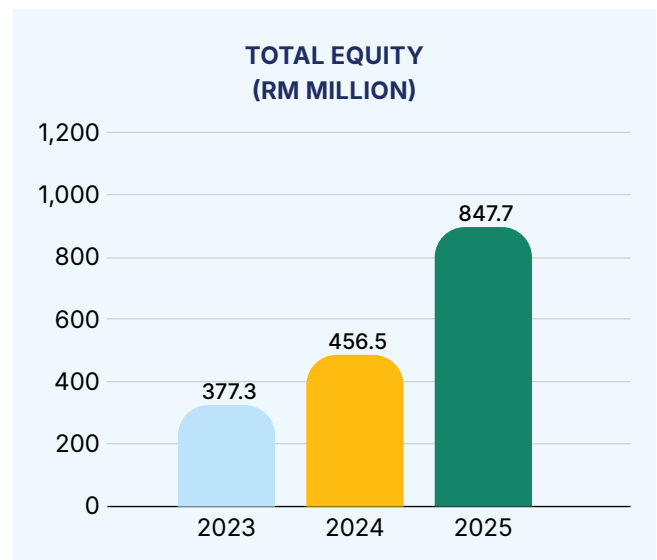
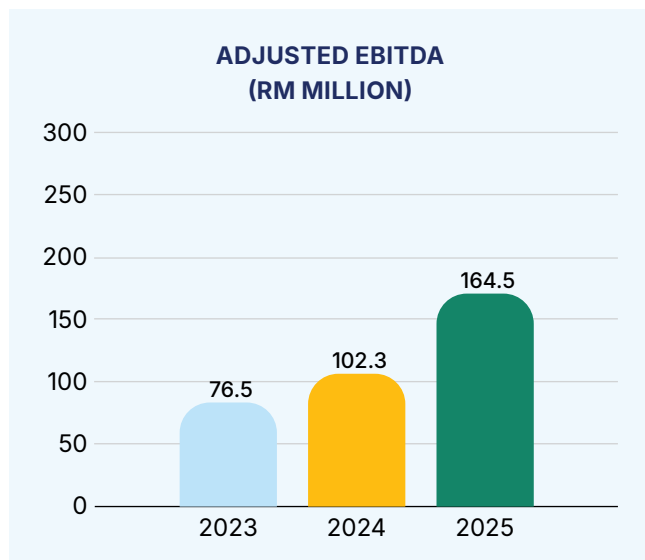
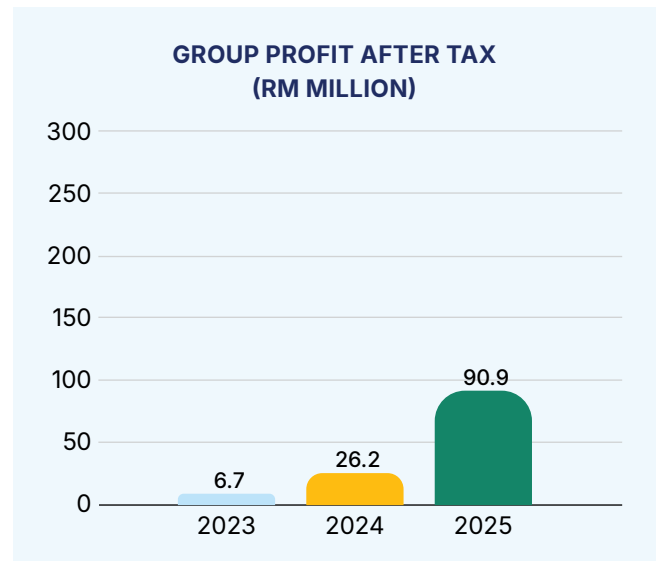
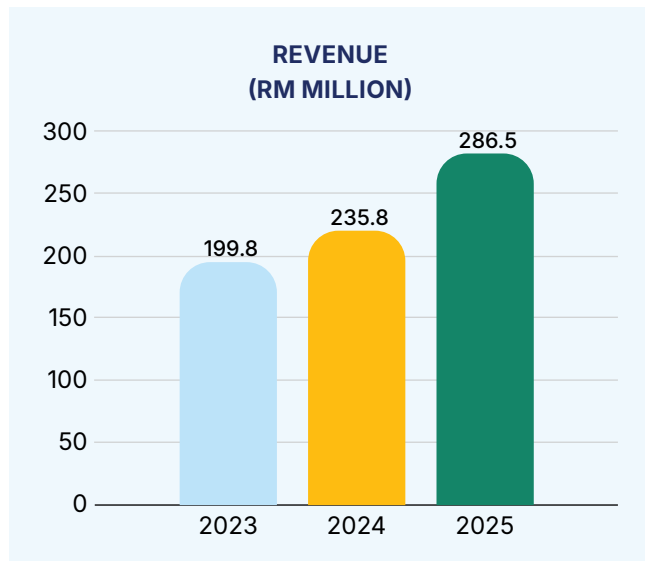


Business Mix Optimisation and Risk Management

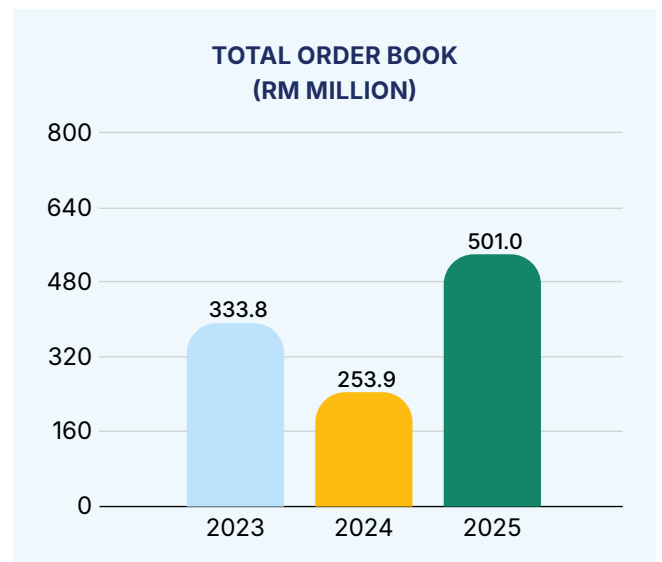
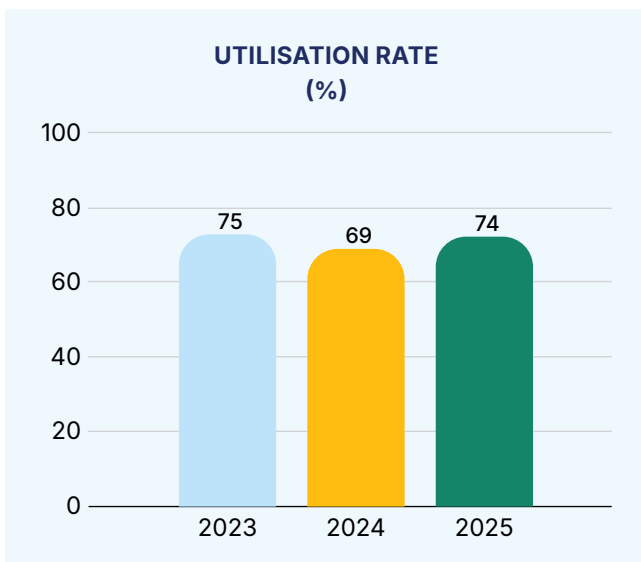
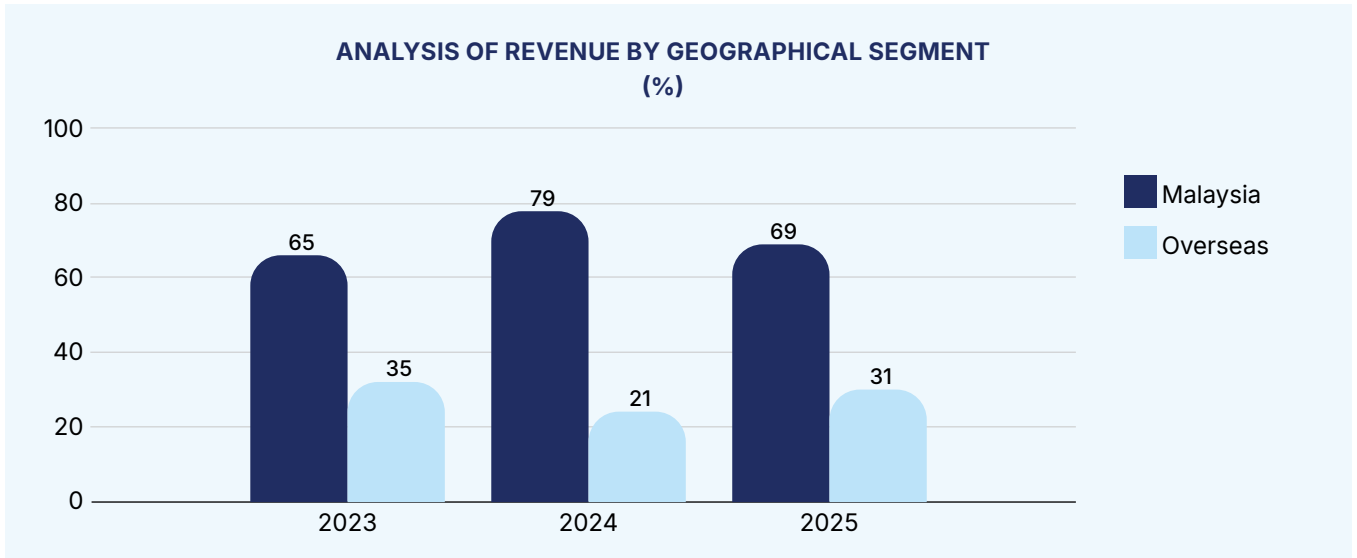
LFG will continue to optimise our business mix by allocating capital and assets towards segments with clearer charter visibility and stronger utilisation profiles. By balancing exposure between cyclical offshore activities and more defensive marine logistics operations, the Group retains the operational flexibility needed to navigate market volatility while supporting sustainable earnings growth.

LFG is well-positioned to benefit from broader macro trends, including sustained offshore energy activity, regional maritime trade flows, and infrastructure-driven demand for marine logistics. These structural drivers underpin continued demand for marine assets and services across Southeast Asia, reinforcing the Group's confidence as it enters 2026.

FINANCIAL HIGHLIGHTS



OPERATIONAL HIGHLIGHTS



SHARE PRICE PERFORMANCE

Share Performance (RM)	FY2023	FY2024	FY2025
Year High	0.67	1.31	2.24
Year Low	0.07	0.57	0.70
Year Close	0.59	1.01	2.08
Market Capitalisation	316,857,930	629,849,722	1,297,116,259

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

DRIVING SUSTAINABLE PROGRESS WITH PURPOSE

Sustainability is not just a priority - it is a fundamental principle that drives our business, shaping how we operate, grow and create long-term value. LFG remains fully committed to upholding and advancing the Group's sustainability agenda, ensuring that responsible practices remain at the core of our operations.

Guided by the existing three-year sustainability roadmap (2023–2025), we continue to execute the strategies outlined to enhance our environmental, social and governance (“ESG”) performance. As we approach the roadmap's completion, we are preparing to develop a new sustainability framework that will define our ambitions beyond 2025, aligning with evolving industry expectations and stakeholder priorities.

