Coastal Contracts Bhd.
Registration No. 200001015043 (517649-A)

"SAIL FORTH, GROW BEYOND"

ANNUAL REPORT 2024

Contents

2 NOTICE OF ANNUAL GENERAL MEETING

6 STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

7 CORPORATE INFORMATION

8 5-YEARS' GROUP FINANCIAL SUMMARY

9 CORPORATE STRUCTURE

10 DIRECTORS' PROFILES

13 KEY SENIOR MANAGEMENT

15 CHAIRMAN'S STATEMENT

19 MANAGEMENT DISCUSSION AND ANALYSIS

24 SUSTAINABILITY STATEMENT

38 AUDIT COMMITTEE REPORT

41 CORPORATE GOVERNANCE OVERVIEW STATEMENT

53 STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

55 ADDITIONAL COMPLIANCE INFORMATION

56 STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

57 FINANCIAL STATEMENTS

148 LIST OF PROPERTIES IN THE GROUP

150 ANALYSIS OF SHAREHOLDINGS

FORM OF PROXY

Scan to download the PDF version of this Annual Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty Fourth Annual General Meeting of the Company will be held at the Registered Office, Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah on Thursday, 19 June 2025 at 10:00 am to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of fees and benefits to Non-Executive Directors, of up to but not exceeding the amount of RM250,000 for the period from 20 June 2025 until the next Annual General Meeting of the Company. **Resolution 1**

3. To re-elect the following Directors:

   3.1 Mr Ng Chin Shin retiring pursuant to Clause No. 100 of the Company's Constitution and being eligible, offers himself for re-election. **Resolution 2**

   3.2 Hj. Ir. Intizam Bin Ayub retiring pursuant to Clause No. 100 of the Company's Constitution and being eligible, offers himself for re-election. **Resolution 3**

4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 4**

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolutions with or without modification:

ORDINARY RESOLUTIONS

5.1 **Proposed Retention of Mr Jacob O Pang Su Yin as an Independent Non-Executive Director** **Resolution 5**

" NOTED THAT Mr Jacob O Pang Su Yin has tendered his resignation as an Independent Non-Executive Director of the Company with effect from 1 August 2025.

THAT approval be and is hereby given for Mr Jacob O Pang Su Yin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to be retained and to continue to act as an Independent Non-Executive Director of the Company until 31 July 2025. "

5.2 **Proposed Retention of Hj. Ir. Intizam Bin Ayub as an Independent Non-Executive Director** **Resolution 6**

" THAT subject to passing of Resolution 3, approval be and is hereby given for Hj. Ir. Intizam Bin Ayub, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to be retained and to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company. "

Notice of Annual General Meeting (cont'd.)

6. To consider and if thought fit, to pass the following resolution with or without modification:

ORDINARY RESOLUTION

Authority to issue shares pursuant to the Companies Act 2016 — **Resolution 7**

" THAT subject always to the Companies Act 2016, ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to allot and issue shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being;

AND THAT pursuant to Clause 14 of the Company's Constitution, direction to the contrary of pre-emptive rights under Section 85 of the Act be and is hereby given for the Directors to offer and issue new shares of the Company ranking equally to the existing shares of the Company pursuant to the aforesaid authority, to such persons for such consideration as the Directors deem fit and in the best interest of the Company;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company. "

7. To consider and if thought fit, to pass the following resolution with or without modification:

ORDINARY RESOLUTION

Proposed Renewal of Share Buy-Back Authority — **Resolution 8**

" THAT subject to the provisions of the Companies Act 2016 ("the Act"), the Constitution of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all other applicable laws, rules, regulations, and orders and the approvals of all relevant regulatory authorities, the Company is hereby authorised to purchase and/or hold such number of ordinary shares ("Shares") in the Company as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares in the ordinary share capital of the Company at any point in time and that an amount of the funds not exceeding the retained earnings of the Company, be utilised for Share Buy-Back;

AND THAT such Shares purchased may be retained as treasury shares and/or distributed as dividends and/or resold on the market of Bursa Securities and/or be cancelled, as the Directors may deem fit and expedient in the interest of the Company;

AND THAT such authority hereby given shall take effect immediately and shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company at which time it shall lapse unless by a resolution passed at the meeting, the authority is renewed; or
(b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by a resolution passed by the Shareholders in a general meeting,

whichever is the earlier;

AND FURTHER THAT the Directors be hereby authorised to do all such acts and things as may be required by the relevant authorities (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation."

Notice of Annual General Meeting (cont'd.)

8. To transact any other business of the Company of which due notice has been given to the Company.

By Order of the Board

Dorothy Luk Wei Kam (SSM PC No. 202008001484)(MAICSA 7000414)
Ho Ling Ling (SSM PC No. 202008000066)(MAICSA 7012567)
Company Secretaries

Kota Kinabalu, Sabah
Dated: 30 April 2025

Notes:

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate, speak and vote instead of him and that a proxy need not be a member of the Company.

(b) For the purpose of determining member's eligibility to attend this Meeting, only member whose name appears in the Record of Depositors as at 12 June 2025 shall be entitled to attend this Meeting or appoint proxy(ies) to attend and/or vote on his behalf.

(c) A member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint not more than 2 proxies to attend and vote in his stead at the Meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy, failing which, the appointment shall be invalid.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at this meeting at which the appointor is entitled to vote.

(f) The instrument appointing a proxy shall be left at the Registered Office of the Company at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah, or received at the electronic address at ir@coastalcontracts.com, at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which it is to be used, and in default shall not be treated as valid.

(g) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

Explanatory Notes

(a) Audited Financial Statements for the financial year ended 31 December 2024

Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, it will not be put forward for voting.

(b) Ordinary Resolutions – Proposed Retention of Independent Non-Executive Directors, Mr Jacob O Pang Su Yin and Hj. Ir. Intizam Bin Ayub

In relation to the proposed Resolutions 5 and 6, the Board of Directors has via the Nomination Committee assessed the independence of Mr Jacob O Pang Su Yin and Hj. Ir. Intizam Bin Ayub, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

(i) They fulfil the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

Notice of Annual General Meeting (cont'd.)

Explanatory Notes (cont'd.)

(b) Ordinary Resolutions – Proposed Retention of Independent Non-Executive Directors, Mr Jacob O Pang Su Yin and Hj. Ir. Intizam Bin Ayub (cont'd.)

(ii) With their years of experience in the Company, they are familiar with the Company's business operations, thus enabling them to contribute actively and effectively during deliberations or discussions at the Board Meetings;
(iii) They have demonstrated their capability as independent directors and provided numerous constructive suggestions to the Board; and
(iv) Their level of independence and competency have not been impaired with time.

The proposed Resolution 5, if passed, will enable Mr Jacob Pang to continue in office as Independent Non-Executive Director until 31 July 2025.

Subject to the passing of the proposed Resolution 3, the proposed Resolution 6, if passed, will enable Hj. Ir. Intizam Bin Ayub to continue in office as Independent Non-Executive Director until the conclusion of the next Annual General Meeting of the Company.

The Company would seek shareholders' approval for retention of both of them as independent directors, who have served the Company for a cumulative term of more than 9 years, via a two-tier voting process in accordance with the Malaysian Code on Corporate Governance.

(c) Ordinary Resolution - Authority to issue shares pursuant to the Companies Act 2016

The proposed Resolution 7, if passed, shall:

1. empower the Directors to allot and issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the total number of issued shares in the ordinary share capital of the Company for the time being for such purposes and to such person(s) whomsoever the Directors, may in their absolute discretion, deem fit; and

2. give direction to the Directors to offer and issue new shares of the Company pursuant to the authority granted under this Resolution 7, to any such persons without first offering the new shares to the existing members of the Company in proportion to their shareholdings.

This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting.

This general mandate was not utilised since its approval of renewal by the shareholders on 13 June 2024. The renewal of the general mandate is to facilitate the Company to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

(d) Ordinary Resolution - Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 8, if passed, shall empower the Directors of the Company to buy back the shares of the Company of not exceeding 10% of the total number of issued shares in the ordinary share capital of the Company from time to time as may be determined by the Directors of the Company, who deem fit and expedient, in the interests of the Company.

This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

Shareholders are directed to refer to the Share Buy-Back Statement dated 30 April 2025 for more information.

Statement Accompanying Notice Of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of the individuals who are standing for re-election or re-appointment as Directors in accordance with Agenda 3 of the Notice of Annual General Meeting are set out on pages 10 to 12 of this Annual Report, whereas the details of their interest in the securities of the Company are disclosed on pages 150 to 151 of this Annual Report.

2. Details on the authority to issue shares pursuant to the Companies Act 2016 are provided under the Explanatory Notes on Special Business in the Notice.

Corporate Information

BOARD OF DIRECTORS

Ng Chin Heng *Executive Chairman*	**Jacob O Pang Su Yin** *Independent Non-Executive Director*
Ng Chin Shin *Executive Director*	**Hj. Ir. Intizam Bin Ayub** *Independent Non-Executive Director*
Alice Ng *Executive Director*	**Seeto Yee @ Seeto Tin Yee** *Independent Non-Executive Director*

AUDIT COMMITTEE

Jacob O Pang Su Yin
Chairman

Hj. Ir. Intizam Bin Ayub
Member

Seeto Yee @ Seeto Tin Yee
Member

NOMINATION COMMITTEE

Jacob O Pang Su Yin
Chairman

Hj. Ir. Intizam Bin Ayub
Member

Seeto Yee @ Seeto Tin Yee
Member

REMUNERATION COMMITTEE

Jacob O Pang Su Yin
Chairman

Hj. Ir. Intizam Bin Ayub
Member

Seeto Yee @ Seeto Tin Yee
Member

COMPANY SECRETARIES

Dorothy Luk Wei Kam
SSM PC No. 202008001484
MAICSA 7000414
Ho Ling Ling
SSM PC No. 202008000066
MAICSA 7012567

REGISTERED OFFICE

Block G, Lot 3B, Bandar Leila
W.D.T. 259, 90009 Sandakan, Sabah
Tel : +60 89 616263
Fax : +60 89 616654, 611130
Website : http://www.coastalcontracts.com
Email : ir@coastalcontracts.com

REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor Darul Ehsan
Tel : +60 3 7890 4700
Fax : +60 3 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
AmBank (M) Berhad
CIMB Bank Berhad
DBS Bank Ltd.
Hong Leong Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
RHB Bank Berhad
The Hongkong and Shanghai Banking Corporation Ltd.
United Overseas Bank Limited
United Overseas Bank (Malaysia) Bhd.

AUDITORS

Crowe Malaysia PLT
Firm No. 201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue 2
12, Jalan Yap Kwan Seng, 50450
Kuala Lumpur, Malaysia
Tel : +60 3 2788 9999
Fax : +60 3 2788 9998

STOCK EXCHANGE LISTING

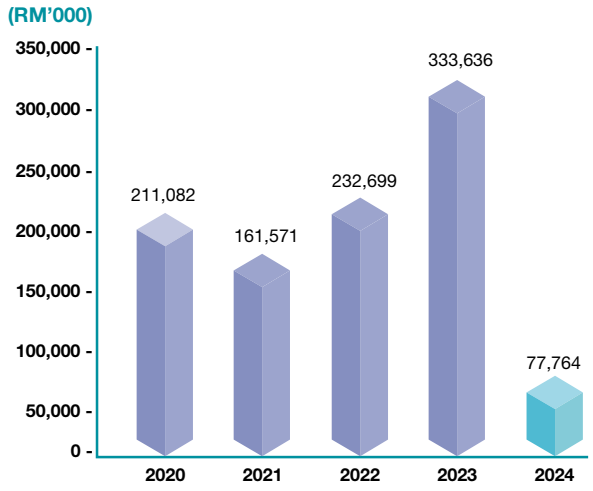
Main Market of Bursa Malaysia Securities Berhad
Stock Name : COASTAL
Stock Code : 5071

5-Years' Group Financial Summary

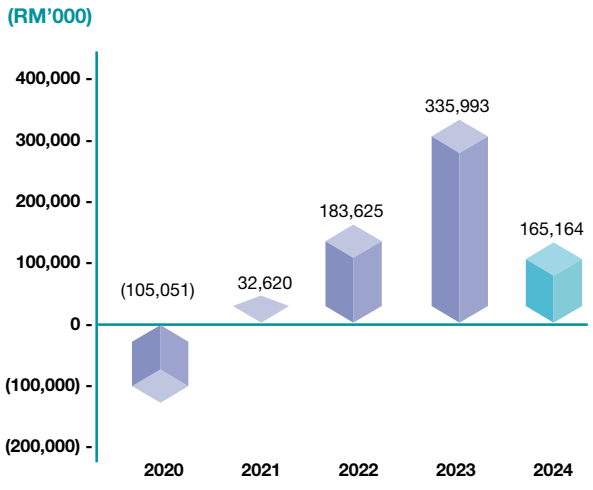
	2024	2023	2022	2021	2020
Financial Results (RM'000)					
Revenue	77,764	333,636	232,699	161,571	211,082
Profit/(Loss) before tax	183,726	380,845	213,703	51,904	(87,722)
Profit/(Loss) net of tax	165,164	335,993	183,625	32,620	(105,051)
Statement of Financial Position (RM'000)					
Total assets	1,880,406	2,009,175	2,012,343	1,396,182	1,553,993
Total borrowings	30,943	55,686	463,495	92,282	276,799
Shareholders' equity	1,782,816	1,734,508	1,354,172	1,103,734	1,085,939
Financial Indicators					
Return on equity	9.39%	21.76%	14.94%	2.98%	(9.29%)
Earnings/(Loss) per share (sen)	30.50	61.59	34.41	6.17	(19.88)
Net assets per share (sen)	336	328	258	211	206

The figures for 2023 are for 18-month financial period while the figures for other years are for full 12-month financial year.

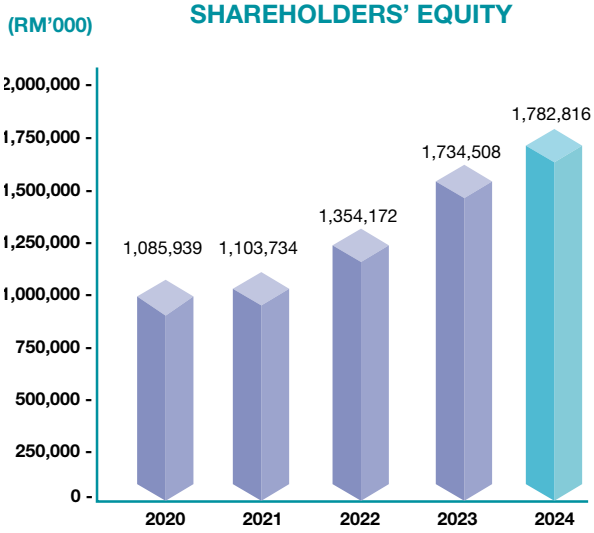
REVENUE



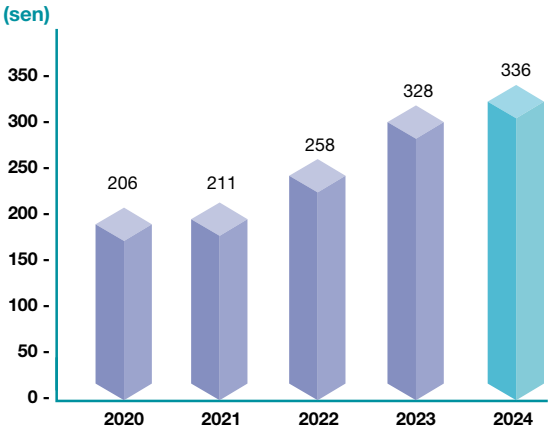
PROFIT/(LOSS) NET OF TAX



SHAREHOLDERS' EQUITY

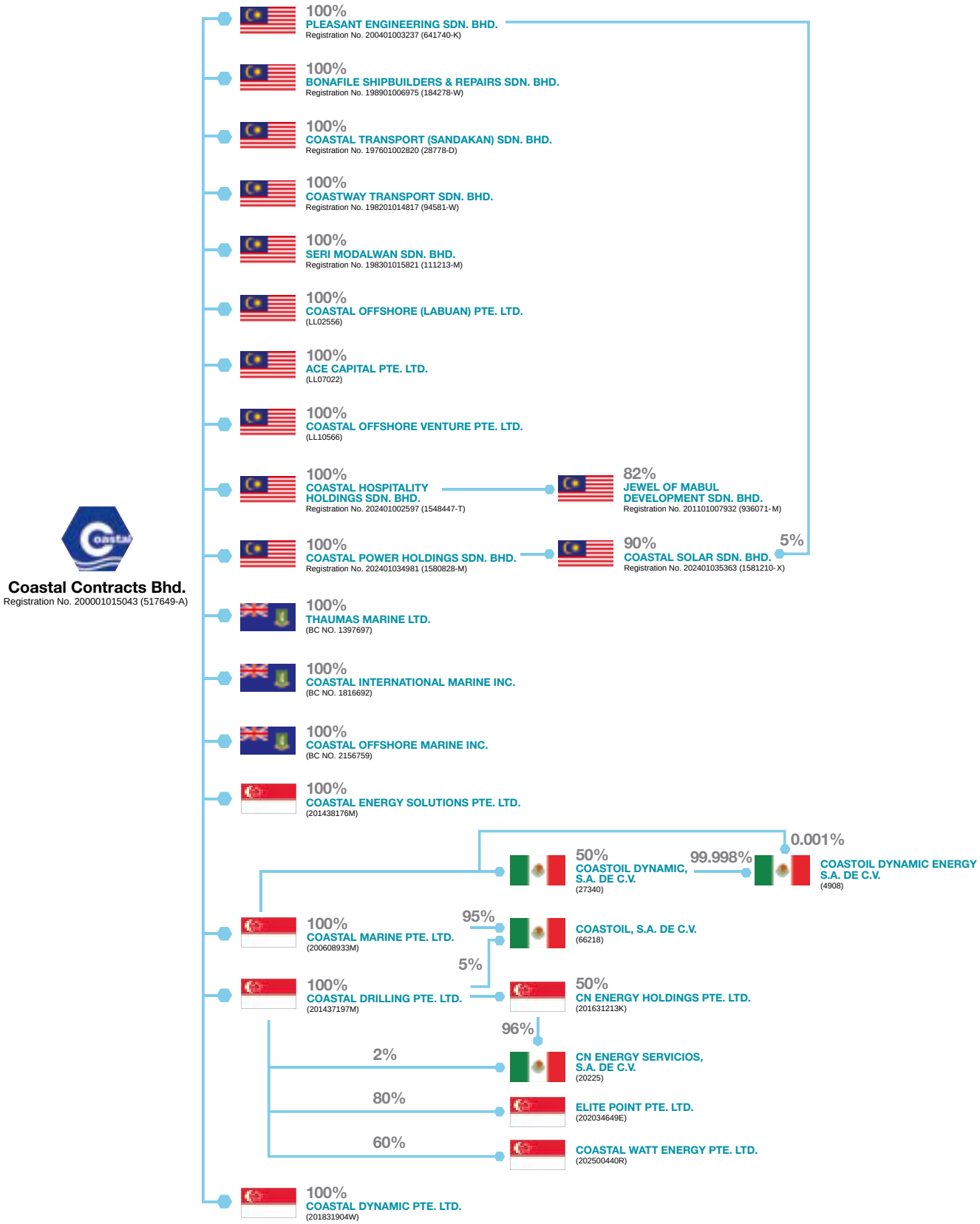


NET ASSETS PER SHARE



Corporate Structure

As at 24 March 2025



Directors' Profiles

The Board currently has six members, comprising three Executive Directors (including the Chairman) and three Independent Non-Executive Directors. A brief description of the background of each Director is presented below:

NG CHIN HENG

EXECUTIVE CHAIRMAN

Male, Aged 76, Malaysian

Mr Ng Chin Heng was appointed as Executive Chairman to the Board on 8 August 2000.

He is the principal founder of Coastal Group. Soon after completing the Lower Certificate of Education and gaining work experience in various capacities, Mr Ng Chin Heng started his business endeavour in 1977 trading in animal feed, fertilisers and raw rubber. Subsequently, he ventured into vessel chartering business in 1982 when he acquired Coastal Transport (Sandakan) Sdn. Bhd., a tug and barge hire company, which then owned and operated 4 small old tankers. He then acquired the technical and management skills in tugboat and barge repairs and fabrications. He further learned and improved the technical and management aspects of shipyard operations by visiting some of the shipyards in Malaysia, Indonesia, Singapore and China.

Mr Ng Chin Heng is responsible for leadership of the Board of the Company, ensuring its effectiveness and setting its agenda. He meets with shareholders to ensure that there is sufficient and effective communication to understand shareholders' issues and concerns. He is responsible for executing the strategy agreed by the Board and developing objectives through leadership of the senior executive team. He also ensures that the Group's risks are adequately addressed and appropriate internal controls are in place.

Mr Ng Chin Heng attended all five Board meetings held during the financial year ended 31 December 2024.

As at 24 March 2025, Mr Ng Chin Heng has direct interests of 6.03% and indirect interests of 40.19% by virtue of Ivory Asia Sdn Bhd's, his wife's and children's shareholdings in Coastal Contracts Bhd. He is the father of Madam Alice Ng and brother of Mr Ng Chin Shin, both the Directors of the Company, and the husband of Madam Pang Fong Thau, a substantial shareholder of the Company. Save as disclosed on pages 124 and 125 of the Annual Report on related party transactions, he has no conflict of interest with the Company.

NG CHIN SHIN

EXECUTIVE DIRECTOR

Male, Aged 66, Malaysian

Mr Ng Chin Shin was appointed as Executive Director to the Board on 8 August 2000.

He is one of the co-founders of Coastal Group. Shortly after completing the Lower Certificate of Education, he went on to become a mechanic and welder in 1975 and subsequently a mechanic and construction supervisor. He gained his experience in the shipbuilding industry when he worked for a shipbuilding contractor between 1980 and 1985. With his valuable knowledge, he was invited to join the Group in 1986 and has been involved in the Group for 38 years. He has been instrumental in shaping and laying the foundations for the Group's products and workmanship quality in vessel manufacturing and repair works. His vast experience and in-depth knowledge in the vessel manufacturing and repair activities will continue to benefit the Group.

Mr Ng Chin Shin attended four of the five Board meetings held during the financial year ended 31 December 2024.

As at 24 March 2025, Mr Ng Chin Shin has direct interests of 4.47% in Coastal Contracts Bhd. He is the brother-in-law of Madam Pang Fong Thau, a substantial shareholder of the Company. He is the brother of Mr Ng Chin Heng and the uncle of Madam Alice Ng, both the Directors of the Company. Mr Ng Chin Heng is also a substantial shareholder of the Company. Save as disclosed on pages 124 and 125 of the Annual Report on related party transactions, he has no conflict of interest with the Company.

Directors' Profiles (cont'd.)

ALICE NG

EXECUTIVE DIRECTOR

Female, Aged 42, Malaysian

Madam Alice Ng was appointed as Executive Director to the Board on 23 May 2023.

Madam Alice Ng holds a degree of Bachelor of Commerce with double major in Accounting and Finance from Curtin University of Technology, Australia. She is a member of CPA Australia and the Malaysian Institute of Accountants.

Upon graduation, she was attached with Ernst & Young Sandakan as an Audit Assistant. Madam Alice's journey with the Company started in April 2006 when she held the position of Accounts & Finance Executive with Company's subsidiary companies. In the year 2008, she held the position as Marketing cum Finance Officer and was later promoted to Marketing Manager in 2010. Madam Alice was first promoted as the Director of the Company's subsidiary companies in 2012.

Madam Alice Ng attended all five Board meetings held during the financial year ended 31 December 2024.

As at 24 March 2025, Madam Alice Ng has direct interests of 0.24% in Coastal Contracts Bhd. She is the daughter of Mr Ng Chin Heng and the niece of Mr Ng Chin Shin, both the Directors of the Company. Mr Ng Chin Heng is a substantial shareholder of the Company. She is also the daughter of Madam Pang Fong Thau, a substantial shareholder of the Company.

JACOB O PANG SU YIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Male, Aged 58, Malaysian

Mr Jacob O Pang Su Yin was appointed as Independent Non-Executive Director to the Board on 1 August 2013. He serves as the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee.

He completed his tertiary education with a Degree in Commerce in 1989 from the James Cook University of North Queensland. He started his career as an Audit Trainee and subsequently gained his practical experience in a firm of chartered accountants. He is a Principal at a firm providing audit, tax and consulting services for public and private companies. He is a Fellow of CPA Australia, and member of the Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia.

Mr Jacob O Pang Su Yin attended all five Board meetings held during the financial year ended 31 December 2024.

As at 24 March 2025, Mr Jacob O Pang Su Yin does not have any direct or indirect interest in shares in Coastal Contracts Bhd.

Directors' Profiles (cont'd.)

HJ. IR. INTIZAM BIN AYUB

INDEPENDENT NON-EXECUTIVE DIRECTOR

Male, Aged 72, Malaysian

Hj. Ir. Intizam Bin Ayub was appointed as an Independent Non-Executive Director to the Board on 7 October 2014 and serves as a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He obtained his Indonesian Merchant Marine Academy BSc Marine Engineering and holding 1st Class and 2nd Class Marine Engineer Foreign Going License issued by Department of Sea Communication. He started his career with Malaysian International Shipping Corp Bhd (MISC) as a 4th Engineer to Foreign Going Chief Engineer from year 1975 to 1984. He then joined Petronas Marine Dept E & P as a Marine Engineer from 1984 to 1988. In the same year, he was promoted to Senior Marine Engineer for Field Development Project of Petronas Carigali Sdn. Bhd. ("PCSB") and this position was held until 1991. Subsequently he was appointed as the Manager Ship Vetting of Petronas Maritime Services Sdn. Bhd. who was in charge of Marine Support Vessel Selection and advisor for various FSO/FPSO project development (1991-1999). He later joined Carigali Triton Operation Company ("CTOC") as a Senior Resident Engineer, whom duties were developing Technical Specification and supervising a new built FSO Puteri Dulang (1999-2002). He then worked within the Head of Consultancy Section of Petronas Maritime Services Sdn. Bhd. as a Manager Marine Consultancy who was monitoring the development of Marine Floater for Petronas for a period of 2 years (2002-2004) prior to joining Newfield (PCSB) as Senior Resident Engineer for the conversion of FSO (2004-2007). He then joined Petronas Carigali Vietnam in 2007 and held the position of Head of FPSO Project Ruby 'B' Field for 2 years. In 2008, he retired from Petronas and subsequent to his retirement, he reentered the workforce in July 2008 and worked with Petronas Carigali, Pertamina, PetroVietnam Operating Co Sdn. Bhd. as a Senior Marine Engineer, overseeing a MOPU Development Project. In August 2012, he was working with BC Petroleum Sdn. Bhd. As a Senior Manager who was in charge of Delivery of Early Production Vessel for Marginal Field.

Hj. Ir. Intizam Bin Ayub attended four of the five Board meetings held during the financial year ended 31 December 2024.

As at 24 March 2025, Hj. Ir. Intizam Bin Ayub has direct interest of 0.01% in Coastal Contracts Bhd.

Save as disclosed, none of the Directors have:

1. *any directorship in public companies and listed issuers;*
2. *any family relationship with any Directors and/or major shareholders of the Company, unless disclosed;*
3. *any conflict of interest with the Company;*
4. *any conviction for offences within the past 5 years other than traffic offences (if any); and*
5. *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

SEETO YEE @ SEETO TIN YEE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Male, Aged 76, Malaysian

Mr Seeto Yee @ Seeto Tin Yee was appointed as an Independent Non-Executive Director to the Board on 23 May 2023. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Mr Seeto holds a bachelor degree in Chemical Engineering from the University of Washington, USA and a master degree in Chemical Engineering from University of Minnesota, USA.

Mr Seeto has more than 45 years of experience in key positions of general management, project management and project / technical consultancy in plant engineering, construction, commissioning, operations and maintenance, offshore FPSO floating productions, upstream E & P, cryogenic facilities (LNG and ASU), petroleum refining, petrochemical, chemical, biodiesel, iron and steel, downstream natural gas distribution and bulking tankage installation / facilities.

Prior to joining Company, he was the Chief Executive Officer of Sabah International Petroleum Sdn. Bhd. from January 2019 to March 2022. Currently, he is involved in project / technical management consultancy work.

Mr Seeto attended all five Board meetings held during the financial year ended 31 December 2024.

As at 24 March 2025, Mr Seeto Yee @ Seeto Tin Yee does not have any direct or indirect in shares of Coastal Contracts Bhd.

