

Directors' Report

For the Financial Year Ended 31 December 2025

The Directors submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries. The principal activities of subsidiaries and joint venture are disclosed in Note 15 and Note 16 to the financial statements.

FINANCIAL RESULTS

	Group	Company
	RM '000	RM '000
Profit for the financial year attributable to:		
- Equity holders of the Company	102,674	68,248
- Non-controlling interests	(11,818)	-
Profit for the financial year	<u>90,856</u>	<u>68,248</u>

DIVIDEND

Dividends paid and proposed in respect of the financial year ended 31 December 2025 are as follows:

First interim dividend of 1.0 sen per ordinary share amounting to RM10,821,000, was declared on 30 May 2025, and was paid in cash on 14 August 2025.

Second interim dividend of 1.0 sen per ordinary share amounting to RM11,190,000, was declared on 29 August 2025, and was paid in cash on 13 November 2025.

Third interim dividend of 1.0 sen per ordinary share amounting to RM11,232,000, was declared on 27 November 2025 and was paid in cash on 13 February 2026.

On 27 February 2026, the Directors declared a special dividend of 1.0 sen per ordinary share and a fourth interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2025, amounting to approximately RM23,321,000 in total. The dividends will be payable on 13 May 2026 to shareholders whose names appear in the Record of Depositors as at 30 April 2026.

Directors' Report

For the Financial Year Ended 31 December 2025 (Continued)

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who have held office during the financial year and during the period from the end of the financial year to date of the report are as follows:

Farina binti Farikhullah Khan	
Lim Chern Wooi	
Dato' Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	
Captain Adarash Kumar A/L Chranji LAL Amarnath	
Puteri Liza Elli Sukma	(Appointed on 19 August 2025)
Dato Mohamed Sabri bin Mohamed Zain	(Appointed on 19 August 2025)
Ginny Yeow Mei Ying	(Appointed on 19 August 2025)
Lim Chern Yuan	(Appointed on 15 December 2025)
Dato' Syed Yasir Arafat bin Syed Abd Kadir	(Resigned on 7 November 2025)
Ainul Azhar bin Ainul Jamal	(Resigned on 25 July 2025)

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of subsidiaries (excluding Directors who are also Directors of the Company) in the office during the financial year and during the period from the end of the financial year to the date of the Report are as follows:

Siti Nursalwana binti Haji Awang	(Resigned on 19 May 2025)
Siti Nurul Hameezah binti Haji Awang	(Resigned on 19 May 2025)
Muhammad Abdul Hakeem bin Haji Awang	(Resigned on 19 May 2025)
Ng Yng Yng	(Appointed on 15 May 2025)
Sheik Ahmad Darabi bin Sulaiman	(Appointed on 10 November 2025)
Dato' Sri Hadian bin Hashim	(Resigned on 19 May 2025)
Lee Yu-Jin	(Resigned on 16 May 2025)
Lim Shi Jin	(Resigned on 16 May 2025)
Mazzrizal bin Abdul Wahab	(Resigned on 27 October 2025)
Samuel Tee Jianyi	
Lim Han Weng	
Bah Kim Lian	(Resigned on 22 July 2025)
Phan Duy Dong	

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings maintained by the Company in accordance with Section 59 of the Companies Act 2016, none of the Directors holding office as at 31 December 2025 had any interests and deemed interests in the shares, options over shares and warrants of the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year.

Directors' Report

For the Financial Year Ended 31 December 2025 (Continued)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Group and the Company has received or become entitled to receive any benefit (other than the benefits shown under Directors' remuneration) by reason of a contract made by the Group and the Company or a related corporation with any Director or with a firm of which any Director is a member, or with a company in which any Director has a substantial financial interest except that a Director earned remuneration from a former related corporation.

DIRECTORS' REMUNERATION

The aggregate amount of receivable by Directors during the financial year was as follows:

	Group and Company
	RM '000
<u>Executive:</u>	
Salaries, allowances and bonuses	1,995
Defined contribution plan	372
	<u>2,367</u>
<u>Non-Executive:</u>	
Fees and emoluments	848
Total Directors' remuneration	<u><u>3,215</u></u>

INDEMNITY AND INSURANCE COSTS

The Company maintains a corporate liability insurance for Directors and Officers of the Company throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Company. The amount of insurance premium paid and payable by the Company for the financial year ended 31 December 2025 was RM86,399.

Directors' Report

For the Financial Year Ended 31 December 2025 (Continued)

ISSUE OF SHARE CAPITAL AND WARRANTS

During the current financial year, the Company increased its issued and paid-up ordinary share capital from 623,613,586 to 1,123,172,889 through the following transactions:

- (a) Issuance of 409,090,909 new ordinary shares as consideration for the acquisition of subsidiaries;
- (b) Issuance of 49,431,819 new ordinary shares as consideration for the acquisition of minority interest; and
- (c) Issuance of 41,036,575 new ordinary shares pursuant to the exercise of warrants.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

No warrants were issued during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance is made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Company to meet their obligations when they fall due.

Directors' Report

For the Financial Year Ended 31 December 2025 (Continued)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Auditors' remuneration for financial year ended 31 December 2025 is as follows:

	Group	Company
	RM '000	RM '000
Statutory audit		
- PricewaterhouseCoopers PLT	763	206
- Member firms of PricewaterhouseCoopers PLT	32	-
- Other auditors	121	-
	916	206

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 30 April 2026. Signed on behalf of the Board of Directors:

LIM CHERN WOOI
DIRECTOR

FARINA BINTI FARIKHULLAH KHAN
DIRECTOR

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Lim Chern Wooi and Farina binti Farikhullah Khan, being two of the Directors of Lianson Fleet Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 151 to 241 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2025 and financial performance of the Group and of the Company for the financial year ended 31 December 2025 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 April 2026.

LIM CHERN WOUI
DIRECTOR

FARINA BINTI FARIKHULLAH KHAN
DIRECTOR

Kuala Lumpur

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Ng Yng Yng, being the Officer primarily responsible for the financial management of Lianson Fleet Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 151 to 241 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

NG YNG YNG
(MIA NO. 54364)
CHIEF FINANCIAL OFFICER
30 April 2026

Subscribed and solemnly declared by the above named Ng Yng Yng at Kuala Lumpur before me, on 30 April 2026.

COMMISSIONER FOR OATHS



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD**

(Incorporated in Malaysia)

Registration No. 201201011310 (984830-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Lianson Fleet Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 151 to 241.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192, 50706 Kuala Lumpur Malaysia
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD (CONTINUED)

(Incorporated in Malaysia)

Registration No. 201201011310 (984830-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Key audit matter	How our audit addressed the key audit matter
<p>Major acquisitions during the year – accounting for business combinations and business combinations under common control</p> <p><i>Refer to Note 2.2 – Summary of material accounting policies, Note 3(iii) – Critical accounting estimates and judgements, Note 15 – Interest in subsidiaries and Note 32 – Acquisition of subsidiaries and non-controlling interests in 2025</i></p> <p>During the financial year ended 31 December 2025, the Group completed significant acquisitions and undertook restructuring of the Group. These included the acquisition of Regulus Offshore Sdn. Bhd. ("ROSB"), Yinson Camellia Sdn. Bhd. ("YCSB"), Liannex Fleet Pte. Ltd. ("LF") and Yinson Power Marine Sdn. Bhd. ("YPM") These transactions were material to the Group and involved the application of different accounting frameworks, depending on whether the transactions constituted a business combination under MFRS 3 Business Combination or a business combination under common control ("BCUCC").</p> <p>The acquisition of ROSB and YCSB was accounted for as a business combination under MFRS 3. Significant estimate was applied when management identified and measured the fair values of identifiable assets acquired and liabilities assumed, and determining the amount of goodwill recognised.</p>	<p>For the acquisition under MFRS 3, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Assessed management's conclusion that the acquisition of ROSB and YCSB met the definition of a business combination under MFRS 3. • Reviewed basis of management's purchase price allocation to supporting documents. • Evaluated basis of recognition of goodwill that it appropriately reflected synergies expected to arise from the acquisition. • Evaluated the adequacy of the related disclosures in the financial statements in accordance with MFRS 3. <p>For the acquisition under BCUCC, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Assessed management's conclusion that the acquisition of LF and YPM constituted a business combination under common control, based on ownership and control before and after the transaction. • Evaluated whether the predecessor basis of accounting was appropriately applied in accordance with their accounting policy, including consistency of carrying values transferred from the predecessor entities. • Assessed the adequacy of disclosures relating to the BCUCC and the presentation of equity adjustments arising from the acquisition.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD (CONTINUED)**

(Incorporated in Malaysia)

Registration No. 201201011310 (984830-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Major acquisitions during the year – accounting for business combinations and business combinations under common control (continued)</p> <p>The acquisition of LF and YPM was accounted for as a BCUCC, as the entities were under common control before and after the transaction. Management applied the predecessor basis of accounting, with assets and liabilities recognised at existing carrying values. Significant judgement was required in determining the scope of entities included within the BCUCC, and the presentation and disclosure of the transaction to reflect its economic substance.</p> <p>Given the materiality of the acquisitions and the significant estimates involved in the determination of MFRS 3 fair value measurements, and the significant judgement involved in the acquisition under BCUCC, we considered this matter to be a key audit matter.</p>	<p>Based on the procedures carried out above, we did not find any material exceptions.</p>
<p>Recoverability assessment of goodwill and non-financial assets of the OSV segment</p> <p><i>Refer to Note 2.2, Note 2.4, Note 2.5 and Note 2.7 – Summary of material accounting policies, Note 3(i) – Critical accounting estimates and judgements, Note 14 – Property, plant and equipment, Note 18 – Right-of-use assets and Note 32 – Acquisition of subsidiaries and non-controlling interests in 2025.</i></p> <p>Goodwill is required to be tested for impairment annually. For the purposes of the impairment assessment, goodwill of RM92.3 million has been allocated to the Offshore Support Vessel (“OSV”) segment. The group of Cash Generating Units (“CGUs”) within the OSV segment comprises non-financial assets, consisting principally of property, plant and equipment (“PPE”) of RM442.0 million, right-of-use assets (“ROU”) of RM1.6 million, intangible assets (“IA”) of RM0.9 million and goodwill of RM92.3 million.</p>	<p>We have performed the following audit procedures :</p> <ul style="list-style-type: none"> • Assessed management’s impairment assessment methodology to ensure consistency with the requirements of MFRS 136 Impairment of Assets. • Assessed the appropriateness of management’s allocation of goodwill to the relevant group of CGUs within the OSV segment. • Compared the VIU computed by management and the FVLCOD to determine that the recoverable amounts of the CGUs adopted were based on the higher of VIU and FVLCOD, in accordance with MFRS 136. • Where FVLCOD was used as the recoverable amount and an external valuer was engaged: <ul style="list-style-type: none"> - Evaluated the competency, objectivity and capabilities of the external valuer.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD (CONTINUED)**