SUSTAINABILITY STATEMENT

REPORTING FRAMEWORK

This report has been prepared with reference to the following frameworks and guidelines:

- ⇒ Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements (MMLR)
- ⇒ Bursa Malaysia's Enhanced Sustainability Reporting Guide (3rd Edition), 2022
- ⇒ Bursa Malaysia's Illustrative Sustainability Report Framework 2023
- ⇒ Global Reporting Initiative ("GRI") Standards 2021
- ⇒ United Nations Sustainable Development Goals ("UN SDGs")
- ⇒ FTSE4Good Sustainability Index
- ⇒ IFRS S2 Climate-related disclosures

REPORTING PERIOD AND CYCLE

Unless otherwise specified, this report follows an annual reporting cycle from 1 January 2025 to 31 December 2025. Historical statistical data may be included in specific disclosures to illustrate trend lines and provide a clearer understanding of comparative performance.

MEMBERSHIPS IN ASSOCIATIONS

LFG is dedicated to advancing sustainable industry practices and actively collaborates with various industry associations to drive the effective adoption of sustainability best practices. We also strive to enhance awareness of sustainability issues throughout our value chain. As part of these efforts, we take pride in our membership in the following professional bodies and industry associations:

1. Malaysia Shipowners' Association (MASA)
2. The Malaysian Oil & Gas Services Council (MOGSC)
3. Malaysia OSV Owners' Association (MOSVA)

STATEMENT OF ASSURANCE

To enhance the credibility of this Sustainability Statement, selected aspects have been subjected to an internal review by company's internal auditors and approved by the Audit and Risk Management Committee.

The internal review covered the three-year sustainability roadmap (2023–2025) and specifically, the progress and achievement of the target and goals. This review encompassed all of Lianson Fleet Group's operating units.

SUSTAINABILITY STATEMENT



BOARD RESPONSIBILITY STATEMENT

The Board takes full responsibility for maintaining the integrity of this Report, which it believes presents a fair and balanced reflection of the Group's performance for FY2025. Additionally, the Board confirms that this Report has been prepared in compliance with Bursa Malaysia's MMLR. This Report was approved by the Board of Directors on 27 April 2026.

REPORTING SCOPE AND BOUNDARY

Lianson Fleet Group Berhad ("**LFG**" or "**the Group**") operates within the offshore support vessel and marine transportation industry, providing vessel chartering, ship management and offshore marine services. This report covers LFG's key operations in Malaysia and other regions where we have a presence, including owned and chartered vessels, onshore facilities and corporate offices.

LIMITATIONS

The Group recognises the challenges associated with data collection for specific indicators and is continuously working to enhance data tracking and gathering mechanisms to improve reporting accuracy and reliability moving forward.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements regarding the Group's targets, future plans, operations and performance based on reasonable assumptions aligned with current business trajectories. However, as the business is subject to risks and unforeseen circumstances beyond its control, readers are advised not to rely solely on these statements, as actual results may vary.

REPORT AVAILABILITY AND FEEDBACK

This report was published on 30 April 2026 and is available in print and digital formats. The digital version can be accessed or downloaded from the Group's corporate website at www.lianson.com.

The Group values ongoing engagement with its stakeholders and welcomes feedback, inquiries and concerns to drive continuous improvement.

For any matters related to this report, please contact the following:
enquiry@lianson.com

2025

Sustainability Highlights

LFG is committed to seven (7) United Nations Sustainable Development Goals



ECONOMIC



Revenue
RM286.5 Million



Group Profit after Tax
RM90.9 Million



Cash and Bank Balances
RM191.4 Million

SOCIAL



313
Total employees



Zero
Lost time injuries across 1,652,156 hours worked



49% Female employees onshore

ENVIRONMENTAL*



20%
reduction in total fuel and energy consumption



21%
reduction in total Scope 1 and Scope 2 emissions



60%
reduction in Total Waste Generated



RM61.1 million
Total employee salaries, benefits and bonuses paid out

* Result measured against baseline year 2022

2025 SUSTAINABILITY JOURNEY

Sustainability at Lianson Fleet Group

Sustainability serves as the foundation of our business, guiding our strategies, operations and decision-making towards long-term resilience and responsible growth, anchored on four key pillars—Economic, Environmental, Social and Governance (EESG).

2025 SUSTAINABILITY JOURNEY

GOVERNANCE

SUSTAINABILITY GOVERNANCE

The Group adheres to the Malaysian Code on Corporate Governance (MCCG) in its sustainability and general corporate governance practices through three key principles of good governance:

01

Board leadership and effectiveness

02

Effective audit and risk management and integrity in corporate reporting

03

Meaningful relationships with stakeholders

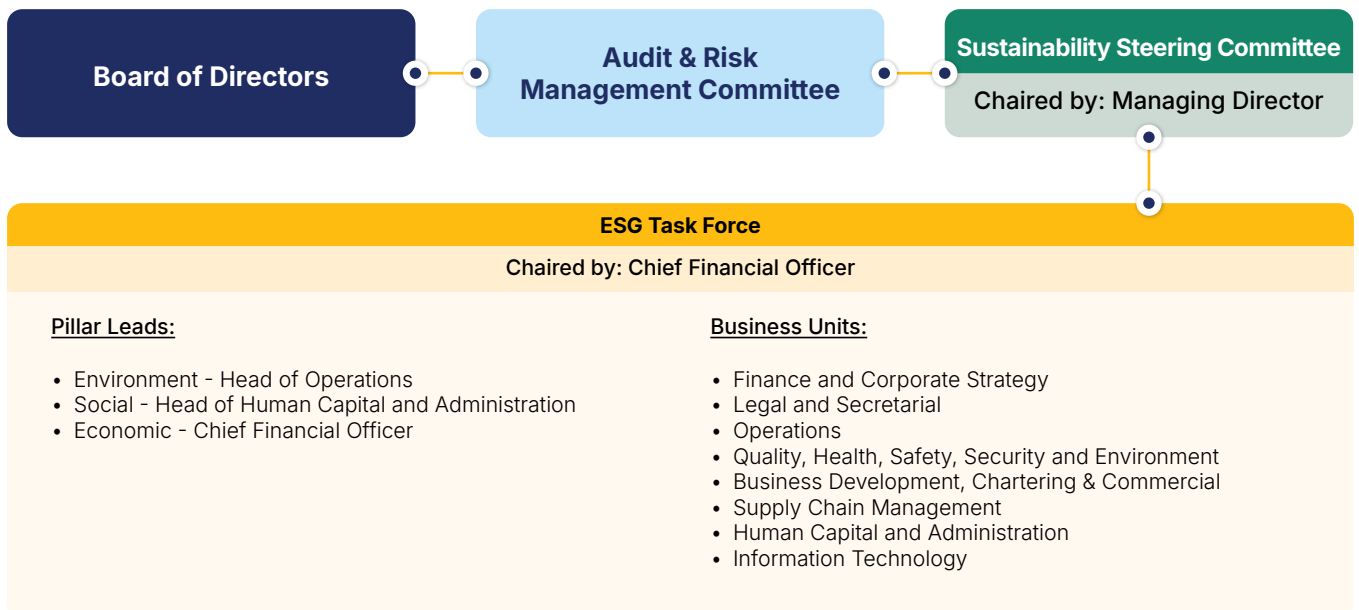
The Group integrates these principles across its governance, economic, environmental and social practices to effectively manage its material matters. It remains committed to the MCCG, including the latest revisions issued in April 2021. Further details on the Group’s corporate governance practices are available in the Corporate Governance section on page 109 this Annual Report.

GOVERNANCE STRUCTURE

To enhance governance clarity across its ESG pillars, the Group revised its sustainability governance structure in FY2023, defining roles and responsibilities at all levels. Each ESG pillar is overseen by senior management, ensuring alignment from the Board to operational teams and reinforcing a top-down approach to ESG oversight.

Sustainability Governance Structure

The Group’s Sustainability Governance Structure is as follows:



2025 SUSTAINABILITY JOURNEY

Governance Roles and Responsibilities

The Group's sustainability governance is led by the Board, with oversight from the Audit & Risk Management Committee (ARMC). The Managing Director heads the Sustainability Steering Committee (SSC), while the Chief Financial Officer leads the ESG Task Force.

The roles and responsibilities are listed below:

 <p>Board of Directors</p>	<ul style="list-style-type: none"> • Ultimately accountable for overseeing and managing sustainability matters including high-level strategy setting, prioritisation of material matters and formulating overarching mid to long-term targets for the Group. • Ensures LFG's business strategies consider sustainability by incorporating material topics. • Responsible for deliverables sign-off and approves the development and implementation of the company's sustainability roadmap, strategies, business plans and targets with material sustainability matters fully integrated into the decision-making process.
 <p>Audit & Risk Management Committee</p>	<ul style="list-style-type: none"> • Reviews sustainability strategies and recommends solutions to the Board. • Oversees sustainability blueprint including the 3-year roadmap (short to midterm targets). • Identifies, evaluates and manages ESG risks and opportunities. • Incorporates and weighs ESG risks as important factors in tandem with other enterprise risks. • Reviews sustainability strategies and monitors the performances of each ESG target. • Reports the progress of sustainability performances and achievements to the Board.
 <p>Sustainability Steering Committee</p>	<ul style="list-style-type: none"> • Oversees the implementation of sustainability strategies. • Evaluates overall sustainability risks and opportunities. • Provides leadership in driving sustainability in the Group. • Oversees departments to ensure robustness in the implementation of the strategies and processes in the departments. • Reviews and analyses all the data and information submitted in the report. • Develops targets for ESG KPIs. • Reports sustainability KPIs, strategies, implementation and challenges to the ARMC, as and when required.
 <p>ESG Task Force</p>	<ul style="list-style-type: none"> • Recommends sustainability targets/KPIs. • Establishes methodology and measurement units for each target. • Data collection/tracking. • Adheres to sustainability project plans and implements relevant data collection processes. • Meets as frequently as required for data-gathering purposes. • Develops, proposes and reports quarterly sustainability performance to the Sustainability Steering Committee.

2025 SUSTAINABILITY JOURNEY

Board and Managing Director’s Responsibilities

The Board holds overall responsibility for the Group’s sustainability governance, receiving regular updates to provide guidance and oversight. The Managing Director oversees ESG initiatives, reporting key sustainability matters to the ARMC, which monitors the Group’s sustainability blueprint, material topics and targets. The ARMC then presents progress and strategies to the Board for review and approval. From FY2023, ESG KPIs from the three-year sustainability roadmap will be incorporated into the Group’s Corporate Scorecard, with quarterly reviews conducted by the Board and ARMC to track performance and key developments.

Sustainability Steering Committee and ESG Task Force’s Roles and Responsibilities

Within the Group’s Sustainability Steering Committee and ESG Task Force, designated departments oversee, analyse and collect data on sustainability issues and related initiatives.