Key Senior Management

PANG FONG THAU

65 years of age, Malaysian, Female

She was first appointed as Director of a subsidiary of the Company on 1 December 1982 and is one of the co-founders of Coastal Group. Currently, she also sits on the board of several subsidiaries of Coastal Group. She holds a Lower Certificate of Education. Currently, she is the Head of Treasury, Administration and Human Resource division of the Group. Since the early formative years, she has been involved in the managerial level of Coastal Group, handling the accounting, administrative and organisation aspects of the business operations.

She is the wife of Mr Ng Chin Heng, sister-in-law of Mr Ng Chin Shin and mother of Madam Alice Ng, who are members of the Board of the Company. Mr Ng Chin Heng is a substantial shareholder of the Company.

NG CHIN KEUAN

66 years of age, Malaysian, Male

He is one of the co-founders of Coastal Group. He has a Lower Certificate of Education. He is involved in the affairs of the Group since its early years in 1980s and thus well acquainted with the Group's operations. He gained the knowledge and skills of marine engineering through hands-on management and practical experience. He is principally responsible in supervising the day-to-day operations of the shipyards and also for fleet maintenance and parts procurement. Prior to joining the Group, he was in the trading business with Mr Ng Chin Heng.

He is the brother of Mr Ng Chin Heng and Mr Ng Chin Shin, and uncle of Madam Alice Ng, who are members of the Board of the Company. Mr Ng Chin Heng is a substantial shareholder of the Company.

NG CHIN KOK

68 years of age, Malaysian, Male

He was first appointed as Director of a subsidiary of the Company on 1 December 1982 and is one of the co-founders of Coastal Group. Currently, he also sits on the board of several subsidiaries of Coastal Group. He has a Higher School Certificate. Currently, he is involved in the business development of the Group. Since the formation of Coastal Group, he has been influential in expanding the Group's fleet chartering and transportation operations. His vast hands-on operational experience includes maritime regulations, procedures and requirements.

He is the brother of Mr Ng Chin Heng and Mr Ng Chin Shin, and uncle of Madam Alice Ng, who are members of the Board of the Company. Mr Ng Chin Heng is a substantial shareholder of the Company.

LIOW MING YEW

43 years of age, Malaysian, Male

He was first appointed as Director of a subsidiary of the Company on 29 September 2012. Currently, he also sits on the board of several subsidiaries of Coastal Group. He graduated with a Bachelor of Commerce – major in Accounting from University of Western Australia, Perth in 2004. He joined Coastal in 2005 as Operations cum Safety Supervisor. Currently, he is the Head of Marketing and Commercial division of the Group. He has gained extensive experience in marketing of the Group's vessels throughout his years in Coastal.

Key Senior Management (cont'd.)

LAU JOO TING

49 years of age, Malaysian, Male

He was first appointed as Director of a subsidiary of the Company on 20 January 2015. Currently, he also sits on the board of several subsidiaries of Coastal Group. He graduated with a Bachelor of Civil Engineering from University of Canterbury, New Zealand in 2000. He joined Coastal in 2006 as a Civil Engineer. He is also a key person in Marketing division of the Group. His working experience includes the field of civil engineering and also marketing of vessels.

He is the son-in-law of Mr Ng Chin Heng who is a member of the Board of the Company and a substantial shareholder of the Company and also the son-in-law of Madam Pang Fong Thau, a substantial shareholder of the Company.

NG SAN CHEN

43 years of age, Malaysian, Male

He was appointed as Director of a subsidiary of the Company on 20 April 2007. Upon graduating from Australia with a Diploma in Business Management, he joined Coastal as Shipbuilding Trainee on 21 May 2003 and has since been actively involved in the shipbuilding's technical aspects and quality inspection. With over Twenty Two (22) years of hands-on experience, he is one of the key person in the Shipbuilding division of the Group.

He is the son of Mr Ng Chin Heng, brother of Madam Alice Ng and the nephew of Mr Ng Chin Shin, who are members of the Board of the Company. Mr Ng Chin Heng is a substantial shareholder of the Company. He is also the son of Madam Pang Fong Thau, a substantial shareholder of the Company.

KONG WEI KET

49 years of age, Malaysian, Male

He was first appointment as Director of a subsidiary of the Company on 12 March 2024. He had joined the Company as Chief Financial Officer cum Group Accountant on 1 April 2012. He started his career as an Audit Assistant with KPMG Sandakan on 16 July 1996. Prior to joining the Company, he was heading KPMG Tawau Audit & Assurance Department. He has over 15 years of experience in audit and assurance services with KPMG. He is a Fellow member of the Association of Chartered Certified Accountants and also a member of the Malaysian Institute of Accountants. Currently, he is overseeing the financial management function and financial reporting function of the Group.

NG SAN YANG

32 years of age, Malaysian, Male

He was first appointed as Director of a subsidiary of the Company on 2 September 2022. He graduated with a Diploma of Mechanical Engineering from Curtin University Australia in 2016 and joined the Company in 2017 as an operations assistant. He has since been actively involved in the commercial and operations of the Company. He is also a key person in the Commercial division of the Group.

He is the son of Mr Ng Chin Heng, brother of Madam Alice Ng and the nephew of Mr Ng Chin Shin, who are members of the Board of the Company. Mr Ng Chin Heng is a substantial shareholder of the Company. He is also the son of Madam Pang Fong Thau, a substantial shareholder of the Company.

Save as disclosed, none of the Key Senior Management have:

1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company, unless disclosed;
3. any conflict of interest with the Company;
4. any conviction for offences within the past 5 years other than traffic offences (if any); and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Chairman's Statement

Dear Shareholders,

In 2025, the global economy continued to navigate a challenging environment shaped by uneven growth trajectories, elevated geopolitical tensions, and shifting trade dynamics. While inflationary pressures eased, business sentiment remained fragile amid sustained conflict zones and the intensification of global trade frictions. The sweeping tariff regime introduced by the United States impacting a broad range of strategic imports, disrupted global supply chains and introduced new cost and regulatory complexities across key industries, including energy and infrastructure.

Despite these external headwinds, Coastal Group remained resilient. Leveraging its strong balance sheet, disciplined financial management, and operational flexibility, the Group successfully navigated an increasingly volatile global landscape. Building on the transformative milestones achieved in 2024, Coastal further reinforced its position as a player in sustainable energy infrastructure, advancing its gas processing, offshore services, and renewable energy initiatives while positioning itself for long-term growth in a more fragmented and competitive global market.

In FY2024, Coastal achieved two transformative milestones, diversifying into the Hospitality and Renewable Energy sectors to strengthen its long-term resilience. The Group acquired an 82% stake in Jewel of Mabul Development Sdn. Bhd. with the development project of the luxury Lepa Lepa overwater resort in Semporna, Sabah. This venture aligns with Malaysia's post-pandemic tourism revival, capitalising on the region's globally renowned biodiversity and pristine marine ecosystems. Concurrently, Coastal secured a 25-year Power Purchase Agreement for a 15 MW solar power plant under Malaysia's Large-Scale Solar (LSS) program, to be constructed at its Sabah shipyard. This project not only underscores the Group's commitment to sustainability but also leverages synergies between its maritime expertise and renewable energy innovation. Together, these milestones reflect Coastal's strategic emphasis on diversification and energy transition leadership, positioning the Group to thrive amid evolving global challenges while advancing its Net Zero 2050 vision.

Ng Chin Heng
Executive Chairman

During the 3Q FY2024, Perdiz Plant and Papan Plant under the Group's joint venture company in Mexico, Coastoil Dynamic, S.A. de C.V. ("CODY") runs at optimum processing capacity, driven by PEMEX's accelerated development of new wells in the Ixachi Field. This expansion ensured consistent feedstock supply, enabling both plants to operate at peak efficiency and solidify their roles as cornerstone contributors to the Group's recurring revenue streams. The Jack-up Gas Compression Service Unit (JUGCSU) remains a strategic asset, with discussions underway with PEMEX and interested parties to secure its next-phase deployment. Our liftboat chartering business continued to deliver robust earnings, maintaining optimum utilisation under its extended contract. Concurrently, the Group completed the disposal of its remaining Offshore Support Vessel ("OSV") fleet, finalising a strategic divestment from non-core operations. This divestment unlocks capital for reinvestment in high-growth sectors, including gas infrastructure, renewable energy, and hospitality.

As we reflect on these accomplishments, I am pleased to present the Annual Report and Audited Financial Statements for the year ended 31 December 2024 ("FY2024").

OPERATION HIGHTLIGHTS

Gas Processing Division

The Gas Processing Division continues to serve as the bedrock of Coastal Group's recurring revenue, anchored by the Perdiz Plant and Papan Plant, which collectively processed over 500 million standard cubic feet per day (mmscfd) of gas from Mexico's prolific Ixachi Field in 2024. Both plants achieved optimum processing capacity a testament to its operational reliability and PEMEX's accelerated development of new wells. This milestone underscores our ability to maximise asset efficiency while meeting escalating energy demands.

Chairman's Statement (cont'd.)

OPERATION HIGHTLIGHTS (Cont'd)

Perdiz Plant is now in its fourth year of operation. Papan Plant in its second year of operation continued to deliver consistent earnings, leveraging its dual capability to produce sweetened gas and extract valuable liquefied petroleum gas (LPG) and naphtha. Its operational success reinforces Coastal's reputation as a trusted partner in Mexico's energy infrastructure landscape.

Together, these facilities not only drive financial performance but also align with global sustainability goals by significantly reducing gas flaring in the Ixachi Field. With PEMEX advancing its well development activities, both processing plants are well-positioned to enhance their contributions through planned upgrades and capacity expansions, solidifying Coastal's role as a leader in efficient, environmentally conscious gas processing solutions.

Vessel Chartering Division

The TC7 liftboat maintained optimal utilisation under its extended charter contract, contributing significantly to divisional revenue. Capitalising on improved market dynamics for OSVs, the Group executed the strategic divestment of two high-specification OSVs, further streamlining its fleet to prioritise high-demand, recession-resilient assets. This move aligns with our broader strategy to reallocate resources toward sustainable growth sectors while maintaining operational flexibility.

Shipbuilding and Ship Repair Division

The Division achieved significant revenue growth driven by more ship repairing contracts. Despite the sector's slow recovery, disciplined cost-control measures at our Sabah shipyard sustained profitability. Looking ahead, expanding opportunities in regional offshore maintenance are poised to strengthen the Division's outlook.

REVIEW OF FINANCIAL PERFORMANCE

Revenue and Profitability

In FY2024, the Group recorded revenue of RM77.8 million, compared to RM333.6 million in FP2023. The decline was primarily attributed to the shorter reporting period (12 months in FY2024 versus 18 months in FP2023), the absence of revenue from the JUGCSU charter following its contract expiry in November 2023 and lower contributions from the Vessel Chartering Division.

The Gas Processing Division reported no revenue in FY2024, as compared to RM221.7 million in FP2023, mainly due to the expiry of the JUGCSU charter contract. Revenue from the Vessel Chartering Division declined by 50% to RM53.9 million (FP2023: RM107.5 million), due to lower charter income from an OSV and TC7's 73 days off-hire for scheduled maintenance during the financial year. Conversely, the Shipbuilding and Ship Repair Division recorded an improved performance, posting revenue of RM23.8 million in FY2024, a significant increase from RM4.4 million in FP2023. This was largely attributable to the completion of several ship repair contracts during the year.

Net profit attributable to shareholders stood at RM163.0 million for FY2024, compared to RM326.7 million in FP2023. Correspondingly, basic earnings per share declined to 30.50 sen (FP2023: 61.59 sen). The lower net profit was mainly due to the absence of JUGCSU charter earnings and the comparative effect of the longer reporting period in FP2023.

Financial Position

Coastal Group further strengthened its financial position in FY2024, with shareholders' equity increasing by RM0.1 billion to RM1.8 billion (FP2023: RM1.7 billion). Total borrowings declined to RM30.9 million from RM55.7 million in FP2023, reflecting the absence of new borrowings during the financial year.

Cash and cash equivalents surged to RM1.04 billion as at 31 December 2024 (31 December 2023: RM0.34 billion), primarily driven by substantial receipts from CODY. This strong cash position provides the Group with significant financial flexibility to pursue future growth initiatives.

The Group's liquidity also improved significantly, with the quick ratio rising to 15.23 times (FP2023: 5.57 times), largely attributed to a one-off debt waiver of RM147.6 million from a key vessel supplier. In tandem, the Group's net gearing ratio further improved to 0.02 times, compared to 0.03 times in FP2023, underscoring a continued shift toward a stronger and more resilient balance sheet.

Chairman's Statement (cont'd.)

PROSPECTS AND GROWTH STRATEGIES

Looking ahead, Coastal Group remains committed to building a resilient and future-ready business by strengthening its core capabilities in energy infrastructure while accelerating diversification into emerging and sustainable sectors. The Group's strategic priorities for growth are anchored in three pillars: operational resilience, portfolio diversification, and sustainable value creation. Central to this strategy is an increasing focus on renewable energy development, where the Group aims to align with global energy transition trends and support long-term climate goals through investments in solar and other clean energy technologies.

The Group expects its gas processing operations in Mexico anchored by the Perdiz and Papan Plants to remain stable contributors, supported by consistent gas flow from the Ixachi Field. With both facilities achieving full capacity utilisation since 2H 2024, Management sees upside potential in FY2025 earnings from improved operational efficiency and higher throughput, as well as upgrading and capacity expansion plans.

In the Vessel Chartering Division, the Group will continue to focus on optimising fleet performance, with particular emphasis on the TC7 liftboat. The unit completed its scheduled periodic survey in 3Q FY2024, ensuring continued compliance with operational standards and enhancing its reliability for future deployment. With the survey completed, TC7 is expected to perform more efficiently and continue to generate consistent chartering returns. Management remains committed to maintaining strong utilisation levels under the current charter while pursuing opportunities for longer-term contracts to strengthen earnings visibility and operational stability.

The Shipbuilding and Ship Repair Division is poised for a multi-year upcycle, underpinned by its new vessel building program and continue with repair works. This division will continue to focus on constructing vessels that are aligned with current market demand, particularly high-specification OSVs.

In tandem, the Group is advancing two key diversification strategies. First, its entry into the hospitality sector through the upcoming Lepa Lepa Resort in Semporna, Sabah, marks a milestone in tapping into Malaysia's rapidly recovering eco-tourism industry. Construction is slated to begin in 2H FY2025, with the resort targeting high-value travellers seeking sustainable, experiential lodging near world-class dive sites.

Second, the Group's foray into renewable energy via its 15 MW large-scale solar PV project in Sabah reflects its commitment to sustainability and long-term energy transition. With the plant's construction scheduled for 1H FY2025 and commercial operation targeted by 2H FY2027, this project aligns with national energy objectives and is expected to provide long-term, recurring income from FY2027 onward.

Chairman's Statement (cont'd.)

PROSPECTS AND GROWTH STRATEGIES (Cont'd)

Financially, the Group enters FY2025 with a fortified balance sheet, a strong net cash position, and disciplined capital management. This enables the Group to invest strategically across core and new sectors while maintaining prudent risk controls amid macroeconomic headwinds.

While global trade tensions, volatile commodity markets, and inflationary pressures remain ongoing challenges, the Group's balanced portfolio spanning traditional energy, marine services, renewables, and tourism positions it well to navigate uncertainty and capture emerging opportunities. Coastal's long-standing operational experience, strong liquidity, and forward-looking strategy continue to underpin its ambition to deliver steady, sustainable growth and value for shareholders in the years to come.

APPRECIATION TO STAKEHOLDERS

On behalf of the Board, I extend sincere appreciation to all our stakeholders for their continued trust and support. To our shareholders, your confidence in our long-term vision has been instrumental in guiding our growth. We are equally grateful to our clients, partners, and regulators for their steadfast collaboration and support, and to our employees whose dedication and professionalism continue to drive our success. Together, your contributions have empowered Coastal Group to deliver sustainable value and navigate an increasingly dynamic global landscape.

In appreciation of the continued support from our stakeholders and in recognition of the Group's strong financial performance, I am pleased to share that the Board has on 28 February 2025 declared a Special Interim Single-Tier Dividend of 5.0 sen per ordinary share for FY2024. This dividend, paid on 15 April 2025, reflects the Group's solid liquidity position, bolstered by accelerated debt repayments from CODY, and underscores our ongoing commitment to delivering value to shareholders.

Looking ahead, we are also encouraged by the growth momentum of CODY. In line with its improving financial performance, CODY is expected to implement a dividend policy targeting the distribution of up to 25% of its annual net profit to its shareholders. Subject to its future cash position, the inaugural dividend payout from CODY is anticipated to commence in FY2026. Coastal, as a shareholder of CODY, intends to pass through a portion of these proceeds to its shareholders, further reinforcing our focus on sustainable and long-term shareholder returns.

As we look toward the future, we remain committed to executing our growth strategy with discipline and purpose, delivering consistent performance while embracing new opportunities across energy infrastructure, renewable power, marine services, and sustainable tourism.

Management Discussion and Analysis

BUSINESS OVERVIEW

Coastal Contracts Bhd. ("the Group") is a global integrated energy infrastructure and marine services provider. The Group's operations are built upon a strong track record in gas processing, offshore and marine solutions, and its business has strategically evolved into three primary divisions:

- Gas Processing Division
- Vessel Chartering Division
- Shipbuilding and Ship Repair Division

The first project of its joint venture company in Mexico, the Perdiz Plant, is an onshore gas conditioning plant with a gas sweetening capacity of 180 mmscfd. The joint venture company's second project, the Papan Plant, which commenced its commercial operations since February 2023 is capable of providing gas sweetening up to 345 mmscfd with extraction of liquefied petroleum gas and naphtha. Both the Perdiz and Papan Plants are responsible in processing associated gas extracted from the Ixachi Field, one of the largest onshore oil fields discovered in Mexico.

Through its Vessel Chartering Division, the Group offers a wide range of solutions to its customers. The Group successfully acquired a jack-up liftboat, Teras Conquest 7 ("TC7") jointly with its Singaporean strategic business partner in FY2021. With the acquisition, the liftboat chartering business has emerged as another key revenue and profit contributor to the Group under the Vessel Chartering Division.

The Shipbuilding and Ship Repair Division is made up of two key operations, one being the fabrication and sale of Offshore Support Vessel ("OSV") and marine transportation vessels, ranging from subsea support vessels, subsea maintenance vessels, platform support vessels, utility support vessels, anchor handling tug supply vessels and accommodation work barges, to oil barges, dumb barges, harbour tugs, landing crafts and tug boats. The other area of operation is in the Maintenance, Repair and Overhaul services such as steel hull maintenance, electrical works, engines and generators overhaul, and modification works of various scales.

In line with its long-term growth and diversification strategy, the Group has also expanded into:

- Hospitality Division
- Renewable Energy Division

Under the Hospitality Division, Coastal's Lepa Lepa Resort in Semporna, Sabah, is expected to commence construction in 2H 2025. Leveraging Semporna's reputation as a premier diving destination (home to Sipadan Island), the resort aligns with Malaysia's post-pandemic tourism recovery, which saw a 58% increase in international arrivals in 2024. The project will cater to eco-tourism trends, offering luxury accommodations while preserving marine biodiversity.

Coastal is progressing with its 15 MW Large Scale Solar (LSS) photovoltaic plant at its shipyard, currently in the engineering phase. Construction is set to commence in 1H FY2025, with commercial operation targeted by 2H FY2027. This project aligns with Malaysia's National Energy Transition Roadmap, which aims for 70% renewable energy capacity by 2050.

Each diversification reflects the Group's commitment to sustainable, recurring income streams and positions it to capture emerging opportunities in the evolving energy and tourism sectors.

Management Discussion and Analysis (cont'd.)

FINANCIAL HIGHLIGHTS

Gas Processing Division

In FY2024, there were no revenue reported from the Gas Processing Division, which comprises of onshore gas conditioning projects (revenue was reported at the joint venture company's level) and chartering of JUGCSU, compared to a revenue of RM221.7 million in FP2023. Overall, this division reported a loss before tax of RM34.4 million compared to profit before tax of RM235.2 million in FP2023. The decrease in profit before tax was primarily driven by the shorter reporting period (12 months in FY2024 vs. 18 months in FP2023) and the expiry of JUGCSU contract in November 2023. Apart from this, it is also due to the decrease in contribution from the Mexican joint venture company by RM50.8 million.

At the Mexican joint venture level, revenue declined to RM755.4 million in FY2024 from RM1.4 billion in FP2023. This reduction was primarily driven by the shorter reporting period (12 months in FY2024 vs. 18 months in FP2023) and reduced Engineering, Procurement, Construction ("EPC") revenue. Similarly, profit before tax fell 59% to RM197.0 million in FY2024 (FP2023: RM477.6 million), reflecting the impact of the shorter reporting timeframe and lower contributions from EPC activities. Operationally, the Mexican joint venture company achieved stability in revenue streams following the successful commissioning of the Papan Plant and delivered consistent output post-commissioning. At the meantime, the Perdiz Plant has reached its maximum capacity utilisation since 2H 2024.

Vessel Chartering Division

Revenue from this division amounted to RM53.9 million in FY2024, down 50% from RM107.5 million in FP2023 mainly due to lower charter income from an offshore support vessel and absence of charter income for TC7 for 73 days as it was off-hire for periodic maintenance (5-year special survey) from 13 June to 24 August 2024. Profit before tax was lower by RM76.8 million to RM69.7 million in FY2024 compared to RM146.5 million in FP2023 due to lower gain on disposal of OSVs.

Shipbuilding and Ship Repair Division

This division recorded RM23.8 million revenue (FP2023: RM4.4 million), primarily due to the completion of several repairing contracts. While no new vessel deliveries occurred in FY2024, the division returned to profitability, posting a segment profit of RM149.2 million mainly due to waiver of debts amounting to RM147.6 million recognised upon entering debt settlement agreement with a vessel supplier during the fourth quarter of 2024.

Hospitality Division (New)

In January 2024, the Group incorporated Coastal Hospitality Holdings Sdn. Bhd. and subsequently acquired an 82% equity interest in Jewel of Mabul Development Sdn. Bhd. ("JOMD"), a company engaged in premium eco-tourism development in Sabah. This marks the Group's entry into the hospitality and tourism sector, leveraging the demand for sustainable and experiential travel. Although revenue contribution has yet to commence, the investment is expected to provide long-term recurring income and diversify the Group's earnings base.

Renewable Energy Division (New)

During the year, the Group incorporated Coastal Power Holdings Sdn. Bhd. and subsidiary Coastal Solar Sdn. Bhd. ("Coastal Solar") to spearhead its renewable energy initiatives. In December 2024, Coastal Solar received a Letter of Notification from Energy Commission Sabah (ECoS) approving the development of a 15 MWac Large-Scale Solar PV plant on the East Coast of Sabah. Construction is scheduled to begin in the first half of FY2025, with commercial operation targeted by 2H FY2027. The Renewable Energy Division is anticipated to commence generating positive contributions to the Group in FY2027. This milestone underlines the Group's commitment to sustainability and positions it as a key player in Malaysia's energy transition.

Overview of Key Performance Indicators for the Group:

Indicators	FY2024	FP2023
Gross profit margin	5.74%	33.10%
Net profit margin	212.39%	100.71%
Gross gearing ratio	0.02 times	0.03 times
Net gearing ratio	Net cash	Net cash
Current ratio	16.80 times	5.70 times
Quick ratio	15.23 times	5.57 times
Inventories turnover	376 days	69 days
Debtors turnover	131 days	343 days
Creditors turnover	43 days	357 days

Management Discussion and Analysis (cont'd.)

FINANCIAL HIGHLIGHTS (Cont'd)

Overview of Key Performance Indicators for the Group: (Cont'd)

Gross profit margin and net profit margin

In FY2024, the Group's gross profit margin declined to 5.74%, down from 33.10% in FP2023, primarily due to the absence of JUGCSU charter income and lower contributions from the Vessel Chartering Division.

Despite this, the net profit margin surged to 212.39%, significantly higher than the 100.71% recorded in FP2023. The improvement in net profitability was primarily due to the waiver of debts amounting to RM147.6 million, which offset the impact of lower gain on disposal of vessels in FY2024 by RM82.1 million.

Gearing ratio

At the close of FY2024, the Group's gross gearing ratio declined to 0.02, down from 0.03 in FP2023. The net gearing ratio remained in a net cash position, reinforcing the Group's robust liquidity. Total cash and cash equivalents rose sharply to RM1.0 billion, driven by substantial repayments of loans extended to the Mexican joint venture. With persistently low gearing and a fortified cash reserve, the Group retains ample financial flexibility to secure future financing for capital expenditures. This financial strength enables the Group to channel capital expenditures into its existing hospitality and renewable energy ventures, while retaining flexibility to pursue future growth opportunities for its core business.

Current ratio and quick ratio

The Group's current ratio rose sharply to 16.80 times in FY2024, up from 5.70 times in FP2023. Similarly, the quick ratio strengthened to 15.23 times in FY2024, a significant increase from 5.57 times in FP2023. This improvement was largely attributable to a debt waiver amounting to RM147.6 million from a key vessel supplier, which significantly reduced liabilities and bolstered short-term financial flexibility.

Inventories turnover

The Group's weighted average inventory turnover days increased to 376 days in FY2024, up from 69 days in FP2023. This increase was primarily attributable to the ongoing construction of six vessels under its new vessel building program, which commenced in FP2023. Deliveries are scheduled in phases, with two vessels expected in FY2025, three in FY2026, and the remaining one in FY2027.

Debtors turnover

The Group's receivables turnover days decreased to 131 days in FY2024, a significant improvement from 343 days in FP2023. This sharp reduction stemmed from the full impairment of receivables owing by JUGCSU charterers in FY2024.

Creditors turnover

The Group's creditors turnover days improved to 43 days in FY2024 (FP2023: 357 days), reflecting 88% reduction. This steep decline was driven by a debt waiver amounting to RM147.6 million, from a key vessel supplier, which eliminated a substantial portion of liabilities.

Capital Expenditure Requirement:

	FY2024	FP2023
Capital commitment	RM50 million	RM Nil

The Group's RM50 million capital commitment for FY2024 is earmarked for the construction of the 15 MW solar plant under its Renewable Energy Division.

Known Trends and Events in the Oil and Gas Sector

As 2025 unfolds, the global oil and gas sector is navigating a challenging landscape shaped by intensifying geopolitical risks, fractured global trade dynamics, and heightened market uncertainty. The evolving trade environment has added further complexity to global energy supply chains, contributing to policy unpredictability and strategic misalignment across key markets. These developments, combined with shifting production strategies among major producers and persistent regional conflicts, have introduced new layers of volatility, requiring energy players to adopt more agile and risk-aware strategies to remain resilient in a rapidly changing global context.

Management Discussion and Analysis (cont'd.)

FINANCIAL HIGHLIGHTS (Cont'd)

Known Trends and Events in the Oil and Gas Sector (Cont'd)

In response to these shifting conditions, a group of major oil-producing nations within the OPEC+ alliance has taken steps to reassert control over market direction. This included a surprise decision to accelerate the unwinding of prior production cuts and expand supply, despite already well-supplied market conditions. These coordinated actions appear aimed at reinforcing production discipline among alliance members and challenging external competitors amid declining price momentum.

The result has been a marked retreat in global crude benchmarks, with oil prices falling erasing earlier gains driven by geopolitical risk premiums. Compounding these developments are continued flashpoints including the war in Ukraine, persistent tensions in the Middle East, and supply chain disruptions in key shipping corridors, all of which contribute to an increasingly fragile global energy outlook.

At the macroeconomic level, interest rates in advanced economies remain elevated, constraining access to capital for energy infrastructure development. While expectations of monetary easing in the second half of 2025 offer some relief, the current environment favors selective investment strategies focused on capital efficiency, short-cycle returns, and operational resilience.

Global energy demand remains uneven, with advanced economies like the U.S. demonstrating resilience, while China grapples with industrial overcapacity and trade barriers. Southeast Asia, including Malaysia, faces dual pressures: sustaining stable energy demand while adapting to tariff-driven supply chain shifts. Amid these challenges, natural gas solidifies its role as a transitional fuel, with LNG demand growth in Asia driving investments in infrastructure for processing, storage, and transportation. Renewable energy deployment accelerated in 2024, setting the stage for further capacity expansions in 2025. Yet, grid reliability gaps and permitting bottlenecks persist, underscoring the enduring relevance of hydrocarbons in the medium-term energy mix.