(Incorporated in Malaysia)

Registration No. 201201011310 (984830-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability assessment of goodwill and non-financial assets of the OSV segment (continued)</p> <p>Management assessed the recoverability of the OSV CGUs based on the higher of value-in-use ("VIU") or fair value less costs of disposal ("FVLCOD") of the respective vessels within the segment.</p> <p>Significant judgement was applied in determining the allocation of goodwill to the group of CGUs relating to the OSV segment. Significant estimate was applied when determining the recoverable amounts of the vessels. These estimates involved identifying appropriate valuation comparables and determining the key assumptions and adjustments applied to derive the fair values of the vessels and the related costs to sell.</p> <p>Based on management's assessment, the recoverable amount of the OSV CGUs, determined using FVLCOD (being higher than the VIU), exceeded the carrying amount of the related non-financial assets and, accordingly, no impairment was recognised during the financial year.</p> <p>Given the materiality of the goodwill and PPE balances and the significant judgement and estimates involved in the impairment assessment, we considered this matter to be a key audit matter.</p>	<p>We have performed the following audit procedures : (continued)</p> <ul style="list-style-type: none"> - Performed inquiries with the valuer to understand the valuation methodology, market comparables selected and the key assumptions and adjustments applied in deriving the fair value of the vessels. • Tested the reasonableness of the costs to sell applied in the valuation. • Evaluated the adequacy of the related disclosures in the financial statements. <p>Based on the procedures carried out above, we did not find any material exceptions.</p>



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD (CONTINUED)**

(Incorporated in Malaysia)
Registration No. 201201011310 (984830-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Company

Key audit matter	How our audit addressed the key audit matter
<p>Reallocation of carrying amounts of investment and recoverability of investment in subsidiaries</p> <p><i>Refer to Note 2.3 and Note 2.5 – Summary of material accounting policies, Note 3(ii) – Critical accounting estimates and judgements and Note 15 – Interest in subsidiaries</i></p> <p>As at 31 December 2025, the total carrying value of investments in subsidiaries amounted to RM653.1 million.</p> <p>During the financial year, the Group completed a series of acquisitions and subsequently undertook a group reorganisation within its OSV segment, which resulted in a reallocation of carrying amount of investment in subsidiaries. The reallocation was performed to reflect the economic substance of the reorganisation following the change in the Group's business structure.</p> <p>Management reallocated the carrying amount of investment in subsidiaries based on a relative fair value approach. The relative fair values were determined using the value-in-use ("VIU") method which approximates fair value. This involved significant judgement in determining the basis and methodology for reallocating the carrying amounts of investment between subsidiaries.</p> <p>Significant estimates is involved in the determination of the recoverable amounts of the subsidiaries, particularly in relation to management's assumptions used in the VIU cash flow projections, including the projected utilisation and charter rates, useful lives of vessels, amount and timing of drydock expenditures and discount rates applied.</p> <p>Given the materiality of the investments in subsidiaries together with the significant judgement and estimation uncertainty in determining the recoverable amounts of the subsidiaries, we considered this matter to be a key audit matter.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluating management's reallocation of the carrying amounts of investment in subsidiaries to assess whether the reallocation appropriately reflected the economic substance of the acquisition and subsequent group reorganisation. • Agreed the VIU cash flow projections to Directors' approved cash flow projections used in the impairment assessments of vessels. • Checked that the VIU cash flow projections used to determine recoverable amounts were adjusted for financing cash flow projections of respective subsidiaries. • Checked the key assumptions used in the VIU cash flow projections such as useful lives of vessels, projected utilisation and charter rates to historical data. • Corroborated amount and timing of drydock expenditure to drydocking schedules obtained from the Group's operations department. • Checked the discount rates used with assistance from our valuation experts by benchmarking this rate to industry and available market data to ascertain reasonableness of discount rates used. • Assessed the adequacy of disclosures in the financial statements of key assumptions and sensitivity analysis. <p>Based on procedures carried out above, we did not find any material exception to the assessments.</p>



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD (CONTINUED)

(Incorporated in Malaysia)

Registration No. 201201011310 (984830-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of the annual report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD (CONTINUED)**

(Incorporated in Malaysia)

Registration No. 201201011310 (984830-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)Auditors' responsibilities for the audit of the financial statements (continued)

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LIANSON FLEET GROUP BERHAD (CONTINUED)**

(Incorporated in Malaysia)

Registration No. 201201011310 (984830-D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

PAULINE HO
02684/11/2027 J
Chartered Accountant

**Kuala Lumpur
30 April 2026**

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
Revenue	4	286,539	235,781	79,395	4,689
Cost of sales		(221,298)	(163,819)	-	-
Gross profit		65,241	71,962	79,395	4,689
Other income	5	45,306	6,537	92	244
Gain on disposal of property, plant and equipment		58,468	3	-	-
Administrative expenses		(42,451)	(33,026)	(10,533)	(11,038)
Reversal of impairment /(Impairment loss) of receivables (net)		6,655	(931)	-	-
Impairment on vessels (net)		(19,887)	(1,630)	-	-
Profit/(Loss) from operations		113,332	42,915	68,954	(6,105)
Finance costs	6	(14,154)	(10,291)	(2)	-
Share of loss of a joint venture		(259)	-	-	-
Profit/(Loss) before taxation	7	98,919	32,624	68,952	(6,105)
Taxation	10	(8,063)	(6,427)	(704)	(307)
Profit/(Loss) for the financial year		90,856	26,197	68,248	(6,412)
Other comprehensive loss: Items that will be reclassified subsequently to profit or loss: - Currency translation differences		(1,389)	(96)	-	-
Total comprehensive income/(loss) for the financial year		89,467	26,101	68,248	(6,412)
Profit/(Loss) attributable to:					
- Equity holders of the Company		102,674	44,047	68,248	(6,412)
- Non-controlling interests		(11,818)	(17,850)	-	-
		90,856	26,197	68,248	(6,412)

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2025 (Continued)

	Note	Group		Company	
		2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
Total comprehensive income/(loss) attributable to:					
- Equity holders of the Company		101,262	43,998	68,248	(6,412)
- Non-controlling interests		(11,795)	(17,897)	-	-
		<u>89,467</u>	<u>26,101</u>	<u>68,248</u>	<u>(6,412)</u>
		Sen	Sen		
Basic earnings per share attributable to owners of the Company	11	<u>11.00</u>	<u>7.39</u>		
Diluted earnings per share attributable to owners of the Company	11	<u>10.62</u>	<u>7.21</u>		

The notes set out on pages 163 to 241 form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2025

		Group		Company	
	Note	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
NON-CURRENT ASSETS					
Property, plant and equipment	14	710,748	491,677	-	-
Intangible assets		920	-	-	-
Goodwill	32	92,294	-	-	-
Interest in subsidiaries	15	-	-	653,132	378,723
Investment in a joint venture	16	101	-	-	-
Cash and bank balances	17	-	42,583	-	-
Right-of-use assets	18	1,632	204	-	-
Deferred tax assets	19	12,838	13,122	-	-
		<u>818,533</u>	<u>547,586</u>	<u>653,132</u>	<u>378,723</u>
CURRENT ASSETS					
Inventories		4,498	1,944	-	-
Trade and other receivables	20	162,183	97,655	809	38
Interest in subsidiaries	15	-	-	255,817	-
Tax recoverable		4,037	4,520	-	83
Other investments	21	94,788	-	-	-
Cash and bank balances	17	191,430	48,975	728	6,802
		<u>456,936</u>	<u>153,094</u>	<u>257,354</u>	<u>6,923</u>
Non-current assets held for sale	22	74,243	-	-	-
		<u>531,179</u>	<u>153,094</u>	<u>257,354</u>	<u>6,923</u>
CURRENT LIABILITIES					
Trade and other payables	23	92,352	60,190	4,056	3,806
Dividend payable	24	11,232	-	11,232	-
Lease liabilities	18	949	105	-	-
Borrowings	25	165,418	35,232	-	-
Tax payable		33,678	2,926	575	-
		<u>303,629</u>	<u>98,453</u>	<u>15,863</u>	<u>3,806</u>
NET CURRENT ASSETS		<u>227,550</u>	<u>54,641</u>	<u>241,491</u>	<u>3,117</u>

Statements of Financial Position

As at 31 December 2025 (Continued)