Environment Pillar	Social Pillar	Economic Pillar
Key Departments: <ul style="list-style-type: none"> • Lead by Operations (Audit and Quality Control) • Support by: <ul style="list-style-type: none"> • Operations • QHSSE • Human Capital and Administration 	Key Departments: <ul style="list-style-type: none"> • Lead by Human Capital and Administration (Data Management and Analysis) • Support by: <ul style="list-style-type: none"> • Finance and Corporate Strategy • QHSSE • Operations 	Key Departments: <ul style="list-style-type: none"> • Lead by Finance and Corporate Strategy (Audit, Data Management and Analysis) • Support by: <ul style="list-style-type: none"> • Procurement • Business Venture • Corporate Services • Operations
Climate Change*	Occupational Safety & Health*	Business Ethics
Air Emissions*	Talent Attraction & Retention*	Economic Impact
Waste & Pollution Management*	Diversity & Inclusion	
Biodiversity	Human Rights	
Water Management	Community Engagement	

* Top priority material matters with specific targets to be achieved for the 3-Year Sustainability Roadmap (2023-2025)

2025 SUSTAINABILITY JOURNEY

CORPORATE GOVERNANCE AND POLICIES

LFG is committed to delivering long-term sustainable value for its shareholders while upholding the highest standards of corporate governance. The Board is responsible for establishing the Group's strategic direction and implementing policies to ensure robust corporate governance.

The following policies support the Group's governance framework and practices:

<ul style="list-style-type: none"> • Board Charter • Terms of Reference for: <ol style="list-style-type: none"> 1. Audit and Risk Management Committee 2. Nomination & Remuneration Committee 	<ul style="list-style-type: none"> • Code of Ethics and Code of Conduct: <ol style="list-style-type: none"> 1. Employee Code of Ethics 2. Director's Code of Ethics 3. IT Code of Ethics 4. Service Provider Code of Conduct 	<ul style="list-style-type: none"> • Limits of Authority • Finance Policy 	<ul style="list-style-type: none"> • Anti-Corruption and Anti-Bribery Policy • Anti-Fraud and Whistleblowing Policy 	<ul style="list-style-type: none"> • Human Resource Policies • Employee Handbook
<ul style="list-style-type: none"> • QHSSE policy for: <ol style="list-style-type: none"> 1. Lianson Fleet Group Berhad 2. Regulus Offshore Sdn. Bhd. 	<ul style="list-style-type: none"> • Information Security Policy 			

Sustainability Policy

LFG's governance policies can be viewed on the Group's website at www.lianson.com.

2025 SUSTAINABILITY JOURNEY

STRONG INTERNAL CORPORATE GOVERNANCE STANDARDS

Independence and Role Clarity

The Group upholds strong corporate governance practices, ensuring compliance with ethical regulations and standards across all leadership levels. The Chairman maintains a clear separation of responsibilities from the Managing Director. In cases of conflict of interest or related party transactions, directors are required to disclose their interests and abstain from discussions on the matter in question.

Governance in Executive Remuneration

LFG determines executive remuneration through employment contracts with its Executive Directors. The Board delegates responsibility for remuneration matters to the Nomination and Remuneration Committee (NRC), which evaluates and approves remuneration packages for Directors and key senior management positions. After thorough deliberation, the NRC submits recommendations to the Board for any necessary adjustments to Director remuneration, considering the Group's performance. Shareholders retain the right to vote on fees and benefits for Non-Executive Directors.

Duties and Committee Composition

When determining directors' remunerations, factors such as directors' duties, responsibilities and time commitments are taken into account, while the remuneration and practices for senior management are tailored to consider complexities and individual responsibilities aligned with the business strategy and long-term objectives of LFG.

Detailed information on the Group's corporate governance practices, including its structure and policies, can be found on page 109 of this report.

The full Corporate Governance Report is available on LFG's corporate website at www.lianson.com.

Diverse Board Composition

The Board consists of individuals with diverse professional expertise and skill sets, providing valuable insights for strategic decision-making, long-term value creation and stakeholder satisfaction.

The Board undergoes an annual performance review to uphold the highest standards of leadership ethics. The Group considers gender diversity a key factor and is committed to achieving a 30% female representation on our Board as set by Bursa Malaysia. As of FY2025, our Board consists of 100% Malaysians.

Industry Regulatory Compliance

The Group maintains compliance with regulatory requirements through regular meetings, discussions and audits conducted throughout the year. Our operations adhere to stringent Quality, Health, Safety, Security and Environment (QHSSE) standards, as well as industry regulations governing the oil and gas sector. The Group's sustainability initiatives, policies and decisions are aligned with the following regulations:

For the OSV and Marine Transportation business segment, compliance is maintained with regulations established by the International Maritime Organisation (IMO), including:

- The International Convention for the Safety of Life at Sea (SOLAS)
- International Convention for the Prevention of Pollution from Ships (MARPOL)
- Standards of Training, Certification and Watchkeeping for Seafarers (STCW)
- Maritime Labour Convention, 2006 (MLC)
- Merchant Shipping Ordinance, 1952 (MSO)

For our fleets, certifications are obtained from regulatory bodies such as:

- Registro Italiano Navale (RINA)
- Korean Register (KR)
- The American Bureau of Shipping (ABS)

In FY2025, LFG did not incur any fines or receive censure from regulatory authorities for environmental or social non-compliance.

2025 SUSTAINABILITY JOURNEY

ANTI-BRIBERY AND ANTI-CORRUPTION STANCE

If left unaddressed, corruption erodes trust, undermines public interest and poses significant risks to any entity, including LFG. Though it may receive less attention than other ESG issues, corruption leads to severe power abuses that can undermine sustainability across all ESG dimensions, as detailed below:



GOVERNANCE

Corruption hinders the establishment and enforcement of sound governance principles and frameworks. It is closely linked to breaches in transparency, accountability and the rule of law. As a result, corruption weakens democracy, erodes legal structures and impedes economic growth.



ENVIRONMENT

Corruption obstructs funding and initiatives to combat climate change, undermines forest conservation and sustainable forestry programmes and exacerbates crimes related to wildlife and fisheries.



SOCIAL

When corruption infiltrates the government, it can derail critical social initiatives, leading to failures in poverty eradication, hunger alleviation and access to quality healthcare and education. It also weakens efforts to promote gender equality, uphold human rights and reduce societal inequalities.

The Group is committed to creating value for its clients, employees and stakeholders by upholding the highest standards of integrity, health, safety and environmental responsibility. To reinforce this commitment, stringent measures have been implemented to prevent all forms of bribery and corruption. At the same time, the Group strives to achieve optimal financial and operational performance while adhering to the strictest ethical standards.

2025 SUSTAINABILITY JOURNEY

Zero Tolerance to Bribery and Corruption

The Group maintains a zero-tolerance approach to bribery and corruption across its value chain and business partnerships, upholding the highest standards of ethical conduct and integrity.

Following the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACCA) on 1 June 2020, the Group swiftly introduced the Integrity Pledge for all directors, employees (onshore and offshore) and third parties. In April 2022, the Board approved the Anti-Bribery and Anti-Corruption (ABAC) Policy, further reinforcing the Group's stance on ethical business practices. Anti-corruption measures are also embedded in the Code of Ethics (COE) and supported by guidelines aligned with the TRUST Principles.

The ABAC Policy ensures compliance with Malaysian anti-corruption laws and aligns with international frameworks such as the UK Bribery Act 2010 and the Foreign Corrupt Practices Act 1977, including their amendments.



Anti-Bribery and Anti-Corruption Policy (ABAC)

The Board, as the highest governing body, oversees anti-corruption and anti-bribery efforts within the Group. It periodically reviews the ABAC Policy to ensure alignment with the latest governance and legislative updates. The full policy is available on the Group's website at www.lianson.com. Furthermore, the ABAC Policy is available to all employees on the company's server.

Applicable to all employees, regardless of rank or location, the ABAC Policy covers onshore and offshore operations in every country where LFG operates. It extends to the Board, senior management, fleet crew, trainees, part-time and contract employees, agency staff and volunteers.

LFG integrates its anti-corruption agenda across its supply chain, requiring vendors, clients, suppliers, contractors, consultants and service providers to sign pledges acknowledging and adhering to the Group's zero-tolerance stance on bribery. Every contract includes ABAC compliance, reinforced by Letter of Award policies and tendering SOPs to ensure transparency in bid submissions.

The Code of Ethics (COE) provides guidelines on business courtesies, restricting employees from offering or accepting monetary gifts, loans, kickbacks, or any form of undue influence. Business courtesies must remain reasonable and not create conflicts of interest. Any exceptions require approval from the Managing Director via a Declaration Form.

Violations of the ABAC Policy, COE, or related anti-corruption policies will result in strict disciplinary action, including suspension, termination, or legal proceedings, as necessary.

2025 SUSTAINABILITY JOURNEY

Anti-Corruption Training, Communication and Awareness

The Group reinforced its anti-corruption efforts through ongoing training, briefing and information dissemination for the Board, senior management, employees and vessel crew.

Senior management, supervisors and vessel captains regularly remind employees of anti-corruption best practices and the necessary actions in case of policy breaches. New hires must attend induction sessions covering company policies, the Code of Ethics and anti-bribery briefings. Additional awareness is raised through the Group’s website, email alerts and the employee handbook.

Apolitical Stance

The Group remains apolitical and has not made any political donations during the reporting year. However, it may participate in government-led philanthropic or nation-building initiatives and sponsor community projects that may involve politicians or political parties.

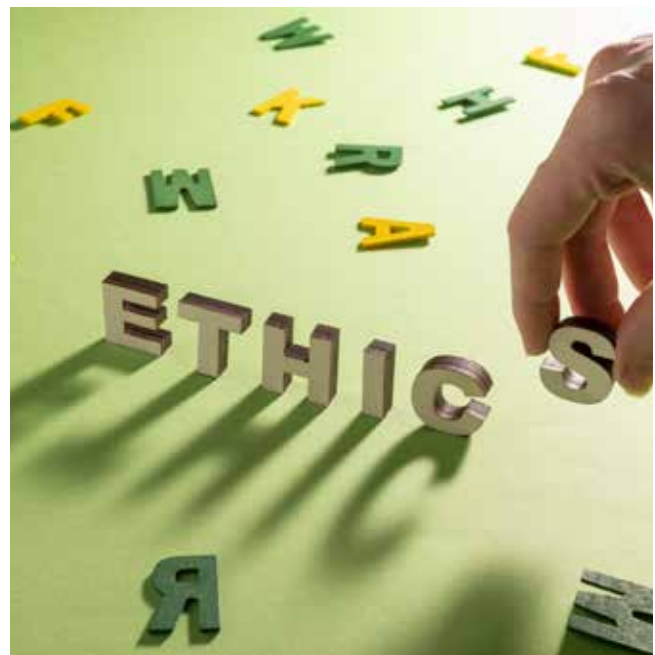
Whistleblowing and Grievance Mechanism

The Group remains committed to preventing fraud and corruption through its Anti-Fraud and Whistleblowing Policy, fostering a safe environment for employees to report concerns without fear. Whistleblowers’ identities are protected and reports can be submitted via designated channels, including direct email access to the Chairman of the ARMC or the Board, if necessary. The ARMC Chairman oversees all whistleblowing investigations. Violations related to fraud or corruption result in strict disciplinary action. The Group’s grievance mechanism ensures fair resolution through established procedures, with employees expected to report in good faith. No whistleblowing cases were recorded in FY2025.