Management remains cautiously optimistic about the outlook for the oil and gas sector in 2025. Although recent supply-side responses and global trade friction have introduced renewed price volatility, the long-term fundamentals remain intact. Resilient energy demand, underinvestment in upstream capacity, and the growing strategic relevance of natural gas as a transitional fuel continue to support infrastructure development across both traditional and cleaner energy segments.

REVIEW OF OPERATING ACTIVITIES

The Papan Plant, commissioned in February 2023, has become a key earnings driver alongside the Perdiz Plant, with both facilities delivering sustained contributions to joint venture profits since FY2022. Starting in Q3 FY2024, both plants achieved full operational capacity, supported by PEMEX's accelerated development of new wells in the Ixachi Field. This expansion in gas supply has not only stabilised feedstock availability but is also projected to amplify FY2024 earnings potential, reinforcing the strategic value of these assets.

The extension or new contract for the charter of JUGCSU remains under negotiation with PEMEX. Concurrently, Management is actively exploring alternative deployment opportunities for the unit, including the potential conversion of the asset into a Mobile Offshore Production Unit (MOPU) to broaden its market applicability. The Group remains engaged in constructive discussions with relevant stakeholders to reinstate this asset as a reliable source of revenue.

The TC7 liftboat, the Vessel Chartering Division's flagship asset, sustained its robust operational performance in FY2024. From 13 June to 24 August 2024, the unit underwent a scheduled five-year special survey to ensure compliance with regulatory standards and operational efficiency. Concurrently, as part of the Group's ongoing fleet optimisation strategy, two high-specification OSVs were divested, streamlining the fleet portfolio and unlocking capital for strategic reinvestment in priority projects.

The Shipbuilding and Ship Repair Division delivered a robust performance in FY2024, successfully completing multiple ship repair contracts while advancing its strategic initiatives. Notably, the Division strengthened its financial position through a debt waiver secured via a settlement agreement with a key vessel supplier. Operationally, the Division progressed its new vessel building program with the construction of six combination of high-range and mid-range OSVs, underscoring its commitment to expanding capabilities and meeting client demand in its niche offshore market.

SIGNIFICANT BUSINESS RISK

The Group continues to view market risk as its most significant challenge, driven by heightened volatility in global energy markets, abrupt shifts in supply policy, and persistent macroeconomic uncertainty. Recent developments, including the surprise decision by several major oil-producing nations to accelerate production increases, have reversed prior supply restraint and contributed to a sharp decline in crude prices. This shift, triggered in part by escalating global trade tensions and new rounds of U.S. tariffs, has further destabilised energy market expectations. These dynamics are further compounded by escalating geopolitical tensions, including the prolonged conflict in the Middle East, the protracted Russia-Ukraine war, and increasingly complex global sanctions regimes, all of which continue to strain energy supply chains.

Management Discussion and Analysis (cont'd.)

SIGNIFICANT BUSINESS RISK (Cont'd)

In parallel, global economic growth remains fragile. Recessionary pressures persist across the European Union and the United Kingdom, while China's economic recovery continues to disappoint amid its unresolved property sector crisis and weak domestic consumption. The escalation into a full-scale trade war led by the United States imposing sweeping tariffs on a broad range of imports from most of the countries has significantly disrupted global trade flows. What began as targeted measures has now evolved into a widespread confrontation, affecting both advanced and emerging economies. Retaliatory tariffs, export restrictions, and regulatory countermeasures have introduced heightened volatility across global supply chains, particularly in the industrial and energy sectors. This intensifying protectionist landscape has further eroded business confidence and compounded risks to global energy demand, capital investment, and long-term project planning.

While central banks in advanced economies have begun a gradual shift toward monetary easing, real interest rates remain historically elevated, restricting access to capital and dampening investment in energy-intensive industries. Inflation, though trending lower, remains above pre-pandemic levels in most economies, exerting continued pressure on operating costs and delaying decision-making on long-term capital projects across the oil and gas value chain.

The accelerating energy transition, bolstered by policy mandates and renewable energy adoption, introduces long-term demand risks for hydrocarbons. However, underinvestment in upstream projects over the past decade, coupled with slower-than-anticipated scaling of green alternatives has deepened near-term supply deficits. This imbalance creates a bifurcated market: robust fossil fuel demand in emerging economies contrasts with declining developed economies' consumption, complicating strategic planning.

To navigate these risks, Management has prioritised the following measures:

Prudent Capital Allocation: Maintaining a solid cash position to buffer against market volatility, while selectively divesting non-core OSVs to unlock liquidity.

Sustainable Energy Infrastructure: Accelerating investments in gas processing projects and renewable energy ventures, including solar to align with global decarbonisation trends.

Portfolio Diversification: Expanding the hospitality and tourism portfolio to reduce reliance on cyclical energy markets.

Recession-Resilient Projects: Focusing on long-term contracts for gas conditioning plants and offshore infrastructure, which provide stable, recurring revenue streams insulated from commodity price swings.

PROSPECTS

The Group remains committed to its strategy of pursuing sustainable growth, balancing stable income from core energy infrastructure projects with strategic investments in renewable energy to align with global sustainability trends. The Group continues to expand its renewable energy portfolio through strategic partnerships and innovative initiatives. These efforts aim to diversify revenue sources and align with global decarbonisation goals, positioning the business to capitalise on emerging opportunities in clean energy.

In response to ongoing geopolitical and economic uncertainties, the Group prioritises long-term contracts in stable regions and maintains disciplined financial management. This approach helps mitigate exposure to volatile commodity prices and supply chain disruptions. Growth in non-energy sectors, including hospitality, has enhanced the Group's resilience against cyclical market fluctuations. This diversification strategy complements core operations while broadening the revenue base.

With decades of experience navigating economic cycles and industry disruptions, the Group is well-equipped to address current challenges. A strong liquidity position supports agility in pursuing strategic opportunities, even amid macroeconomic headwinds. While inflationary pressures and evolving energy policies present challenges, the Group's focus on recession-resilient projects, geographic diversification, and balanced investments in both traditional and renewable energy positions it to achieve steady, sustainable growth in the years ahead.

COASTAL CONTRACTS BHD.

SUSTAINABILITY STATEMENT 2024

2024 DIRECTOR'S SUSTAINABILITY SPEECH

I am pleased to present our annual Sustainability Statement, which reaffirms our ongoing commitment to building a sustainable future. For years, Coastal Contracts Bhd. has thrived on the principles of innovation, resilience, and responsibility, and these values remain central to how we address the evolving challenges of our world.

This statement goes beyond aspirations—it is a commitment to our stakeholders, shareholders, employees, and the communities we serve. In 2024, we remain resolutely focused on advancing environmental stewardship, fostering positive social impact, and maintaining the highest standards of governance across every facet of our operations. We are determined to lead by example, driving tangible results that enhance our business's long-term viability and contribute meaningfully to the global sustainability movement.

MR. NG CHIN HENG
EXECUTIVE CHAIRMAN OF COASTAL CONTRACTS BHD.

EXECUTIVE SUMMARY

Coastal Contracts Bhd. (“Coastal”) is pleased to present its Sustainability Statement, which covers its corporate office, shipyards, and business operations. It outlines our sustainability objectives and showcases our steadfast dedication to generating positive economic, environmental, social, and governance (ESG) outcomes, highlighting our commitment to the company’s Sustainability Policy.

Reporting Standards

This report has been prepared following the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The contents of this statement and the identified material economic, environmental, and social risks were identified by referring to the Sustainability Reporting Guide issued by Bursa Malaysia. Adoption of the Bursa Malaysia standard for the Coastal Group ESG performance, ensuring transparency in sustainability goals and compliance with the National Sustainability Reporting Framework.

Scopes & Compliance

Preliminarily, an internal risk mapping was completed by mapping value chain risks alongside the existing value chain assessment. This step will help evolve regulatory requirements from the Ministry of Finance (MoF) regarding ESG risk management, as stipulated by IFRS standards.

The internal assurance team’s audits allow transparency, commitments, and discrepancies, and have reviewed the common sustainability indicators and matters that have been presented in this report. Adherence to environmental regulations and participation in voluntary sustainability frameworks are being prioritised. The internal assurance team is an independent working team comprised of legal and HSE (Health and Safety) officers across countries to ensure proper data transfers, communications, and continuous improvement. Each indicator of common sustainability matters is taken into account from the sector-based analysis and the global direction towards a greener world.

Greenhouse Gas (GHG) Emissions

The Group is committed to enhancing transparency and accountability in our climate-related disclosures. As part of our ongoing sustainability journey, we are actively strengthening our data infrastructure and internal capabilities to enable comprehensive reporting on emissions. We aim to disclose in the upcoming financial year.

Sustainability Statement (cont'd.) (Economic)

Anti-Bribery and Corruption Policy

Coastal's Anti-Bribery and Corruption Policy ("ABC Policy") reflects the Group's zero-tolerance stance on corruption and bribery. We are committed to conducting business ethically and transparently, with integrity in all relationships.

Group Director, officer, or employee who suspects a violation of the ABC Policy is strongly committed to report any concerns regarding policy violations through the Group's Whistleblowing Procedures. The table below summarises the following key indicators for the reporting period.

Indicator	Measurement Unit	FP2023	FY2024
Anti-corruption			
Percentage of employees who have received training on anti-corruption by employee category	Percentage	100.00%	100.00%
Top Management	Percentage	100.00%	100.00%
Management	Percentage	100.00%	100.00%
Others	Percentage	100.00%	100.00%
Percentage of operations assessed for corruption-related risks	Percentage	100.00%	100.00%
Confirmed incidents of corruption and action taken	Number	0	0

Code of Conduct

The Group maintains a Code of Conduct for all its employees to preserve business integrity and accountability. The Code of Conduct lists out the Group's expectations of its employees, outlining acceptable behaviour throughout the organisation during the tenure of their employment. To ensure that the entire workforce is aware of this code, all new employees are presented with the Employees Handbook on joining the Group.

Procurement

As part of our commitment to sustainability, Coastal recognises the importance of effective procurement management. Our local Purchasing team prioritises sourcing products and services from domestic suppliers to support the local economy. In instances where local suppliers cannot meet our requirements, we turn to international suppliers to ensure continuity. Our local shipyards adhere to a robust Procurement Policy, ensuring that procured products and services are fit for purpose, deliver value for money, and align with ethical standards. This policy also promotes fair and transparent evaluation of vendor proposals. In the reporting period, approximately 51% of procurement spending for our Malaysian operations was directed towards local suppliers.

Indicator	Measurement Unit	FP2023	FY2024
Supply Chain Management			
Proportion of spending on local suppliers	Percentage	58.00%	51.00%

Data Privacy and Security

Coastal Group recognises the importance of data privacy and security in ensuring the trust of our stakeholders and maintaining the integrity of our operations. As part of our commitment to responsible business practices, we have implemented best data protection measures to safeguard the privacy and confidentiality of sensitive information across our organisation.

Coastal Group ensures that vendors, organisations, and service providers who process sensitive data on our behalf also adhere to high standards of data privacy and security. We conduct regular assessments of our partners' data protection practices to ensure compliance with security policies and applicable regulations.

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

FP2023	FY2024
0	**0**

Sustainability Statement (cont'd.) (Environment)

Energy Management

The Group is committed to reducing its environmental impact by adopting energy-efficient practices. Employees are reminded to conserve and save energy, and this policy extends across the business facilities. Additionally, employees are encouraged to adopt digitalisation to minimise paper usage by printing when necessary and helping to conserve resources. We value the optimised use of energy and promote zero wastage. Circulars and communication tools are in place to serve as reminders. Mandatory annual sustainability training is embedded to inculcate best energy practices across the facilities.

The energy processing plants are currently operating at optimal efficiency, with LED lighting implemented throughout the facilities. Other optimisation is achieved through the integration of advenced sensors, real-time monitoring, and timers. These efforts contribute significantly to the onging optimisation of our energy and operations. Continuous improvement with hybrid cells integrations is in motion.

Coastal Group has achieved a measurable reduction in total electricity consumption through the strategic use of on-site power generation via generator sets in the energy plants. By optimising operational efficiency and reducing dependency on grid electricity, this approach not only contributes to lower overall energy consumption but also enhances energy reliability across key facilities.

Total energy consumption (MWh)

FP2023	*FY2024*
12211.46*	3158.92

*Adjustments were made to the value of the FP2023 financial report and this indicator was used for the electricity used in all facilities.

Water Management

In recognition of global water scarcity issues, Coastal encourages employees to adopt water-saving practices, such as turning off taps while washing dishes or applying soap, promptly fixing leaks, and other water conservation measures. We also encourage refilling water bottles at our offices to ensure clean water access is available to all employees on the premises. Our sustainability commitments cover all areas, including water, to manage our resources wisely.

Indicator	Measurement Unit	FP2023	FY2024
Water Management			
Total volume of water used	Megalitres	24.20	9.80

Waste Management

As part of our ongoing commitment to sustainability, we have improved waste management strategies focused on reducing environmental impact and enhancing resource efficiency. These initiatives are integral to our long-term environmental goals, ensuring the protection of the environment and contributing to a more sustainable future for all stakeholders. This indicator is reported as the first year in this reporting period, despite waste management efforts that comply and are in place across all business facilities.

Indicator	Measurement Unit	FP2023	FY2024
Waste Management			
Total waste generated	Tonnes	-	30.15
Hazardous waste	Tonnes	-	0.43
Non-hazardous waste	Tonnes	-	29.72
Total waste generated by treatment types	Tonnes	-	30.15
Recycled	Tonnes	-	3.94
Landfill	Tonnes	-	26.21

*FY2024 is the first year of disclosing the waste management indicator for this reporting year.

Sustainability Statement (cont'd.) (Environment and Social)

Green Energy Investment & Renewable Energy Integration

Coastal Group is committed to investing in renewable energy, specifically the 15MW solar projects, which are being pursued to diversify energy portfolios. In the reporting year, Coastal has improved its stance in renewable energy and is stepping up its sustainability efforts by venturing into solar renewable energy projects.

This move aligns with global trends towards sustainable energy, positioning the forward-thinking leader in both the maritime and renewable energy sectors, actively in line with the industry leaders.

Employment Diversity

Coastal Group is dedicated to promoting diversity and inclusion within our workforce. The Board of Directors actively supports these initiatives, ensuring they are embedded in our operations. We strive to create a workplace where all employees are valued and have equal opportunities to succeed. Diversity is key to our success and long- term growth, and the indicators are summarised below for the reporting year.

Indicator	Measurement Unit	FP2023	FY2024
Age Group by Employee Category			
Top Management Between 19 to 29	Percentage	0.00%	0.00%
Top Management Between 30 to 39	Percentage	6.60%	0.00%
Top Management Between 40 to 49	Percentage	33.20%	28.57%
Top Management Between 50 and above	Percentage	60.20%	71.43%
Management Between 19 to 29	Percentage	0.00%	6.90%
Management Between 30 to 39	Percentage	0.00%	13.80%
Management Between 40 to 49	Percentage	27.80%	27.60%
Management Between 50 and above	Percentage	72.20%	51.70%
Others Between 19 to 29	Percentage	0.00%	1.84%
Others Between 30 to 39	Percentage	19.10%	16.51%
Others Between 40 to 49	Percentage	36.60%	36.70%
Others Between 50 and above	Percentage	44.30%	44.95%
Gander Group by Employee Category			
Top Management - Male	Percentage	87%	86%
Top Management - Female	Percentage	13%	14%
Management - Male	Percentage	50%	45%
Management - Female	Percentage	50%	55%
Others - Male	Percentage	71%	76%
Others - Female	Percentage	29%	24%
Percentage of Directors by Gender and Age Group			
Male	Percentage	83%	83%
Female	Percentage	17%	17%
Below 50	Percentage	17%	17%
Above 50	Percentage	83%	83%

Sustainability Statement (cont'd.) (Social)

Employee Benefits and Retention

The Group is dedicated to providing competitive compensation and benefits that meet or exceed industry standards, ensuring the well-being and satisfaction of our employees. We prioritise employee growth through ongoing training and personal development opportunities, while also fostering a healthy and supportive work environment. During the reporting year, enhanced employee benefits were provided, notably by increasing healthcare coverage limits and including dental coverage. Additionally, our Employee Share Option Scheme (ESOS) continues to empower employees, offering them a stake in the Company's success. During the financial year, there were no contractors or temporary staff, and employee turnover indicators are summarised below.

Indicator	Measurement Unit	FP2023	FY2024
Labour practices and standards			
Total number of employee turnover by employee category	Number	20	5
Top Management	Number	1	0
Management	Number	4	1
Others	Number	15	4
Total percentage of employee turnover by employee category	Percentage	11.89	2.66
Top Management	Percentage	0.59	0.00
Management	Percentage	2.40	0.53
Others	Percentage	8.90	2.13

Employee Development and Training Initiatives

Coastal Group is committed to fostering continuous learning and development for all staff members, emphasising the importance of personal and professional growth. On-the-job training opportunities are made available as needed, ensuring employees have the resources and support to enhance their skills. As part of our sustainability initiatives, we have developed specialised training modules focused on climate change, environmental issues, social responsibility, and governance. These modules aim to raise in-house awareness and align our workforce with sustainability best practices.

Data providers and other relevant personnel are regularly trained to stay informed about evolving sustainability requirements, ensuring that the Company remains compliant and proactive in its environmental and social commitments. The training hours for the reporting period include on-the-job training, sustainability-focused modules, and both in-house and external training programs, reinforcing our dedication to continuous improvement in sustainability and responsible business practices.

Development and Training Initiatives

Indicator	Measurement Unit	FP2023	FY2024
Labour practices and standards			
Total hours of training by employee category	Hours	623	935
Top Management	Hours	101	122
Management	Hours	221	238
Others	Hours	301	575

Human Rights

Coastal Group is dedicated to upholding the human rights of all employees, fostering an environment of dignity, fairness, respect, and equality, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. We maintain a strict zero-tolerance policy towards forced labour and child labour across all our operations. Throughout the financial year, we are pleased to report that no substantiated complaints regarding human rights violations have been raised.

In addition, Coastal Group has conducted a comprehensive sustainability risk analysis of its supply chain and procurement strategies. Best practices are in place for the selection of suppliers, ensuring alignment with regulations and human rights standards. We actively encourage our suppliers to uphold these values and comply with relevant human rights frameworks, reinforcing our commitment to responsible and ethical business practices.

Sustainability Statement (cont'd.) (Social)

Human Rights (Cont'd)

Indicator	Measurement Unit	FP2023	FY2024
Labour practices and standards			
Number of substantiated complaints concerning human rights violations	Number	0	0

Workforce Safety and Health

Coastal Group places the highest priority on workplace safety, striving to foster a zero-incident culture across all operations. We ensure that employees receive timely and comprehensive training on work health and safety, which includes regular safety drills, first aid training, fire evacuation exercises, and mental health awareness programs. These initiatives are designed to maintain a safe and supportive work environment, reinforcing our commitment to the well-being of our employees and the sustainability of our operations.

Indicator	Measurement Unit	FP2023	FY2024
Health and Safety			
Number of work related fatalities	Number	0	0
Lost time incident rate ("LTIR")	Rate	0.00	0.00
Number of employees trained on health and safety standards	Number	123	157

Communication

Coastal Group is dedicated to fostering a deep sense of passion and engagement among our teams in support of our sustainability commitments. We actively integrate sustainability principles into our operations through in-house training sessions and regular newsletters, ensuring that all employees are informed and motivated to contribute to our environmental and social goals.

Sustainability Statement (cont'd.)
(Social)

CORPORATE SOCIAL RESPONSIBILITY

Coastal Group is deeply committed to community engagement, actively participating in local initiatives that support education, healthcare, and stakeholder involvement in decision-making processes. In 2024, Coastal Group contributed a total of RM 61,700.00 in monetary donations across Asia.

1 Coastal Group Plans

to strengthen its Corporate Social Responsibility (CSR) efforts, aligning these initiatives with our business goals and placing a greater emphasis on environmental, societal, and nature-based contributions.

2 Benefiting Over 3,000 Individuals

through partnerships with recipient organisations—an increase from the 2,900 benefactors in the previous year. This reflects our growing commitment to making a positive social impact.

3 In Mexico, our Joint Venture Company have partnered with PACMA

to support the preservation of sea turtles, reinforcing our commitment to biodiversity conservation. As part of our ongoing sustainability efforts, we also ensure that our shipyard operations utilise marine life-friendly paints, minimising environmental impact.

4 Through our collaboration with PACMA in Mexico

our Joint Venture Company has made significant contributions to supporting the conservation of marine life and local communities to further enhancing our global environmental stewardship and sustainability initiatives.

Indicator	Measurement Unit	FP2023	FY2024
Community and Society			
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	RM5,215,600.00	RM1,597,116.49
Total number of beneficiaries of the investment in communities	Number	2,900	3,045

Sustainability Statement (cont'd.)
(Social)

CORPORATE SOCIAL RESPONSIBILITY (Cont'd)

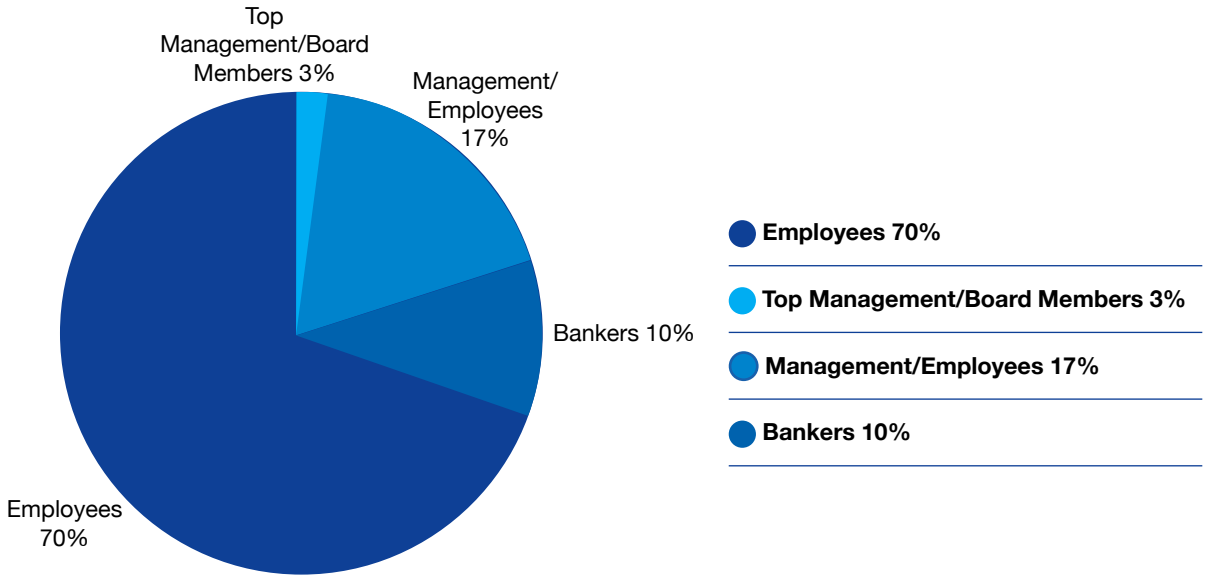
Representatives of recipients from Coastal Headquarters, Sandakan, Malaysia, were seen expressing their appreciation, reflecting the positive impact of our initiatives.

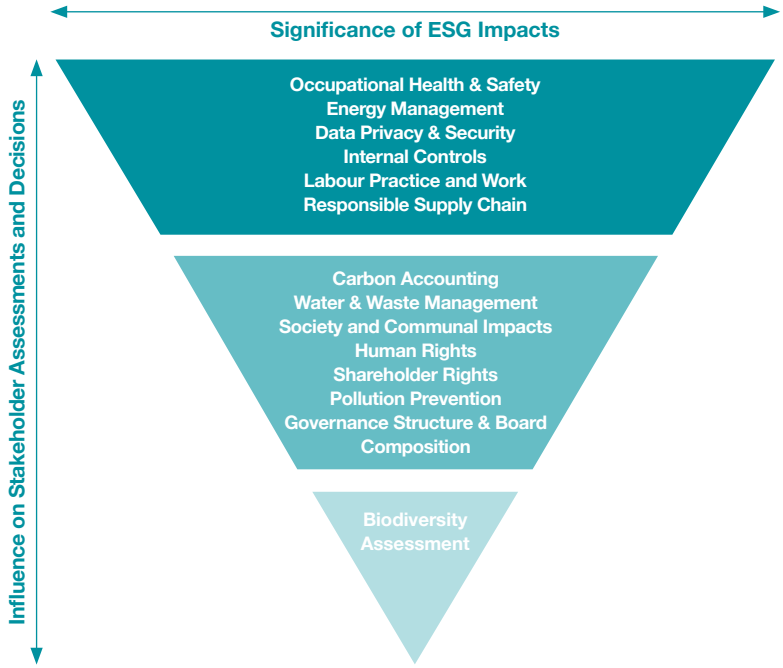
Sustainability Statement (cont'd.) (Governance)

Stakeholder Materiality Assessment

The stakeholder materiality assessment was conducted with internal and external respondents for the year 2024. There were 16 sustainability indicators identified by the Board members and voted on by the respondents. The survey was conducted online and offline, and there was a grace period of three months implied to gather data and hear from the various stakeholders.

Coastal Group emphasised listening to all of our stakeholders to be a part of our sustainability journey. A total of 137 respondents were recorded from the materiality survey, and the breakdown of the stakeholder categories and percentages is depicted below. In the upcoming years, efforts will be made to extend robustly to more stakeholder groups and timely adaptation as the indicator's selections, involvement, and type of materiality.





COASTAL CONTRACTS BHD.
MATERIALITY MATRIX

Sustainability Statement (cont'd.) (Governance)

Sustainability Committee Board

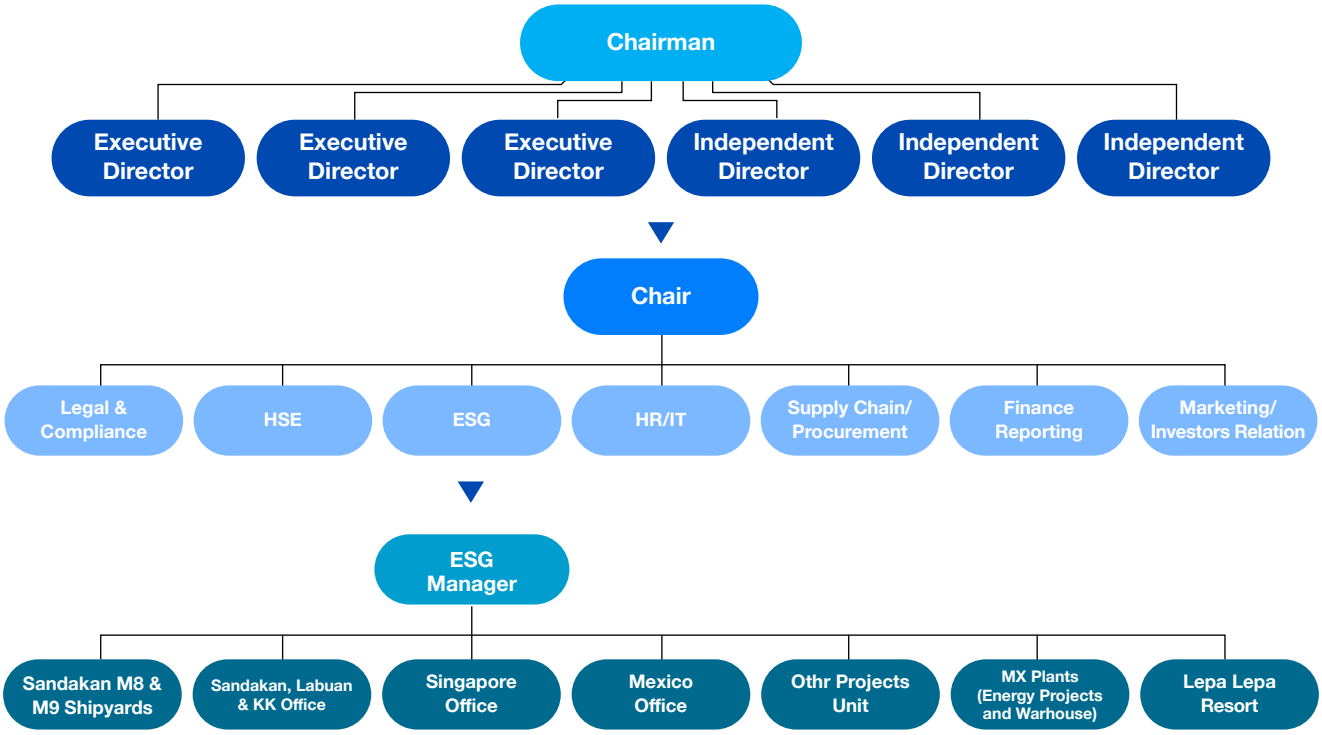
The Board Risk Committee is responsible for providing oversight and guidance on the establishment and implementation of the Group's Sustainability Strategies and Initiatives.