		Group		Company	
	Note	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
NON-CURRENT LIABILITIES					
Lease liabilities	18	639	105	-	-
Borrowings	25	177,778	125,492	-	-
Deferred tax liabilities	19	19,805	20,107	-	-
		198,222	145,704	-	-
NET ASSETS		847,861	456,523	894,623	381,840
EQUITY					
Share capital	26.1	857,021	368,984	857,021	368,984
Warrant reserves	26.2	22,204	32,463	22,204	32,463
Currency translation reserve		5,953	3,033	-	-
Capital reorganisation reserve	32	(148,026)	-	-	-
Capital contribution reserve	27	7,686	7,686	7,686	7,686
Retained earnings/ (Accumulated losses)		74,248	27,774	7,712	(27,293)
Total equity attributable to owners of the Company		819,086	439,940	894,623	381,840
Non-controlling interest		28,775	16,583	-	-
TOTAL EQUITY		847,861	456,523	894,623	381,840

The notes set out on pages 163 to 241 form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025

	Attributable to equity holders of the Company							Total equity RM '000
	Share capital RM '000	Warrant reserve RM '000	Currency translation reserve RM '000	Share based payment reserve RM '000	Capital contribution reserve RM '000	Retained earnings RM '000	Non-controlling interest RM '000	
Group								
At 1 January 2024	317,941	32,726	3,082	40	7,614	(16,061)	31,988	377,330
Profit for the financial year	-	-	-	-	-	44,047	(17,850)	26,197
Currency translation differences, representing total income and expense recognised directly in equity	-	-	(49)	-	-	-	(47)	(96)
Total comprehensive income for the financial year	-	-	(49)	-	-	44,047	(17,897)	26,101
<u>Transactions with shareholders</u>								
Issuance of ordinary shares for settlement of fixed rate term loans	49,567	-	-	-	-	-	-	49,567
Employees' Share Grant Plan and Employees' Share Option Scheme ("ESOS")	-	-	-	171	72	-	-	243
Share options lapsed	-	-	-	(47)	-	-	-	(47)
Issuance of shares under ESOS	347	-	-	(164)	-	-	-	183
Issuance of ordinary shares for warrants exercised	1,129	(263)	-	-	-	-	-	866
Dilution of shareholding in a subsidiary	-	-	-	-	-	(212)	2,492	2,280
At 31 December 2024	368,984	32,463	3,033	-	7,686	27,774	16,583	456,523

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025 (Continued)

Attributable to equity holders of the Company

	Note	Share capital RM '000	Warrant reserve RM '000	Currency translation reserve RM '000	Capital reorganisation reserve RM '000	Capital contribution reserve RM '000	Retained earnings RM '000	Non-controlling interest RM '000	Total equity RM '000
Group									
At 1 January 2025		368,984	32,463	3,033	-	7,686	27,774	16,583	456,523
Profit for the financial year		-	-	-	-	-	102,674	(11,818)	90,856
Currency translation differences, representing total income and expense recognised directly in equity		-	-	(1,412)	-	-	-	23	(1,389)
Total comprehensive income for the financial year		-	-	(1,412)	-	-	102,674	(11,795)	89,467
<u>Transactions with shareholders</u>									
Issuance of ordinary shares for acquisition of subsidiaries	32.1	403,636	-	-	(148,026)	-	-	-	255,610
Issuance of ordinary shares for warrants exercised	26.2	44,114	(10,259)	-	-	-	-	-	33,855
Non-controlling interests on acquisition of a subsidiary	32.1	-	-	-	-	-	-	35,738	35,738
Changes in ownership interests in subsidiaries	32.2	40,287	-	4,332	-	-	(22,957)	(11,751)	9,911
Dividends	12	-	-	-	-	-	(33,243)	-	(33,243)
At 31 December 2025		857,021	22,204	5,953	(148,026)	7,686	74,248	28,775	847,861

Statements of Changes in Equity

For the Financial Year Ended 31 December 2025 (Continued)

	Note	Attributable to equity holders of the Company						Total equity RM '000
		Share capital RM '000	Warrant reserve RM '000	Share based payment reserve RM '000	Capital contribution reserve RM '000	(Accumulated losses)/ Retained earnings RM '000		
Company								
At 1 January 2024		317,941	32,726	40	7,614	(20,881)		337,440
Total comprehensive income for the financial year		-	-	-	-	(6,412)		(6,412)
<u>Transactions with shareholders</u>								
Issuance of ordinary shares for settlement of fixed rate term loans	26.1	49,567	-	-	-	-		49,567
Employees' Share Grant Plan and Employees' Share Option Scheme ("ESOS")	34	-	-	171	72	-		243
Share options lapsed	34	-	-	(47)	-	-		(47)
Issuance of shares under ESOS	26.1	347	-	(164)	-	-		183
Issuance of ordinary shares for warrant exercised	26.2	1,129	(263)	-	-	-		866
At 31 December 2024 and 1 January 2025		368,984	32,463	-	7,686	(27,293)		381,840
Total comprehensive income for the financial year		-	-	-	-	68,248		68,248
<u>Transactions with shareholders</u>								
Issuance of ordinary shares for acquisition of subsidiaries	32.1	403,636	-	-	-	-		403,636
Issuance of ordinary shares for warrants exercised	26.2	44,114	(10,259)	-	-	-		33,855
Changes in ownership interests in subsidiaries	32.2	40,287	-	-	-	-		40,287
Dividends	12	-	-	-	-	(33,243)		(33,243)
At 31 December 2025		857,021	22,204	-	7,686	7,712		894,623

The notes set out on pages 163 to 241 form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		98,919	32,624	68,952	(6,105)
Adjustments for:					
Depreciation of property, plant and equipment		77,152	58,894	-	-
Depreciation of right-of-use assets		894	408	-	-
Dividend income		-	-	(72,200)	-
Amortisation of intangible assets		371	-	-	-
Finance costs		14,154	10,291	2	-
Fair value gain on debt settlement		-	(2,428)	-	-
Fair value loss on money market funds		361	-	-	-
Interest income		(2,380)	(924)	(69)	(211)
Impairment loss on vessels, net		19,887	1,630	-	-
Impairment loss on intangible assets		3	-	-	-
Share of loss of joint venture		259	-	-	-
(Reversal of impairment)/impairment of receivables (net)		(6,655)	931	-	-
Unrealised loss on foreign exchange		3,919	2,297	1,909	1
Share-based payment expense		-	197	-	197
Gain on disposal of property, plant and equipment		(58,468)	(3)	-	-
Loss from dilution of shareholding in a subsidiary		-	-	-	1,202
Operating profit/(loss) before working capital changes		148,416	103,917	(1,406)	(4,916)
Changes in working capital:					
Inventories		(2,554)	2,357	-	-
Receivables		106,204	(52,072)	(771)	115
Payables		(120,591)	11,908	232	5,405
Subsidiaries balances		-	-	(6,766) [^]	(13,427)
Cash generated from/(used in) operations		131,475	66,110	(8,711)	(12,823)
Tax paid		(5,998)	(3,136)	(61)	(329)
Tax refund		1,592	16	15	-
Net cash flow generated from/(used in) operating activities		127,069	62,990	(8,757)	(13,152)

Statements of Cash Flows

For the Financial Year Ended 31 December 2025 (Continued)

	Note	Group		Company	
		2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of asset held for sale and property, plant and equipment		199,580	12,222	-	-
Purchase of property, plant and equipment		(197,357)	(56,627)	-	-
Purchase of intangible assets		(113)	-	-	-
Addition to other investments		(95,149)	-	-	-
Interest received		2,380	924	69	211
Decrease in deposits and bank balances pledged as security		45,667	21,425	-	-
Investment in joint venture		(360)	-	-	-
Acquisition of subsidiaries [#]		15,220	-	-	-
Repayment of subsidiaries		-	-	2,300	-
Advances to subsidiaries		-	-	(33,541)	(9,000)
Net cash flow used in from investing activities		(30,132)	(22,056)	(31,172)	(8,789)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		-	183	-	183
Proceeds from exercise of warrants		33,855	866	33,855	866
Repayment of lease liabilities		(990)	(494)	-	-
Repayment of borrowings		(217,101)	(35,900)	-	-
Interest paid		(12,309)	(9,894)	-	-
Proceeds from dilution of shareholding in a subsidiary		-	2,280	-	2,280
Drawdown of borrowings		265,862	-	-	-
Dividend paid		(22,011)	(27,082)	-*	(6,000)*
Dividend paid to non-controlling interest		-	(4,500)	-	-
Net cash flow generated from/(used in) from financing activities		47,306	(74,541)	33,855	(2,671)
Effects of changes in foreign exchange rate		1,296	(769)	-	-
Net increase/(decrease) in cash and cash equivalents		145,539	(34,376)	(6,074)	(24,612)
Cash and cash equivalents at beginning of financial year		45,256	79,632	6,802	31,414
Cash and cash equivalents at end of financial year	17	190,795	45,256	728	6,802
Cash and cash equivalents	17	190,795	45,256	728	6,802
Deposits and bank balances pledged as security	17	635	46,302	-	-
Cash and bank balances	17	191,430	91,558	728	6,802

Statements of Cash Flows

For the Financial Year Ended 31 December 2025 (Continued)

Non-cash transactions:

* Dividend amounting to RM22,011,000 (2024: RM21,082,000) was paid on behalf of the Company by a subsidiary of the Group.

Acquisitions of subsidiaries amounting to RM15,220,000 (2024: NIL) represent cash and bank balances acquired during the year. The purchase consideration for these acquisitions was satisfied through the issuance of ordinary shares during the year. Further details are disclosed in Note 32.