The full policy is available at www.lianson.com.

Ethical Work Conduct

In alignment with the Malaysian government’s National Anti-Corruption Agenda, the Group has strengthened its Code of Ethics (COE) and Service Providers’ Code of Conduct (SPCOC) with dedicated anti-corruption action plans. To maintain their relevance and effectiveness, the Board regularly reviews both policies.



Code of Ethics and Conduct

The Group’s Code of Ethics, including the Employee and Directors’ Code of Ethics, applies to all employees, management and directors. It promotes high moral standards across the Group’s operations and business activities.

The Service Providers’ Code of Conduct has been effectively communicated to suppliers, contractors, professional advisors and consultants, ensuring compliance when engaging with the Group. This has reinforced ethical integrity beyond the organisation.

2025 SUSTAINABILITY JOURNEY

Supply Chain Governance

The Group upholds ethical business practices across its supply chain, ensuring responsible sourcing prioritising moral, environmental and social considerations. This commitment is reinforced through the Service Providers' Code of Conduct (SPCOC), which includes anti-corruption action plans and pledges supporting the national anti-corruption agenda.

Business associates are expected to adhere to the SPCOC and Anti-Bribery and Anti-Corruption (ABAC) Policy and provide consent for the Credit Tip-off Service (CTOS). Due diligence is mandatory when employees engage with third-party partners and suppliers must confirm their compliance with all relevant policies and regulations before conducting business with the Group.

Supply Chain Due Diligence

The Group maintains an up-to-date list of suppliers, revising it as necessary. To ensure partnerships with third parties that uphold high standards of business integrity, suppliers and vendors undergo a thorough due diligence process before engagement. This includes carefully assessing their financial, legal and fiscal standing.

Vendors are required to complete, acknowledge and stamp the Vendor Registration Form and submit additional supporting documents for due diligence. These include the company profile, financial report, relevant health and safety policies, integrity pledge and other applicable policies. This process helps the Group ensure that its third-party partners maintain good governance across environmental, social and corporate governance matters within their organisations.

Strengthening ESG in the Supply Chain

As part of its commitment to enhancing QHSSE practices, the Group requires vendors, suppliers and contractors to sign a letter committing to its QHSSE approach under the Offshore Vessel Management Self-Assessment (OVMSA).

This initiative aligns with the Group's broader efforts to progressively strengthen ESG standards and requirements for its supply chain partners. By implementing structured procedures, the Group continues to embed sustainability principles throughout its supply chain.



Sustainability and Climate Change Policy

In FY2023, the Group introduced its Sustainability Policy, enabling a comprehensive ESG approach focused on sustainability initiatives that address material topics beneficial to stakeholders while promoting environmental stewardship and community well-being.

The Group also established its Climate Change Statement, reaffirming its commitment to mitigating climate change and minimising its environmental footprint. The statement outlines the Group's objectives for reducing carbon emissions and lessening its impact on global warming through sustainable operational practices.

Both Statements are available on the Group's website at www.lianson.com.

2025 SUSTAINABILITY JOURNEY

STAKEHOLDER ENGAGEMENT

Effective stakeholder communication and engagement are central to the Group's commitment to being a reputable, trusted and responsible business entity. The Group prioritises building long-term relationships with stakeholders and driving non-financial ESG value by actively seeking meaningful feedback on key issues.

Stakeholders include individuals or entities affected by the Group's business strategies and operations, as well as those who can influence its direction. Through continuous two-way communication, the Group gathers insights to develop, implement and monitor solutions that align with stakeholder expectations and concerns.

In recent years, stakeholder engagement has been primarily conducted through online platforms, a shift driven by evolving business needs and digital advancements.

Key Stakeholder Engagement Platforms

The Group engages shareholders primarily through annual general meetings (AGMs) and extraordinary general meetings (EGMs), providing a platform for shareholders to voice concerns and offer suggestions directly to the Board of Directors.

Additionally, the Group maintains open communication through its website, social media channels, press releases and other media outlets. It also participates in investor forums and holds regular investor briefings to foster transparency and engagement.

The Group recognises that effective stakeholder engagement is essential for maintaining transparency, building trust and aligning business strategies with stakeholder expectations. By fostering open and consistent communication, the Group ensures that stakeholders remain informed and have the opportunity to provide valuable input on key matters.

The table below outlines how the Group engages with its stakeholders:

2025 SUSTAINABILITY JOURNEY

Stakeholders	Engagement Approach	Frequency of Engagement	Areas/Issues of Concern	Engagement Outcomes
Employees (Onshore and Offshore)	Town Hall Sessions	Ad-hoc	<ul style="list-style-type: none"> Business performance, alignment, staff welfare 	<ul style="list-style-type: none"> Constantly informed on the overall business alignment and employees' camaraderie. Staff benefits and welfare
	Internal Communications	Regular	<ul style="list-style-type: none"> To keep employees engaged and in sync with business goals 	<ul style="list-style-type: none"> Clear understanding of the company's objective, strategy and direction
	Annual Appraisals	Annually	<ul style="list-style-type: none"> Performance review and feedback Employee development programme 	<ul style="list-style-type: none"> Regular feedback and review on performance. Establish highly performing culture and performance-based rewards.
Employees (Onshore)	Trainings and Workshops	Regular	<ul style="list-style-type: none"> Upskilling 	<ul style="list-style-type: none"> Improved hard and soft skills for employees and personal growth
	Festive Celebrations & Staff Gathering	Ad-hoc	<ul style="list-style-type: none"> Enhance top management-staff relationship building 	<ul style="list-style-type: none"> Promote camaraderie, respect, teamwork, inclusiveness and diversity
	Corporate Social Responsibility ("CSR") Activities	Ad-hoc	<ul style="list-style-type: none"> Encouraging volunteerism and being a responsible corporate citizen. 	<ul style="list-style-type: none"> Established a meaningful relationship with the community
	Department Meeting	Regular	<ul style="list-style-type: none"> Daily operating matters, i.e. QHSSE, work progress updates, challenges encountered, etc. 	<ul style="list-style-type: none"> Improve work efficiency Improve communications within team members Clarity in scope of work
Employees (Offshore)	Focus Group Interview and Engagement	Annually	<ul style="list-style-type: none"> Behavioural-based Competency i.e. integrity, effective communication, agility and resilience for change 	<ul style="list-style-type: none"> Strengthened Top 4 Officers' leadership competencies through engagement and learning to create awareness
	Crew Engagement	Regular	<ul style="list-style-type: none"> Business performance, alignment, staff welfare, engagement Specific QHSSE topics and initiatives 	<ul style="list-style-type: none"> Employees were well-informed and regularly updated Low incidents related to QHSSE, promote QHSSE efforts among crew
	Management Ship Visit	Periodical	<ul style="list-style-type: none"> General QHSSE related matters Mental health & well-being of the crew Operational related issues 	<ul style="list-style-type: none"> Defined QHSSE expectations Cultivated a good worklife balance in the working environment Improved efficiency and effectiveness of the workflow
	Focus Group Interview and Engagement	Regular	<ul style="list-style-type: none"> Monsoon Campaign 	<ul style="list-style-type: none"> Upskill people in situational awareness, skills and intervention techniques on working safely during adverse weather condition
	QHSSE Campaign	Quarterly	<ul style="list-style-type: none"> Enhance target goal ZERO safety culture 	<ul style="list-style-type: none"> Improve safety performances

2025 SUSTAINABILITY JOURNEY

Stakeholders	Engagement Approach	Frequency of Engagement	Areas/Issues of Concern	Engagement Outcomes
Shareholders, Investors, Analysts and Media	Annual Report	Annual	<ul style="list-style-type: none"> • Transparency in disclosure of corporate information 	<ul style="list-style-type: none"> • Disclosure of corporate/ financial annual performances
	General Meeting	Periodical	<ul style="list-style-type: none"> • Listing requirement compliance matters, shareholder's interests/ concerns 	<ul style="list-style-type: none"> • Platform to meet and reinforce relationship with them on their enquiries pertaining to the company's corporate exercises, performances and share prices. • Obtained trust and continuous support from shareholders, investors and analysts.
	Financial Report	Annual and Quarterly	<ul style="list-style-type: none"> • Future plans and outlook, financial performance/results 	<ul style="list-style-type: none"> • Reaffirmed stakeholders' confidence, platform for discussion and Q&A
	Analyst Briefings	Quarterly		
	Press Interviews and releases	Periodical		
	Bursa Announcements	Periodical		
	Website	Frequent		
Suppliers	Meeting	Regular	<ul style="list-style-type: none"> • Technical specifications 	<ul style="list-style-type: none"> • Better product/service matching
	Field Trip	Periodical	<ul style="list-style-type: none"> • New product/service knowledge 	<ul style="list-style-type: none"> • Better understanding of product/service recommendations
	E-mail	Regular	<ul style="list-style-type: none"> • Daily operational matters 	<ul style="list-style-type: none"> • Ensured a well-communicated and timely delivery of product/service • Technical and commercial enquiries
	Questionnaire	Ad-hoc	<ul style="list-style-type: none"> • ESG related Safety Cultures 	<ul style="list-style-type: none"> • To provide trainings and talks on HSE to elevate H&S standards for them
Government and Regulators	Meeting	Quarterly	<ul style="list-style-type: none"> • Safe vessel operations 	<ul style="list-style-type: none"> • Ensured a proper awareness about compliance. • Better understanding of industry updates, new rules & regulations implementations.
	Audit	Periodical	<ul style="list-style-type: none"> • Operational Compliance 	
Bankers/ Financiers	Phone call, E-mail, Meeting	Ad-hoc	<ul style="list-style-type: none"> • Financial support, financial review, compliance with debt obligations 	<ul style="list-style-type: none"> • Continued financial support, refinancing of facility, improvement of financing facility terms

2025 SUSTAINABILITY JOURNEY

Stakeholder Engagement for Materiality Assessment

The stakeholder engagement methodology for the Materiality Assessment process includes interviews with internal and external stakeholders to prioritise ESG topics relevant to the Group's business operations. Stakeholder responses were assessed using a scoring system based on the significance of each topic and the depth of insights provided.

For internal stakeholders, the importance of each material topic was determined by calculating the average score across all respondents. For external stakeholders, scores were derived by averaging responses and applying weightage based on stakeholder groups: 20% for suppliers, 10% for bankers, 20% for regulators and 50% for customers.