Management will be responsible for the implementation of the sustainability initiatives. The Environmental, Social, and Governance ("ESG") Framework was developed and approved by the Board.

The Board has delegated to the General Manager for Corporate Compliance, Sustainability & Risk to focus on the execution of the strategic management of material sustainability matters, initiatives, indicators, and disclosure.

The sustainability journey is updated by the Board periodically. The sustainability committee was developed, and timely meetings were conducted to ensure transparency.

The Board of Directors oversees the organisation's sustainability performance, with senior management and division heads reporting key matters. The Board is regularly updated on progress and emerging issues.



Sustainability Statement (cont'd.)

Sustainability Roadmap

Our sustainability roadmap outlines a forward-looking strategy to integrate environmental and social responsibility into the core of our business operations. While formal reporting and target disclosures are planned for the upcoming financial year, this roadmap sets the foundation for long-term sustainable development aligned with national priorities and global sustainability frameworks.

Phase 1: Laying the Foundation (Towards 2030)

- Initiated sustainability assessments to understand key environmental and operational impacts.
- Began streamlining of operational assets to enhance overall efficiency and future resilience.
- Invested in transitional energy infrastructure as a step toward greater energy diversification.
- Launched pilot clean energy initiatives, including solar projects, to explore future opportunities.
- Established internal governance mechanisms to embed sustainability across key business functions.
- Enhanced ESG data collection and management systems for improved transparency.

Phase 2: Building Momentum (Towards 2040)

- Scale up sustainable initiatives focusing on green energy and climate alignment strategies.
- Explore the implementation of innovative strategies to strengthen the Group's performance.
- Develop long-term impactful investment strategies focused on sustainable growth.

Phase 3: Long-Term Integration (Towards 2050)

- Expand clean energy capacity as part of broader business transformation.
- Continue aligning operations with evolving national and global sustainability standards.
- Strengthen stakeholder engagement to support inclusive and responsible development.
- Integrate climate resilience into all aspects of strategic planning and risk management.

Ongoing Commitments

We are committed to:

- Supporting Malaysia's energy transition and broader sustainability objectives.
- Aligning our strategy with national, international, and industry best practices.
- Enhancing our capacity to monitor, manage, and report on sustainability performance starting FY2025.

Our sustainability roadmap reflects a measured and forward-thinking approach, positioning us for sustained growth while preparing for a more comprehensive sustainability disclosure in the years ahead.

Sustainability Statement (cont'd.)

Internal Assurance Statement

This content and indicators of the common sustainability matters in this sustainability report have been checked and verified through an internal verification process to ensure data accuracy, credibility, and transparency. The internal sustainability audits were conducted in phases, and continuous improvements were made. The internal process was documented for reference. This internal committee strives to assess the sustainability indicators periodically for improvement across the department, data management, and the Coastal Group's commitment towards sustainability.

Our Commitment to Sustainability and ESG Principles

Coastal Group is deeply committed to integrating sustainability and ESG (Environmental, Social, and Governance) principles into our operations. We strive to create long-term value by promoting responsible practices that positively impact the economic, environmental, social, and governance aspects of our operations. We ensure precision, accuracy, and continuity in line with our motto, "Sail Forth, Grow Beyond".

Audit Committee Report
For The Financial Year Ended 31 December 2024

The Audit Committee was established on 2 December 2002.

The Board aims to ensure that the quarterly reports, annual financial statements, the annual review of operations in the annual report are presented in a manner which provides a balanced and comprehensive assessment of the Group's performance. The Audit Committee has been delegated with the responsibility to review the quarterly reports of the Group, focusing particularly on compliance with accounting standards and other legal requirements.

In the course of audit of the Group's financial statements, the external auditors would highlight to the Audit Committee and the Board, matters that require the Board's attention. Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and for presenting their comments on the audited financial statements. At least once a year, these meetings are held without the presence of the management of the Company to ensure that the external auditors can freely discuss and express their opinion on any matter to the Audit Committee. In addition, the external auditors are invited to attend the AGM of the Company and are required to be available to answer shareholders' questions on the conduct of the statutory audit and contents of their audit report.

To assess the independence of External Auditors, the Audit Committee will seek assurance from the External Auditors, confirming that they are, and have been independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. In this regard, the Audit Committee having assessed the independence of Messrs. Crowe Malaysia PLT as External Auditors of the Company and reviewed the level of non-audit services rendered by Crowe Malaysia PLT to the Company for the financial year under review, is satisfied with the competency and audit independence of Crowe Malaysia PLT and recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the next Annual General Meeting.

The Audit Committee comprises of the following members:

Name	Designation	Directorship
Jacob O Pang Su Yin	Chairman	Independent Non-Executive Director
Hj. Ir. Intizam Bin Ayub	Member	Independent Non-Executive Director
Seeto Yee @ Seeto Tin Yee	Member	Independent Non-Executive Director

TERMS OF REFERENCE

The term of reference of the Audit Committee are available for reference at www.coastalcontracts.com.

AUDIT COMMITTEE MEETING

The Audit Committee held five (5) meetings during the financial year from 1 January 2024 to 31 December 2024. These meetings were held at the registered office on 29 February 2024, 15 April 2024, 24 May 2024, 29 August 2024, and 27 November 2024. Details of the attendance of the meetings by the Committee Members are as follows:

Name	No. of Meetings Attended	% of Meetings Attended
Jacob O Pang Su Yin	5/5	100%
Hj. Ir. Intizam Bin Ayub	4/5	80%
Seeto Yee @ Seeto Tin Yee	5/5	100%

Audit Committee Report
For The Financial Year Ended 31 December 2024 (cont'd.)

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year are summarised as follows:

i) Reviewed the external auditors' scope of work and their audit plan.
ii) Reviewed with the external auditors the results of their audit, the audit report and recommendations in respect of improvements in internal control procedures noted in the course of their audit.
iii) Reviewed and approved the internal audit plan presented by the internal auditors.
iv) Reviewed with the internal auditors the internal audit report.
v) Reviewed the Annual Report, the audited financial statements of the Company and the Group for the financial year ended 31 December 2024 prior to submission to the Board for consideration and approval. The review was to ensure that the audited financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
vi) Reviewed the Company's compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
vii) Reviewed the quarterly unaudited financial statements and the explanatory notes thereon and recommend to the Board for approval.
viii) Reviewed the related party transactions entered into by the Group.
ix) Reviewed the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the Malaysian Code on Corporate Governance 2021 for the purpose of preparing the Corporate Governance Statement pursuant to the Listing Requirements.
x) Reviewed the Risk Management Framework and risk register of the Group, including corruption risks (i.e. investigation of whistleblowing reports).

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Board has engaged the services of an independent professional firm to carry out the internal audit function of the Group, to provide independent assurance and assist the Audit Committee in discharging its duties and responsibilities. The functions of the internal audit include the review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Group.

During the financial year, the internal audit function was performed by an independent professional firm to identify and assess the system of internal controls of the Group. Areas for improvement and recommendations for Management on the weaknesses in internal control were highlighted. The system of internal controls was satisfactory and has not resulted in any material losses, contingencies and uncertainties that would require disclosures in the Group's Annual Report.

A summary of the activities of the internal audit function for the financial year ended 31 December 2024 is as follows:

i) Performed audit work in accordance with the pre-approved internal audit plan.
ii) Carried out assessment and test of the internal controls within the Group.
iii) Reviewed and reported on the effectiveness and adequacy of the existing internal control policies and procedures.
iv) Provided recommendations for the improvement of the internal control policies and procedures.

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME

The Company has established an Employees' Share Option Scheme ("ESOS") for a period of five (5) years effective from 16 December 2021. The ESOS was approved by shareholders on 16 December 2021 and will be governed by the ESOS By-Laws. The Company had on 16 December 2021 granted 49,024,800 share options under the ESOS. The options shall expire on 15 December 2026.

The ESOS Committee which has been formed to administer the ESOS, comprises of three (3) members that consists of two (2) Executive Directors and the Head of Human Resource Department. The ESOS Committee is primarily responsible for recommending to the Board, the criteria and allocation of any ESOS options to be granted to eligible employees and directors of the Company and its subsidiaries and ensuring that all exercises of ESOS options are in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the ESOS By-Laws and Company's Constitution. The ESOS Committee shall meet whenever necessary to fulfil its functions.

Audit Committee Report
For The Financial Year Ended 31 December 2024 (cont'd.)

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME (Cont'd)

The option prices and the details in the movement of the options granted are as follows:

		Number of Options Over Unissued Ordinary Shares			
Date of Offer	**Exercise Price**	**1.1.2024**	**Forfeited**	**Exercised**	**31.12.2024**
16 December 2021	RM0.99	36,825,290	(135,880)	(3,003,300)	33,686,110

The options which were forfeited during the financial year were due to resignations of employees.

The details of the options, held by the Directors pursuant to the Company's ESOS in respect of the financial year ended 31 December 2024 are as follows:

	Number of Options Over Unissued Ordinary Shares			
Name of Director	**Balance as of 1.1.2024**	**Granted**	**Exercised**	**Balance as of 31.12.2024**
Executive Directors				
Ng Chin Heng	3,800,000	-	-	3,800,000
Ng Chin Shin	1,760,000	-	-	1,760,000
Alice Ng	2,200,000	-	-	2,200,000
Independent Non-Executive Directors				
Jacob O Pang Su Yin	200,000	-	-	200,000
Hj. Ir. Intizam Bin Ayub	120,000	-	-	120,000

The details of the options, held by the key senior management of the Group pursuant to the Company's ESOS in respect of the financial year ended 31 December 2024 are as follows:

	Number of Options Over Unissued Ordinary Shares			
Name of Key Senior Management	**Balance as of 1.1.2024**	**Granted**	**Exercised**	**Balance as of 31.12.2024**
Pang Fong Thau	2,200,000	-	-	2,200.000
Ng Chin Keuan	1,760,000	-	-	1,760,000
Ng Chin Kok	1,760,000	-	-	1,760,000
Liow Ming Yew	2,200,000	-	-	2,200,000
Lau Joo Ting	1,760,000	-	-	1,760,000
Ng San Chen	2,050,000	-	-	2,050,000
Kong Wei Ket	710,000	-	-	710,000
Ng San Yang	163,800	-	-	163,800

In accordance with the By-Laws of the Company's ESOS, not more than eighty (80) percent of the new Company's shares available under the scheme shall be allocated in aggregate to the Directors and senior management. During the financial year and since commencement of the scheme, the actual percentage granted to them is approximately forty-seven (47) percent.

Corporate Governance Overview Statement

The Board of Directors considers corporate governance as a fundamental part of its responsibilities in managing the business and affairs of the Group and is fully committed to maintaining high standards at all times. Set out below is a statement on how the Group has applied the principles and the extent of its compliance with the best practice as stipulated in the Malaysian Code on Corporate Governance ("MCCG") 2021.

The Board of Directors plays a primary role in corporate governance by setting out the strategic direction of the Group, establishing goals and monitoring the achievement of the said goals. A Strategic Plan has been adopted as one of the key policies in ensuring that the Group crystallises its future plans and provides a clear direction for the Board and the Management of the Group. A structured risk management process has been established to better identify, formalise, monitor within the various operating units and manage the business risk functions affecting the Group. This is elaborated in greater details in the Statement on Risk Management and Internal Control on pages 53 to 54 of this Annual Report.

The Executive Directors take the primary responsibility of managing the Group's business and resources. The intimate knowledge of the Executive Directors and their hands-on management practices have enabled the Group to become a leader in the industry.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Practice 1.1 Roles and Responsibilities of the Board

In order to ensure effectiveness and discharge of its fiduciary and leadership duties, the Board:

- Retains full and effective control of the affairs of the Group;
- Formulates policies and strategies;
- Actively oversees and monitors management's performance;
- Reviews and adopts strategic corporate plans;
- Approves the Group's annual budget, including major capital commitments;
- Conducts periodic review of the achievements against business targets;
- Identifies principal risks and ensures the implementation of appropriate internal control systems and mitigation strategies;
- Oversees and evaluates the conduct of the Group's business;
- Ensures effective communication amongst the shareholders;
- Considers emerging issues which may be material to the business affairs of the Group;
- Ensures that the Group has a proper succession plan for its senior management and Board members;
- Any other matters which require the Board's approval pursuant to the applicable rules, laws and regulations;
- Identify, assess and monitor all corruption and bribery risks and perform corruption and bribery risk assessment on an ongoing basis; and
- Oversees the implementation and administration of whistleblowing policy and procedures.

Apart from its statutory duties and responsibilities stated above, the Board oversees the management and affairs of the Group. Certain matters are specifically reserved for the Board's decision, including overall strategic direction, operational plan, capital expenditure, mergers and acquisitions, capital projects, Group's operating and financial performance and review of risks affecting the Group. The Board also delegates the formulation of business strategies and policies, and day-to-day management to the Executive Directors and the Management. The Board is responsible for overseeing that the delegated tasks to Executive Directors and Management are carried out in accordance with the Group's core values and ethical guidelines with reference to the Directors' Code of Conduct of the Group.

Overall, the Board's key responsibilities reflect the recommendations prescribed by MCCG 2021.

Practice 1.2 Roles of Chairman

Mr. Ng Chin Heng serves as Executive Chairman. He provides top-level leadership and manages the overall direction of the Group. He also ensures that the views of shareholders are communicated to the Board as a whole in order to identify issues and concerns. He is responsible for executing the strategy as agreed by the Board and developing objectives by leading the senior executive team. In addition, he ensures that the Group's risks are adequately addressed and appropriate internal controls are in place. Scheduling regular and effective evaluations of the Board's performance is also one of the Executive Chairman's responsibilities.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Practice 1.3 Separation of roles of Chairman and Chief Executive Officer ("CEO")

Although the position of Chairman of the Board is to be held by a Non-Independent Executive Director, Mr. Ng Chin Heng, it however does not imply that the independence of the Board is compromised. This is perceived as appropriate and of benefit to the Group given that Mr Ng has continued to demonstrate strong leadership to the Board and proven his competency as an Executive Director, especially in driving the Group to grow year-on-year. The Nomination Committee, which comprises of all the Independent Non-Executive Directors, takes the views that the current composition and mix of Executive Directors and Independent Non-Executive Directors for the Board is appropriate.

Practice 1.4 Separation of roles of Chairman from Board Committees

The Executive Chairman of the Company is not a member of Audit Committee as well as the Nomination Committee and Remuneration Committee.

Practice 1.5 Company Secretaries

The Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities, provide clear and sound advice on requirements and procedures to be formulated and adopted by the Group arising from new statues and guidelines implemented by regulatory authorities. The Board is also briefed on proposed contents and timing of material announcements to be made to Bursa Malaysia. In ensuring that Board meetings are properly convened, the Company Secretaries fulfil their attendance in Board meetings. Not only that, the Company Secretaries also work collaboratively with the Management in assuring timely and appropriate information flows within the Group.

Practice 1.6 Information and Support of Directors

Prior to Board meetings, the agenda together with the relevant documents and information are distributed to all Directors within the requisite period to enable the Directors to review, seek additional information or clarification on the matters to be deliberated at Board meetings. The Senior Management and/or other relevant Board members will provide comprehensive explanation of pertinent issues and recommendations. The issues would then be deliberated and discussed thoroughly by the Board prior to decision-making.

Apart from the above, the Board members are supplied with information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of board reports or upon specific request to enable them to discharge their duties and responsibilities.

Meetings and Time Commitments

Board meetings are held at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. In intervals between Board meetings, when matters require Board decision, Board approvals are sought via Directors' Circular Resolutions (DCR) with sufficient information required to make an informed decision.

The proceedings of the Board meetings are conducted in line with a planned agenda in order to facilitate constructive and profound deliberations. The agenda is furnished to the Directors at least 7 days prior to the Board meeting, together with proposal papers and reports to allow sufficient time for the Directors to review the Board papers and to provide insightful comments during the Board meeting. The Board had held 5 (five) meetings during the financial year from 1 January 2024 to 31 December 2024 where the Board deliberated and considered a variety of matters including the Group's financial results, major investments, strategic decisions and direction of the Group.

Where a potential conflict arises in the Group's transactions involving any Director's interest, such Director is required to declare his/her interests and abstain from the decision making process.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Meetings and Time Commitments (Cont'd)

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. Shown below are the number of meetings attended by each Director for the financial year from 1 January 2024 to 31 December 2024. These meetings were held at the registered office on 29 February 2024, 15 April 2024, 24 May 2024, 29 August 2024 and 27 November 2024.

Name of Director	Designation	No. of Meetings Attended	%
Ng Chin Heng	Executive Chairman	5/5	100%
Ng Chin Shin	Executive Director	4/5	80%
Alice Ng	Executive Director	5/5	100%
Jacob O Pang Su Yin	Independent Non-Executive Director	5/5	100%
Hj. Ir. Intizam Bin Ayub	Independent Non-Executive Director	4/5	80%
Seeto Yee @ Seeto Tin Yee	Independent Non-Executive Director	5/5	100%

The Directors are aware of the time commitment expected from each of them to attend to the Group's matters, including attendance at Board and other committees' meetings.

All Directors are required to immediately notify the Board when accepting any new external board appointments. Pursuant to paragraph 15.06(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, any Board member shall not hold more than five (5) directorships in public listed companies at any one time.

Practice 2.1 Board Charter

A Board Charter has been established and approved by the Board. The Board Charter acts as a source of reference and primary induction literature in providing insights to Board members and senior management. The Board will review Board Charter annually to ensure that it remains consistent with the Board's objectives and responsibilities as well as relevant standards of corporate governance. The last review was done on 29 August 2024.

The details of the Board Charter are available for reference at www.coastalcontracts.com.

Practice 3.1 Code of Conduct and Ethics

A Directors' Code of Conduct has been established and approved. This code sets out the standards of conducts and basic principles to guide the Board in carrying out their duties and responsibilities to the highest standards of honesty and integrity.

The Group is committed to ensuring that its business and operations are conducted in an ethical, moral and legal manner.

An Anti-Bribery and Corruption Policy ("ABC Policy") was established to provide information and guidance to those working for Coastal Group on how to recognise and deal with bribery and corruption issues, as well as understand their responsibilities. In addition, the implementation of ABC Policy is aimed at ensuring that the Group has adequate procedures to prevent and detect bribery and corruption.

The Board will monitor compliance and review regularly with the ABC Policy in order to ensure that the ABC Policy continues to remain relevant and appropriate. Besides that, any Director, officer or employee of the Group suspects contravention of the ABC Policy are required to promptly report the violations in accordance with the Group's Whistleblowing Policies and Procedures.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Practice 3.2 Whistleblowing Policies and Procedures

Whistleblowing Policies and Procedures provide an avenue for all employees to disclose any improper conduct occurring in the course of dealing with Coastal and its businesses and operations. Under the policy, confidentiality of the matter raised and the identity of the whistle blower is protected. Any Director, officer or employee of the Group can report any improper conduct by writing to the Audit Committee Chairman, Mr. Jacob O Pang Su Yin at jacob.pang@coastalcontracts.com. Alternatively, should there be any report of improper conduct to be made against the Audit Committee Chairman, the report can be channelled to the Executive Chairman, Mr. Ng Chin Heng at ncheng@coastalcontracts.com.

Practice 4.1 Sustainability Leadership

The Board of Directors oversees the development of the sustainability performance of the organisation. The Board takes into account sustainability considerations when exercising its duties on the implementation and development of the Company's business strategic plans. The senior management and Heads of divisions will give recommendations and convey the material matters related to sustainability identified to the Board.

Practice 4.2 Sustainability Reporting

The Company supports this Practice under the MCCG 2021 and will work with all stakeholders towards its journey to sustainable growth. The Company's sustainability goals roadmap, is also disclosed in the Sustainability Statement.

Practice 4.3 Sustainability Training

In order to keep abreast and updated with the latest on sustainability practices, the Board shall proactively attend more sustainability courses and conferences in the near future. The Board may also engage with external consultants to provide guidance to the Board and senior management of the Company on addressing sustainability issues.

Practice 4.4 Sustainability Evaluation

The Company shall include new performance criteria related to Company's material sustainability risks and opportunities when conducting the annual performance evaluation on the Board and senior management.

II. BOARD COMPOSITION

Practice 5.1 Nomination Committee

The Nomination Committee comprises of the following members:

Name	Designation	Directorship
Jacob O Pang Su Yin	Chairman	Independent Non-Executive Director
Hj. Ir. Intizam Bin Ayub	Member	Independent Non-Executive Director
Seeto Yee @ Seeto Tin Yee	Member	Independent Non-Executive Director

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Practice 5.1 Nomination Committee (Cont'd)

The Nomination Committee held one (1) meeting during the financial year from 1 January 2024 to 31 December 2024. The meeting was held at registered office on 27 November 2024. Details of the attendance of the meeting by the Committee Members are as follows:

Name of Director	No. of Meetings Attended	%
Jacob O Pang Su Yin	1/1	100%
Hj. Ir. Intizam Bin Ayub	1/1	100%
Seeto Yee @ Seeto Tin Yee	1/1	100%

A summary of the activities of the Nomination Committee during the year is as follows:

- Reviewed the mix of skills, experience and other qualities, including core competencies, of the Board members;
- Assessed the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director;
- Provide recommendations on candidates for directorship, re-appointment and re-election of Board members and the Board members to sit on Board Committees;
- Discussed and reviewed the Board's succession plans; and
- Support Directors' induction programs and continuing development.

Annual Assessment of Independence

The Nomination Committee shall assess the independence of each Independent Director in accordance with the definition of Independent Director as listed on paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Based on the assessment, the Nomination Committee is satisfied that the independence of the Board will not be impaired by its current board composition.

Practice 5.2 Board Composition

The Board currently comprises of six (6) members of whom three (3) are Executive Directors and three (3) are Independent Non-Executive Directors. In line with the recommendation of MCCG 2021, half of Coastal's Board of Directors are Independent Directors. The presence of the Independent Non-Executive Directors provides effective check and balance to the functioning of the Board. The three (3) Independent Non-Executive Directors are not employees and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Non-Executive Directors' judgement. They bring an external perspective and help develop strategic plans, as well as scrutinising the Management's performance in attaining its goals.

The Board views the number and composition of the Directors to be optimal and well-balanced given that its members are drawn from varied backgrounds with proper mix of skills, character, integrity, competence and time commitment, bringing in-depth and diverse experiences and perspectives to the Group's business operations. The profile of each Director is presented on pages 10 to 12 of this Annual Report.

Practice 5.3 Tenure of Independent Director

The Board is fully aware of one of the recommendations of MCCG 2021 which states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Should such a case occur, he may continue subject to his re-designation as Non-Independent Non-Executive Director. Alternatively, he may also be retained as Independent Non-Executive Director subject to shareholders' approval with justification of his retention. The Board acknowledges the recent amendments to the Listing Requirements of Bursa Securities on 19 January 2022. According to the new regulations, the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years effective on or after 1 June 2023.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Practice 5.4 Policy on the tenure of Independent Director

The Board does not have a policy that limits the tenure of Independent Directors to nine (9) years without further extension.

Practice 5.5 Board Diversity

The Group practices non-discrimination in the age, gender, ethnicity or religion towards the organisation, which includes the selection of Board members. It is important to have a Board that is composed of best-qualified individuals who possess the requisite knowledge, experience, independence and good judgement so as to ensure that the Board functions effectively and able to discharge its duties in the best interests of the Group and the Company's shareholders.

Practice 5.6 Sourcing of Directors

The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and also appointments are made on merits. The process for the appointment of a new director is summarised in the sequence as follows:

i) The candidate is identified upon the recommendation by the existing Directors and/or Senior Management;
ii) In evaluating the suitability of candidates to the Board, the Nomination Committee considers the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;
iii) Recommendation to be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
iv) Decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

Any new nomination received is put to the full Board for assessment and endorsement.

Practice 5.7 Appointment and Re-election of Directors

Pursuant to Clause No. 100 of the Company's Constitution, an election of Directors shall take place each year and at every AGM of the Company, one-third (1/3) of the Directors for the time being shall retire from office provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. For the financial year ended 31 December 2024, the following Directors who retire by rotation in accordance with Clause No. 100 of the Company's Constitution and being eligible, have offered themselves for such re-election:

(i) Mr Ng Chin Shin; and
(ii) Hj. Ir. Intizam Bin Ayub

Shareholders are well-informed by the Company for the appointment or re-election of Directors through the Notice of AGM which is attached as part of the Annual Report. Profiles of Directors are also published in the Annual Report, with information on the age, gender, qualifications, working experience, tenure of service, directorship in other companies, any family relationship or conflict of interest as well as shareholdings in the Company.

Practice 5.8 Nomination Committee Chairman

In line with the recommendation of MCCG 2021, the Nomination Committee is chaired by Mr Jacob O Pang Su Yin, an Independent Director.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Practice 5.9 Women Directors

The Board comprises six (6) Directors, out of whom one (1) is a woman, which constitutes 16.7% female representation at the Board level.

The Board recognises the challenges in achieving the right balance of gender diversity on the Board. However, the Board, especially the Nomination Committee believes that it is more important to have the right mix of skills, experiences and cultural background at the Board instead of the percentage itself in order to enable the Board to perform effectively.

Practice 5.10 Policy on Gender Diversity

The Board does not have a specific policy on gender diversity. There is one (1) woman director in the Board and one (1) woman in Coastal's key senior management team.

Practice 6.1 Evaluation of Board, Board Committees and Individual Directors

Annual Assessment of Existing Directors and Board Committees

The Nomination Committee assesses the performance of all the Directors due for re-election and makes recommendations to the Board for their re-election to be tabled for shareholders' approval at the forthcoming AGMs. The process of assessing the Directors is an on-going responsibility of the entire Board, made possible by a formal evaluation process to annually assess the effectiveness of the Board Committees, as well as the contribution and performance of each individual Director. The criteria used includes an assessment of their roles, duties, responsibilities, competency, expertise and contribution whereas for the Board and Board Committees, the criteria used include composition, structure, accountability, responsibilities, adequacy of information and processes.

Directors' Training

The Board sees Directors' training as an on-going practice and regularly assesses their training needs so as to develop and appraise their knowledge and skills required to fulfil their responsibilities.

All the Directors have attended the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Malaysia Securities Berhad within four (4) months of their appointments. During the financial year from 1 January 2024 to 31 December 2024, the details of seminars attended by the Directors are as follows:

Name of Director	Seminar
Ng Chin Heng	• The Artificial Intelligence For The Business Professional held at Virtual Platform • Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024 at Microsoft Teams Webinar Platform • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) at ICDM Virtual Classroom • Geopolitical risks and the strategic imperatives for boards and C-suite at Microsoft Teams Webinar Platform • Malaysia Budget 2025 – Tax Measures, incentives and E-invoicing Solutions at Virtual Platform
Ng Chin Shin	• Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024 at Microsoft Teams Webinar Platform • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) at ICDM Virtual Classroom • Geopolitical risks and the strategic imperatives for boards and C-suite at Microsoft Teams Webinar Platform • Malaysia Budget 2025 – Tax Measures, incentives and E-invoicing Solutions at Virtual Platform

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Practice 6.1 Evaluation of Board, Board Committees and Individual Directors (Cont'd)

Directors' Training (Cont'd)

Name of Director	Seminar
Alice Ng	• Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024 at Microsoft Teams Webinar Platforme • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) at ICDM Virtual Classroom • Geopolitical risks and the strategic imperatives for boards and C-suite at Microsoft Teams Webinar Platform • Malaysia Budget 2025 – Tax Measures, incentives and E-invoicing Solutions at Virtual Platform
Jacob O Pang Su Yin	• Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024 at Microsoft Teams Webinar Platform • Audit oversight Board (AOB) Conversation with Audit Committees at Virtual Platform
Hj. Ir. Intizam Bin Ayub	• Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024 at Microsoft Teams Webinar Platform • Geopolitical risks and the strategic imperatives for boards and C-suite at Microsoft Teams Webinar Platform • Audit oversight Board (AOB) Conversation with Audit Committees at Virtual Platform
Seeto Yee @ Seeto Tin Yee	• The Aml/Cft Webinar Series: Protecting Your Organization: Anti-Bribery And Corruption & Section 17A Corporate Liabilities held at Virtual Platform • Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024 at Microsoft Teams Webinar Platform • Geopolitical risks and the strategic imperatives for boards and C-suite at Microsoft Teams Webinar Platform • Audit oversight Board (AOB) Conversation with Audit Committees at Virtual Platform

The Directors will continue to undergo relevant training programmes to keep abreast with latest changes in laws, regulations and the business environment to equip them with the knowledge to discharge their duties effectively. Furthermore, the Company Secretary circulates the relevant guidelines on statutory and regulatory requirements from time to time for the Directors' reference and will brief the Board members on these updates as and when required.