^ Non-cash working capital includes the following transactions:

	Company	
	<u>2025</u>	<u>2024</u>
	RM '000	RM '000
Expenses paid on behalf of the Company by a subsidiary	(3,542)	(3,327)
Management fees charged by a subsidiary to the Company	(261)	-
Management fees charged by the Company to the subsidiaries	<u>6,835</u>	<u>4,688</u>

Notes:

(a) Purchase of property, plant and equipment during the year were by way of:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM '000	RM '000	RM '000	RM '000
Additions during the year	194,741	62,119	-	-
Additions incurred but not yet paid	(2,876)	(5,492)	-	-
Settlement of prior year additions	5,492	-	-	-
	<u>197,357</u>	<u>56,627</u>	<u>-</u>	<u>-</u>

The purchase of property, plant of equipment by way of cash of RM197,357,000 relates to cash purchase of RM191,865,000 during the current financial year and RM5,492,000 for payments made in the current financial year for purchase of property, plant and equipment in the prior financial year. RM2,876,000 of purchase of property plant and equipment during the current financial year were financed through other payables.

(b) Material non-cash transactions with related parties are disclosed in Note 31.

Statements of Cash Flows

For the Financial Year Ended 31 December 2025 (Continued)

Reconciliation of liabilities arising from financing activities

The table below shows details changes in the Group's liabilities arising from financing activities for which cash flows were, or future cash flows will be, classified in the Group's cash flow as cash flows from financing activities.

	Lease Liabilities (Note 18(ii))	Borrowings (Note 25)	Redeemable preference shares (Note 25)
	RM '000	RM '000	RM '000
Group			
At 1 January 2024	556	238,329	10,467
<u>Financing cash flows</u>			
Repayment of lease liabilities	(494)	-	-
Repayment of borrowings	-	(35,900)	-
Interest paid	-	(9,894)	-
<u>Non-cash changes</u>			
Currency translation reserve	-	-	(569)
Additions to lease liabilities	143	-	-
Debt settlement via issuance of shares	-	(49,567)	-
Fair value gain on debt settlement	-	(2,428)	-
Finance costs for the financial year (Note 6)	5	10,286	-
At 31 December 2024 and 1 January 2025	210	150,826	9,898
<u>Financing cash flows</u>			
Drawdown of borrowings	-	265,862	-
Repayment of lease liabilities	(990)	-	-
Repayment of borrowings	-	(217,101)	-
Interest paid	-	(12,309)	-
<u>Non-cash changes</u>			
Currency translation reserve	-	(8,759)	13
Acquisition of subsidiaries (Note 32.1)	2,249	150,737	-
Debt settlement via issuance of shares (Note 32.2)	-	-	(9,911)
Finance costs for the financial year (Note 6)	119	13,940	-
At 31 December 2025	1,588	343,196	-

Statements of Cash Flows

For the Financial Year Ended 31 December 2025 (Continued)

Reconciliation of liabilities arising from financing activities (continued)

The table below show details changes in the Company's liabilities arising from financing activities for which cash flows were, or future cash flows will be, classified in the Company's cash flow as cash flows from financing activities.

	Amount due to subsidiary
	RM '000
Company	
At 1 January 2024	35,000
<u>Non-cash changes</u>	
Offset against amount due from subsidiaries	(35,000)
At 31 December 2024	-
Expenses paid on behalf of the Company by a subsidiary	3,542
<u>Non-cash changes</u>	
Offset against amount due from subsidiaries	(3,542)
At 31 December 2025	-

The notes set out on pages 163 to 241 form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public company, incorporated and domiciled in Malaysia.

The Company is an investment holding company. The principal activities of the Group are vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries. The principal activities of subsidiaries and joint venture are disclosed in Note 15 and Note 16 to the financial statements. There were no significant changes in the nature of these principal activities during the financial year.

The immediate holding company is Liannex Maritime Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding company is Liannex Corporation (S) Pte Ltd ("Liannex Corporation"), a company incorporated in Singapore.

The address of the registered office of the Company is:

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

The address of the principal place of business of the Company is:

Suite 28.01, Level 28,
Menara South Point,
Mid Valley City,
Medan Syed Putra Selatan,
59200 Kuala Lumpur

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards and amendments to published standards that are effective

The Group and the Company have applied the following amendments to published standards for the first time for the financial year beginning on 1 January 2025:

- Amendments to MFRS 121 'Lack of Exchangeability'

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

(b) Standards early adopted by the Group and the Company

There are no standards early adopted by the Group and the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

A number of new standards and amendments to published standards are effective for the financial year beginning after 1 January 2025. The Group and the Company have not early adopted these new standards and amendments to published standards. None of these are expected to have a significant effect on the financial statements of the Group and of the Company, except for the following set out below:

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
 - The new MFRS introduces a new structure of profit or loss statement.
 - (a) Income and expenses are classified into 3 new main categories:
 - i. Operating category which typically includes results from the main business activities;
 - ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - iii. Financing category that presents income and expenses from financing liabilities.
 - (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.
- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) have:
 - require financial assets to be derecognised on the date contractual rights to cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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

A number of new standards and amendments to published standards are effective for the financial year beginning after 1 January 2025. The Group and the Company have not early adopted these new standards and amendments to published standards. None of these are expected to have a significant effect on the financial statements of the Group, except for the following set out below: (continued)

- Amendments to MFRS 9 and MFRS 7 'Contract Referencing Nature-dependent Electricity' (effective 1 January 2026) have:
 - added the buyer's application guidance on the MFRS 9 'own-use exemption' for contracts to buy and take delivery of electricity that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions e.g. the weather ('contracts referencing nature-dependent electricity'). Under the amendments, the buyer can apply the MFRS 9 'own-use exemption' to account for these contracts as executory contracts if the buyer has been, and expects to be, a 'net purchaser' of electricity for the contract period, based on the criteria set in the standard;
 - permit hedge accounting in MFRS 9 if these contracts referencing nature-dependent electricity are used as hedging instruments; and
 - add new MFRS 7 disclosure requirements to enable users to understand the effects of these contracts on an entity's financial performance and cash flows.

The following amendments to published standards are not expected to have a significant impact on the financial statements of the Group and of the Company:

- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to MFRS 121 'Translation to a Hyperinflationary Presentation Currency'
- Annual Improvements to MFRS Accounting Standards for enhanced consistency

The amendments to published standards shall be applied retrospectively.

The Group and the Company continue to assess the potential financial impact on the financial statements.

2.2 Basis of consolidation

- (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

Common control business combinations

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

Other business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Related company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Profit or loss and each component of other comprehensive income of the subsidiaries are attributed to the parent and the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the effect of de-recognising the carrying amount of goodwill relating to the subsidiaries sold.

(d) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

(d) Joint arrangements (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of profit/(loss) of a joint venture' in the income statement.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2.3 Investments in subsidiaries and joint ventures in separate financial statements

In the Company's separate financial statements, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's interest in the subsidiaries.

2.4 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost of an item of property, plant and equipment is determined after deducting rebates, discounts and purchase taxes except where the amount of purchase taxes incurred is not recoverable from the government. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to accounting policy Note 2.21 on borrowing costs). All property, plant and equipment are subsequently stated at historical cost less accumulated depreciation and impairment losses.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (continued)

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices of similar items when available and replacement cost where appropriate.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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

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

Work-in-progress are not depreciated as these assets are not yet available for use. Property, plant and equipment are depreciated on the straight-line basis to allocate the cost of each asset to their residual values over their estimated useful lives, summarised as follows:

Vessels	15 - 30 years
Vessel parts	10 years
Drydocking expenditure	5 years
Machineries	10 years
Motor vehicles	4 - 5 years
Office equipment	5 -10 years
Computers	5 years
Furniture and fittings	10 years
Renovation	5 years

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

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

At the end of the financial year, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2.5 on impairment of non-financial assets.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and value in use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus reserve. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

2.6 Assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Leases

Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

a) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

b) ROU assets

ROU assets are initially measured at cost comprising the following:

- (i) The amount of the initial measurement of lease liability;
- (ii) Any lease payments made at or before the commencement date less any lease incentive received;
- (iii) Any initial direct costs; and
- (iv) Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Leases (continued)

Accounting by lessee (continued)

c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- (i) Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- (ii) Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- (iii) Amounts expected to be payable by the Group under residual value guarantees;
- (iv) The exercise price of a purchase options if the Group is reasonably certain to exercise that option; and
- (v) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statement of comprehensive income.

d) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Leases (continued)

Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group has identified an operating lease arising from the lease of a bareboat to a charterer of which they recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

2.8 Cash and cash equivalents

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

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- Financial assets measured at amortised cost; and
- Financial assets at fair value through profit or loss ("FVTPL").

(b) Recognition and derecognition

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

(c) Measurement

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(c) Measurement (continued)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(i) Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost using the effective interest rate ("EIR") method. Any gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, and through the amortisation process.

(ii) Financial assets at fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value presented as administrative expenses (negative net changes in fair value) or other income (positive net changes in fair value) in profit or loss.

(d) Subsequent measurement - Impairment

Impairment for debt instruments and financial guarantee contracts

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

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, there are no identified impairment loss.

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

The measurement of ECL reflects:

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

Simplified approach for trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Significant increase in credit risk

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

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

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

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when counterparty fails to make contractual payment more than 90 days after they fall due and the debtor is insolvent or has significant financial difficulties. Financial instruments that are credit-impaired are assessed on individual basis.

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables arising from chartering and hiring of vessels have been grouped based on shared credit risk and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

(ii) Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Write-off

(i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 1 year past due.

Impairment losses on trade receivables is presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables

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

2.10 Offsetting financial instruments

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

2.11 Current and deferred income tax

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial year in the countries where the Company, the Group's subsidiaries and joint ventures operate and generate taxable income.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Current and deferred income tax (continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the investor and joint venturer and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the investor and joint venturer are unable to control the reversal of the temporary difference for subsidiaries and joint ventures. Only where there is an agreement in place that gives the parent and joint venturer the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost expense.

2.13 Financial guarantee contracts

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

The Group and the Company make contributions to the Employees Provident Fund ("EPF") as required by law in Malaysia, which are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group and the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits at the earlier of the following dates: (a) when the Group and the Company can no longer withdraw the offer of those benefits; and (b) when the Group and the Company recognise costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the financial year are discounted to their present value.