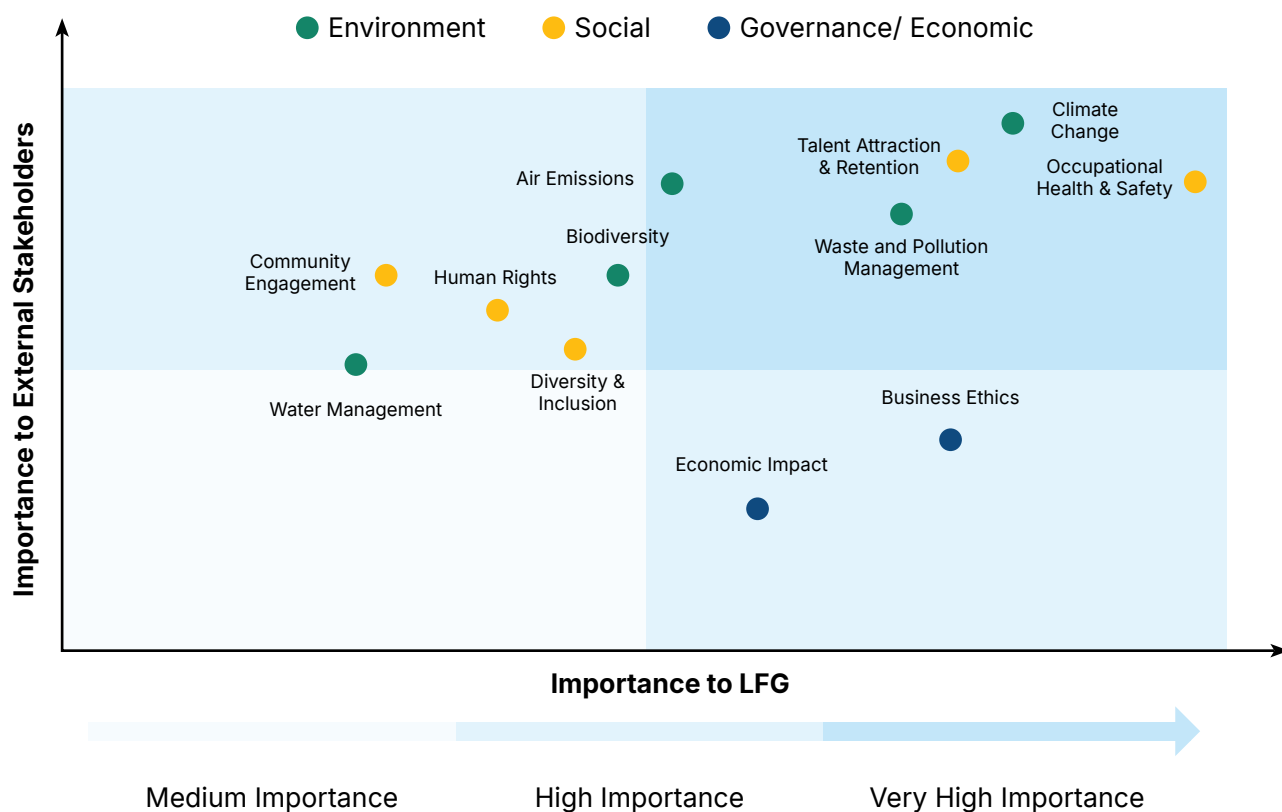
The Group has identified a total of 28 topics, from which 12 have been shortlisted as its Material Topics, as follows:

Material ESG Topics	Definition
Climate Change	Measures taken to adapt the business to a changing climate, increase resilience and transition to a low-carbon economy by reducing GHG emissions through energy efficiency, improved production technology and low-carbon processes.
Air Emissions	Controlling and managing our air emissions, such as NOx, SOx and VOCs, to minimise and mitigate adverse impacts of our operations on society and the environment.
Biodiversity	Ensuring the protection of marine ecosystems through appropriate management of our impacts.
Waste and Pollution Management	Managing waste and effluents produced by our operations to reduce generation and ensure that they are disposed of/discharged in a responsible manner.
Water Management	Tracking and monitoring our water consumption and water discharge to ensure sustainable water practices.
Occupational Health and Safety	Measures taken to improve and maintain the safety of our employees and contractors, manage critical incidents, prevent workplace accidents or injuries, and mitigate health and safety risks.
Talent Management	Attracting and retaining high-performing employees in the face of emerging business models and trends through initiatives which promote job satisfaction and improve productivity.
Diversity and Inclusion	Promoting a diverse and inclusive workplace where every employee is treated with dignity and respect.
Human Rights	Respecting and protecting the rights of all those associated with our operations.
Community Engagement	Empowering and creating positive social impacts for the communities in which we operate or those that are connected to our operations.
Business Ethics	Conducting our business based on moral principles that act as a guideline in the face of ethical dilemmas and controversial situations.
Economic Impacts (Direct and Indirect)	Identifying and managing of direct and indirect economic impacts on society.

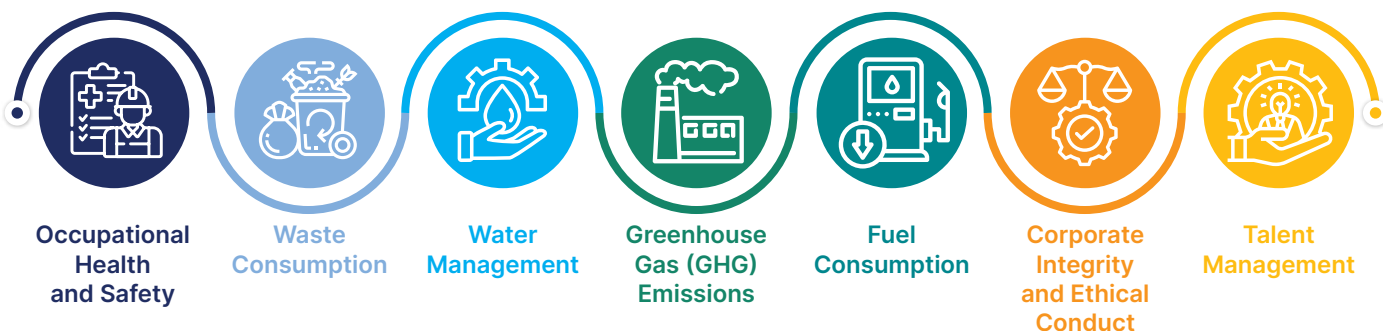
2025 SUSTAINABILITY JOURNEY

MATERIALITY MATTERS AND MATRIX

The Group's materiality matrix was developed based on these 12 identified material topics, illustrated as follows:



The Group's current material matters are guided by industry best practices, stakeholder insights and internal perspectives, playing a key role in defining its material topics. The classification of these topics under the Economic, Social and Governance pillars is an integral part of the materiality assessment process. For 2025, the Group's material matters remain unchanged from the previous year, as shown below:



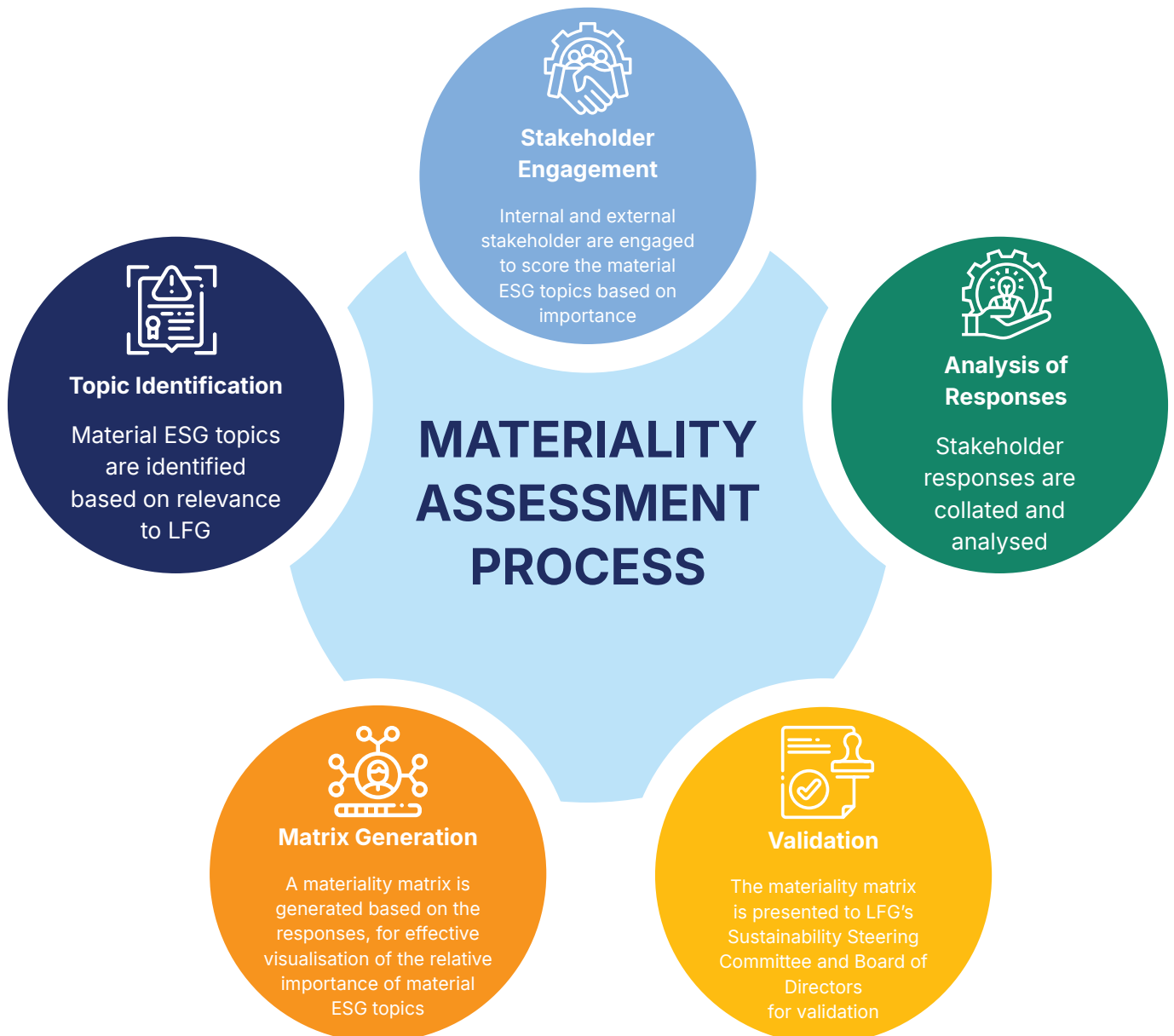
2025 SUSTAINABILITY JOURNEY

Materiality Assessment Process

The materiality assessment process involved identifying a comprehensive list of ESG topics by referencing relevant sustainability frameworks, including GRI 11, SASB Marine Transportation and FTSE4Good, as well as conducting desktop research on material ESG issues within the industry.

Internal stakeholders, including the Board of Directors, Managing Director, senior management and staff, played a key role in prioritising ESG material topics. Additionally, external stakeholders such as financial institutions, suppliers, customers and regulators were engaged in the assessment process.

The overview of the materiality assessment process is outlined below:



2025 SUSTAINABILITY JOURNEY

The five priority topics identified from the materiality matrix for 2023-2025 are as follows:



The Board plays a key role in guiding the direction of the Group’s five priority material topics and other identified areas, determining key focus areas for the management. The Group remains committed to enhancing its sustainability efforts by advancing existing material topics and addressing newly identified ones.

SUSTAINABILITY FRAMEWORK AND ROADMAP

3 Year Sustainability Roadmap

In 4Q2022, the Group embarked on a purpose-driven sustainability journey with the development of a comprehensive sustainability strategy, which laid the groundwork for a three-year roadmap from 2023 to 2025. Anchored to the Group’s 2022 baseline performance, the roadmap supports the systematic integration of sustainability and ESG considerations into our operations to deliver meaningful outcomes across communities, the environment, the wider industry and our value chain.