III. REMUNERATION

Practice 7.1 Remuneration Policy and Procedures for Directors and Senior Management

Basic salaries for Executive Directors are fixed for the duration of their contract and any adjustment of the basic salary will be reviewed and endorsed by the Remuneration Committee, considering factors such as individual performance, inflation price index, affordability, industry's practices and benchmarks. As for Non-Executive Directors, the quantum of Directors' fees is recommended by the Remuneration Committee to the Board after taking into account of the fiduciary duties and responsibilities of the Non-Executive Directors under the relevant regulatory requirements.

Bonus scheme which is based on the individual and Company's performance is offered to the Executive Directors and the bonus payable are to be reviewed by the Remuneration Committee and approved by the Board.

All benefits in kind are made available as appropriate. In respect of the Executive Directors, contribution is made to the Employees Provident Fund ("EPF"), the national mandatory defined contribution plan. The Company is subject to reimbursement of associated expenses incurred by the Directors in the course of fulfilling their duties as Executive Directors.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

Practice 7.1 Remuneration Policy and Procedures for Directors and Senior Management (Cont'd)

The Board as a whole determines and endorses the remuneration of the Directors after considering the proposals from the Remuneration Committee. Individual Directors concerned shall abstain from discussions and decisions in respect of their own remuneration. The Directors' remuneration shall be determined by an ordinary resolution of the Company pursuant to Clause No. 123 of the Company's Constitution.

Practice 7.2 Remuneration Committee

The Remuneration Committee comprises the following members:

Name	Designation	Directorship
Jacob O Pang Su Yin	Chairman	Independent Non-Executive Director
Hj. Ir. Intizam Bin Ayub	Member	Independent Non-Executive Director
Seeto Yee @ Seeto Tin Yee	Member	Independent Non-Executive Director

The Committee shall meet when there are matters referred to them for consideration or as necessary. The Committee has access to professional advice on remuneration matter from within the Group and external specialists of the field in making recommendations to the Board.

The Remuneration Committee held one (1) meeting during the financial year, which were attended by all of the Committee members. The Remuneration Committee ensures that formal and transparent remuneration policies and procedures have been put in place to attract and retain Directors of adequate competency in order to run the Group successfully. Remuneration packages for Executive Directors shall be fair in accordance with their achievements and contributions to the Group. The Committee has the right to obtain independent consultants' advice and information about remuneration practices elsewhere.

The Terms of Reference of Remuneration Committee is available for reference at the Company's website at www.coastalcontracts.com.

Practice 8.1 and 8.2 Disclosure of Remuneration of Directors and Senior Management

The details of Directors' remuneration of the Company comprising remuneration paid/payable from the Company and its subsidiaries for the financial year from 1 January 2024 to 31 December 2024 are as follows:

From the Company

Name of Director	Fees & Allowances RM'000	Salaries & Bonuses RM'000	Statutory Contribution RM'000	Benefits-in-kind RM'000	Total RM'000
Independent Non-Executive Directors					
Jacob O Pang Su Yin	60	-	-	-	60
Hj. Ir. Intizam Bin Ayub	38	-	-	-	38
Seeto Yee @ Seeto Tin Yee	40	-	-	-	40
Total	**138**	**-**	**-**	**-**	**138**

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

Practice 8.1 and 8.2 Disclosure of Remuneration of Directors and Senior Management (Cont'd)

From the Group

Name of Director	Fees & Allowances RM'000	Salaries & Bonuses RM'000	Statutory Contribution RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors					
Ng Chin Heng	-	1,658	1	8	1,667
Ng Chin Shin	-	420	17	13	450
Alice Ng	-	1,297	55	29	1,381
Total	**-**	**3,375**	**73**	**50**	**3,498**

The remuneration of the top five senior management is not disclosed as it is deemed be detrimental to its business interests, given the competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, where poaching has become common place.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Practice 9.1 Audit Committee Chairman
Practice 9.4 (Step Up) Independence of Audit and Risk Management Committee

The Audit Committee is made up exclusively of Independent Directors based on the Step-Up recommendation of the Code and also meets the Listing Requirements of which states the Audit Committee is to comprise no fewer than three (3) members and that all members must be Non-Executive Directors with a majority being Independent Directors. The Chairman of the Audit Committee is an Independent Director. The role and responsibilities of the Audit Committee as well as their rights are set out in the Terms of Reference contained on the corporate website. Details of the activities carried out by the Audit Committee for the financial year are set out on pages 38 to 40.

There is no separate committee to govern risk management, that task being undertaken by the Audit Committee.

Practice 9.2 and 9.3 Oversight and Assessment of the Suitability and Independence of External Auditors

To ensure independence, the Company obtains written assurance from the external auditors confirming that they have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee also reviews and assesses the appointment and re-appointment of the external auditors via an assessment checklist in accordance with the assessment criteria covering regulatory requirements. Terms of engagement for services provided by the external auditors are also reviewed by the Audit Committee prior to submission to the Board for approval. The Board, upon concurrence with the outcome of the assessment approved the re-appointment of external auditor based on the Audit Committee's recommendation subject to shareholder's approval at the annual general meeting.

It is the policy of the Audit Committee to meet with the external auditors at least two (2) times a year to discuss the audit plan, audit findings and views in respect of the integrity of the Group's financial statements. The external auditors are also invited to attend the annual general meeting.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

I. AUDIT COMMITTEE (Cont'd)

Practice 9.5 Financial Literacy of the Audit Committee

The Audit Committee possesses the right mix of skills to discharge its duties effectively.

All members of the Audit Committee play key supporting roles by contributing their knowledge, guidance and experience towards making independent judgement on issues of strategies, performance, resources and standards of conduct. Majority of the members of the Audit Committee have the necessary financial, technical and commercial expertise required to meet their responsibilities and provide an effective level of challenge to management.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Practice 10.1 and 10.2 Risk Management and Internal Control Framework

The Board acknowledges that it is responsible for maintaining a sound system of internal control covering not only financial controls but also operational, compliance as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risk to which it is exposed. The system, by its inherent limitations, can only provide reasonable but not absolute assurance against misstatement or loss. The Board reviews risk exposures, evaluates risk and approves risk management policies to ensure effective risk management profile is in place.

The Board's statement on risk management and internal control is set out on pages 53 to 54 of this Annual Report.

Practice 11.1 and 11.2 Internal Audit Function

The Group's internal audit function was outsourced to an independent professional firm to provide independent assurance and assist the Audit Committee in discharging its duties and responsibilities. The functions of the internal audit include the review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Group. The internal audit function is prescribed in more detail in the Audit Committee Report of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Practice 12.1 Communication with Stakeholders

The Board recognises the importance of an effective communication channel between the Board, shareholders and the general public. The Board reviews and implements corporate communication policies with the shareholders, other key stakeholders and the public. The annual reports, quarterly results, press releases and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and performance. Apart from that, the Company also took part in briefing sessions with analysts.

Practice 12.2 Integrated Reporting

The Group has yet to adopt integrated reporting as it does not fall within the definition of Large Companies.

Practice 13.1 Notice of General Meeting

The notice of general meetings has been sent out to shareholders in line with the minimum notice period of 21 days as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In addition, the notices will also be published in at least one newspaper of national circulation for a wider dissemination of such notice and to encourage greater shareholders' participation at general meeting.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

Practice 13.2 Directors to attend the General Meeting

All the Directors shall endeavour to attend the general meetings to allow the shareholders to raise questions and clarify any issues they may have relating to each resolution tabled for approval.

Practice 13.3 Electronic Voting

In line with Practice 13.3 of the MCCG 2021 in promoting electronic voting, the Board had assessed and of the opinion that the electronic voting is not necessary. However, the Board shall consider adopting such recommendation when there are large number of shareholders or meetings held in remote locations.

Practice 13.4 Interaction between Company and its Shareholders

The Company's general meeting provides an opportunity for direct interaction with shareholders where questions and concerns raised would serve as feedback to the Group's business and corporate decisions.

Practice 13.5 Conduct of Virtual Meeting

In line with Practice 13.5 of the MCCG 2021, the Board had assessed the need to conduct virtual meeting and of the opinion that the conduct of virtual meeting is not necessary. However, the Board shall consider adopting such recommendation when there are large number of shareholders or meetings held in remote locations.

Practice 13.6 Circulation of Minutes of General Meeting

In line with Practice 13.6 of the MCCG 2021, the Company has published the outcome of last year's general meeting on its website within 30 business days after the completion of the general meeting.

STATEMENT ON COMPLIANCE WITH BEST PRACTICES OF THE CODE

This statement is prepared in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and it is to be read together with the Corporate Governance Report 2024 of the Company which is available in the Company's website at www.coastalcontracts.com.

The Board is satisfied that the Company has complied with the Code during the financial year with regard to the recommendations supporting the Principles except as otherwise stated.

This statement was presented and approved at the Board of Directors' Meeting held on 16 April 2025.

Statement On Risk Management And Internal Control

The Board of Directors ("Board") is pleased to present the Group's Statement on Risk Management and Internal Control for the financial year ended 31 December 2024. This statement has been prepared in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Paragraph 15.26(b), and in compliance with Malaysian Code on Corporate Governance 2021.

RESPONSIBILITY

The Board of Directors recognises the importance of sound systems of internal control and effective risk management practices to safeguard shareholders' investments and the Group's assets.

The Board confirms that there is an ongoing process for identifying, assessing and managing the principal risks faced by the Group, which is in accordance with the guidance as contained in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers". This process includes reviewing and updating the system of internal controls to take into consideration changes in the regulatory and business environment.

In view of the limitations inherent in any system of internal control, the Group's internal control system can only provide reasonable but not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risks that may impede the achievement of the Group's business objectives.

The review of the risk management and internal control reports is delegated by the Board to the Audit Committee.

RISK MANAGEMENT FRAMEWORK

Risk management has been firmly embedded in the Group's management system. It is a process of understanding and managing the risks that the Group is inevitably subject to in attempting to achieve its business objectives. The Board primary objective and direction in managing the Group's risks are focused on sustaining the achievement of the Group's business objectives with the lowest possible chance of failure. The Board and the Management are responsible to ensure there is an appropriate risk management process for identifying, assessing, responding, monitoring and reviewing significant risks faced by the Group in all aspects. The Management and Head of Departments are responsible for managing the risks of their respective departments on an ongoing basis.

The diagram above sets out the Group Risk Management framework. At least once a year, a Group-wide risk assessment is performed to identify the nature and extent of such risks and determine respective mitigating steps. The Group has formalised the Risk Register, which identifies the risks and associated mitigating control activities and future actions.

Risks are identified by assessing the probability and impact of their occurrence and are evaluated as Low, Medium or High. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls or mitigating measures.

The Group's identified risks are categorised into external risks, business risks, financial risks and operational risks. Based on the Risk Register, the Board and the Management, after further analysis and discussion, shall annually review the previously identified risks, update their likelihood of occurrence and potential impact. Should there be new risks emerging as a result of the changing environment, the Board and the Management will update the Risk Register immediately and ensure appropriate action plans be taken in response to the new risks.

Statement On Risk Management And Internal Control (cont'd.)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Ad hoc and scheduled meetings at operation sites are held to identify, discuss and resolve operational issues. The Board is aware of and involved, when necessary, in resolving any significant issue identified at those meetings. The Group is structured as such that the heads of each operating unit have clear reporting line. There is also proper segregation of duties to ensure safe custody of the Group's assets.

The Executive Directors are actively involved in the day-to-day operations of the Group. The Executive Directors ensure that all employees have clear understanding of their roles and responsibilities and that the Group's operations are carried out in accordance with standards set and expected by the Board.

The Executive Directors have established a structured and formal employee appraisal system that ensures employees are remunerated based on their performance.

INTERNAL AUDIT FUNCTION

The Group outsources its Internal Audit function to an independent professional firm, whose remit is to the Audit Committee. The Internal Auditors have carried out the internal audit covering the period from 1 July 2023 to 31 December 2024 deliberated on the contents of the report and is satisfied that appropriate actions are being taken to address all the weaknesses highlighted. The costs incurred for the Internal Audit function in respect of the 18-month period ended 31 December 2024 was RM51,000.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In addition to the assurance received from the Executive Chairman and Chief Financial Officer on the adequacy and effectiveness of the Group's risk management and internal control system, the Board is of the view that the system of risk management and internal control, which has been implemented within the Group is sound and effective. It has not resulted in any material losses and contingencies during the financial year ended 31 December 2024. The risk management and internal control procedures will be reviewed continuously in order to improve and strengthen the system to ensure ongoing adequacy, integrity and effectiveness so as to safeguard the Group's assets and shareholders' investments.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this statement for inclusion in the Annual Report 2024. Their review has been performed in accordance with Audit and Assurance Practice Guide 3 ("APPG3") issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors reported to the Board that nothing has come to their attention which has caused them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually incorrect.

This statement was presented and approved at the Board of Directors' Meeting held on 16 April 2025.

Additional Compliance Information

- **Utilisation of Proceeds**

  There were no proceeds raised from any corporate proposal during the financial year.

- **Audit and Non-Audit Fees**

  Audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2024 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)
Company	75,000	153,316
Subsidiaries	255,026	49,650
	330,026	202,966

- **Material Contract**

  There were no material contracts entered into by the Company and its subsidiaries involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial period.

- **Recurrent Related Party Transactions**

  The details of the related party transactions can be found on page 124 and 125.

Statement Of Directors' Responsibility For Preparing The Financial Statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgement and estimates that are reasonable and prudent;
- Ensured that all applicable approved accounting standards have been followed; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made due enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have overall responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group as well as to prevent and detect fraud and other irregularities.

The above statement of the Directors' responsibilities for preparing the financial statements was made in accordance with a Board resolution dated 16 April 2025.

Financial Statements

58 DIRECTORS' REPORT

63 STATEMENT BY DIRECTORS

63 STATUTORY DECLARATION BY OFFICER

64 INDEPENDENT AUDITORS' REPORT

68 STATEMENTS OF PROFIT OR LOSS

69 STATEMENTS OF COMPREHENSIVE INCOME

70 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

72 STATEMENT OF FINANCIAL POSITION

73 STATEMENTS OF CHANGES IN EQUITY

76 STATEMENTS OF CASH FLOWS

78 NOTES TO THE FINANCIAL STATEMENTS

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are stated in Note 15 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

Results

	Group RM	Company RM
Profit/(Loss) net of tax	165,163,662	(16,363,999)
Attributable to:		
Owners of the Company	163,027,786	(16,363,999)
Non-controlling interests	2,135,876	-
	165,163,662	(16,363,999)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

On 28 February 2025, the Company declared a special interim single tier dividend of 5 sen per ordinary share amounting to RM27,156,050 for the current financial year, paid on 15 April 2025, to shareholders whose names appeared in the record of depositors on 24 March 2025. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

The Directors do not recommend any final dividend to be paid in respect of the current financial year.

Directors

The names of the Directors of the Company who served during the financial year and up to the date of this report are as follows:

Ng Chin Heng
Ng Chin Shin
Alice Ng
Jacob O Pang Su Yin
Intizam Bin Ayub
Seeto Yee @ Seeto Tin Yee

Directors' Report (cont'd.)

Directors (Cont'd)

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are as follows:

Pang Fong Thau
Ng Chin Keuan
Ng Chin Kok
Ng San Chen
Liow Ming Yew
Lau Joo Ting
Bali Bin Wutung
Ng San Yang
Chin Kah Kit, Derrick
Kong Wei Ket
Lo Ming Liong

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which Director has a substantial financial interest, except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with a company in which certain Directors have substantial financial interests as disclosed in Note 33 to the financial statements.

Directors' Remuneration

The details of the Directors' remuneration paid or payable to the Directors of the Company during the financial year are as follows:

	Group RM	Company RM
Fees	138,000	138,000
Salaries, wages and bonuses	3,375,431	-
Defined contribution benefits	72,963	-
	3,586,394	138,000

The estimated monetary value of benefits-in-kind provided by the Group to the Directors of the Company was RM49,985.

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company during the financial year amounted to RM20,530.

Directors' Report (cont'd.)

Directors' Interests

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares and options over unissued shares of the Company during the financial year are as follows:

	Number of Ordinary Shares			
The Company	**At 1.1.2024**	**Acquired**	**Sold**	**At 31.12.2024**
Direct Interests:				
Ng Chin Heng	29,706,700	-	-	29,706,700
Ng Chin Shin	24,291,320	-	-	24,291,320
Alice Ng	457,266	-	-	457,266
Intizam Bin Ayub	80,000	-	-	80,000
Indirect Interests:				
Ng Chin Heng (#)	216,532,634	-	-	216,532,634

 # Interest by virtue of shares held by spouse, children and by Ivory Asia Sdn. Bhd.

	Number of Options Over Unissued Ordinary Shares			
	At 1.1.2024	**Granted**	**Exercised**	**At 31.12.2024**
The Company				
Ng Chin Heng	3,800,000	-	-	3,800,000
Ng Chin Shin	1,760,000	-	-	1,760,000
Alice Ng	2,200,000	-	-	2,200,000
Jacob O Pang Su Yin	200,000	-	-	200,000
Intizam Bin Ayub	120,000	-	-	120,000

Ng Chin Heng, by virtue of his interests in shares in the Company, is deemed interested in the shares of all the subsidiaries to the extent the Company has an interest, in accordance with Section 8 of the Companies Act 2016.

The other Director holding office at the end of the financial year had no interest in shares and options over unissued shares of the Company or its related corporations during the financial year.

Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid-up share capital from RM321,263,127 to RM324,964,694 by way of the issuance of 3,003,300 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme at the exercise price of RM0.99 per ordinary share.

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

The Company did not issue any debentures during the financial year.

Directors' Report (cont'd.)

Treasury Shares

As at 31 December 2024, the Company held as treasury shares a total of 14,506,200 of its 549,885,421 issued and fully paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM17,017,519 and further relevant details are disclosed in Note 30 to the financial statements.

Options Granted Over Unissued Shares

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employees' Share Option Scheme below.

Employees' Share Option Scheme

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 16 December 2021. The ESOS is to be in force for a period of 5 years effective from 16 December 2021.

The details of the ESOS are disclosed in Note 30(c) to the financial statements.

Other Statutory Information

(a) Before the statements of profit or loss, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) it necessary to write off bad debts or the amount of the additional allowance for impairment losses on receivables inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Directors' Report (cont'd.)

Other Statutory Information (Cont'd)

(f) In the opinion of the Directors:

(i) no contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Subsidiaries

The details of the Group's subsidiaries are disclosed in Note 15 to the financial statements.

Significant Events During The Financial Year

The significant events of the Group and of the Company during the financial year are disclosed in Note 41 to the financial statements.

Event Occurring After The Reporting Period

The event occurring after the reporting period of the Group and of the Company is disclosed in Note 42 to the financial statements.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year are RM330,026 and RM75,000 respectively.

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement against any claims by third parties arising from the audit. No payment has been made to indemnify the auditors neither during the financial year nor since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 April 2025.

Ng Chin Heng

Ng Chin Shin

Statement by Directors/ Statutory Declaration

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

We, Ng Chin Heng and Ng Chin Shin, being two of the Directors of Coastal Contracts Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 68 to 147 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and 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.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 April 2025.

Ng Chin Heng

Ng Chin Shin

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

I, Kong Wei Ket, MIA Membership Number: CA34621, being the officer primarily responsible for the financial management of Coastal Contracts Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 68 to 147 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovementioned Kong Wei Ket
at Sandakan in the State of Sabah
on this 25 April 2025.

Kong Wei Ket

Before me

Independent Auditors' Report
to the members of COASTAL CONTRACTS BHD.
(Incorporated in Malaysia)

Registration No : 200001015043 (517649-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coastal Contracts Bhd., which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss, 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 material accounting policy information, as set out on pages 68 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and 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.

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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment Assessment on Trade Receivables Refer to Note 22 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
Trade receivables are a major component of the financial position of the Group. The Group assessed at each reporting date whether the trade receivables carried at amortised cost are credit-impaired. The Group have applied simplified method to determine the allowance for impairment of trade receivables. The expected credit loss model involves the use of various assumptions, economic factors and historical credit behaviour of trade receivables. There is significant degree of management estimation and judgement involved in the calculation of expected credit loss, risk of default and the inherent uncertainties during the estimation process.	Our procedures included, amongst others: ▪ Challenging the reasonableness of the key assumptions and judgements used to calculate the likelihood of default and estimation on the adequacy of the Group's expected credit loss allowance on trade receivables. ▪ Reviewing the recoverability of major receivables including but not limited to the review of subsequent collections. ▪ Reviewing the ageing of trade receivables. ▪ Reviewing collections and sales trends during the financial year of major receivables.

Independent Auditors' Report
to the members of COASTAL CONTRACTS BHD. (cont'd.)
(Incorporated in Malaysia)
Registration No : 200001015043 (517649-A)

Impairment Assessment on Property, Plant and Equipment Refer to Note 17 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
Property, plant and equipment constitute a significant portion of the financial position. There is a risk associated with assessing the recoverable amount of certain operating assets, particularly those related to vessel chartering. Unfavorable macro-economic factors may contribute to a potential decline in the value of property, plant and equipment, both in terms of value in use and fair value less cost of disposal. Furthermore, the offshore asset chartering contract has expired, leading to uncertainties regarding future revenue streams and potential impacts on financial performance. Assessing the recoverability of these assets relies on considering market conditions, asset-specific factors, the legal and regulatory environment, future cash flows, discount rates, external indicators, changes in use, impairment triggers, and consistency in testing methods and assumptions.	Our procedures included, amongst others: ▪ Assessing whether there is any indication that an asset may be impaired. If any such indications exists, estimate the recoverable amount of the asset. ▪ Evaluating the qualification, competence and independence of the external expert valuer and reviewing the terms of engagement of the expert appointed by the Group to determine whether there were any matters that might have affected their objectivity. ▪ Assessing the methodology adopted by management and its appointed expert valuer in calculating the fair market value of the unsold vessels. ▪ Reviewing the reasonableness and validating the assumptions used by management and its appointed expert valuer in arriving at the vessel valuation. ▪ Checking the accuracy and relevance of the input data provided by management to the external expert valuer.
Investment in a Joint Venture Refer to Note 16(b) to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
The Group's 50% interest in the investment of a significant joint venture for the financial year is accounted for under the equity method. The Group's share of profit after taxation and net assets of the joint venture was RM68.7 million and RM250.1 million respectively. In the context of our audit of the Group's consolidated financial statements, the key audit matters relating to the Group's share of profit after taxation and net assets of the joint venture are as follows: (i) Revenue and profit recognition Given the significant risk involved when auditing revenue, we have reviewed the component auditor's working papers to ensure sufficient audit procedures had been performed, and the joint venture's revenue recognition policy was consistent with the accounting standards and has been applied consistently. This scrutiny extends to profit recognition, given the importance of accurately reporting joint venture's profits to ensure the reliability of the financial statements. (ii) Impairment assessment of trade receivables The assessment on impairment of trade receivables involves significant management estimation and judgement in the calculation of expected credit loss, risk of default and the inherent uncertainties during the estimation process.	We have communicated with the joint venture's component auditor and discussed their identified audit risk areas. The audited financial information of the component auditor is used as evidence in the Group audit. The procedures included, amongst others: ▪ Evaluating the competence and independence of the component auditor of the joint venture. ▪ Determining and communicating the audit risk areas in the context of the Group's consolidated financial statements to the component auditor of the joint venture. ▪ Reviewing the working papers of the component auditor of the joint venture. ▪ Determining adequacy of the work performed to address the audit risk areas identified in the context of the Group's consolidated financial statements.

Independent Auditors' Report
to the members of COASTAL CONTRACTS BHD. (cont'd.)
(Incorporated in Malaysia)
Registration No : 200001015043 (517649-A)

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 information included in the annual report, but 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 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, 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 Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of 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:

- 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or 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.

Independent Auditors' Report
to the members of COASTAL CONTRACTS BHD. (cont'd.)
(Incorporated in Malaysia)
Registration No : 200001015043 (517649-A)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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: (Cont'd)

- 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.

- 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 financial statements of the Group. 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, related safeguards.

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.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chong Wei-Chnoong
03525/08/2026 J
Chartered Accountant

Kuala Lumpur

25 April 2025

Statements of Profit or Loss
For the Financial Year Ended 31 December 2024

	Note	Group 1.1.2024 to 31.12.2024 RM	Group 1.7.2022 to 31.12.2023 RM	Company 1.1.2024 to 31.12.2024 RM	Company 1.7.2022 to 31.12.2023 RM
Revenue	5	77,763,862	333,635,570	81,552,602	-
Cost of sales		(73,302,563)	(223,196,496)	-	-
Gross profit		4,461,299	110,439,074	81,552,602	-
Other items of income					
Interest income	6	88,013,718	168,587,385	256,442	22,419,119
Other income	7	263,180,826	283,575,896	14,162,649	71,545,720
Net reversal of impairment loss on receivables	8	-	-	20,695,528	170,327,090
Other items of expenses					
Administrative expenses		(21,334,044)	(33,754,116)	(2,272,137)	(3,568,510)
Finance costs	9	(3,156,993)	(36,660,802)	(2,257,751)	(29,023,249)
Other expenses		(63,911,887)	(45,566,954)	(128,438,637)	(301,116)
Net impairment loss on receivables	8	(152,240,643)	(185,247,606)	-	-
Loss on disposal of effective interest in joint venture		-	(155,322,647)	-	-
Share of profit of joint venture, net of tax	16(b)	68,713,983	274,794,573	-	-
Profit/(Loss) before tax	10	183,726,259	380,844,803	(16,301,304)	231,399,054
Income tax expense	13	(18,562,597)	(44,851,900)	(62,695)	(2,255,571)
Profit/(Loss) net of tax		165,163,662	335,992,903	(16,363,999)	229,143,483
Profit/(Loss) attributable to:					
Owners of the Company		163,027,786	326,742,742	(16,363,999)	229,143,483
Non-controlling interests		2,135,876	9,250,161	-	-
		165,163,662	335,992,903	(16,363,999)	229,143,483
Earnings per share attributable to owners of the Company (sen):					
Basic	14	30.50	61.59		
Diluted	14	29.75	59.24		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income
For the Financial Year Ended 31 December 2024

	Group		Company	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**	**1.1.2024 to 31.12.2024 RM**	**1.7.2022 to 31.12.2023 RM**
Profit/(Loss) net of tax	165,163,662	335,992,903	(16,363,999)	229,143,483
Other comprehensive (loss)/ income:				
Other comprehensive (loss)/income will be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	(60,080,683)	26,783,322	-	-
Share of other comprehensive (loss)/ income of joint venture	(57,983,582)	56,641,493	-	-
Net other comprehensive (loss)/income will be reclassified to profit or loss in subsequent periods	(118,064,265)	83,424,815	-	-
Total comprehensive income/(loss) for the year/period	47,099,397	419,417,718	(16,363,999)	229,143,483
Total comprehensive income/(loss) attributable to:				
Owners of the Company	45,334,359	409,875,922	(16,363,999)	229,143,483
Non-controlling interests	1,765,038	9,541,796	-	-
	47,099,397	419,417,718	(16,363,999)	229,143,483

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Financial Position
As at 31 December 2024

	Note	31.12.2024 RM	31.12.2023 RM
ASSETS			
NON-CURRENT ASSETS			
Investments in joint ventures	16	250,123,446	241,027,344
Property, plant and equipment	17	306,673,391	398,300,241
Right-of-use assets	18	32,873,034	7,724,254
Investment properties	19	3,034,899	3,116,923
Investment securities	20	12,379,376	12,550,574
		605,084,146	662,719,336
CURRENT ASSETS			
Inventories	21	119,272,383	31,372,580
Trade and other receivables	22	110,040,989	965,166,943
Contract assets	23	376,292	5,560,222
Short-term investments	24	774,368,147	172,498,679
Tax recoverable		3,676,674	1,780,244
Cash and bank balances	25	267,587,690	170,077,069
		1,275,322,175	1,346,455,737
TOTAL ASSETS		1,880,406,321	2,009,175,073
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Loans and borrowings	26	29,979,873	33,487,071
Lease liabilities	27	1,109,972	1,078,658
Trade and other payables	28	42,246,745	193,305,622
Contract liabilities	23	994	6,757,871
Income tax payable		2,580,988	1,469,054
		75,918,572	236,098,276
NET CURRENT ASSETS		1,199,403,603	1,110,357,461

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Financial Position
As at 31 December 2024 (cont'd.)