(d) Bonus plans

The Group and the Company recognise a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Group and the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 Share capital

(a) Classification

Ordinary shares are classified as equity.

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted from equity, net of any related income tax benefit.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Share capital (continued)

(c) Dividend distribution

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group and the Company, on or before the end of the financial year but not distributed at the end of the financial year.

Distributions to holders of an equity instrument are recognised directly in equity.

(d) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.17 Trade payables

Trade payables represent liabilities for goods or services provided to the Group and the Company prior to the end of the financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the financial year. If not, they are presented as non-current liabilities.

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RM, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within finance income or cost. All other foreign exchange gains and losses are presented in profit or loss on a net basis within administrative expenses.

(c) Group companies

The results and financial position of one of the Company's subsidiaries (none of which has the currency of a hyperinflationary economy) that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Foreign currencies (continued)

(c) Group companies (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

2.19 Revenue from contracts with customers

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

Charter hire of vessels

The Group provides vessels to customers based on customers' requirements. Revenue from chartering and hiring of vessels is recognised over the period based on time lapsed method, determined based on the actual time lapsed relative to the total services period. There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements. Accrued income is recognised within trade receivables when the services have been rendered but billings are pending to be made as at the financial year end.

For income from the hire of third party vessels, it is assessed whether the Group is acting as a principal or an agent. Where it has been assessed that the Group is acting as an agent, income is recognised net of charter costs.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Revenue from contracts with customers (continued)

Associated services

Associated services to charterers includes crew services rendered and are recognised when services are rendered.

No element of financing is deemed present as the transactions are made within the agreed credit term.

Meals and backcharges to charterers

Meals and backcharges to charterers are recognised when services are rendered.

No element of financing is deemed present as the transactions are made within the agreed credit term.

Revenue from other sources

Operating lease income is recognised over the term of the lease using the net investment method to reflect a constant periodic rate of return.

Dividend income is recognised when the right to receive payment is established.

Management fee income is recognised when services are rendered.

2.20 Other income

Interest income

The Group and the Company earn interest income from deposits placed with licensed banks. Interest income is recognised using the effective interest method.

Insurance recovery

Income from insurance recovery is recognised in profit or loss on the date that the Group or the Company have right to receive payment.

2.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale, after which such expense is charged to profit or loss. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Prepayments

Prepayments are amounts paid in advance for services and goods yet to be received. Prepayments are recognised as an expenses in profit or loss when the services and goods are subsequently received.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Group's Board of Directors and Managing Director that make strategic decisions.

2.24 Contingent liability and assets

The Group does not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.25 Share based payments

In the previous financial year, the Group operated a number of equity-settled, share-based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Company.

(a) Employees' share options

The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share based payment reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, vessels utilisation targets and remaining as an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specific period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the financial year, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share based payment reserve in equity.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Share based payments (continued)

(a) Employees' share options (continued)

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share based payment reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of a subsidiary in the Group is treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investments in subsidiaries, with a corresponding credit to equity of the Company.

(b) Employees' share grants

The fair value of the employees' share grants granted to employees for NIL consideration under the short-term incentive scheme is recognised as an expense over the relevant service period, being the financial year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each financial year and adjustments are recognised in profit or loss and the share based payment reserve.

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effectively on the date of the forfeiture.

The shares to be granted under the employees' share grants are existing shares which were held by the Company's related company, Sempena Fokus Sdn. Bhd., and transferred to the Employee Share Trust on the grant date and are held by the trust until such time as they are vested.

2.26 Inventories

Inventories comprise of consumables and bunkers are valued at the lower of cost and net realisable value. Purchase costs and other costs incurred in bringing the spare parts to its present location and condition are accounted for on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The inventories are measured at lower of cost and net realisable value.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Key assumptions and sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Recoverability of goodwill and non-financial assets of the OSV Segment

The Group reviews its goodwill impairment assessment and its related non-financial assets in accordance with its accounting policy as set out in Note 2.5.

For the purposes of the impairment assessment, goodwill has been entirely allocated to the OSV segment, which is considered to comprise one group of cash generating units ("CGUs"). Significant judgement was applied by management in determining the allocation of goodwill to this group of CGUs, having regard to the manner in which the OSV operations are managed and monitored.

The recoverable amount of the OSV CGU group is determined based on the higher of Value in Use ("VIU") and Fair Value Less Cost of Disposal ("FVLCO").

In cases where FVLCO is used to determine the recoverable amount of the CGUs, valuations are performed by independent valuers using market-based approaches, which reflect recent market transactions of similar vessels under arm's-length conditions. Significant estimation uncertainty arises in determining the recoverable amounts of the vessels, particularly in the selection of appropriate valuation comparables and in estimating the key adjustments applied to derive the fair value of the vessels, including adjustments for age, condition, specification and the estimation of related costs to sell.

Sensitivity analysis relating to the impairment assessment of goodwill and vessels are disclosed in Note 32.1 and Note 14, respectively.

(ii) Reallocation of cost of investment and recoverability of interests in subsidiaries and amount due from subsidiaries

Reallocation of cost of investment

The Group completed a series of acquisitions and subsequently undertook a group reorganisation within its OSV segment, which resulted in a reallocation of the carrying amounts of its investments in subsidiaries. The reallocation was undertaken to reflect the economic substance of the acquisition and subsequent group reorganisation, including changes in the Group's business structure, operating structure and business model arising from the streamlining of vessel ownership into fewer entities and the retention of residual profits in a subsidiary that operates as the Group's ship manager as disclosed in Note 15 and Note 19. These changes were driven by the series of acquisitions completed during the financial year, as disclosed in Note 32.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

- (ii) Reallocation of cost of investment and recoverability of interests in subsidiaries and amount due from subsidiaries (continued)

Reallocation of cost of investment (continued)

Management reallocated the carrying amounts of the investments in subsidiaries using a relative fair value approach, with the relative fair values derived from the recoverable amounts of the respective subsidiaries. Management determined that the value-in-use ("VIU") cash flow projections approximated fair values for this purpose. Significant judgement was involved in determining the basis and methodology for reallocating the carrying amounts of investment between subsidiaries following the changes in the Group's operating structure. Significant estimates were also involved in determining the recoverable amounts of the subsidiaries, particularly in relation to assumptions used in the VIU cash flow projections, including projected utilisation and charter rates, useful lives of vessels, the amount and timing of drydock expenditures, and the discount rates applied.

Further details of the reallocation exercise are disclosed in Note 15(e).

Significant estimates is required in the estimation of the VIU cash flow projections generated by the subsidiaries. Key assumptions used in VIU cash flow projections are disclosed in Note 15.

Recoverability of interests in subsidiaries and amount due from subsidiaries

The Group tests interest in subsidiaries for impairment in accordance with its accounting policy in Note 2.5. The recoverable amounts of subsidiaries have been determined based on VIU cash flow projections. Key assumptions used in VIU cash flow projections are disclosed in Note 15.

- (iii) Accounting for business combinations and business combinations under common control

The Group completed significant acquisitions and undertook restructuring of the Group during the financial year. These included the acquisition of Regulus Offshore Sdn. Bhd. ("Regulus Offshore"), Yinson Camellia Sdn. Bhd. ("Yinson Camellia"), Lianson Fleet Pte. Ltd. ("Lianson Fleet") and Yinson Power Marine Sdn. Bhd. ("YPM"). These transactions were material to the Group and involved the application of different accounting frameworks, depending on whether the transactions constituted a business combination under MFRS 3 Business Combination or a business combination under common control ("BCUCC").

The acquisition of Regulus Offshore and Yinson Camellia was accounted for as a business combination under MFRS 3, which required Group to exercise significant judgement in determining whether the acquisition met the definition of a business, identifying and measuring the fair values of identifiable assets acquired and liabilities assumed, and determining the amount of goodwill recognised.

The acquisition of Lianson Fleet and YPM was accounted for as a BCUCC, as the entities were under common control before and after the transaction. The Group had applied the predecessor basis of accounting, with assets and liabilities recognised at existing carrying amounts. The carrying amounts of the assets and liabilities has been recognised at the highest level that it had been carried at the ultimate holding company, prior to the acquisition. Significant judgement was required in determining the appropriate accounting treatment, the scope of entities included within the BCUCC, and the presentation and disclosure of the transaction to reflect its economic substance. Details of these acquisitions are further disclosed in Note 32.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

4. REVENUE

	Group		Company	
	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
<u>Revenue from contracts with customers</u>				
Charter hire of vessels	264,931	225,198	-	-
Meals and backcharges to charterers	15,629	8,298	-	-
	280,560	233,496	-	-
<u>Revenue from other sources</u>				
Operating lease income	5,979	2,285	-	-
Dividend income	-	-	72,200	-
Management fee income	-	-	7,195	4,689
	286,539	235,781	79,395	4,689

Revenue from charter hire of vessels and meals and backcharges to charterers are recognised over time.

5. OTHER INCOME

	Group		Company	
	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
Interest income	2,380	924	69	211
Insurance recovery (a)	40,843	3,128	-	-
Fair value gain on debt settlement	-	2,428	-	-
Sale of bunker and scrap	500	-	-	-
Miscellaneous other income	1,583	57	23	33
	45,306	6,537	92	244

(a) Insurance recovery of RM40,843,000 during the year comprises approved insurance claims which are to be reimbursed to the Group upon incident of damages to vessel in 2024.