Following the successful completion of the current roadmap, the Group will develop a refreshed sustainability strategy and set new goals and targets to support the next phase of the Group’s growth.

Sustainability Framework











LFG’s Sustainability Framework is underpinned by key pillars that align with the Group’s vision and mission, providing a clear foundation for long term value creation. This approach supports the continued growth and resilience of both financial and non financial value for stakeholders across the short, medium, and long-term, while focusing on material sustainability issues that have the greatest impact on overall value creation.




2025 SUSTAINABILITY JOURNEY


3 Year Sustainability Goals and Targets

The Group's Sustainability Roadmap established clear goals and targets, with 2022 as a baseline where relevant, to drive meaningful progress in each of the areas outlined below:

Goals	Targets (Year 1–Year 3)	Target Achievement
Restoring environment pillar		
Climate Change	Year 1 • 1% reduction in scope 1 and 2 GHG emissions	
	Year 2 • 3% reduction in scope 1 and 2 GHG emissions	
	Year 3 • 5% reduction in scope 1 and 2 GHG emissions	
Air Emissions	Year 1 - Year 3 • Zero cases of non-compliance related to air emissions	
Waste & Pollution Management	Year 1 - Year 3 • Total waste reduction by 3% year on year	
	Year 1 - Year 3 • Zero spillage	
Empowering people and communities pillar		
Occupational Health & Safety	Year 1 • Total recordable case frequency <1 • Zero Lost Time Injury (LTI) and fatalities • 7% of suppliers have established Safety Management System (SMS) by end of Year 1	
	Year 2 • Total recordable case frequency <1 • Zero LTI and fatalities • 8% of suppliers have SMS by end of Year 2	
	Year 3 • Total recordable case frequency <1 • Zero LTI and fatalities • 9% of suppliers have SMS by end of Year 3	
Talent Attraction & Retention	Year 1 - Year 3 • Offshore Marine Talent Programme: 40 Identified talent to participate in on-job training and 20% to be certified top 4 officers by the end of Year 3 • Onshore Talent Management Programme: 15 Identified high potential talent participate in a Talent Development Programme, who will be earmarked to be LFG's ready talent by the end of Year 3 • Learning and Development (L&D) Framework Customised to Competency Gaps: 90% of onshore employees to achieve required learning manhours of training per year by Year 2 (learning hours to be defined based on role requirements)	

 On Track – Target achieved or progressing in line with target since FY2023

 Needs Improvement – Target not met; improvement areas identified and corrective actions in progress since FY2023

 Programme was temporarily shelved in 2024 in view of the ongoing M&A process. A new programme will be initiated with the launch of our refreshed sustainability framework, which will define the Group's ambitions beyond 2025.

2025 SUSTAINABILITY JOURNEY

RISK MANAGEMENT

Risk Management Framework

The Group operates within a risk management framework under the oversight of the Board, which recognises the critical importance of effective risk management and internal control systems in safeguarding the Group's operations. This framework enables the systematic identification, assessment, management, monitoring, reporting and mitigation of key business and operational risks that may affect the achievement of the Group's sustainability goals and business objectives, while ensuring the protection of assets and stakeholder interests.

Risk management is embedded across the Group's operations through its Enterprise Risk Management ("ERM:") framework and is treated as an ongoing and integral process. The Group remains committed to continuously enhancing the relevance and effectiveness of this framework in response to the evolving global business environment. Recent geopolitical developments, including heightened tensions in Europe, have further emphasised the importance of robust risk management practices in mitigating potential operational disruptions and strengthening organisational resilience. Enterprise-wide risks are reviewed regularly, with updates made to the risk matrix as required, and the risk register reviewed on a quarterly basis.

Risk Oversight and Governance

Oversight of the Group's risk management framework is provided by the Board through the Audit and Risk Management Committee ("ARMC"). Senior Management is responsible for ensuring the adequacy and effectiveness of the Group's internal control systems and risk management processes, with significant risk matters escalated to the Managing Director for review and attention.

The ARMC convenes quarterly to review the principal risks faced by the Group and to receive updates on related mitigation measures. Independent assurance over the effectiveness of the Group's risk management and internal control systems is obtained through periodic reviews by both internal and external auditors.

Management takes a proactive approach in addressing findings and recommendations arising from these reviews throughout the financial year, contributing to the continuous strengthening of the Group's control environment.

Integration of Sustainability-Related Risks

The Group recognises that sustainability-related risks form an increasingly important component of its overall risk profile. As such, environmental, social and governance ("ESG") risks are integrated into the Group's broader risk management framework, alongside operational, financial, market and strategic risks.

The Board and Management closely monitor material ESG-related risks, including those associated with climate change, labour and human rights, as well as occupational safety and health ("OSH"), given their potential implications on financial performance, regulatory compliance and access to capital. Strengthening the internal control framework remains a key priority, supported by ongoing assessments conducted by Management to ensure that significant risks are appropriately mitigated. Further information on the Group's risk management and internal control framework is set out in the Statement on Risk Management and Internal Control on page 131 of this Annual Report.

ESG Risk Assessment

To date, the Group's risk assessments have been relatively limited and primarily focused on anti-bribery and anti-corruption ("ABAC") risks based on common risk indicators. The assessment of broader ESG-related risks has been minimal. Nevertheless, the Group acknowledges the growing importance of ESG considerations and is committed to enhancing its sustainability governance framework.

Accordingly, the Group plans to expand and strengthen its ESG risk assessment processes in the coming year as part of its continuous improvement efforts, with the objective of achieving a more comprehensive identification and evaluation of sustainability-related risks.

2025 SUSTAINABILITY JOURNEY

OUR PERFORMANCE IN 2025

ECONOMIC

The Group is committed to building a resilient and sustainable business that delivers long-term value for our stakeholders. Through disciplined strategic investments, operational excellence and responsible business practices, we continue to strengthen our competitive position while contributing to broader economic development. Our emphasis on profitability, competitiveness and innovation underpins sustainable growth and enables us to respond with agility to evolving market dynamics.

ECONOMIC PERFORMANCE

Why is it important?

The Group's financial performance in FY2025 remained a key driver in delivering sustainable value to our shareholders and stakeholders. Through disciplined resource optimisation, continued cost efficiency initiatives and the cultivation of strategic partnerships, we strengthened business continuity and operational resilience. These efforts position the Group for long-term growth and stability amid an increasingly dynamic economic environment.

Our Approach

The Group is steadfast in upholding the highest standards of integrity and accountability across all facets of its operations. We place strong emphasis on sound corporate governance, robust risk management and strict adherence to regulatory requirements to support a responsible and resilient organisation. By embedding ethical business practices and aligning our policies and processes with both local and international standards, we establish a strong foundation for sustainable and value-driven growth. Further details on the Group's business and financial performance are set out in the Management Discussion and Analysis on page 15 and the Financial Statements on page 137 of this Report.



2025 SUSTAINABILITY JOURNEY

ECONOMIC

Our Performance

Indicator	Unit	FY2023	FY2024	FY2025	Y-o-Y Variance
Revenue	RM'000	199,788	235,781	286,539	22%
Profit After Tax	RM'000	6,717	26,197	90,856	247%
Adjusted EBITDA	RM'000	76,459	102,349	204,984	100%
Cash and Bank Balances	RM'000	147,358	91,558	191,430	109%
Total Assets	RM'000	726,727	700,680	1,349,712	95%
Total Equity	RM'000	377,328	456,523	847,861	86%
Net Asset Per Share	RM	0.70	0.73	0.75	5%
Basic Earnings Per Ordinary Share	Sen	0.90	7.39	11.00	49%

Indirect Economic Values Distributed

In FY2025, the Group's financial performance created positive economic impact for stakeholders. Strong financial discipline, strategic investments and partnerships enhanced resilience and sustainability, while job creation and support for local businesses contributed to broader economic growth.

Indicator	Unit	FY2023	FY2024	FY2025
ECONOMIC VALUES GENERATED	RM'000	203,426	242,321	390,313
Operating cost*	RM'000	-128,403	-145,861	-196,010
Total payout to employees in wages and benefits	RM'000	-53,700	-51,915	-61,084
Repayments to financiers	RM'000	-20,700	-10,291	-14,154
Taxes paid to government	RM'000	-1,763	-3,136	-5,998
Economic values distributed	RM'000	-204,566	-211,203	-277,246
ECONOMIC VALUES RETAINED	RM'000	-1,139	31,118	113,067

* Operating costs includes of cost of sales, administrative expenses, and receivables-related impairment expenses and income.

2025 SUSTAINABILITY JOURNEY

ECONOMIC

SUPPLY CHAIN MANAGEMENT



Why is it important?

A robust and well-structured supply chain underpins the Group's operational efficiency, responsiveness and competitive positioning. It also plays a vital role in advancing our sustainability agenda by enhancing logistics efficiency, reducing waste and promoting high standards of Health, Safety and Environment (HSE) across our supplier base.

Effective supply chain risk management is critical to minimising disruptions and ensuring compliance with applicable environmental, labour and governance requirements. A proactive approach to identifying and managing these risks enhances supply chain resilience and supports business continuity.

By embedding sustainable and responsible procurement practices into our operations, the Group improves cost efficiency and operational effectiveness. We remain committed to ethical sourcing and the development of strong, transparent supplier relationships to uphold high standards of business conduct across our supply chain.

Local Procurement

LFG remains committed to strengthening the local supply chain and supporting the national economic agenda through active engagement in local procurement and supply chain partnerships. This approach ensures that the Group's procurement requirements are met efficiently while contributing to the development of a more resilient and self-sustaining domestic economy.

Prioritising local procurement enhances the Group's corporate reputation and operational efficiency by shortening lead times, optimising costs and improving oversight of procurement processes. At the same time, it generates employment opportunities within local communities and supports the growth of domestic industries, creating shared value for both the Group and the wider economy.

2025 SUSTAINABILITY JOURNEY

ECONOMIC

Our Approach

- **Risk Mitigation**

A thorough evaluation of the supply chain's ESG aspects is conducted using questionnaires and supporting documentation. This assessment ensures vendor compliance with key factors such as waste management policies, labour standards and adherence to local wage regulations. Where applicable, Health, Safety and Environment (HSE) policies are also implemented to maintain workplace safety and ethical labour practices.

- **Enhancing Cost Efficiency and Operational Performance Through Strategic Procurement:**

- » Reconditioning CATERPILLAR engine core parts during overhauls to maximise their lifecycle.
- » Utilising premium-grade anti-fouling paint on vessel hulls to reduce barnacle accumulation and improve fuel efficiency.
- » Establishing framework agreements for blanket orders, covering essential items such as Personal Protective Equipment (PPE), engine lubricants, food supplies, deck paint, maintenance and other services.

- **Fostering Supply Chain Transparency:**

- » Partnering with vendors who adhere to responsible procurement practices, including committing to integrity pledges, providing CTOS consent and complying with anti-bribery and service conduct policies.
- » Conducting vendor evaluations and audits when necessary and ensure internal stakeholders disclose potential conflicts of interest.

- **Strengthening Compliance and Efficiency:**

Internal audits are conducted to monitor and improve compliance with procurement policies while enhancing overall efficiency within the supply chain.