	Note	31.12.2024 RM	31.12.2023 RM
NON-CURRENT LIABILITIES			
Loans and borrowings	26	963,176	22,198,958
Lease liabilities	27	13,991	6,342
Deferred tax liabilities	29	2,080,001	2,129,375
		3,057,168	24,334,675
TOTAL LIABILITIES		78,975,740	260,432,951
NET ASSETS		1,801,430,581	1,748,742,122
EQUITY			
Share capital	30	324,964,694	321,263,127
Treasury shares	30	(17,017,519)	(17,017,519)
Other reserves	31	261,466,252	379,920,930
Retained earnings		1,213,402,360	1,050,341,623
Equity attributable to owners of the Company		1,782,815,787	1,734,508,161
Non-controlling interests		18,614,794	14,233,961
TOTAL EQUITY		1,801,430,581	1,748,742,122
TOTAL EQUITY AND LIABILITIES		1,880,406,321	2,009,175,073

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Financial Position
As at 31 December 2024

	Note	31.12.2024 RM	31.12.2023 RM
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	15	337,717,663	1,145,567,398
Property, plant and equipment	17	36,026	21,397
Right-of-use assets	18	5,737	11,474
Investment securities	20	6,736,436	7,664,581
Other receivables	22	-	13,494,600
		344,495,862	1,166,759,450
CURRENT ASSETS			
Other receivables	22	67,664,780	37,107,114
Short-term investments	24	767,997,038	166,682,096
Tax recoverable		3,384,017	1,475,796
Cash and bank balances	25	168,134,578	10,786,586
		1,007,180,413	216,051,592
TOTAL ASSETS		1,351,676,275	1,382,811,042
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Loans and borrowings	26	16,656,432	17,085,807
Lease liabilities	27	5,861	5,613
Other payables	28	302,644	528,061
		16,964,937	17,619,481
NET CURRENT ASSETS		990,215,476	198,432,111
NON-CURRENT LIABILITIES			
Loans and borrowings	26	-	17,085,807
Lease liabilities	27	-	5,861
Deferred tax liabilities	29	4,597	2,420
		4,597	17,094,088
TOTAL LIABILITIES		16,969,534	34,713,569
NET ASSETS		1,334,706,741	1,348,097,473
EQUITY			
Share capital	30	324,964,694	321,263,127
Treasury shares	30	(17,017,519)	(17,017,519)
Other reserves	31	8,168,882	8,930,133
Retained earnings	32	1,018,590,684	1,034,921,732
TOTAL EQUITY		1,334,706,741	1,348,097,473
TOTAL EQUITY AND LIABILITIES		1,351,676,275	1,382,811,042

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2024

		← Attributable to Owners of the Company →						
	Note	Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Equity, Total RM
Group								
31.12.2024								
Opening balance at 1 January 2024		321,263,127	(17,017,519)	379,920,930	1,050,341,623	1,734,508,161	14,233,961	1,748,742,122
Foreign currency translation differences for foreign operations		-	-	(59,709,845)	-	(59,709,845)	(370,838)	(60,080,683)
Share of other comprehensive loss of joint venture		-	-	(57,983,582)	-	(57,983,582)	-	(57,983,582)
Total other comprehensive loss		-	-	(117,693,427)	-	(117,693,427)	(370,838)	(118,064,265)
Profit for the year		-	-	-	163,027,786	163,027,786	2,135,876	165,163,662
Total comprehensive income		-	-	(117,693,427)	163,027,786	45,334,359	1,765,038	47,099,397
Transactions with owners:								
Share options:								
- value of options forfeited	31	-	-	(32,951)	32,951	-	-	-
- share options exercised		3,701,567	-	(728,300)	-	2,973,267	-	2,973,267
Dividend by a subsidiary to non-controlling interests		-	-	-	-	-	(945,626)	(945,626)
Total transactions with owners		3,701,567	-	(761,251)	32,951	2,973,267	(945,626)	2,027,641
Acquisition of a subsidiary	15(a)	-	-	-	-	-	3,561,421	3,561,421
Closing balance at 31 December 2024		324,964,694	(17,017,519)	261,466,252	1,213,402,360	1,782,815,787	18,614,794	1,801,430,581

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2024 (cont'd.)

	Note	Attributable to Owners of the Company					Non-Controlling Interests RM	Equity, Total RM
		Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Earnings RM	Total RM		
Group								
31.12.2023								
Opening balance at 1 July 2022		311,976,178	(13,336,455)	332,072,393	723,459,390	1,354,171,506	4,692,165	1,358,863,671
Foreign currency translation differences for foreign operations		-	-	26,491,687	-	26,491,687	291,635	26,783,322
Share of other comprehensive income of joint venture		-	-	56,641,493	-	56,641,493	-	56,641,493
Total other comprehensive income		-	-	83,133,180	-	83,133,180	291,635	83,424,815
Profit for the period		-	-	-	326,742,742	326,742,742	9,250,161	335,992,903
Total comprehensive income		-	-	83,133,180	326,742,742	409,875,922	9,541,796	419,417,718
Transactions with owners:								
Purchase of treasury shares	30	-	(3,681,064)	-	-	(3,681,064)	-	(3,681,064)
Share options:								
- value of options forfeited	31	-	-	(139,491)	139,491	-	-	-
- share options exercised		9,286,949	-	(1,827,249)	-	7,459,700	-	7,459,700
Total transactions with owners		9,286,949	(3,681,064)	(1,966,740)	139,491	3,778,636	-	3,778,636
Transfer to profit or loss on disposal of effective interest in joint venture		-	-	(33,317,903)	-	(33,317,903)	-	(33,317,903)
Closing balance at 31 December 2023		321,263,127	(17,017,519)	379,920,930	1,050,341,623	1,734,508,161	14,233,961	1,748,742,122

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2024 (cont'd.)

	Note	Share Capital RM	Treasury Shares RM	Share Option Reserve RM	Retained Earnings RM	Equity, Total RM
Company						
31.12.2024						
Opening balance at 1 January 2024		321,263,127	(17,017,519)	8,930,133	1,034,921,732	1,348,097,473
Loss for the year		-	-	-	(16,363,999)	(16,363,999)
Transactions with owners:						
Share options:						
- value of options forfeited	31	-	-	(32,951)	32,951	-
- share options exercised		3,701,567	-	(728,300)	-	2,973,267
Total transactions with owners		3,701,567	-	(761,251)	32,951	2,973,267
Closing balance at 31 December 2024		324,964,694	(17,017,519)	8,168,882	1,018,590,684	1,334,706,741
31.12.2023						
Opening balance at 1 July 2022		311,976,178	(13,336,455)	10,896,873	805,638,758	1,115,175,354
Profit for the period		-	-	-	229,143,483	229,143,483
Transactions with owners:						
Purchase of treasury shares	30	-	(3,681,064)	-	-	(3,681,064)
Share options:						
- value of options forfeited	31	-	-	(139,491)	139,491	-
- share options exercised		9,286,949	-	(1,827,249)	-	7,459,700
Total transactions with owners		9,286,949	(3,681,064)	(1,966,740)	139,491	3,778,636
Closing balance at 31 December 2023		321,263,127	(17,017,519)	8,930,133	1,034,921,732	1,348,097,473

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 December 2024

	Note	Group 1.1.2024 to 31.12.2024 RM	Group 1.7.2022 to 31.12.2023 RM	Company 1.1.2024 to 31.12.2024 RM	Company 1.7.2022 to 31.12.2023 RM
Operating Activities					
Profit/(Loss) before tax		183,726,259	380,844,803	(16,301,304)	231,399,054
Adjustments for:					
Dividend income	5	-	-	(81,552,602)	-
Interest income	6	(88,013,718)	(168,587,385)	(256,442)	(22,419,119)
Fair value gain on investment securities	7	(756,947)	(50,140)	-	-
Fair value gain on short-term investments	7	(6,944,434)	(1,170,095)	(6,907,381)	(1,040,800)
Gain on disposal of plant and equipment	7	(58,144,905)	(140,281,728)	(722)	(112,999)
Income from investments	7	(1,750,727)	(1,257,239)	(1,228,742)	(663,376)
Premium income arising from guarantee contracts issued	7	-	-	(553)	(6,896)
Reversal of inventories written down	7	(36,584)	(534,373)	-	-
Reversal of impairment loss on investments in subsidiaries	7	-	-	-	(8,005,351)
Waiver of debts	7	(147,655,190)	-	-	-
Net impairment loss/(reversal of impairment loss) on receivables	8	152,240,643	185,247,606	(20,695,528)	(170,327,090)
Amortisation of transaction costs capitalised	9	126,693	4,657,345	126,693	4,349,426
Interest expense	9	2,968,986	29,364,219	2,131,058	22,099,467
Depreciation of investment properties	10	82,024	123,036	-	-
Depreciation of property, plant and equipment	10	32,819,374	135,510,837	10,883	20,652
Depreciation of right-of-use assets	10	1,771,245	1,845,623	5,737	8,663
Fair value loss on investment securities	10	422,524	301,116	422,524	301,116
Fair value loss on short-term investments	10	105,632	-	-	-
Impairment loss on investments in subsidiaries	10	-	-	108,135,525	-
Impairment loss on plant and equipment	10	20,033,910	-	-	-
Investments in subsidiaries written off	10	-	-	6,131	-
Inventories written down	10	-	2,056,489	-	-
Loss on lease modification	10	-	4,257	-	-
Plant and equipment written off	10	1,537	6,421	1	-
Loss on disposal of effective interest in joint venture		-	155,322,647	-	-
Share of profit of joint venture		(68,713,983)	(274,794,573)	-	-
Net unrealised (gain)/loss on foreign exchange		(8,569,502)	41,123,227	(6,010,165)	(827,416)
Total adjustments		(170,013,422)	(31,112,710)	(5,813,583)	(176,623,723)
Operating cash flows before changes in working capital		13,712,837	349,732,093	(22,114,887)	54,775,331
Changes in working capital					
Net change in accounts with subsidiaries		-	-	4,935,471	304,820,061
Increase in inventories		(88,339,825)	(7,984,018)	-	-
(Increase)/Decrease in receivables		(21,683,539)	(102,760,148)	(241,975)	2,154,794
Decrease/(Increase) in contract assets		5,183,930	(4,511,147)	-	-
(Decrease)/Increase in payables		(2,696,975)	1,836,971	(159,960)	(120,648)
(Decrease)/Increase in contract liabilities		(6,756,877)	6,756,704	-	-
Total changes in working capital		(114,293,286)	(106,661,638)	4,533,536	306,854,207
Cash flows (used in)/from operations		(100,580,449)	243,070,455	(17,581,351)	361,629,538
Interest paid	25(b)	(3,007,376)	(29,377,108)	(2,195,534)	(22,110,581)
Income tax paid		(19,313,647)	(49,905,371)	(1,968,739)	(7,305,102)
Net cash flows (used in)/from operating activities		(122,901,472)	163,787,976	(21,745,624)	332,213,855

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 December 2024 (cont'd.)

	Note	Group 1.1.2024 to 31.12.2024 RM	Group 1.7.2022 to 31.12.2023 RM	Company 1.1.2024 to 31.12.2024 RM	Company 1.7.2022 to 31.12.2023 RM
Investing Activities					
Acquisition of a subsidiary, net of cash and cash equivalents acquired	15(a)	(33,999,803)	-	-	-
Investments in subsidiaries		-	-	(35,724,815)	(384,994,284)
Interest received		120,656,029	134,918,946	256,284	37,252,939
Income received from investments		1,750,727	1,257,239	1,228,742	663,376
Net placement in short-term investments		(589,612,756)	(158,284,886)	(588,989,651)	(157,236,582)
Repayment of loan from/(advances of loans to) a joint venture		675,932,036	(59,286,575)	-	-
Repayment of loans from a subsidiary		-	-	-	348,560,361
Net dividend received		-	-	81,552,602	-
Net proceeds from disposal/(purchase) of investment securities		24,232	(16,396)	24,232	(16,396)
Proceeds from redemption of preference shares in a subsidiary		-	-	735,432,894	-
Proceeds from disposal of effective interest in joint venture		-	5,440	-	5,440
Proceeds from disposal of plant and equipment		101,084,716	351,288,302	1,000	113,000
Purchase of property, plant and equipment	17	(1,468,047)	(860,520)	(25,791)	(13,570)
Net cash flows from/(used in) investing activities		274,367,134	269,021,550	193,755,497	(155,665,716)
Financing Activities					
Dividend paid to non-controlling interests		(945,626)	-	-	-
Purchase of treasury shares		-	(3,681,064)	-	(3,681,064)
Proceeds from exercise of ESOS		2,973,267	7,459,700	2,973,267	7,459,700
Proceeds from drawdown of loans	25(b)	22,405	234,336,414	-	224,672,484
Repayment of loans and borrowings	25(b)	(24,375,858)	(652,482,390)	(17,212,500)	(553,075,062)
Repayment of lease liabilities	25(b)	(1,074,620)	(1,635,368)	(5,613)	(8,743)
Net cash flows used in financing activities		(23,400,432)	(416,002,708)	(14,244,846)	(324,632,685)
Net increase/(decrease) in cash and cash equivalents		128,065,230	16,806,818	157,765,027	(148,084,546)
Effect of foreign exchange rate changes		(30,554,609)	(69,844,057)	(417,035)	243,057
Cash and cash equivalents at beginning of year/period		170,077,069	223,114,308	10,786,586	158,628,075
Cash and cash equivalents at end of year/period	25(a)	267,587,690	170,077,069	168,134,578	10,786,586

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Block G, Lot 3B, Bandar Leila, W. D. T. 259, 90009 Sandakan, Sabah. The principal place of business is located at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah. The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are stated in Note 15 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

2. Basic of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia

2.1 Adoption of New and/or Amended Accounting Standards

On 1 January 2024, the Group and the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

Description

MFRS 17: Insurance Contracts
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 17: Insurance Contracts
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements
Amendments to MFRS 108: Disclosure of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above MFRS and amended MFRSs did not have any material impact on the Group's and the Company's financial statements.

2.2 Standards Issued But Not Yet Effective

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

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

2. Basic of Preparation (Cont'd)

2.2 Standards Issued But Not Yet Effective (Cont'd)

Description	Effective for annual periods beginning on or after
MFRSs and/or IC Interpretations (Including The Consequential Amendments)	
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:

MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

3. Material Accounting Policy Information

3.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intra-group assets and liabilities, equity income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

3. Material Accounting Policy Information (Cont'd)

3.2 Investments in Subsidiaries

Investments in subsidiaries (including the share options granted to employees of the subsidiaries), which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

3.3 Investments in Joint Ventures

Investments in joint ventures are stated in the financial statements of the Group at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method.

3.4 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is stated at cost less impairment losses.

Freehold land is not depreciated. Depreciation of other property, plant and equipment is calculated using the straight-line basis to allocate their depreciable amounts over the estimated useful lives. The estimated useful lives are as follows:

Buildings and workshops	10 - 15 years
Heavy machinery and equipment	5 - 18 years
Motor vehicles	5 years
Renovation	5 - 10 years
Slipway and shipyard infrastructure	10 - 20 years
Telecommunications and office equipment, furniture and fittings	5 - 10 years
Vessels and offshore assets	12 - 15 years

Construction work-in-progress are not depreciated until such time when the asset is available for use.

3.5 Investment Properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line basis to allocate the depreciable amounts over the estimated useful lives of the assets of 50 years.

3.6 Financial Instruments

(a) Financial assets

Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

3. Material Accounting Policy Information (Cont'd)

3.6 Financial Instruments (Cont'd)

(b) Financial liabilities

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of raw materials and spare parts are determined using the weighted average method. The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress are determined using specific identification of their individual costs. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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

3.8 Right-of-Use Assets and Lease Liabilities

(a) Short-term leases and leases of low-value assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line basis from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

3. Material Accounting Policy Information (Cont'd)

3.9 Revenue and Other Income

(a) Construction of vessels

The Group builds vessels under long-term construction contracts on both build-to-order and build-to-stock basis. For build-to-order vessels, it typically commences the construction process only upon securing a firm order from a customer. For build-to-stock vessels, however, it commences the construction of the vessels in anticipation of future or potential orders and seeks to sell the vessels to customers at a later stage when the selling prices are favourable.

Revenue from construction contract for built-to-order vessel is recognised over time in the period in which the services are rendered using the output method by reference to the construction progress based on the physical proportion of construction work. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group has assessed and determined that the performance obligations for built-to-stock vessels are satisfied at a point in time as none of the criteria for satisfaction of performance obligations over time is met. The Group performance does not create an asset with alternative use to the Group and the Group does not have an enforceable right to payment for work completed to date.

(b) Chartering services

The service element of the Group's charter contracts is recognised over time in the period when the services are rendered, since the performance obligation is satisfied over time. When the customer simultaneously receives and consumes the benefits provided by the Group's performance (such as revenues from reimbursements, bunkers and other goods and services provided to customers), related revenues are recognised in the period in which such goods or services are transferred to the customers.

(c) Ship repair and maintenance services

Revenue from providing ship repair and maintenance are recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. For variable-price contracts, revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Past experience is used to estimate and provide for the variable consideration.

(d) Rental income

Rental income from investment property is recognised in profit or loss as it accrues over the term of the lease.

(e) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(f) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(g) Service fee income

Service fee income is recognised in profit or loss when services are rendered.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

4. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 20 years. These are common life expectancies applied in the vessels construction and transportation industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 17 to the financial statements.

(b) Impairment of receivables and contract assets

The loss allowances for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The contract assets are grouped with receivables for impairment assessment because they have substantially the same risk characteristics as the receivables for the same types of contracts. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of receivables and contract assets as at the reporting date are disclosed in Notes 22 and 23 to the financial statements respectively.

(c) Impairment of non-financial assets

The Group determines whether an item of its non-financial assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates and volatility in markets in which the Group operates.

(d) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at reporting date is disclosed in Note 21 to the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

4. Significant Accounting Judgements and Estimates (Cont'd)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below.

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) Contingent liabilities

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

5. Revenue

	Group		Company	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**	**1.1.2024 to 31.12.2024 RM**	**1.7.2022 to 31.12.2023 RM**
Revenue recognised at a point in time:				
- Dividend income	-	-	81,552,602	-
Revenue recognised over time:				
- Contract fee income	11,721	-	-	-
- Offshore asset chartering income	-	221,719,695	-	-
- Vessel repairs and service income	23,809,862	4,359,822	-	-
- Vessel chartering income	53,942,279	107,556,053	-	-
	77,763,862	333,635,570	81,552,602	-

The information on the disaggregation of revenue is disclosed in Note 40 to the financial statements.

6. Interest Income

	Group		Company	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**	**1.1.2024 to 31.12.2024 RM**	**1.7.2022 to 31.12.2023 RM**
Interest income from:				
- Short-term deposits	9,041,603	5,499,234	256,442	1,699,534
- Loans and receivables	78,972,115	163,088,151	-	20,719,585
	88,013,718	168,587,385	256,442	22,419,119

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

7. Other Income

	Group		Company	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**	**1.1.2024 to 31.12.2024 RM**	**1.7.2022 to 31.12.2023 RM**
Commission income	15,086	18,741	15,086	18,741
Compensation received	-	15,926,750	-	-
Fair value gain:				
- investment securities	756,947	50,140	-	-
- short-term investments	6,944,434	1,170,095	6,907,381	1,040,800
Gain on disposal of plant and equipment	58,144,905	140,281,728	722	112,999
Gain on foreign exchange:				
- realised	30,799,541	73,430,440	-	60,870,141
- unrealised	9,946,447	873,695	6,010,165	827,416
Income from investments	1,750,727	1,257,239	1,228,742	663,376
Insurance claim receipt	-	204,734	-	-
Late payment penalty and administrative charges	-	33,305,854	-	-
Lease income:				
- rental income from investment properties	289,569	388,419	-	-
- right-of-use assets	1,600	7,000	-	-
Premium income arising from guarantee contracts issued	-	-	553	6,896
Reversal of impairment loss on investments in subsidiaries	-	-	-	8,005,351
Reversal of inventories written down	36,584	534,373	-	-
Service fee income	2,734,177	4,161,002	-	-
Sundry income	4,105,619	11,965,686	-	-
Waiver of debts	147,655,190	-	-	-
	263,180,826	283,575,896	14,162,649	71,545,720

8. Net Impairment Loss/(Reversal of Impairment Loss) on Receivables

	Group		Company	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**	**1.1.2024 to 31.12.2024 RM**	**1.7.2022 to 31.12.2023 RM**
Impairment loss during the financial year/period	155,359,806	185,524,898	-	7,549,377
Reversal of impairment loss	(3,119,163)	(277,292)	(20,695,528)	(177,876,467)
	152,240,643	185,247,606	(20,695,528)	(170,327,090)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

9. Finance Costs

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Interest expense on:				
- Loans and borrowings	2,948,551	29,303,375	2,130,671	22,099,210
- Lease liabilities	20,435	60,844	387	257
	2,968,986	29,364,219	2,131,058	22,099,467
Amortisation of transaction costs capitalised	126,693	4,657,345	126,693	4,349,426
Bank facility fees	61,314	2,639,238	-	2,574,356
	3,156,993	36,660,802	2,257,751	29,023,249

10. Profit/(Loss) before Tax

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Auditors' remuneration:				
- statutory audits				
- current year/period	330,026	653,477	75,000	93,550
- underprovision in prior period	50,102	3,120	25,000	-
- other services	202,966	256,764	153,316	176,172
Depreciation:				
- property, plant and equipment (Note 17)	32,819,374	135,510,837	10,883	20,652
- right-of-use assets (Note 18)	1,771,245	1,845,623	5,737	8,663
- investment properties (Note 19)	82,024	123,036	-	-
Direct operating expenses on investment properties	15,559	19,724	-	-
Directors' remuneration: (Note 12)				
- Directors of the Company	3,586,394	4,337,643	138,000	193,884
- Directors of subsidiaries	4,925,987	7,899,078	-	-
Employee benefits expenses (Note 11)	13,220,420	20,478,914	1,040,121	1,505,704
Equipment hire	7,700	18,345	-	-
Fair value loss:				
- investment securities	422,524	301,116	422,524	301,116
- short-term investments	105,632	-	-	-
Impairment loss:				
- investments in subsidiaries	-	-	108,135,525	-
- plant and equipment	20,033,910	-	-	-
Investments in subsidiaries written off	-	-	6,131	-
Incorporation expenses	14,808	-	-	-
Inventories written down	-	2,056,489	-	-
Loss on lease modification	-	4,257	-	-
Loss on foreign exchange:				
- realised	20,337,170	1,184,332	19,874,456	-
- unrealised	1,376,945	41,996,922	-	-
Plant and equipment written off	1,537	6,421	1	-
Rental expenses	22,404	-	-	-

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

11. Employee Benefits Expenses

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Salaries, wages and bonuses	11,991,702	18,544,965	920,630	1,332,965
Contributions to defined contribution benefits	1,142,447	1,814,854	112,140	162,356
Contributions to employment insurance system	6,268	9,186	754	1,028
Social security contributions	80,003	109,909	6,597	9,355
	13,220,420	20,478,914	1,040,121	1,505,704

12. Directors' Remuneration

The details of remuneration receivable by Directors of the Group and of the Company during the year/period are as follows:

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	3,448,394	4,143,759	-	-
Non-Executive:				
Fees and allowances	138,000	193,884	138,000	193,884
	3,586,394	4,337,643	138,000	193,884
Directors of Subsidiaries				
Executive:				
Salaries and other emoluments	4,925,987	7,899,078	-	-

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the Directors of the Company were RM49,985 and Nil (31.12.2023: RM61,730 and RM13,325) respectively.

The estimated monetary value of benefits-in-kind provided by the Group to the Directors of the subsidiaries were RM77,387 (31.12.2023: RM123,539).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

13. Income Tax Expense

Major components of income tax expense

The major components of income tax expense for the year ended 31 December 2024 and period ended 31 December 2023 are as follows:

	Group		Company	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**	**1.1.2024 to 31.12.2024 RM**	**1.7.2022 to 31.12.2023 RM**
Statements of profit or loss:				
Current tax:				
- Malaysian tax	105,516	5,937,527	72,081	5,807,249
- Labuan business activity tax	138,711	256,189	-	-
- Foreign tax	18,500,039	40,726,301	23,275	34,605
	18,744,266	46,920,017	95,356	5,841,854
(Over)/ Underprovision in prior period:				
- Malaysian tax	(34,838)	(24,191)	(34,838)	(24,241)
- Labuan business activity tax	-	(92,625)	-	-
- Foreign tax	(138,427)	130,891	-	-
	(173,265)	14,075	(34,838)	(24,241)
	18,571,001	46,934,092	60,518	5,817,613
Deferred income tax (Note 29):				
- Origination and reversal of temporary differences	(8,404)	(2,082,192)	2,177	(3,562,042)
Income tax expense recognised in profit or loss	18,562,597	44,851,900	62,695	2,255,571

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

13. Income Tax Expense (Cont'd)

Reconciliation between tax expense and profit/(loss) before tax

The reconciliation between tax expense and the profit/(loss) before tax multiplied by the applicable corporate tax rate for the year ended 31 December 2024 and period ended 31 December 2023 are as follows:

	Group		Company	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**	**1.1.2024 to 31.12.2024 RM**	**1.7.2022 to 31.12.2023 RM**
Profit/(Loss) before tax	183,726,259	380,844,803	(16,301,304)	231,399,054
Taxation at Malaysian statutory tax rate of 24% (31.12.2023: 24%)	44,094,302	91,402,753	(3,912,313)	55,535,773
Adjustments:				
Non-deductible expenses	32,217,312	7,106,665	31,924,083	6,577,429
Income not subject to taxation	(13,363,654)	(15,471,672)	(27,914,237)	(59,833,390)
Effect of different tax rates in Labuan	(22,471,562)	1,595,279	-	-
Effect of different tax rates in other jurisdictions	(5,574,661)	(12,230,042)	-	-
Effect of share of results in joint venture	(16,491,356)	(28,673,262)	-	-
Deferred tax assets not recognised	882,122	1,226,812	-	-
Utilisation of deferred tax assets previously not recognised	(556,641)	(118,708)	-	-
(Over)/Underprovision in prior period:				
- current tax	(173,265)	14,075	(34,838)	(24,241)
Income tax expense recognised in profit or loss	18,562,597	44,851,900	62,695	2,255,571

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.12.2023: 24%) of the estimated assessable profit for the financial year/period. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

14. Earnings Per Share

Basic earnings per share are calculated by dividing profit for the financial year/period net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year/period, adjusted for own shares held.

Diluted earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary share outstanding during the financial year/period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

14. Earnings Per Share (Cont'd)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial year ended 31 December 2024 and financial period ended 31 December 2023:

	Group	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**
Profit net of tax attributable to owners of the Company used in the computation of basic and diluted earnings per share	163,027,786	326,742,742
	31.12.2024 Number of shares	**31.12.2023 Number of shares**
Weighted average number of ordinary shares for basic earnings per share computations*	534,555,565	530,522,322
Effects of dilution:		
- Share options	13,483,605	21,045,776
Weighted average number of ordinary shares for diluted earnings per share computations*	548,039,170	551,568,098
Basic earnings per ordinary share (sen)	30.50	61.59
Diluted earnings per ordinary share (sen)	29.75	59.24

* The weighted average number of ordinary shares in issue was derived at after taking into account the weighted average effect of changes in treasury shares transactions.