6. FINANCE COSTS

	Group		Company	
	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
Bank charges	95	-	2	-
Term loan interest	13,940	10,286	-	-
Lease interest	119	5	-	-
	14,154	10,291	2	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

7. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is stated after charging/(crediting):

	Group		Company	
	2025	2024	2025	2024
	RM '000	RM '000	RM '000	RM '000
Auditors' remuneration				
- Fees for statutory audit				
- PricewaterhouseCoopers PLT ("PwC") Malaysia	763	689	206	206
- Member firms of PwC Malaysia	32	32	-	-
- Other auditors	121	-	-	-
- Fees for audit-related services (Note (a))				
- PwC Malaysia	-	1,030	-	1,030
- Fees for other services (Note (b))				
- Member firms of PwC Malaysia	229	685	-	612
Consumable costs and bunker, diesel and lubricant costs	15,316	13,899	-	-
Amortisation of intangible assets	371	-	-	-
Depreciation of property, plant and equipment (Note 14)	77,152	58,894	-	-
Depreciation of right-of-use assets (Note 18)	894	408	-	-
Employee benefits expense (Note 8)	61,084	51,915	4,300	3,356
Fair value loss on money market funds (Note 21)	361	-	-	-
Impairment loss on vessels (net) (Note 14)	19,887	1,630	-	-
(Reversal of impairment)/Impairment loss of receivables (net) (Note 20(a))	(6,655)	931	-	-
Insurance expense	7,718	4,630	68	116
Professional fees	5,025	7,015	2,900	3,971
Ship operation and charter hire costs	73,044	30,425	-	-
Realised loss/(gain) on foreign exchange	1,603	(303)	-	5
Net unrealised loss on foreign exchange	3,919	2,297	1,909	1

(a) Fees for audit-related services mainly comprise of services relating to audit on financial information on corporate exercises, non-recurring fee for quarterly reviews and agreed upon procedures review.

(b) Fees for other services mainly comprise of services relating to due diligence on corporate exercises and other taxation services.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
Wages, salaries, allowances and bonuses	57,110	47,839	3,877	2,638
Defined contribution plan	3,655	3,590	421	519
Social security contribution	319	289	2	2
Share based payments	-	197	-	197
	61,084	51,915	4,300	3,356

Included in employee benefits expense of the Group and the Company are the Directors' remuneration amounting to RM3,215,000 (2024: RM3,623,000) and RM3,215,000 (2024: RM3,623,000) respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
<u>Executive:</u>				
Salaries, allowances and bonuses	1,995	2,201	1,995	2,201
Defined contribution plan	372	417	372	417
Share based payments	-	171	-	171
	2,367	2,789	2,367	2,789
<u>Non-Executive:</u>				
Fees and emoluments	848	834	848	834
Total Directors' remuneration (excluding benefits-in-kind)	3,215	3,623	3,215	3,623

10. TAXATION

	Group		Company	
	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
<u>Current income tax:</u>				
Malaysian corporate income tax				
- Current financial year	28,555	3,337	660	44
- Under provision of income tax in prior financial year	514	794	44	263
Foreign tax				
- Current financial year	8,912	-	-	-
	37,981	4,131	704	307
<u>Deferred tax</u>				
Deferred tax relating to the origination and reversal of temporary differences (Note 19)	(29,918)	2,296	-	-
Tax expense for the financial year	8,063	6,427	704	307

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

10. TAXATION (CONTINUED)

The income tax is calculated at the statutory tax rate at 24% (2024: 24%) on the estimated chargeable profit for the financial year. Subsidiaries of the Company, being Malaysian tax residents incorporated in Labuan under the Labuan Companies Act, 1990, are taxed at 3% of profit before taxation in accordance with the Labuan Business Activity Tax Act, 1990 excluding certain subsidiaries where the income tax were calculated based on Income Tax Act, 1967. Income derived from the Singapore-registered vessels is exempt from income tax under Section 13A of the Singapore Income Tax Act. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Reconciliations of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company are as follows:

	Group		Company	
	2025 RM '000	2024 RM '000	2025 RM '000	2024 RM '000
Profit/(Loss) before taxation	98,919	32,624	68,952	(6,105)
Taxation at Malaysian statutory tax rate at 24%	23,741	7,830	16,548	(1,465)
Effects of tax in Labuan and other foreign jurisdictions	(23,730)	(9,936)	-	-
Expenses not deductible for tax purposes	42,562	8,191	1,440	1,509
Income exempted under Section 13(A)	(2,375)	-	-	-
Income not taxable for tax purposes	(231)	(181)	(17,328)	-
Under provision of income tax in prior financial year	514	794	44	263
Reversal of temporary differences from the transfer of vessels to entities governed by the Labuan tax jurisdiction (Note 19)	(22,294)	-	-	-
Recognition of previously unrecognised tax losses	(10,124)	(271)	-	-
Tax expense for the financial year	8,063	6,427	704	307

* Included within expenses not deductible are balancing charges arising from the transfer of vessels within the Group, which are regarded as non-controlled transactions for tax purposes.

11. EARNINGS PER SHARE ("EPS")

The calculation of the basic earnings per share is based on the net profit attributable to the ordinary equity shareholders of the Company for the period divided by the weighted average number of ordinary shares in issue or issuable during the financial year.

(i) Basic EPS

	Group	
	2025 RM '000	2024 RM '000
Earnings attributable to equity holders of the Company	102,674	44,047
Weighted average number of ordinary shares in issue ('000)	933,492	596,437
Basic EPS (sen)	11.00	7.39

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

11. EARNINGS PER SHARE ("EPS") (CONTINUED)

(ii) Diluted EPS

The diluted earnings per share is calculated by dividing the net profit attributable to the ordinary equity shareholders of the Company for the year by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive warrants by the reporting date, as if the warrants had been exercised on the first day of the financial year.

	Group	
	2025	2024
	RM '000	RM '000
Earnings attributable to equity holders of the Company	102,674	44,047
Weighted average number of ordinary shares in issue ('000)	933,492	596,437
Adjusted for dilutive warrants ('000)	33,334	14,696
Weighted average number of ordinary shares in issue for Diluted EPS ('000)	966,826	611,133
Diluted EPS (sen)	10.62	7.21

The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions during the financial year.

12. DIVIDENDS

	Company			
	Sen	2025	Sen	2024
		RM '000		RM '000
Single-tier tax-exempt ordinary dividends				
- First Interim dividend of 1.0 sen per ordinary shares paid on 14 August 2025	1.0	10,821	-	-
- Second Interim dividend of 1.0 sen per ordinary shares paid on 13 November 2025	1.0	11,190	-	-
- Third Interim dividend of 1.0 sen per ordinary shares paid on 13 February 2026	1.0	11,232	-	-
		<u>33,243</u>		<u>-</u>

On 27 February 2026, the Directors declared a special dividend of 1.0 sen per ordinary share and a fourth interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2025, amounting to approximately RM23,321,000 million in total. The dividends will be payable on 13 May 2026 to shareholders whose names appear in the Record of Depositors as at 30 April 2026.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

13. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers comprising the Board of Directors and the Managing Director. The chief operating decision makers are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

For management purposes, the Group is organised based on their products and services and has the following reportable operating segments:

- (i) OSV – This segment comprises of leasing OSV vessels and related services.
- (ii) Marine Transportation – This segment comprises leasing of Tug and Barges and Bulk Carriers and related services.
- (iii) Others – This segment comprises of investment holding and management services.

Transactions between segments are carried out on mutually agreed basis. The effects such inter-segment transactions are eliminated on consolidation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results is measured based on the total revenue for each segment, net of cost of sales, other income, gain on disposal of property, plant and equipment, administrative expenses and impairment expenses. Segment performance is evaluated based on operating income or loss which, in certain aspects as explained in the table below, is measured differently from operating income or loss in the condensed consolidated financial statements. The Group's financing (include finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

	OSV RM '000	Marine Transportation RM '000	Others RM '000	Total RM '000
<u>Group</u>				
<u>2025</u>				
Revenue				
Gross revenue	244,218	44,381	79,395	367,994
Inter-segment elimination	(2,060)	-	(79,395)	(81,455)
	242,158	44,381	-	286,539
Segment results	135,481	(11,708)	(10,441)	113,332
Finance costs				(14,154)
Share of profit of joint venture				(259)
Taxation				(8,063)
				<u>90,856</u>
Non-current assets	462,595*	335,669	7,330	805,594
Non-current assets held for sale	74,243	-	-	74,243
	<u>536,838</u>	<u>335,669</u>	<u>7,330</u>	<u>879,837</u>

* Includes goodwill arising from the acquisition of Regulus Offshore Sdn. Bhd. and Yinson Camellia Sdn. Bhd.. See Note 32 for further details.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

13. SEGMENT REPORTING (CONTINUED)

	OSV RM '000	Marine Transportation RM '000	Others RM '000	Total RM '000
<u>2024</u>				
Revenue				
Gross revenue	235,781	-	4,689	240,470
Inter-segment elimination	-	-	(4,689)	(4,689)
	235,781	-	-	235,781
Segment results	32,121	-	10,794	42,915
Finance costs				(10,291)
Taxation				(6,427)
				<u>26,197</u>
Non-current assets	491,880	-	-	491,880

Geographical information

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:

		<u>2025</u> RM '000		<u>2024</u> RM '000
	%		%	
<u>Revenue</u>				
Malaysia	68	194,862	79	185,499
Brunei	15	43,632	21	50,282
Singapore	16	44,381	-	-
Vietnam	1	3,664	-	-
Total	100	286,539	100	235,781