2025 SUSTAINABILITY JOURNEY

ECONOMIC

Our Performance

In FY2025, the Group engaged with 578 suppliers, with a procurement expenditure of RM220.3 million for the same reporting period.

The following highlights our procurement details from 2023-2025.

Indicator	Unit	FY2023	FY2024	FY2025
Local Suppliers	%	70	70	74
Foreign Suppliers	%	30	30	26
Total Suppliers	No.	531	601	578
Local Procurement Spend	%	80	75	70
Foreign Procurement Spend	%	20	25	30
Total Procurement Spend	RM Mil	52.8	75.8	220.3
Supplier Quality - Excellent (46-50)	%	16	17	3
Supplier Quality - Good (40-45)	%	12	9	50
Supplier Quality - Average (30-39)	%	69	71	44
Supplier Quality - Below Average (20-29)	%	3	3	3
Supplier Quality - Poor (below 20)	%	0	0	0
Supplier Assessed on Social Impact (Health & Safety)	No.	172	230	212
HSE Related Policy	%	77	77	68
Full-time HSE Personnel	%	49	34	29
Provides PPE for Employees/Workers	%	67	67	94
Measures in Place for Electricity Safety	%	47	31	29
Chemical Management	%	13	10	9

LFG aims to maintain local procurement at a minimum of 70% of total procurement in FY2025. In parallel, the Group is committed to enhancing its procurement and supply chain capabilities through employees' participation in relevant training and development programmes. Efforts will also be intensified to proactively identify and engage additional local vendors, broadening the local supplier base to sustainably support the Group's future operational requirements .

2025 SUSTAINABILITY JOURNEY

ECONOMIC

ANTI-CORRUPTION



Why is it important?

The Group is committed to conducting its business with the highest ethical standards and integrity. Upholding responsible and transparent practices is essential for fostering trust, safeguarding stakeholder interests and ensuring long-term sustainability. By embedding ethical principles into its corporate culture, the Group strengthens its accountability, regulatory compliance and operational excellence.

Our Approach

The Group is committed to fostering a culture of integrity and ethical business conduct across all levels of the organisation.

- All Directors and employees are required to adhere to the Code of Ethics, ensuring the highest standards of conduct in business activities. A Code of Conduct for Suppliers and Contractors is also in place to uphold ethical standards across supply chains and business partnerships.
- The Group maintains a zero-tolerance policy towards bribery and corruption, reinforcing its commitment to ethical business practices.
- An Integrity Pledge is implemented for all stakeholders, including Directors, employees, suppliers, contractors, interns, workers and volunteers, ensuring accountability and ethical engagement.
- The Group enforces an Anti-Bribery and Anti-Corruption Policy to prevent unethical practices. Additionally, a whistleblowing and anti-fraud policy has been established to encourage the reporting of misconduct.
- During induction and onboarding sessions, briefings are conducted to familiarise individuals with the Group's ethical standards and policies. Compliance with laws, regulations and internal policies is further reinforced through adherence to the Limit of Authority (LOA) framework.
- Standard Operating Procedures (SOPs) guide the Group's tendering process, ensuring fairness, transparency and accountability in procurement activities.

2025 SUSTAINABILITY JOURNEY

ECONOMIC

Our Performance

In FY2025, the Group conducted a corruption risk assessment across all departments: Finance, Supply Chain Management, Information Technology, Human Capital and Administration, Operations, Commercial & Chartering, QHSSE, Internal Audit and Corporate Communication.

The Group is pleased to report that no corruption cases were recorded for the year under review and the overall risk level was assessed as low across all departments, reflecting the effectiveness of the Group's ethical governance and commitment to maintaining a transparent and accountable business environment.

Indicator	Unit	FY2023	FY2024	FY2025
Management	%	62	16	100
Executive	%	71	26	100
Non-Executive/Technical Staff	%	25	8	100
Percentage of Operations that Underwent Corruption Risk Assessments	%	100	100	100
Confirmed Incidents of Corruption and Actions Taken	No.	0	0	0

2025 SUSTAINABILITY JOURNEY

ECONOMIC

CYBERSECURITY AND DATA PRIVACY



Why is it important?

The Group manages a substantial volume of digital data, encompassing supply chain and customer information stored across multiple platforms, including cloud servers, physical servers, laptop hard drives and portable storage devices such as thumb drives.

Cybersecurity measures are essential to prevent unauthorised access and data breaches, which could expose confidential information or damage the company's reputation.

In Malaysia, we comply with the Personal Data Protection Act (PDPA) to mitigate legal risks and safeguard our reputation.

Cyber threats, such as ransomware attacks, pose a significant risk to business operations, potentially causing downtime and financial losses. Strengthening cybersecurity frameworks ensures operational continuity and minimises service disruptions.

Beyond external threats, we are also responsible for protecting employee data, including personal and financial records. In addition to regulatory requirements, securing this information fosters trust among employees, reinforcing their confidence in the company's commitment to privacy.

Our Approach

The Group remains committed to strengthening cybersecurity and data protection through risk management, employee awareness and regulatory compliance. We continue implementing stringent security measures, conducting regular system audits and enhancing employee training to mitigate cyber threats.

Our Performance

Indicator	Unit	FY2023	FY2024	FY2025
Number of Awareness Programme on Cyberattack carried out for all employees	No.	3	1	1
Number of Awareness Programme on Data Privacy carried out for all employees	No.	1	1	1
Number of substantiated complaints concerning breaches in customer privacy or data loss	No.	0	0	0

2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL

The Group strives to continuously enhance its environmental performance by adopting best practices, cutting-edge technologies and robust management systems. Our commitment to sustainability includes minimising our operational footprint, optimising resource efficiency and implementing energy-efficient solutions. We ensure compliance with industry standards and regulatory requirements to reduce carbon emissions and promote responsible waste management. We remain dedicated to fostering long-term sustainability through continuous innovation and strategic initiatives while balancing business growth with environmental stewardship.

WATER MANAGEMENT



Why is it important?

The Group prioritises carefully monitoring and managing water consumption, recognising that effective water management is essential to our oil and gas operations. Water is essential for various functions, including vessel cooling, ballast water management, oil spill response, drilling, production and compliance with international marine regulations. The company acknowledges that efficient water management is key to maximising operational efficiency, ensuring environmental sustainability and adhering to regulatory requirements.

Minimising the environmental impact of water-related activities helps protect biodiversity and ecosystem health while enhancing operational performance.

Our Approach

- Water dispensers are installed on all vessels and undergo routine maintenance to ensure hygiene and quality. Regular testing and monitoring are conducted to ensure the water meets safety standards for consumption.
- Desalination units (water-makers) are fitted on AWB vessels, utilising reverse osmosis technology to convert seawater into clean water for showering and deck cleaning.
- Freshwater (potable) for ships and rigs is sourced from port facilities on land, which is specifically used for drinking.
- Ballast water management prioritises the responsible use of seawater, reflecting our commitment to biodiversity conservation.
- Vessel operations follow strict standard operating procedures (SOPs) for water management, ensuring full compliance with regulatory requirements.

Our Performance

Indicator	Unit	FY2023	FY2024	FY2025
Total volume of water used	Megalitres	32.8	30.1	34.9

2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL

WASTE MANAGEMENT



Why is it important?

Our operations produce both scheduled and general waste, which, if not appropriately managed, can negatively impact the environment. Therefore, it is essential for the Group to implement effective waste management practices to minimise ecological harm and prevent pollution. To uphold environmental responsibility, the Group strictly complies with the regulations outlined in Annex V of MARPOL 73/78, the Environmental Act 1974 and the Environmental Quality Regulations 2005.

Our Approach

- The Group has established a robust waste management plan to monitor, handle and track waste generation and disposal.
- To manage this waste properly, we separate them for proper disposal.
- The Group adheres to the following regulations for waste management and disposal:
 - ⇒ Department of Environment-compliant protocols
 - ⇒ Annex V of MARPOL
 - ⇒ ISM Environment Management System – Garbage Management Plan
- Our waste management initiatives include:
 - ⇒ General waste is segregated according to usable and disposable materials such as domestic waste, paper and plastic;
 - ⇒ Scheduled waste such as chemicals, oil/grease and paint;
 - ⇒ Bulk packaging for supplies, taking into account the shelf life upon opening the package/container;
 - ⇒ We opt to utilise reusable or recyclable packaging and containers whenever possible;
 - ⇒ Minimise use of disposable cups, utensils, dishes, towels and rags; and
 - ⇒ Whenever possible, avoid non-recyclable plastics or supplies packaging

These initiatives are implemented across the Group, ensuring consistent waste management practices. Scheduled waste is collected and disposed of by licensed third-party contractors. In 2024, we are pleased to report zero spillage incidents.

Our Performance

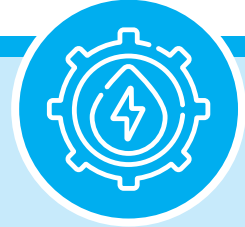
Indicator	Unit	FY2023	FY2024	FY2025
Hazardous/Scheduled Waste	Tonne	210.7	176.2	57.4
General Waste/Non-Hazardous	Tonne	580.7	264.9	273.4
Total Waste Generated	Tonne	791.5	441.0	330.8

* **Note:** Waste management and environmental pollution-related data are audited independently by RINA.

2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL

ENERGY MANAGEMENT



Why is it important?

The Group acknowledges that its business activities have an environmental impact, particularly from energy production through the combustion of fuels for vessel operations. These greenhouse gas (GHG) emissions contribute to climate change, impacting the planet and people.

Therefore, we are committed to minimising energy consumption and enhancing energy efficiency to reduce pollution from non-renewable energy sources.

Our Approach

- To strengthen fuel management accuracy, the Group has deployed the Vessel Fuel Track Management System ("VFMS") across eight vessels. This digital monitoring system provides real-time, high-resolution data on fuel consumption, enabling precise measurement, verification and analysis of fuel usage. By improving data reliability and transparency, VFMS supports more accurate operational control, optimised engine performance and informed decision-making, while promoting disciplined and sustainable fuel management across the Group's fleet.
- VFMS is equipped with advanced digital sensors and monitoring technologies that capture high-frequency, real-time data on fuel consumption, engine performance and overall vessel efficiency. The data is systematically processed and analysed using sophisticated algorithms, producing accurate, verifiable insights that support precise operational control, performance optimisation and improved fuel efficiency.
- We switched to using LED lighting across our offices for energy efficiency and to reduce electricity consumption.
- Furthermore, to reinforce our commitment to responsible environmental practices, we have sustainability and climate change policies in place to guide our actions.
- Electricity consumption at our onshore offices is continuously tracked and monitored to improve energy efficiency.
- Organisation of energy-saving campaign to encourage employees to switch off electrical devices when not in use, promoting responsible energy consumption.

In FY 2025, LFG reduced its total energy consumption by 20% compared to FY 2022 primarily due to an 87% reduction in corporate fleet fuel consumption, from 264.58 GJ to 34.94 GJ. Beyond operational improvements, we continue to strengthen our sustainability and climate change policies, ensuring our actions align with global environmental goals.

2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL

Our Approach (cont.)

As part of the Group's commitment to energy efficiency and responsible fuel management, B7 biodiesel and diesel consumption for Offshore Support Vessels ("OSVs") are monitored and reported separately. Overall, total fuel consumption declined by 20% compared to the baseline year, reflecting improved fuel management and operational discipline.