15. Investments in Subsidiaries

	Company	
	31.12.2024 RM	**31.12.2023 RM**
Unquoted shares, at cost	588,046,953	1,287,761,163
Accumulated impairment losses	(250,329,290)	(142,193,765)
	337,717,663	1,145,567,398

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

15. Investments in Subsidiaries (Cont'd)

The details of the subsidiaries are as follows:

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Principal Activities	Percentage of Effective Interest Held 31.12.2024 %	Percentage of Effective Interest Held 31.12.2023 %
(a) Subsidiaries of Coastal Contracts Bhd.				
Bonafile Shipbuilders & Repairs Sdn. Bhd.	Malaysia	Provision of ship repairs and maintenance services and sub-contract services.	100	100
Coastal Transport (Sandakan) Sdn. Bhd.	Malaysia	Provision of tugboat and barge transportation, vessel chartering and property letting.	100	100
Coastway Transport Sdn. Bhd.	Malaysia	Provision of vessel chartering and related services.	100	100
Seri Modalwan Sdn. Bhd.	Malaysia	Provision of ship repairs and maintenance services and sub-contract services.	100	100
Coastal Marine Pte. Ltd. #	Singapore	Investment holding, provision of vessel chartering and towing, marketing, ship delivery and other ancillary services.	100	100
Pleasant Engineering Sdn. Bhd.	Malaysia	Fabrication and sale of offshore support and marine transportation vessels, provision of ship repairs and maintenance services and provision of vessel chartering services.	100	100
Coastal Offshore (Labuan) Pte. Ltd.	Malaysia	Sale of offshore support and marine transportation vessels, provision of vessel chartering and leasing services.	100	100
Thaumas Marine Ltd. #	British Virgin Islands	Sale of offshore support and marine transportation vessels.	100	100
Ace Capital Pte. Ltd.	Malaysia	Provision of vessel chartering and leasing services.	100	100
Coastal International Marine Inc. #	British Virgin Islands	Sale of offshore support and marine transportation vessels and provision of vessel chartering services.	100	100

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

15. Investments in Subsidiaries (Cont'd)

The details of the subsidiaries are as follows: (Cont'd)

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Principal Activities	Percentage of Effective Interest Held 31.12.2024 %	Percentage of Effective Interest Held 31.12.2023 %
(a) Subsidiaries of Coastal Contracts Bhd. (Cont'd)				
Coastal Offshore Venture Pte. Ltd.	Malaysia	Sale of offshore support and marine transportation vessels, provision of vessel chartering and leasing services.	100	100
Coastal Drilling Pte. Ltd. #	Singapore	Investment holding.	100	100
Coastal Energy Solutions Pte. Ltd. #	Singapore	Provision of bareboat chartering services.	100	100
Coastal Dynamic Pte. Ltd. #	Singapore	Provision of vessel chartering, technical and operations services.	100	100
Coastal Supreme 1 Pte. Ltd. @	Singapore	Struck off.	-	100
Coastal C I Pte. Ltd. @	Singapore	Struck off.	-	100
Coastal Hospitality Holdings Sdn. Bhd.	Malaysia	Investment holding.	100	-
Coastal Power Holdings Sdn. Bhd. ^	Malaysia	Investment holding.	100	-
Coastal Offshore Marine Inc. ^	British Virgin Islands	Sale of offshore support and marine transportation vessels.	100	-
(b) Subsidiary of Coastal Marine Pte. Ltd.				
Coastoil, S.A. de C.V. *	Mexico	Management and operation of offshore vessel and other investment.	100	100
(c) Subsidiary of Coastal Drilling Pte. Ltd.				
Elite Point Pte. Ltd. #	Singapore	Provision of liftboat chartering services.	80	80
(d) Subsidiary of Coastal Hospitality Holdings Sdn. Bhd.				
Jewel of Mabul Development Sdn. Bhd.	Malaysia	Development of an overwater bungalow resort.	82	-

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

15. Investments in Subsidiaries (Cont'd)

The details of the subsidiaries are as follows: (Cont'd)

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Principal Activities	Percentage of Effective Interest Held 31.12.2024 %	Percentage of Effective Interest Held 31.12.2023 %
(e) Subsidiary of Coastal Power Holdings Sdn. Bhd.				
Coastal Solar Sdn. Bhd. ^	Malaysia	Operation of renewable energy asset.	100	-

\# Audited by firm other than Crowe Malaysia PLT.
* 95% equity interest held by Coastal Marine Pte. Ltd. and 5% equity interest held by Coastal Drilling Pte. Ltd.
@ These subsidiaries were struck off on 8 April 2024.
^ Unaudited. The first financial period is ending on 31 December 2025.

(a) During the current financial year, the Group has acquired 82% equity interests in Jewel of Mabul Development Sdn. Bhd. ("JOMD"). The acquisition of JOMD is to enable the Group to expand its business into hospitality and tourism sector. The acquisition of JOMD does not constitute a business and has been accounted for as an asset acquisition.

As such, the purchase consideration has been allocated to the individual identifiable assets and liabilities of JOMD on the basis of their relative fair values as the date of acquisition. The transaction did not give rise to any goodwill.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Group 31.12.2024 RM
Property, plant and equipment	11,831,227
Right-of-use assets	25,806,147
Cash and bank balances	2,509,062
Other payables	(1,585,015)
Fair value of net identifiable assets acquired	38,561,421
Less: Non-controlling interest's share of the fair value of net identifiable assets	(3,561,421)
Group's share of the fair value of net identifiable assets	35,000,000
Total purchase consideration, to be setted by cash	35,000,000
Less: Cash and bank balances of subsidiary acquired	(2,509,062)
Other payables assumed and settled	1,508,865
Net cash outflow from the acquisition of JOMD	33,999,803

(b) During the financial year, the Company carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. An impairment loss of RM108,135,525 (31.12.2023: Nil), representing the write-down of the cost of investment, was recognised in "Other expenses" line item of the statements of profit or loss.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

15. Investments in Subsidiaries (Cont'd)

(c) The non-controlling interests at the end of the reporting period comprise the following:

	Percentage of Effective Interest Held		Group	
	31.12.2024 %	31.12.2023 %	31.12.2024 RM	31.12.2023 RM
Elite Point Pte. Ltd.	20	20	15,107,665	14,233,961
Jewel of Mabul Development Sdn. Bhd.	18	-	3,507,129	-
			18,614,794	14,233,961

(d) The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interests that are material to the Group is as follows:

	Elite Point Pte. Ltd.	
	31.12.2024 RM	31.12.2023 RM
Non-current assets	38,173,898	44,203,889
Current assets	45,944,184	48,342,727
Non-current liabilities	(4,470,273)	(18,365,473)
Current liabilities	(4,109,486)	(3,011,337)
Net assets	75,538,323	71,169,806

	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Revenue	48,416,377	85,842,564
Profit for the financial year/period	10,950,840	46,250,805
Total comprehensive income	9,096,649	47,708,983
Total comprehensive income attributable to non-controlling interests	1,819,330	9,541,796
Dividend paid to non-controlling interests	945,626	-
Net cash flows from operating activities	14,828,008	45,826,341
Net cash flows from investing activities	377,117	140,232
Net cash flows used in financing activities	(18,433,020)	(30,433,295)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

16. Investments in Joint Ventures

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
Unquoted shares, at cost	27,448,577	29,082,876
Share of post-acquisition	222,674,869	211,944,468
	250,123,446	241,027,344

The details of the joint ventures are as follows:

Name of Joint Venture	**Principal Place of Business/Country of Incorporation**	**Principal Activities**	**Percentage of Effective Interest Held**	
			31.12.2024	**31.12.2023**
			%	**%**
CN Energy Holdings Pte. Ltd. #	Singapore	Investment holding company.	50	50
Coastoil Dynamic, S.A. de C.V. #	Mexico	Operation of onshore gas processing facility.	50	50
Subsidiary of CN Energy Holdings Pte. Ltd.				
CN Energy Servicios, S.A. de C.V. *	Mexico	Dormant.	50	50
Subsidiary of Coastoil Dynamic, S.A. de C.V.				
Coastoil Dynamic Energy, S.A. de C.V. *	Mexico	Dormant.	50	-

\# Audited by member firm of Crowe Global of which Crowe Malaysia PLT is a member.
* Not required to be audited under the laws of the country of incorporation.

(a) The Group's involvement in joint arrangement is structured through separate vehicles which provide the Group rights to the net assets of the entity. Accordingly, the Group has classified these investments as joint ventures.

(b) The summarised financial information after the alignment for the Group's accounting policies for the joint venture that is material to the Group is as follows:

	Coastoil Dynamic, S.A. de C.V.	
	31.12.2024	**31.12.2023**
	RM	**RM**
Non-current assets	642,252,108	885,598,016
Current assets	1,027,921,335	721,816,006
Non-current liabilities	(602,134,867)	(18,317,594)
Current liabilities	(554,276,079)	(1,140,517,903)
Net assets	513,762,497	448,578,525
Less: Group's contribution for future capital increase	-	(24,678,698)
Adjusted net assets	513,762,497	423,899,827
Included in assets and liabilities are:		
- cash and cash equivalents	25,794,575	17,125,828
- non-current liabilities (excluding trade and other payables)	602,134,867	18,317,594
- current liabilities (excluding trade and other payables)	255,434,546	835,917,968

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

16. Investments in Joint Ventures (Cont'd)

(b) The summarised financial information after the alignment for the Group's accounting policies for the joint venture that is material to the Group is as follows: (Cont'd)

	Coastoil Dynamic, S.A. de C.V.	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**
Revenue	755,446,844	1,414,339,470
Depreciation and amortisation	91,268,262	73,558,655
Interest expense	84,719,728	99,689,630
Income tax expense	59,613,581	175,928,344
Profit for the financial year/period	137,427,966	301,637,387
Other comprehensive (loss)/income	(115,967,163)	53,102,603
Total comprehensive income	21,460,803	354,739,990
Group's share of profit for the financial year/period	68,713,983	274,794,573
Group's share of other comprehensive (loss)/income	(57,983,582)	56,641,493

	31.12.2024 RM	**31.12.2023 RM**
Reconciliation of net assets to carrying amount		
Group's share of adjusted net assets above	256,881,248	211,949,913
Group's contribution for future capital increase	-	24,678,698
Foreign exchange translation reserve	(6,757,802)	4,398,733
Carrying amount of the Group's interests in this joint venture	250,123,446	241,027,344

(c) Summarised financial information has not been presented for CN Energy Holdings Pte. Ltd., CN Energy Servicios, S.A. de C.V. and Coastoil Dynamic Energy, S.A. de C.V. as these joint ventures are not material to the Group.

(d) The Group has not fully recognised losses relating to CN Energy Holdings Pte. Ltd., where its share of losses exceeded the Group's interest in the joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM246,921 (31.12.2023: RM236,745), of which RM10,176 (31.12.2023: RM9,371) relate to the share of the current financial year's losses. The Group has no obligation in respect of these losses.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

17. Property, Plant and Equipment

	Freehold land, buildings and workshops RM	Slipway and shipyard infrastructure RM	Vessels, offshore assets, heavy machinery and equipment RM	Motor vehicles RM	Telecom-munication and office equipment, furniture, fittings and renovations RM	Construction work-in-progress RM	Total RM
Group							
Cost							
At 1 July 2022	12,646,330	37,593,945	1,217,794,931	4,769,999	3,051,845	-	1,275,857,050
Additions	-	-	218,674	1,547,071	111,294	23,304	1,900,343
Disposals	-	-	(259,885,375)	(701,467)	-	-	(260,586,842)
Written off	-	-	(126,659)	-	(11,930)	-	(138,589)
Exchange differences	-	-	52,514,702	116,597	24,926	-	52,656,225
At 31 December 2023 and 1 January 2024	12,646,330	37,593,945	1,010,516,273	5,732,200	3,176,135	23,304	1,069,688,187
Acquisition of a subsidiary	-	-	-	-	-	11,831,227	11,831,227
Additions	1,000,000	-	51,617	187,404	58,951	170,075	1,468,047
Disposals	-	-	(64,584,361)	(27,000)	-	-	(64,611,361)
Written off	-	-	-	-	(28,895)	-	(28,895)
Reclassification	-	-	140,789	-	-	(140,789)	-
Exchange differences	-	-	(26,651,255)	(101,577)	(16,608)	-	(26,769,440)
At 31 December 2024	13,646,330	37,593,945	919,473,063	5,791,027	3,189,583	11,883,817	991,577,765

17. Property, Plant and Equipment (Cont'd)

	Freehold land, buildings and workshops RM	Slipway and shipyard infrastructure RM	Vessels, offshore assets, heavy machinery and equipment RM	Motor vehicles RM	Telecom-munication and office equipment, furniture, fittings and renovations RM	Construction work-in-progress RM	Total RM
Group							
Accumulated depreciation and impairment loss							
At 1 July 2022	11,851,638	27,378,228	515,133,151	4,431,235	2,104,973	-	560,899,225
Depreciation charge for the period	571,995	1,826,537	132,627,963	316,333	168,009	-	135,510,837
Disposals	-	-	(49,018,841)	(701,463)	-	-	(49,720,304)
Written off	-	-	(122,155)	-	(10,013)	-	(132,168)
Exchange differences	-	-	24,744,079	72,944	13,333	-	24,830,356
At 31 December 2023 and 1 January 2024	12,423,633	29,204,765	623,364,197	4,119,049	2,276,302	-	671,387,946
Depreciation charge for the year	98,590	1,165,664	31,017,216	420,349	117,555	-	32,819,374
Disposals	-	-	(21,744,758)	(26,999)	-	-	(21,771,757)
Written off	-	-	-	-	(27,358)	-	(27,358)
Impairment loss	-	-	20,033,910	-	-	-	20,033,910
Exchange differences	-	-	(17,488,882)	(35,339)	(13,520)	-	(17,537,741)
At 31 December 2024	12,522,223	30,370,429	635,181,683	4,477,060	2,352,979	-	684,904,374
Net carrying amount							
At 31 December 2023	222,697	8,389,180	387,152,076	1,613,151	899,833	23,304	398,300,241
At 31 December 2024	1,124,107	7,223,516	284,291,380	1,313,967	836,604	11,883,817	306,673,391

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

17. Property, Plant and Equipment (Cont'd)

	Motor vehicles RM	Furniture, fittings and office equipment RM	Total RM
Company			
Cost			
At 1 July 2022	412,145	125,443	537,588
Additions	-	13,570	13,570
Disposal	(412,145)	-	(412,145)
At 31 December 2023 and 1 January 2024	-	139,013	139,013
Additions	-	25,791	25,791
Disposal	-	(3,338)	(3,338)
Written off	-	(1,010)	(1,010)
At 31 December 2024	-	160,456	160,456
Accumulated depreciation			
At 1 July 2022	412,144	96,964	509,108
Depreciation charge for the period	-	20,652	20,652
Disposal	(412,144)	-	(412,144)
At 31 December 2023 and 1 January 2024	-	117,616	117,616
Depreciation charge for the year	-	10,883	10,883
Disposal	-	(3,060)	(3,060)
Written off	-	(1,009)	(1,009)
At 31 December 2024	-	124,430	124,430
Net carrying amount			
At 31 December 2023	-	21,397	21,397
At 31 December 2024	-	36,026	36,026

Impairment of assets

At the reporting date, the Group conducted a review of the recoverable amounts of its vessels and offshore asset within vessel chartering and gas processing segment. An impairment loss of RM20,033,910, representing the write-down of an offshore asset to the recoverable amount was recognised in "Other expenses" line item of the consolidated statement of profit or loss for the financial year ended 31 December 2024. The recoverable amounts of the vessels and offshore asset were measured at the fair value less costs to sell based on the valuation report prepared by an independent valuer.

Assets held under hire purchase arrangement

In the previous financial period, the Group acquired motor vehicles with an aggregate cost of RM1,039,823 by means of hire purchase arrangement. The cash outflow on acquisition of property, plant and equipment amounted to RM1,468,047 (31.12.2023: RM860,520).

Included in the property, plant and equipment of the Group are motor vehicles with a total carrying amount of RM1,148,397 (31.12.2023: RM1,613,114) held under hire purchase arrangements. These assets are pledged as security for the hire purchase payables of the Group as disclosed in Note 26 to the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

17. Property, Plant and Equipment (Cont'd)

Assets pledged as security

The carrying amounts of property, plant and equipment pledged as security for borrowings (Note 26) are as follows:

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
Buildings and workshops	124,696	222,697
Slipway and shipyard infrastructure	6,291,900	7,421,252
Vessels, offshore assets, heavy machinery and equipment	31,899,693	34,364,333
Motor vehicles	307,392	1,613,125
Telecommunication and office equipment, furniture, fittings and renovations	65,513	68,623
Construction work-in-progress	153,091	23,304
	38,842,285	43,713,334

Assets leased under operating leases

Certain vessels of the Group have been leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 5 years and their subsequent renewals are negotiated separately on a contract by contract basis.

The Group requires 1 month of rental payments from the customers as security deposit. The leases do not include residual value guarantee and variable lease payments.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
Within 1 year	49,964,899	50,356,533
Between 1 and 2 years	4,680,000	2,400,000
Between 2 and 3 years	3,366,667	2,400,000
Between 3 and 4 years	2,280,000	1,086,667
Between 4 and 5 years	490,322	-
	60,781,888	56,243,200

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

18. Right-of-Use Assets

	Leasehold Land RM	Buildings RM	Total RM
Group			
Cost			
At 1 July 2022	7,260,024	3,429,714	10,689,738
Additions	-	75,835	75,835
Modification of lease liabilities	-	1,968,497	1,968,497
Derecognition due to lease modification	-	(188,732)	(188,732)
Exchange differences	-	400,214	400,214
At 31 December 2023 and 1 January 2024	7,260,024	5,685,528	12,945,552
Acquisition of a subsidiary	25,806,147	-	25,806,147
Modification of lease liabilities	-	1,106,126	1,106,126
Derecognition due to lease modification	-	(26,807)	(26,807)
Exchange differences	-	(257,588)	(257,588)
At 31 December 2024	33,066,171	6,507,259	39,573,430
Accumulated depreciation			
At 1 July 2022	885,912	2,403,069	3,288,981
Depreciation charge for the period	177,183	1,668,440	1,845,623
Derecognition due to lease modification	-	(164,445)	(164,445)
Exchange differences	-	251,139	251,139
At 31 December 2023 and 1 January 2024	1,063,095	4,158,203	5,221,298
Depreciation charge for the year	694,431	1,076,814	1,771,245
Derecognition due to lease modification	-	(26,807)	(26,807)
Exchange differences	-	(265,340)	(265,340)
At 31 December 2024	1,757,526	4,942,870	6,700,396
Net carrying amount			
At 31 December 2023	6,196,929	1,527,325	7,724,254
At 31 December 2024	31,308,645	1,564,389	32,873,034

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

18. Right-of-Use Assets (Cont'd)

	Building RM
Company	
Cost	
At 1 July 2022	23,084
Modification of lease liabilities	11,474
At 31 December 2023, 1 January 2024 and 31 December 2024	34,558
Accumulated depreciation	
At 1 July 2022	14,421
Depreciation charge for the period	8,663
At 31 December 2023 and 1 January 2024	23,084
Depreciation charge for the year	5,737
At 31 December 2024	28,821
Net carrying amount	
At 31 December 2023	11,474
At 31 December 2024	5,737

(a) The Group leases certain pieces of leasehold land and buildings of which the leasing activities are summarised below:

(i) Leasehold land - The Group has entered into 17 non-cancellable operating lease agreements for the use of land. The leases are for periods ranging from 60 to 99 years.

(ii) Buildings - The Group have leased a number of buildings that run between 1 year and 3 years, with an option to renew the lease after that date. The Group is not allowed to sublease the buildings without prior consent of the lessors.

(b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(c) The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(d) Certain leasehold land of the Group with total carrying amount of RM3,869,987 (31.12.2023: RM3,943,030) has been pledged to a licensed bank as security for banking facilities granted to the Group.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

19. Investment Properties

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
Cost		
At beginning and end of year/period	4,101,213	4,101,213
Accumulated depreciation		
At beginning of year/period	984,290	861,254
Depreciation charge for the year/period	82,024	123,036
At end of year/period	1,066,314	984,290
Net carrying amount	3,034,899	3,116,923

Properties pledged as security

Investment properties are mortgaged to secure a subsidiary's bank loan (Note 26).

Fair value of investment properties

The fair value of investment properties as at the reporting date amounted to approximately RM8,250,000 (31.12.2023: RM7,790,000).

Fair value hierarchy disclosures for investment properties have been disclosed in Note 36 to the financial statements.

Fair value is arrived at by reference to market evidence of transaction prices for similar properties.

Properties leased under operating leases

The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial periods ranging from 2 to 3 years and their subsequent renewals are negotiated separately on a contract by contract basis.

The Group requires 2 to 3 months of advanced rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
Within 1 year	241,227	256,124
Between 1 and 2 years	31,355	190,827
Between 2 and 3 years	-	14,400
	272,582	461,351

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

20. Investment Securities

	Group		Company	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Quoted shares, at fair value	12,379,376	12,550,574	6,736,436	7,664,581

21. Inventories

	Group	
	31.12.2024 RM	31.12.2023 RM
Cost		
Finished goods	4,349,935	4,460,889
Raw materials	6,804,105	12,269,113
Work-in-progress	108,110,629	14,634,864
Spare parts	7,714	7,714
	119,272,383	31,372,580
Inventories written down	-	2,056,489
Inventories recognised as an expense in cost of sales	21,646,922	16,210,086

The work-in-progress represents costs incurred for unsold vessels under construction.

22. Trade and Other Receivables

	Group		Company	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Current				
Trade receivables				
Third parties	359,336,840	369,019,434	-	-
Less: Allowance for impairment	(333,862,007)	(189,882,128)	-	-
Trade receivables, net	25,474,833	179,137,306	-	-

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

22. Trade and Other Receivables (Cont'd)

	Group		Company	
	31.12.2024 RM	**31.12.2023 RM**	**31.12.2024 RM**	**31.12.2023 RM**
Current (Cont'd)				
Other receivables				
Amounts due from subsidiaries	-	-	67,401,410	37,085,877
Amounts due from joint ventures	8,015,154	33,423,386	-	-
Deposits paid to suppliers and contractors	42,345,833	33,057,826	-	-
Deposits	3,624,367	2,080,840	238,089	8,400
Loan to a joint venture	42,410,976	731,493,632	-	-
Prepayments	9,035,561	1,031,920	24,894	12,608
Sundry receivables	16,182,758	22,711,216	9,658,015	9,904,935
	121,614,649	823,798,820	77,322,408	47,011,820
Less: Allowance for impairment	(37,048,493)	(37,769,183)	(9,657,628)	(9,904,706)
Other receivables, net	84,566,156	786,029,637	67,664,780	37,107,114
	110,040,989	965,166,943	67,664,780	37,107,114
Non-Current				
Other receivables				
Amounts due from subsidiaries	-	-	-	33,943,050
Less: Allowance for impairment	-	-	-	(20,448,450)
	-	-	-	13,494,600
Total trade and other receivables	110,040,989	965,166,943	67,664,780	50,601,714

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

22. Trade and Other Receivables (Cont'd)

Receivables that are impaired

The Group's trade and other receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Trade		Non-trade	
	31.12.2024 RM	**31.12.2023 RM**	**31.12.2024 RM**	**31.12.2023 RM**
Group				
Individually impaired:				
Receivables - nominal amounts	331,102,640	3,283,261	37,050,596	37,771,286
Less: Allowance for impairment	(331,102,640)	(3,283,261)	(37,048,493)	(37,769,183)
	-	-	2,103	2,103
Collectively impaired:				
Receivables - nominal amounts	28,234,200	365,736,173	53,871,428	776,822,094
Less: Allowance for impairment	(2,759,367)	(186,598,867)	-	-
	25,474,833	179,137,306	53,871,428	776,822,094

Movement in trade receivables' allowance accounts:

	31.12.2024 RM	**31.12.2023 RM**
Group		
At beginning of year/period	189,882,128	10,352,083
Charge for the year/period	152,913,623	177,345,112
Reversal of impairment loss	(689,319)	(24)
Exchange differences	(8,244,425)	2,184,957
At end of year/period	333,862,007	189,882,128

Movement in other receivables' allowance accounts:

	Amounts Due From Joint Ventures RM	**Deposits Paid RM**	**Sundry Receivables RM**	**Total RM**
Group				
31.12.2024				
At 1 January 2024	536,818	27,113,130	10,119,235	37,769,183
Charge for the year	29,949	-	2,416,234	2,446,183
Reversal of impairment loss	-	(2,182,657)	(247,187)	(2,429,844)
Exchange differences	(31,348)	(617,333)	(88,348)	(737,029)
At 31 December 2024	535,419	24,313,140	12,199,934	37,048,493

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

22. Trade and Other Receivables (Cont'd)

Receivables that are impaired (Cont'd)

Movement in other receivables' allowance accounts: (Cont'd)

	Amounts Due From Joint Ventures RM	Deposits Paid RM	Sundry Receivables RM	Total RM
Group				
31.12.2023				
At 1 July 2022	371,900	191,890,887	9,272,756	201,535,543
Charge for the period	122,589	-	8,057,197	8,179,786
Reversal of impairment loss	-	(244,269)	(32,999)	(277,268)
Written off	-	(170,962,285)	(7,415,321)	(178,377,606)
Exchange differences	42,329	6,428,797	237,602	6,708,728
At 31 December 2023	536,818	27,113,130	10,119,235	37,769,183

The Company's other receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Individually Impaired	
	31.12.2024 RM	31.12.2023 RM
Company		
Receivables - nominal amounts	9,657,628	30,353,156
Less: Allowance for impairment	(9,657,628)	(30,353,156)
	-	-

Movement in allowance accounts:

	Amounts Due From Subsidiaries RM	Sundry Receivables RM	Total RM
Company			
31.12.2024			
At 1 January 2024	20,448,450	9,904,706	30,353,156
Reversal of impairment loss	(20,448,450)	(247,078)	(20,695,528)
At 31 December 2024	-	9,657,628	9,657,628

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

22. Trade and Other Receivables (Cont'd)

Receivables that are impaired (Cont'd)

The Company's other receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows: (Cont'd)

Movement in allowance accounts: (Cont'd)

	Amounts Due From Subsidiaries RM	Sundry Receivables RM	Total RM
Company			
31.12.2023			
At 1 July 2022	198,836,002	2,355,329	201,191,331
Charge for the period	-	7,549,377	7,549,377
Reversal of impairment loss	(177,876,467)	-	(177,876,467)
Written off	(511,085)	-	(511,085)
At 31 December 2023	20,448,450	9,904,706	30,353,156

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

(a) Trade receivables

Trade receivables are on 30 days to 45 days (31.12.2023: 30 days to 45 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables comprised mainly the outstanding bareboat charter hire proceeds of the Group including interest charges of approximately RM328.5 million (31.12.2023: RM334.6 million).

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	31.12.2024 RM	31.12.2023 RM
Not past due	5,820,653	6,637,980
1 to 30 days past due	5,650,724	22,287,199
31 to 120 days past due	12,462,840	90,233,391
121 to 365 days past due	2,217,970	90,345,489
More than 365 days past due	2,082,013	156,232,114
	22,413,547	359,098,193
Total	28,234,200	365,736,173
Individually impaired	331,102,640	3,283,261
	359,336,840	369,019,434

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

22. Trade and Other Receivables (Cont'd)

(b) Other receivables

Other receivables comprised mainly:

(i) Amounts due from subsidiaries

The amounts due are non-trade in nature, unsecured, non-interest bearing and are repayable on demand. The amounts due are to be settled in cash.

(ii) Sundry receivables – Amount claimable from a joint venture party

Pursuant to the Memorandum of Understanding ("MOU") entered into between the Company and three venturers on 30 July 2016, the Company has paid an initial refundable and secured deposit of USD6 million (approximately RM24 million) to form a joint venture to undertake a liquefied natural gas related project in Indonesia. As at the reporting date, the outstanding amount receivable from the joint venture party including interest charges amounted to approximately RM9.7 million (31.12.2023: RM9.9 million).

The Company had on 15 December 2017 filed an Arbitration Petition against the joint venture party and its guarantors ("Respondents") for breach of the MOU and two (2) Deeds of Personal Guarantee in favour of the Company. In October 2018, the Tribunal had, vide the Final Award declared that the Respondents were in breach of the MOU and requested to pay the Company the sum of USD4,349,759, which consist of the amount of the Outstanding Deposit of USD3,846,837 and the interest in the amount of USD502,922.

(iii) Loan to a joint venture

Loan to a joint venture is for the purpose of financing the construction of a gas conditioning plant in Mexico. The loan is secured, interest bearing and repayable on demand.

23. Contract Assets/(Liabilities)

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
Contract assets		
Contract assets relating to vessel repairing services	376,292	5,560,222
Contract liabilities		
Contract liabilities relating to vessel repairing services	-	(6,756,877)
Contract liabilities relating to property letting	(994)	(994)
	(994)	(6,757,871)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

23. Contract Assets/(Liabilities) (Cont'd)

(a) The changes to contract assets balances during the financial year/period are as follows:

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
At beginning of year/period	5,560,222	212,073
Performance obligation performed	14,282,981	5,560,222
Transfer to trade receivables	(19,466,911)	(212,073)
At end of year/period	376,292	5,560,222

The contract assets primarily relate to the Group's right to consideration for vessel repairing services completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

(b) The changes to contract liabilities balances during the financial year/period are as follows:

	Group	
	31.12.2024	**31.12.2023**
	RM	**RM**
At beginning of year/period	(6,757,871)	-
Amount received for future performance obligation	(10,678,954)	(6,757,871)
Performance obligations performed	17,435,831	-
At end of year/period	(994)	(6,757,871)

The contract liabilities primarily relate to advance consideration received from customers for vessel repairing services and property letting. The amount will be recognised as revenue when the performance obligations are satisfied.