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

14. PROPERTY, PLANT AND EQUIPMENT

Group	Vessels		Vessel parts		Drydocking expenditure		Machineries		Motor Vehicles		Office Equipment		Computers		Furniture and fittings		Renovation		Work-in-progress		Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Cost</u>																							
Beginning of the financial year	1,090,396	11,622	216,935	-	128	243	3,811	80	598	-	-	-	-	-	-	-	-	-	-	-	-	1,323,813	
Acquisition of subsidiaries (Note 32.1)	301,327	16,524	25,394	-	-	314	86	745	1,869	-	-	-	-	-	-	-	-	-	-	-	-	346,259	
Additions	167,912	2,084	17,011	4,305	-	301	-	40	3,088	-	-	-	-	-	-	-	-	-	-	-	-	194,741	
Disposal	(381,046)	(8,269)	(62,216)	-	(128)	-	-	(19)	-	-	-	-	-	-	-	-	-	-	-	-	-	(451,678)	
Reclassification to assets held for sale	(204,677)	(3,576)	(18,780)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(851)	(227,884)	
Currency translation reserve	(15,683)	(598)	(1,640)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,921)	
End of the financial year	958,229	17,787	176,704	4,305	-	858	3,897	806	2,507	-	-	-	-	-	-	-	-	-	-	-	-	1,167,330	
<u>Accumulated depreciation</u>																							
Beginning of the financial year	341,988	10,256	128,792	-	114	110	3,559	17	598	-	-	-	-	-	-	-	-	-	-	-	-	485,434	
Depreciation for the financial year	39,127	2,792	34,462	108	-	159	23	91	390	-	-	-	-	-	-	-	-	-	-	-	-	77,152	
Disposal	(143,264)	(4,432)	(44,340)	-	(114)	-	-	(16)	-	-	-	-	-	-	-	-	-	-	-	-	-	(192,166)	
Reclassification to assets held for sale	(48,058)	(2,257)	(13,350)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(63,665)	
Currency translation reserve	(6,192)	(224)	(923)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,339)	
End of the financial year	183,601	6,135	104,641	108	-	269	3,582	92	988	-	-	-	-	-	-	-	-	-	-	-	-	299,416	
<u>Accumulated impairment loss</u>																							
Beginning of the financial year	346,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	346,702
Impairment	31,481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,481	
Reversal of impairment	(11,594)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,594)	
Disposal	(118,400)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(118,400)	
Reclassification to assets held for sale	(89,976)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(89,976)	
Currency translation reserve	(1,047)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,047)	
End of the financial year	157,166	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	157,166	
Net book value	617,462	11,652	72,063	4,197	-	589	315	714	1,519	-	-	-	-	-	-	-	-	-	-	-	-	710,748	

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	2024										Total	
	Vessels	Vessel parts	Drydocking expenditure	Motor Vehicles	Office Equipment	Computers	Furniture and fittings	Renovation	RM'000			
<u>Cost</u>												
Beginning of the financial year	1,096,581	11,093	156,737	128	322	3,684	174	927				1,269,646
Additions	-	747	61,223	-	-	138	11	-				62,119
Disposal	-	-	-	-	(79)	(11)	(104)	(329)				(523)
Currency translation reserve	(6,185)	(218)	(1,025)	-	-	-	(1)	-				(7,429)
End of the financial year	1,090,396	11,622	216,935	128	243	3,811	80	598				1,323,813
<u>Accumulated depreciation</u>												
Beginning of the financial year	310,826	8,669	106,930	114	172	3,252	97	708				430,768
Depreciation for the financial year	34,026	1,640	22,655	-	17	318	19	219				58,894
Disposal	-	-	-	-	(79)	(11)	(98)	(329)				(517)
Currency translation reserve	(2,864)	(53)	(793)	-	-	-	(1)	-				(3,711)
End of the financial year	341,988	10,256	128,792	114	110	3,559	17	598				485,434
<u>Accumulated impairment loss</u>												
Beginning of the financial year	346,869	-	-	-	-	-	-	-				346,869
Impairment	51,810	-	-	-	-	-	-	-				51,810
Reversal of impairment	(50,180)	-	-	-	-	-	-	-				(50,180)
Currency translation reserve	(1,797)	-	-	-	-	-	-	-				(1,797)
End of the financial year	346,702	-	-	-	-	-	-	-				346,702
Net book value	401,706	1,366	88,143	14	133	252	63	-				491,677

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (i) Vessels of the Group with net book values totaling RM518,560,000 (2024: RM283,681,000) have been charged to secure loan granted to the Group as disclosed in Note 25.
- (ii) There were RM2,876,000 (2024: RM5,492,000) non-cash additions during the current financial year arising from drydocking accruals.
- (iii) Proceeds from disposal of property, plant and equipment received during the financial year were RM199,580,000 (2024: RM9,200).

Impairment assessment of vessels

The Group recognised an impairment charge of RM31,481,000 (2024: RM1,630,000) during the financial year due to the existence of specific impairment indicators. These indicators arose primarily from the ageing profile of certain dry bulk carriers and external evidence of a decline in market values for vessels of a similar class, which indicated that the recoverable amounts of these vessels were lower than their carrying values. Accordingly, the Group performed impairment assessments which resulted in the impairment charge recognised for the current financial year.

The Group had also recognised a reversal of impairment charges of RM11,594,000 due to higher disposal prices achieved for certain vessels and as a result of a memorandum of agreement being entered into at prices higher than those previously used in assessing the recoverable amounts of the vessels planned for disposal.

The Group considered each vessel with its vessel parts and drydocking expenditure that generates independent cashflows as separate Cash Generating Units ("CGUs"). Recoverable amounts used in impairment assessments for each CGU were determined at higher of Fair Value Less Cost of Disposal ("FVLCOD") and Value in Use ("VIU") derived from each vessel with its vessel parts and capitalised drydocking expenditure (collectively referred to as "vessels").

In determining the recoverable amounts of vessels that are impaired or written back during the year, the following methods were used:

FVLCOD

Fair value of vessels have been assessed by an independent professional valuer with appropriate qualifications and experience in valuation of vessels. The valuation method applied in determining market value was the market comparable approach which reflects recent market transactions of similar vessels of similar age and specifications. The valuation technique is therefore classified as level 3 measurement in the fair value hierarchy. The independent valuer had taken into consideration prevailing market conditions and adjusted for age, timing of drydocking and specifications where necessary before arriving at the most appropriate fair value for vessels. Costs of disposal were determined at 4.5% of fair value of vessels and reflect management's expectations based on experience with disposal of assets and industry benchmarks.

The recoverable amount of all the vessels for which impairment assessment has been performed has been based on FVLCOD considering that it's higher than the value-in-use of the vessels.

The recoverable amounts of the vessels have been determined based on their FVLCOD of the vessels. For the financial year ended 31 December 2025, if there was a 1% increase or 10% decrease in estimated FVLCOD respectively, the expected movement of in the recoverable amounts would have been as follows:

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	FVLCOD RM'000	(Reversal of impairment)/ impairment expense RM'000	Group
<u>2025</u>			
- Increase by 1%	546,231		(13,462)
- Decrease by 10%	486,740		5,457

15. INTEREST IN SUBSIDIARIES

	Company	
	<u>2025</u> RM'000	<u>2024</u> RM'000
Unquoted shares, at cost (Note (a), (b), (c) and (f))	548,132	485,845
Capital contribution to a subsidiary (Note (g))	105,000	105,000
	653,132	590,845
Accumulated impairment loss	-	(332,937)
Investment in subsidiaries	653,132	257,908
Amounts due from subsidiaries (net) (Note (h))	255,817	520,508
Accumulated impairment loss	-	(399,693)
	255,817	120,815
Total interest in subsidiaries	908,949	378,723
<u>Current</u>		
Amounts due from subsidiaries (Note (d))	255,817	-
<u>Non-current</u>		
Amounts due from subsidiaries	-	520,508
Investment in subsidiaries	653,132	590,845
Accumulated impairment loss	-	(732,630)
	653,132	378,723

In the current financial year, movement in the investment in subsidiaries includes the following:

- (a) On 31 January 2025, the Company acquired Regulus Offshore Sdn. Bhd. and Yinson Camellia Sdn Bhd. from Yinson Offshore Services Sdn Bhd with total considerations of RM153,773,000 and RM27,136,000, respectively. See Note 32.1 for further details.
- (b) On 16 May 2025, the Company increased its investment in Icon Fleet Sdn. Bhd. for total considerations of RM40,287,000 in connection to acquisition of non-controlling interest of Icon Waja (L) Inc. and Icon Bahtera (B) Sdn. Bhd., and was satisfied via issuance of the Company's shares. See Note 32.2 for further details.
- (c) On 21 July 2025, the Company acquired of Lianson Fleet Pte. Ltd. ("Lianson Fleet") and Yinson Power Marine Sdn. Bhd. ("YPM") from Liannex Corporation (S) Pte Ltd and Mr. Lim Han Weng ("LHW") for total considerations of RM202,682,000 and RM20,045,000, respectively. See Note 32.1 for further details.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

15. INTEREST IN SUBSIDIARIES (CONTINUED)

- (d) The amounts due from subsidiaries are non-trade, unsecured and non-interest bearing with no fixed terms of repayment.
- (e) During the financial year ended 31 December 2025, the Group undertook an internal reorganisation involving the transfer of OSV between subsidiaries. Management determined that the investment values recognised by the receiving entities did not reflect the economic substance of the transferred assets and therefore applied judgement in developing an appropriate accounting treatment. With reference to MFRS 127 and MFRS 136, and by analogy to goodwill reallocation principles, the transferred investments were measured using a relative fair value approach, with fair values determined based on value-in-use to reflect future cash flows and economic contribution. As a result of the reallocations, previously recognised accumulated impairment no longer reflected the underlying economics of the restructured business under the new operating model and therefore was derecognised.