Our Performance

Indicator	Unit	FY2023	FY2024	FY2025
Fuel consumption from renewable source – B7 biodiesel	GJ	52,241.86	41,427.29	48,763.08
Fuel consumption from non-renewable source – OSV	GJ	1,092,367.12	866,236.57	1,019,626.53
Fuel consumption from non-renewable source – corporate fleet	GJ	318.86	331.09	34.94
TOTAL FUEL CONSUMPTION	GJ	1,144,927.84	907,994.95	1,068,424.55
Electricity Consumption: Location-based				
HQ	GJ	244.60	202.95	109.64
Kemaman	GJ	71.00	45.11	26.29
Labuan	GJ	80.56	50.70	44.13
Leased EV Car	GJ	0	0	26.96
TOTAL ELECTRICITY CONSUMPTION	GJ	396.17	298.76	207.02
TOTAL ENERGY CONSUMPTION	GJ	1,145,324.02	908,293.71	1,068,631.57
TOTAL ENERGY CONSUMPTION	MWh	318,145.81	252,304.01	296,842.10

2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL

EMISSIONS MANAGEMENT

Why is it important?

Effective emissions management is a core priority for LFG, reflecting the environmental and health risks associated with the combustion of fuels in marine vessel operations. These emissions contribute to air pollution, deteriorating air quality and placing ecosystems and human well-being at risk. The release of harmful pollutants accelerates environmental degradation and heightens exposure to hazardous airborne contaminants.

Air pollution remains a global challenge, with vulnerable groups - particularly children - experiencing disproportionate health impacts. Global health authorities have highlighted that many children are routinely exposed to pollution levels that exceed safe thresholds, increasing the risk of respiratory illnesses and long-term health complications. Against this backdrop, LFG recognises the importance of managing emissions responsibly. Through disciplined emissions control, the Group seeks to protect public health, reduce environmental impact and contribute meaningfully to a more sustainable and resilient future.

Our Approach

Aside from carbon emissions, The Group is committed to controlling and managing its air emissions, such as Nitrogen Oxides (Nox), Sulfur Oxides (Sox) and volatile organic compounds (VOCs), to mitigate their impact on the environment and society.

We ensure that all our vessel engines comply with the Engine International Air Pollution Prevention Certificate requirements issued by Germanischer Lloyd—a globally recognised authority in assurance, consulting, and classification for the marine and energy industries. Compliance with these standards ensures our vessel engines operate with enhanced fuel efficiency, adopt cleaner combustion technologies and utilise emission-reduction systems, thereby significantly lowering harmful air pollutants. This commitment reflects our proactive efforts to reduce air pollution and advance sustainable industry practices.



2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL

Our Performance

All our marine diesel engines fully comply with the Technical Code on the Control of Nitrogen Oxide Emissions from Marine Diesel Engines (2006), mandated under Annex VI of the International Convention for the Prevention of Pollution from Ships (1973) and later amended by the 1978 Protocol.

Additionally, fuel purchase receipts confirm our adherence to PETRONAS' Certificate of Quality. The sulphur content in the biodiesel used also meets the permitted specifications outlined in the certificate. We are pleased to report that there were no instances of non-compliance with air emission regulations in FY2023, FY2024 and FY2025.

Beyond regulatory compliance, we adopt a comprehensive approach to emissions management, following the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard. This framework allows us to track and disclose our emissions transparently across four key categories:

- Scope 1: direct greenhouse gas emissions from sources relating to LFG's operations.
- Scope 2: indirect greenhouse gas emissions from the generation of purchased energy consumed by LFG under operational control.
- Scope 3: other indirect greenhouse gas emissions (for business travel and employee commute only)
- Biogenic emissions from the combustion of biofuels are excluded from Scope 1 emissions and reported separately as a memo item.

In 2023, LFG embarked on a three-year roadmap to achieve a 5% reduction in total Scope 1 and Scope 2 GHG emissions from its 2022 baseline. By FY2025, the Group had recorded a 21% reduction in total Scope 1 and Scope 2 emissions, significantly exceeding its target and demonstrating the tangible impact of ongoing emission reduction efforts across its OSV operations.

The Group reports its Scope 3 emissions under Category 6 - Business Travel and Category 7 - Employee Commuting in accordance with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standards. Business travel emissions are calculated based on travel records provided by travel agencies, while employee commute data is collected through surveys, capturing details such as transport modes, average distance, and commute frequency to ensure accurate emissions estimation.

The Group remains focused on reducing the emissions through the optimisation of fuel usage, operational efficiency improvements, and the continued integration of renewable energy sources such as biofuels across our fleet. We continuously track emissions, fuel efficiency performance, and operational improvements to ensure measurable progress.

By embedding these strategies into our operations, LFG reinforces its commitment to sustainability, regulatory compliance, and ongoing decarbonisation efforts, driving continuous improvements in the Group's emissions performance.

2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL

Our Performance (cont.)

Category	Unit	FY2023	FY2024	FY2025*
Scope 1 emissions in tonnes of CO ₂ e	Metric tonne	81,912.00	64,724.87	76,159.62
Scope 2 emissions in tonnes of CO ₂ e	Metric tonne	63.00	60.73	41.46
Scope 3 emissions in tonnes of CO ₂ e (business travel and employee commute)	Metric tonne	-	308.76	160.25
Biogenic Emissions in tonnes of CO ₂ e	Metric tonne	5,979.34	4,741.56	5,581.18
Total Emissions, tCO₂e (Scope 1+2+3)	Metric tonne	81,975.00	65,094.36	76,361.33

* GHG emissions for the Marine Transportation segment are not reported for FY2025 as the segment was acquired in July 2025 and complete, verifiable emissions data for the reporting period is not yet available. The Group has commenced data collection post-acquisition and will include this segment in future reporting.

2025 SUSTAINABILITY JOURNEY

ENVIRONMENTAL



EFFLUENTS

Why is it important?

Responsible management of sewage and effluents onboard vessels is essential not only for regulatory compliance but also for protecting the marine environment in which the Group operates. Given the limited sewage storage capacity on ships, discharges at sea are sometimes unavoidable and, if not properly managed, may pose risks to surrounding marine ecosystems. Recognising this, LFG places strong emphasis on environmentally responsible sewage handling practices. By adhering to regulatory requirements and industry best practices, the Group seeks to minimise adverse environmental impacts and safeguard marine biodiversity within its operational areas.

Our Approach

Sewage discharge into the marine environment is governed by stringent regulations to safeguard ocean health and prevent pollution. Wastewater generated from toilets, urinals and WC scuppers onboard vessels must undergo appropriate treatment prior to discharge. Treated sewage may only be released when the vessel is at least three nautical miles from the nearest land, while untreated sewage is subject to more stringent controls and may only be discharged at a minimum distance of 12 nautical miles from shore. These requirements are designed to minimise potential harm to marine ecosystems and protect water quality in coastal and offshore environments.

Sewage discharged into the sea must not contain visible floating solids or cause discolouration of the surrounding waters, in order to minimise pollution and protect marine ecosystems. Detailed requirements governing the treatment and disposal of sewage from ships are set out under MARPOL Annex IV.

Our Performance

Category	Unit	FY2023	FY2024	FY2025
Total volume of effluents discharged over the reporting period	Litres	N/A*	120.8	68.69

* **Note:** Going forward, we will monitor the total volume of effluents discharged into the sea.

2025 SUSTAINABILITY JOURNEY

SOCIAL

The Group's Social Pillar reflects our commitment to creating meaningful value for employees and the communities in which we operate. We seek to be an employer of choice by providing a safe, inclusive, and engaging work environment that supports employee well-being and development. Beyond our workforce, the Group contributes to local communities through employment opportunities and social responsibility initiatives. These efforts reinforce our corporate values and underpin the Group's long-term success.

LABOUR PRACTICES AND HUMAN RIGHTS



Why is it important?

The Group recognises its responsibility to respect human rights and embeds this commitment through corporate policies, practices, and expectations aligned with universally recognised principles. This framework underpins legal compliance, protects operational integrity, and supports the Group's reputation. Ongoing efforts are undertaken to proactively identify and mitigate potential human rights risks within our operations.

In addition, the Group's commitment to human rights supports a positive and inclusive workplace culture that promotes employee morale, satisfaction, and productivity. We comply with all applicable employment laws and uphold the universal principles of human rights to ensure a safe and respectful working environment.

Our Approach

The Group ensures that all employees understand and uphold our commitment to human rights, labour standards, and ethical conduct. This is reinforced through structured training programmes, workshops, induction sessions, and interactive discussions. Key topics, including human rights, anti-corruption, anti-bribery, and the Code of Conduct, are regularly communicated to promote awareness and understanding across the organisation. To support effective engagement and compliance, multiple communication channels are established to reach employees at all levels, as follows:

Code of Conduct

The Group's Code of Conduct outlines the principles and standards governing ethical behaviour and professional integrity across all levels of the organisation. It serves as a reference point for sound decision-making and supports the consistent application of high standards in daily business activities.

Employee Handbook

A comprehensive and readily accessible employee handbook provides employees with essential information on workplace policies, including their rights, labour standards, employment benefits, and working conditions. This handbook helps employees understand their roles and responsibilities while navigating workplace expectations with clarity and confidence.

2025 SUSTAINABILITY JOURNEY

SOCIAL

Our Approach (cont.)

Onboarding and Induction Programmes

The Group implements a structured onboarding training programme for new employees to ensure familiarity with corporate policies, organisational expectations, and key principles such as human rights and the Code of Conduct. The programme covers essential areas, including the Employee Handbook, organisational structure, ethical conduct, anti-bribery and anti-corruption practices, cybersecurity awareness, and the employee integrity pledge. This approach supports consistent alignment with the Group's values and operational objectives.

Additionally, every departing employee follows an exit procedure, including an exit interview, which allows us to gather valuable feedback in managing our continuous improvement process.

Grievance Mechanism

Employees have access to a structured grievance mechanism that provides avenues for both informal resolution and formal complaint handling, ensuring that workplace concerns are addressed fairly, consistently, and transparently. The Group adopts a zero-tolerance approach towards violations of human rights and labour standards, reinforcing its commitment to ethical and responsible business practices. Any employee found to be in breach of these standards is subject to appropriate disciplinary action, which may range from verbal warnings to termination of employment.

This framework strengthens organisational compliance and encourages employees to uphold ethical and responsible conduct in their daily activities. Employee engagement is supported through multiple platforms, including meetings, training sessions, workshops, induction programmes, and regular staff-management interactions, fostering open communication, transparency, and continuous learning across the Group.

Ongoing Training and Communication

We maintain open and consistent communication across the organisation through regular training sessions, briefings and internal communications conducted via meetings and memorandums.

To further encourage connection and collaboration, employees participate in a variety of engagement initiatives, including festive celebrations, campaign launches, team-based recreational activities and Townhall sessions, creating opportunities for meaningful interaction across the workforce.

2025 SUSTAINABILITY JOURNEY

SOCIAL

Our Performance

We are pleased to note that no incidents relating to discrimination, human rights violations or breaches of labour standards were reported throughout FY2023 to FY2025.

Category	Unit	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	No.	0	0	0