In the previous financial year, movement in the investment in subsidiaries includes the following:

- (f) On 13 May 2024, the Company's ownership interest in Icon Offshore Group Sdn Bhd ("IOG") reduced from 100% to 70% following the disposal of a 30% interest in its investment. The proceeds from this disposal was RM2,280,000. A loss on dilution of shareholding in subsidiary of RM1,202,331 was recognised by the Company. The Company maintains control of the subsidiary.
- (g) Non-trade amount of RM105,000,000 owing by a subsidiary to the Company as at 31 December 2017 were reclassified from amounts due from subsidiaries to investments in subsidiaries after having considered the working capital needs of the subsidiary as approved by the Board of Directors of the Company. Subsequently, these non-trade amounts are not repayable by the subsidiary and are treated as an increase in the Company's investment in the subsidiary.
- (h) The amounts due from subsidiaries are non-trade, unsecured and non-interest bearing with no fixed terms of repayment. The Company has a right to call for repayment although this is not expected in the foreseeable future. Accordingly, the Company has classified this as a debt instrument accounted for in accordance with MFRS 9, and as non-current receivables. The amount due to subsidiaries has been offset against the amount due from subsidiaries as the necessary offsetting criteria have been met.

Impairment assessment of investments in subsidiaries and amounts due from subsidiaries

During the financial year ended 31 December 2025, management of the Company performed impairment assessments on the carrying values of its investments in subsidiaries and amounts due from subsidiaries as there were indicators of impairment. The recoverable amounts of subsidiaries for assessment of impairment were determined based on VIU cashflows. Whereas the assessments of recoverability of amounts due from the subsidiaries, were based on the expected credit loss from the respective subsidiaries. Based on management's assessments, no further impairment was required.

VIU cashflows were determined based on the present value of dividend cash flows expected from subsidiaries, estimated based on the present value of cash flows generated from the underlying assets of each subsidiary net of financing cash flows.

Key assumptions used in the VIU cash flow for the financial year end are as follows:

- Cash flow projections are based on the remaining useful lives of underlying assets of subsidiaries;
- Utilisation rates and charter rates are based on past performance, management's expectation of market development and weighted average growth rates consistent with forecasts included in industry reports;
- Drydocking expenditure is based on historical trends; and
- Cost of equity of 12.37% (2024: 14.1%) was applied.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

15. INTEREST IN SUBSIDIARIES (CONTINUED)

Impairment assessment of investments in subsidiaries and amounts due from subsidiaries (continued)

Discount rates used are pre-tax and reflect specific risks relating to investments. Discount rates applied to cash flow projections are based on cost of equity applied based on the respective geographical areas of the subsidiaries.

Sensitivity of the carrying amounts to changes in key assumptions with all other variables being held constant are as follows:

	Company	
	2025	2024
	RM'000	RM'000
Utilisation rate increased by 3%	-	29,073
Utilisation rate decreased by 3%	(30,617)	(29,081)
Charter rate increased by 5%	-	50,442
Charter rate decreased by 5%	(33,744)	(50,450)
Discount rate increased by 3% (2024: 1%)	(5,259)	(18,652)
Discount rate decreased by 3% (2024: 1%)	-	19,413
Dry docking costs increased by 7% (2024: 10%)	(5,431)	(3,685)
Dry docking costs decreased by 7% (2024: 10%)	-	12,797

For purpose of assessing the recoverability of the amounts due from subsidiaries, the expected credit losses were estimated based on expected timing of collections from subsidiaries and their ability to repay the Company based on the approved budgets and the estimated future cash flows of the respective subsidiaries and applying key assumptions used in the vessel impairment assessment detailed in Note 14.

The details of the Company's subsidiaries are as follows:

Names of subsidiaries	Country of incorporation/ Principal place of business	Principal activities	The Company's effective interest	
			2025	2024
			%	%
<u>Direct subsidiaries</u>				
LFG Ship Management Sdn. Bhd.	Malaysia	Ship management services to the oil and gas related industries	100	100
Icon Fleet Sdn. Bhd.	Malaysia	Investment holding	100	100
Icon Offshore Group Sdn. Bhd.	Malaysia	Provision of vessel services to the oil and gas related industries	70	70
LFG Overseas Ventures Sdn. Bhd.	Malaysia	Investment holding	100	100
LFG Well Services Sdn. Bhd.	Malaysia	Provision of well services to the oil and gas related industries	60	100
Regulus Offshore Sdn. Bhd. ⁽⁵⁾	Malaysia	Provision of vessel services to the oil and gas related industries	70	-
Yinson Camelia Sdn. Bhd. ⁽⁵⁾	Malaysia	Provision of vessel services to the oil and gas related industries	100	-
Lianson Fleet Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Investment holding and provision of ship management services	100	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

15. INTEREST IN SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows (continued):

Names of subsidiaries	Country of incorporation/ Principal place of business	Principal activities	The Company's effective interest	
			2025	2024
			%	%
<u>Indirect subsidiaries</u>				
Omni Marine Sdn. Bhd.	Malaysia	Dormant	100	100
Omni Triton Sdn. Bhd.	Malaysia	Dormant	100	100
Icon Drilling Sdn. Bhd.	Malaysia	Dormant	100	100
Icon Caren (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Kayra (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Omni Emery (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Omni Victory (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Omni Marissa (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Omni Stella (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Omni Flotilla (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Omni Offshore (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Azra (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Samudera (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Ikhlas (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Zara (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Waja (L) Inc. ⁽¹⁾⁽⁶⁾	Malaysia/Brunei	Leasing of vessels	100	85
Icon Corridor (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Ocean (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Puteri 1 (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Puteri 2 (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Dawai (L) Inc. ⁽¹⁾	Malaysia	Dormant	100	100
Icon Huma (L) Inc. ⁽¹⁾	Malaysia	Dormant	100	100
Icon Sari (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Biru 1 (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Biru 2 (L) Inc. ⁽¹⁾	Malaysia	Dormant	100	100
Icon Dahan 1 (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Dahan 2 (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Pinang 1 (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Pinang 2 (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Pinang 3 (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Pinang 4 (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Piai 1 (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Piai 2 (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Gaya (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Tigris (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Lotus (L) Inc. ⁽¹⁾	Malaysia/Vietnam	Leasing of vessels	100	100
Icon Sophia (L) Inc. ⁽¹⁾	Malaysia	Leasing of vessels	100	100
Icon Aliza (L) Inc. ⁽¹⁾	Malaysia/Brunei	Leasing of vessels	100	100

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

15. INTEREST IN SUBSIDIARIES (CONTINUED)

The details of the Company's subsidiaries are as follows (continued):

Names of subsidiaries	Country of incorporation/ Principal place of business	Principal activities	The Company's effective interest	
			2025	2024
			%	%
<u>Indirect subsidiaries (continued)</u>				
Icon Bahtera (B) Sdn. Bhd. ⁽²⁾⁽⁸⁾	Brunei	Vessel owner, operator and provision of vessel services to the oil and gas related industries	100	51
Icon Pioneer (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Astrid (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
Icon Andra (L) Inc. ⁽¹⁾⁽⁷⁾	Malaysia	Dormant	100	100
I Oilfield Services Sdn. Bhd.	Malaysia	Dormant	100	100
Barisar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Bursar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Felisar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Gimsar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Handal Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Kangsar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Kelisar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Melisar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
Nimsar Corporation Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
LFG Marine Pte. Ltd. ⁽³⁾⁽⁵⁾	Singapore	Leasing of vessels	100	-
LFG Ace Limited ⁽⁴⁾	Liberia/Singapore	Leasing of vessels	100	-
LFG Pride Limited ⁽⁴⁾	Liberia/Singapore	Leasing of vessels	100	-
Lianson Odyssey Limited ⁽⁴⁾	Liberia/Singapore	Leasing of vessels	100	-
Yinson Power Marine Sdn. Bhd. ⁽⁵⁾	Malaysia/Singapore	Leasing of vessels	100	-

Notes:

- (1) Incorporated in the Federal Territory of Labuan, under the Labuan Companies Act, 1990.
- (2) Audited by member firm of PricewaterhouseCoopers International Limited which is separate and independent legal entity from PricewaterhouseCoopers PLT.
- (3) Audited by other auditors.
- (4) Newly incorporated during the financial year ended 31 December 2025 and not required to be audited for the financial year ended 31 December 2025.
- (5) Acquired during the financial year ended 31 December 2025. See Note 32.1 for further information.
- (6) Acquired ownership held by non-controlling interests during the financial year ended 31 December 2025. See Note 32.2 for further information.
- (7) No auditors were appointed during the financial year ended 31 December 2025 as the entity is in the midst of winding up.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (Continued)

15. INTEREST IN SUBSIDIARIES (CONTINUED)

Set out below are summarised financial information for Regulus Offshore Sdn. Bhd. ("Regulus Offshore") that have non-controlling interest that is material to the Group in the current financial year. The amounts disclosed are before the related company eliminations.

On 31 January 2025, the Group completed the acquisition of Regulus Offshore from Yinson Offshore Services Sdn. Bhd. through the issuance of 154,545,455 new ordinary shares of the Company. Following the completion of the acquisition, the Group holds effective ownership interests of 70% in Regulus Offshore, while the remaining 30% belongs to a non-controlling interest of the subsidiary. See Note 32.1 for further details.

	Regulus Offshore
	RM'000
<u>2025</u>	
<u>Summarised statement of financial position</u>	
Current assets	83,346
Current liabilities	(58,776)
Net current liabilities	<u>24,570</u>
Non-current assets	60,218
Non-current liabilities	(637)
Net non-current assets	<u>59,581</u>
Net assets	<u>84,151</u>
Accumulated non-controlling interest	<u><u>25,245</u></u>
<u>Summarised statement of comprehensive income</u>	
Revenue	116,822
Loss after tax for the financial year	(3,086)
Other comprehensive income	-
Total comprehensive loss for the financial year	<u><u>(3,086)</u></u>
Non-controlling interest	30%
Loss after tax allocated to non-controlling interest	<u><u>(926)</u></u>
<u>Summarised statement of cash flows</u>	
Cash flows generated from operating activities	30,319
Cash flows used in investing activities	(1,177)
Cash flows used in financing activities	(19,219)
Net increase in cash and bank balances	<u><u>9,923</u></u>