24. Short-Term Investments

	Group		Company	
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
	RM	**RM**	**RM**	**RM**
Fixed income fund, at fair value	12,134,868	39,211,125	6,135,632	35,552,685
Money market fund, at fair value	762,233,279	133,287,554	761,861,406	131,129,411
	774,368,147	172,498,679	767,997,038	166,682,096

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

25. Cash and Cash Equivalents

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	31.12.2024 RM	**31.12.2023 RM**	**31.12.2024 RM**	**31.12.2023 RM**
Cash on hand and at banks	206,015,549	50,386,844	167,196,030	10,108,091
Short-term deposits with licensed banks	61,572,141	119,690,225	938,548	678,495
Cash and cash equivalents	267,587,690	170,077,069	168,134,578	10,786,586

Short-term deposits of the Group are made for varying periods of between 2 and 91 days depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The interest rates as at 31 December 2024 for the Group and the Company ranged from 2.36% to 4.75% p.a. (31.12.2023: 3.81% to 5.20% p.a.) and 2.36% to 3.02% p.a. (31.12.2023: 3.81% to 3.82% p.a.) respectively.

(b) The reconciliation of liabilities arising from financing activities are as follows:

	Loans and Borrowings RM	**Lease Liabilities RM**	**Total RM**
Group			
31.12.2024			
At 1 January 2024	55,686,029	1,085,000	56,771,029
Changes in financing cash flows:			
- Proceeds from drawdown	22,405	-	22,405
- Repayment of principal	(24,375,858)	(1,074,620)	(25,450,478)
- Payment of interest	(2,986,941)	(20,435)	(3,007,376)
	(27,340,394)	(1,095,055)	(28,435,449)
Non-cash changes:			
- Modification of leases	-	1,106,126	1,106,126
- Amortisation of transaction costs capitalised	126,693	-	126,693
- Interest expense recognised in profit or loss (Note 9)	2,948,551	20,435	2,968,986
- Accrual of interest	39,843	-	39,843
- Foreign exchange adjustment	(517,673)	7,457	(510,216)
	2,597,414	1,134,018	3,731,432
At 31 December 2024	30,943,049	1,123,963	32,067,012

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

25. Cash and Cash Equivalents (Cont'd)

(b) The reconciliation of liabilities arising from financing activities are as follows: (Cont'd)

	Loans and Borrowings RM	Lease Liabilities RM	Total RM
Group			
31.12.2023			
At 1 July 2022	463,494,620	546,873	464,041,493
Changes in financing cash flows:			
- Proceeds from drawdown	234,336,414	-	234,336,414
- Repayment of principal	(652,482,390)	(1,635,368)	(654,117,758)
- Payment of interest	(29,316,264)	(60,844)	(29,377,108)
	(447,462,240)	(1,696,212)	(449,158,452)
Non-cash changes:			
- New hire purchase arrangement	1,039,823	-	1,039,823
- Acquisition of new leases	-	75,835	75,835
- Modification of leases	-	1,968,497	1,968,497
- Derecognition due to lease modification	-	(22,711)	(22,711)
- Amortisation of transaction costs capitalised	4,657,345	-	4,657,345
- Interest expense recognised in profit or loss (Note 9)	29,303,375	60,844	29,364,219
- Accrual of interest	18,482	-	18,482
- Foreign exchange adjustment	4,634,624	151,874	4,786,498
	39,653,649	2,234,339	41,887,988
At 31 December 2023	55,686,029	1,085,000	56,771,029
Company			
31.12.2024			
At 1 January 2024	34,171,614	11,474	34,183,088
Changes in financing cash flows:			
- Repayment of principal	(17,212,500)	(5,613)	(17,218,113)
- Payment of interest	(2,195,147)	(387)	(2,195,534)
	(19,407,647)	(6,000)	(19,413,647)
Non-cash changes:			
- Amortisation of transaction costs capitalised	126,693	-	126,693
- Interest expense recognised in profit or loss (Note 9)	2,130,671	387	2,131,058
- Accrual of interest	64,476	-	64,476
- Foreign exchange adjustment	(429,375)	-	(429,375)
	1,892,465	387	1,892,852
At 31 December 2024	16,656,432	5,861	16,662,293

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

25. Cash and Cash Equivalents (Cont'd)

(b) The reconciliation of liabilities arising from financing activities are as follows: (Cont'd)

	Loans and Borrowings RM	Lease Liabilities RM	Total RM
Company			
31.12.2023			
At 1 July 2022	356,859,766	8,743	356,868,509
Changes in financing cash flows:			
- Proceeds from drawdown	224,672,484	-	224,672,484
- Repayment of principal	(553,075,062)	(8,743)	(553,083,805)
- Payment of interest	(22,110,324)	(257)	(22,110,581)
	(350,512,902)	(9,000)	(350,521,902)
Non-cash changes:			
- Modification of leases	-	11,474	11,474
- Amortisation of transaction costs capitalised	4,349,426	-	4,349,426
- Interest expense recognised in profit or loss (Note 9)	22,099,210	257	22,099,467
- Accrual of interest	11,114	-	11,114
- Foreign exchange adjustment	1,365,000	-	1,365,000
	27,824,750	11,731	27,836,481
At 31 December 2023	34,171,614	11,474	34,183,088

(c) The total cash outflows for leases as a lessee are as follows:

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Payment of short-term leases	30,104	18,345	-	-
Interest paid on lease liabilities	20,435	60,844	387	257
Payment of lease liabilities	1,074,620	1,635,368	5,613	8,743
	1,125,159	1,714,557	6,000	9,000

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

26. Loans and Borrowings

	Group		Company	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Current				
Secured:				
Hire purchase payables	182,298	188,420	-	-
Revolving credits	12,000,000	15,977,595	-	-
Term loan	247,088	235,249	-	-
	12,429,386	16,401,264	-	-
Unsecured:				
Loan from non-controlling interests	894,055	-	-	-
Term loan	16,656,432	17,085,807	16,656,432	17,085,807
	17,550,487	17,085,807	16,656,432	17,085,807
	29,979,873	33,487,071	16,656,432	17,085,807
Non-Current				
Secured:				
Hire purchase payables	751,463	981,332	-	-
Term loan	211,713	458,724	-	-
	963,176	1,440,056	-	-
Unsecured:				
Loan from non-controlling interests	-	3,673,095	-	-
Term loan	-	17,085,807	-	17,085,807
	-	20,758,902	-	17,085,807
	963,176	22,198,958	-	17,085,807
Total loans and borrowings	30,943,049	55,686,029	16,656,432	34,171,614

The remaining maturities of the loans and borrowings are as follows:

	Group		Company	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
On demand or within one year	29,979,873	33,487,071	16,656,432	17,085,807
More than 1 year and less than 2 years	403,082	17,523,825	-	17,085,807
More than 2 years and less than 5 years	484,426	782,964	-	-
5 years or more	75,668	3,892,169	-	-
	30,943,049	55,686,029	16,656,432	34,171,614

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

26. Loans and Borrowings (Cont'd)

(a) The borrowings of the Group are secured by:

(i) Legal charge over the investment properties, leasehold land and motor vehicles of certain subsidiaries as disclosed in Notes 17, 18 and 19 to the financial statements;

(ii) A debenture covering fixed and floating charges over all present and future assets of a subsidiary as disclosed in Note 17 to the financial statements;

(iii) Legal charge over the shares of a subsidiary; and

(iv) Corporate guarantee given by the Company and a subsidiary.

(b) The major covenants of the term loans are as follows:

(i) Net total external borrowings to tangible net worth shall not exceed 1.25 times;

(ii) Shall not incur any additional financing exceeding RM500,000,000 (or its equivalent in foreign currency);

(iii) Ensure one of the subsidiary does not pledge, charge and/or assign any of its existing or future assets; and

(iv) Ensure the subsidiary does not transfer, novate, reduce, dispose and/or sell any shares in a joint venture.

The financial covenant (i) is tested on a semi-annual basis. The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

(c) All the borrowings except hire purchase payables and loan from non-controlling interests bear floating interest/profit rate. The range of the interest rates and profit sharing (per annum) during the financial year/period for borrowings are as follows:

	31.12.2024
Group	
Hire purchase payables	3.66% - 5.32%
RM revolving credits	1.25% above COF
RM term loan	1.85% below BLR
USD term loan	2.30% above COF
Company	
USD term loan	2.30% above COF

	31.12.2023
Group	
Hire purchase payables	3.66% - 5.32%
RM revolving credits	1.25% above COF
RM term loan	1.85% below BLR
USD term loans	2.30% - 3.00% above COF/LIBOR/SOFR
USD trade facility	2.50% above COF
Company	
USD term loans	2.30% - 3.00% above COF/SOFR
USD trade facility	2.50% above COF

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

26. Loans and Borrowings (Cont'd)

(d) The currency exposure profile of borrowings is as follows:

	Group		Company	
	31.12.2024 RM	**31.12.2023 RM**	**31.12.2024 RM**	**31.12.2023 RM**
Ringgit Malaysia	12,593,597	16,842,044	-	-
Singapore Dollar	798,965	999,276	-	-
United States Dollar	17,550,487	37,844,709	16,656,432	34,171,614
	30,943,049	55,686,029	16,656,432	34,171,614

27. Lease Liabilities

	Group		Company	
	31.12.2024 RM	**31.12.2023 RM**	**31.12.2024 RM**	**31.12.2023 RM**
At beginning of year/period	1,085,000	546,873	11,474	8,743
Acquisition of new leases	-	75,835	-	-
Interest expense recognised in profit or loss (Note 9)	20,435	60,844	387	257
Changes due to lease modification	1,106,126	1,968,497	-	11,474
Derecognition due to lease modification	-	(22,711)	-	-
Repayment of principal	(1,074,620)	(1,635,368)	(5,613)	(8,743)
Payment of interest expense	(20,435)	(60,844)	(387)	(257)
Exchange differences	7,457	151,874	-	-
At end of year/period	1,123,963	1,085,000	5,861	11,474
Analysed by:				
Current liabilities	1,109,972	1,078,658	5,861	5,613
Non-current liabilities	13,991	6,342	-	5,861
	1,123,963	1,085,000	5,861	11,474

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

28. Trade and Other Payables

	Group		Company	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Current				
Trade payables				
Third parties	9,024,301	149,082,241	-	-
Other payables				
Amount due to a subsidiary	-	-	-	428
Accruals	6,531,435	15,329,409	254,826	338,607
Deposits received from vessel charterers	400,000	1,088,500	-	-
Other deposits	189,909	191,194	-	-
Financial guarantees	-	-	-	553
Sundry payables	26,101,100	27,614,278	47,818	188,473
	33,222,444	44,223,381	302,644	528,061
Total trade and other payables	42,246,745	193,305,622	302,644	528,061

(a) Trade payables

These amounts are non-interest bearing. The terms granted by trade payables normally range from 30 days to 90 days (31.12.2023: 30 days to 90 days).

(b) Other payables

These amount are non-interest bearing. Other payables are normally settled on an average term of four months.

(c) Amount due to a subsidiary

The amount due in the previous financial period was non-trade in nature, unsecured, non-interest bearing and was repayable on demand. The amount due was settled in cash.

29. Deferred Tax Liabilities

Deferred income tax as at 31 December 2024 relates to the following:

	As at 1 July 2022	Recognised in profit or loss (Note 13)	Exchange differences	As at 31 December 2023	Recognised in profit or loss (Note 13)	Exchange differences	As at 31 December 2024
	RM	RM	RM	RM	RM	RM	RM
Group							
Deferred tax liabilities:							
Property, plant and equipment	5,154,099	(181,295)	-	4,972,804	496,086	-	5,468,890
Right-of-use assets	429,833	(42,595)	-	387,238	26,934	-	414,172
Receivables	2,621,012	(1,958,339)	15,539	678,212	641,100	(40,970)	1,278,342
Others	58,022	(52,374)	-	5,648	(5,098)	-	550
	8,262,966	(2,234,603)	15,539	6,043,902	1,159,022	(40,970)	7,161,954
Deferred tax assets:							
Inventories	(159,832)	88,307	-	(71,525)	34,269	-	(37,256)
Lease liabilities	(36,933)	18,206	-	(18,727)	(34,777)	-	(53,504)
Loans and borrowings	-	(1,333)	-	(1,333)	1,333	-	-
Tax losses and unabsorbed capital allowances	(3,870,111)	47,169	-	(3,822,942)	(852,585)	-	(4,675,527)
Others	(62)	62	-	-	(315,666)	-	(315,666)
	(4,066,938)	152,411	-	(3,914,527)	(1,167,426)	-	(5,081,953)
	4,196,028	(2,082,192)	15,539	2,129,375	(8,404)	(40,970)	2,080,001

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

29. Deferred Tax Liabilities (Cont'd)

Deferred income tax as at 31 December 2024 relates to the following: (Cont'd)

	As at 1 July 2022 RM	Recognised in profit or loss (Note 13) RM	As at 31 December 2023 RM	Recognised in profit or loss (Note 13) RM	As at 31 December 2024 RM
Company					
Deferred tax liabilities:					
Property, plant and equipment	4,310	(1,945)	2,365	2,169	4,534
Right-of-use assets	2,079	675	2,754	(1,377)	1,377
Receivables	3,560,171	(3,560,116)	55	38	93
	3,566,560	(3,561,386)	5,174	830	6,004
Deferred tax assets:					
Lease liabilities	(2,098)	(656)	(2,754)	1,347	(1,407)
	3,564,462	(3,562,042)	2,420	2,177	4,597

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	31.12.2024 RM	31.12.2023 RM
Unutilised tax losses	27,280,462	24,119,649
Unabsorbed capital allowances	14,943,032	19,304,128
Deductible temporary differences	764,971	920,858
	42,988,465	44,344,635

Based on the current legislation, the unutilised tax losses are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

30. Share Capital and Treasury Shares

	Group and Company			
	Number of Shares		Amount	
	Ordinary Shares with No Par Value (Issued and Fully Paid)	Treasury Shares	Share Capital (Issued and Fully Paid) RM	Treasury Shares RM
At 1 July 2022	539,347,071	(12,801,500)	311,976,178	(13,336,455)
Ordinary shares issued under ESOS	7,535,050	-	9,286,949	-
Purchase of treasury shares	-	(1,704,700)	-	(3,681,064)
At 31 December 2023 and 1 January 2024	546,882,121	(14,506,200)	321,263,127	(17,017,519)
Ordinary shares issued under ESOS	3,003,300	-	3,701,567	-
At 31 December 2024	549,885,421	(14,506,200)	324,964,694	(17,017,519)

(a) Share Capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury Shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

(c) Employees' Share Option Scheme ("ESOS")

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 16 December 2021. The ESOS is to be in force for a period of 5 years effective from 16 December 2021.

The salient features of the ESOS are as follows:

(i) the maximum number of options to be offered under the ESOS shall not exceed ten percent (10%) of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS, or such percentage that may be permitted by the relevant regulatory authorities during the duration of the ESOS.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

30. Share Capital and Treasury Shares (Cont'd)

(c) Employees' Share Option Scheme ("ESOS") (Cont'd)

The salient features of the ESOS are as follows: (Cont'd)

(ii) the aggregate maximum number of options that may be offered and allocated to the various grades of eligible employees shall be subject to the following:

(a) not more than eighty percent (80%) of the options available under the ESOS should be allocated, in aggregate, to the directors and senior management of the Group; and

(b) not more than ten percent (10%) of the options available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the eligible employees, holds twenty percent (20%) or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any).

(iii) Subject to the discretion of the ESOS Committee, employees who have been confirmed in the employment of the Group and not under a probationary period, and non-executive Directors who have been appointed for at least 1 year, shall be eligible to participate.

(iv) The exercise price shall be determined by the ESOS Committee based on the 5-day volume weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.

(v) The new shares to be allotted and issued upon any exercise of the options shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company save and except that the new shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of the Company, for which the entitlement date of which is prior to the date of allotment of the new shares and shall be subject to the provisions of the Constitution of the Company.

The option prices and the details in the movement of the options granted are as follows:

		Number of Options Over Unissued Ordinary Shares			
Date of Offer	**Exercise Price**	**1.1.2024**	**Forfeited**	**Exercised**	**31.12.2024**
16.12.2021	RM0.99	36,825,290	(135,880)	(3,003,300)	33,686,110

The options forfeited during the financial year were due to resignations of employees.

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

The fair value of the share options granted were estimated using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used were as follows:

	Date of Offer 16.12.2021
Fair value at grant date (RM)	0.2425
Weighted average share price (RM)	1.10
Exercise price (RM)	0.99
Expected volatility (%)	5
Option life (years)	5
Expected dividend yield (%)	0
Risk free rate (%)	2.96

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

31. Other Reserves

Group	Foreign Currency Translation Reserve RM	Share Option Reserve RM	Total RM
At 1 July 2022	321,175,520	10,896,873	332,072,393
Other comprehensive income:			
Foreign currency translation	26,491,687	-	26,491,687
Share of joint venture's foreign currency translation	56,641,493	-	56,641,493
Total other comprehensive income	83,133,180	-	83,133,180
Share options:			
- share options exercised	-	(1,827,249)	(1,827,249)
- value of options forfeited	-	(139,491)	(139,491)
	-	(1,966,740)	(1,966,740)
Transfer to profit or loss on disposal of effective interest in joint venture	(33,317,903)	-	(33,317,903)
At 31 December 2023 and 1 January 2024	370,990,797	8,930,133	379,920,930
Other comprehensive loss:			
Foreign currency translation	(59,709,845)	-	(59,709,845)
Share of joint venture's foreign currency translation	(57,983,582)	-	(57,983,582)
Total other comprehensive loss	(117,693,427)	-	(117,693,427)
Share options:			
- share options exercised	-	(728,300)	(728,300)
- value of options forfeited	-	(32,951)	(32,951)
	-	(761,251)	(761,251)
At 31 December 2024	253,297,370	8,168,882	261,466,252

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

31. Other Reserves (Cont'd)

Company	Share Option Reserve RM
At 1 July 2022	10,896,873
Share options:	
- share options exercised	(1,827,249)
- value of options forfeited	(139,491)
At 31 December 2023 and 1 January 2024	8,930,133
Share options:	
- share options exercised	(728,300)
- value of options forfeited	(32,951)
At 31 December 2024	8,168,882

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

32. Retained Earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2024 and 31 December 2023 under the single tier system.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

33. Related Party Transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year/period:

	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Group		
Transactions with a company in which certain Directors of the Group are also directors and have financial interests:		
- Rental of premises	20,034	30,051
Transactions with Directors of the Company:		
- Rental of premises	39,031	118,602
Transactions with a Director of the Group:		
- Rental of premises	400	-
Transactions with a joint venture:		
- Interest income	78,939,459	140,294,387
- Service fee income	2,734,177	5,499,111
Remuneration for employment services provided by close members of the family of Directors:*		
Salaries, wages and bonuses	616,900	996,793
Contributions to defined contribution benefits	55,135	88,096
	672,035	1,084,889

The estimated monetary value of benefits-in-kind provided by the Group to the close members of the family of Directors was RM22,993 (31.12.2023: RM25,229).

* Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;
(b) children of that person's spouse or domestic partner; and
(c) dependants of that person or that person's spouse or domestic partner.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

33. Related Party Transactions (Cont'd)

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year/period: (Cont'd)

	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Company		
Transactions with subsidiaries:		
Coastal Transport (Sandakan) Sdn. Bhd.		
- Rental of premises	6,000	9,000
Coastal Offshore (Labuan) Pte. Ltd.		
- Dividend income	44,461,868	-
Pleasant Engineering Sdn. Bhd.		
- Disposal of plant and equipment	1,000	113,000
Coastal Marine Pte. Ltd.		
- Interest income	-	35,523,116
- Dividend income	35,846,400	-
Coastal Drilling Pte. Ltd.		
- Dividend income	1,244,334	-

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year/period are as follows:

	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Short-term employee benefits	8,205,386	12,386,591	528,000	772,831
Defined contribution benefits	306,995	499,730	46,800	70,653
	8,512,381	12,886,321	574,800	843,484

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the Directors and other members of key management were RM127,372 and Nil (31.12.2023: RM232,769 and RM60,825) respectively.

34. Capital Commitments

	Group	
	31.12.2024 RM	31.12.2023 RM
Property, plant and equipment	50,000,000	-

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

35. Contingent Liabilities

The nominal value of the financial guarantee contracts given by the Company are as follows:

	Company	
	31.12.2024 RM	**31.12.2023 RM**
Corporate guarantees given to financial institutions in respect of banking facilities granted to the subsidiaries	40,000,000	62,950,000

The fair value of the financial guarantee contracts given to the financial institutions for banking facilities granted to the subsidiaries are deemed immaterial as the Company considered the financial guarantees to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to.

36. Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December 2024 and 31 December 2023.

			Fair value measurement using		
	Date of valuation	**Total RM**	**Quoted prices in active markets (level 1) RM**	**Significant observable inputs (level 2) RM**	**Significant unobservable inputs (level 3) RM**
Group					
Assets measured at fair value:					
Investment securities	31 December 2024	12,379,376	12,379,376	-	-
Short-term investments	31 December 2024	774,368,147	774,368,147	-	-
Assets for which fair values are disclosed:					
Investment properties: - Office properties	31 December 2024	8,250,000	-	8,250,000	-
Liabilities for which fair values are disclosed:					
Hire purchase payables (non-current)	31 December 2024	714,779	-	-	714,779
Company					
Assets measured at fair value:					
Investment securities	31 December 2024	6,736,436	6,736,436	-	-
Short-term investments	31 December 2024	767,997,038	767,997,038	-	-

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

36. Fair Value Measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December 2024 and 31 December 2023. (Cont'd)

			Fair value measurement using		
	Date of valuation	**Total RM**	**Quoted prices in active markets (level 1) RM**	**Significant observable inputs (level 2) RM**	**Significant unobservable inputs (level 3) RM**
Group					
Assets measured at fair value:					
Investment securities	31 December 2023	12,550,574	12,550,574	-	-
Short-term investments	31 December 2023	172,498,679	172,498,679	-	-
Assets for which fair values are disclosed:					
Investment properties: - Office properties	31 December 2023	7,790,000	-	7,790,000	-
Liabilities for which fair values are disclosed:					
Hire purchase payables (non-current)	31 December 2023	934,513	-	-	934,513
Company					
Assets measured at fair value:					
Investment securities	31 December 2023	7,664,581	7,664,581	-	-
Short-term investments	31 December 2023	166,682,096	166,682,096	-	-

There have been no transfers between level 1 and level 2 during the year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

37. Fair Value of Financial Instruments

The following are classes of financial instruments that are not carried at fair value and whose carrying amount are not reasonable approximation of fair value:

	Carrying amount		Fair value	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Group				
Financial liabilities				
Hire purchase payables (non-current)	751,463	981,332	714,779	934,513
Company				
Financial liabilities				
Financial guarantees	-	553	-	-*

* The fair value was Nil as the Company considered the financial guarantees to be performing, had low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to.

The management assessed that cash and bank balances, loans and borrowings except for hire purchase payables (non-current), trade and other payables (current), trade and other receivables (current) except for prepayment and deposits paid to suppliers and contractors approximate their carrying amounts largely due to their short-term nature or that they are floating rate investments that are re-priced to market interest rates on or near the reporting date.

The fair values of the financial assets and liabilities are included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

Hire purchase payables

The fair values of these financial instruments are estimated by discounting expected future cash flows at market interest rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value was determined based on probability weighted discounted cash flow method. The probability had been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

- A nominal amount of RM40,000,000 (31.12.2023: RM62,950,000) relating to corporate guarantees provided by the Company to banks on certain subsidiaries' bank borrowings.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	31.12.2024		31.12.2023	
	RM	% of total	RM	% of total
By country:				
Mexico	328,457,471	91%	334,604,518	91%
Saudi Arabia	26,964,000	8%	29,700,185	8%
Others	3,915,369	1%	4,714,731	1%
	359,336,840	100%	369,019,434	100%

Assessment of impairment losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit Risk (Cont'd)

Assessment of impairment losses (Cont'd)

(i) Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having financial difficulty, are deemed credit impaired.

The expected loss rates are based on the customers' payment profiles and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables and contract assets are summarised below:

	Gross amount RM	Lifetime loss allowance RM	Carrying amount RM
Group			
31.12.2024			
Not past due	6,196,945	(40,422)	6,156,523
1 to 30 days past due	5,650,724	(38,761)	5,611,963
31 to 120 days past due	12,462,840	(234,998)	12,227,842
121 to 365 days past due	2,217,970	(369,799)	1,848,171
More than 365 days past due	2,082,013	(2,075,387)	6,626
	28,610,492	(2,759,367)	25,851,125
Credit impaired:			
- Individually impaired	331,102,640	(331,102,640)	-
	359,713,132	(333,862,007)	25,851,125
31.12.2023			
Not past due	12,198,202	-	12,198,202
1 to 30 days past due	22,287,199	(1,077,603)	21,209,596
31 to 120 days past due	90,233,391	(10,284,279)	79,949,112
121 to 365 days past due	90,345,489	(19,009,382)	71,336,107
More than 365 days past due	156,232,114	(156,227,603)	4,511
	371,296,395	(186,598,867)	184,697,528
Credit impaired:			
- Individually impaired	3,283,261	(3,283,261)	-
	374,579,656	(189,882,128)	184,697,528

The movements in the loss allowances in respect of trade receivables are disclosed in Note 22 to the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit Risk (Cont'd)

Assessment of impairment losses (Cont'd)

(ii) Other receivables

Other receivables are also subject to the impairment requirements of MFRS 9. The Group applies the 3-stage general approach to measure expected credit losses for other receivables. Loss allowance is measured on either 12 month ECL or lifetime ECL.

To measure the expected credit losses, the Group considers historical data and assessed forward-looking macroeconomic data which may affect the ability of the debtors to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for other receivables are summarised below:

	Gross amount RM	Lifetime loss allowance RM	Carrying amount RM
31.12.2024			
Group			
Significant increase in credit risk	108,954,721	(37,048,493)	71,906,228
Company			
Significant increase in credit risk	9,658,015	(9,657,628)	387
31.12.2023			
Group			
Significant increase in credit risk	820,686,060	(37,769,183)	782,916,877
Company			
Significant increase in credit risk	9,904,935	(9,904,706)	229

The movements in the loss allowances are disclosed in Note 22 to the financial statements.

(iii) Fixed deposits with licensed banks, cash and bank balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit Risk (Cont'd)

Assessment of impairment losses (Cont'd)

(iv) Amounts due from subsidiaries

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

At the reporting date, the Company considers the amounts due from subsidiaries have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for. The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for amounts due from subsidiaries as at last reporting date were summarised below:

	Gross amount RM	Lifetime loss allowance RM	Carrying amount RM
Company			
31.12.2023			
Low credit risk	50,580,477	-	50,580,477
Credit impaired	20,448,450	(20,448,450)	-
	71,028,927	(20,448,450)	50,580,477

The movements in the loss allowances are disclosed in Note 22 to the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, approximately 94% (31.12.2023: 60%) of the Group's loans and borrowings (Note 26) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amount.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
31.12.2024				
Financial liabilities:				
Trade and other payables	42,246,745	-	-	42,246,745
Loans and borrowings	31,378,304	963,244	76,778	32,418,326
Lease liabilities	1,128,673	14,400	-	1,143,073
Total undiscounted financial liabilities	74,753,722	977,644	76,778	75,808,144
31.12.2023				
Financial liabilities:				
Trade and other payables	193,305,622	-	-	193,305,622
Loans and borrowings	36,616,977	21,488,035	3,970,779	62,075,791
Lease liabilities	1,098,476	6,400	-	1,104,876
Total undiscounted financial liabilities	231,021,075	21,494,435	3,970,779	256,486,289

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(b) Liquidity Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amount. (Cont'd)

	On demand or within one year RM	One to five years RM	Total RM
Company			
31.12.2024			
Financial liabilities:			
Trade and other payables	302,644	-	302,644
Loans and borrowings	17,998,391	-	17,998,391
Lease liabilities	6,000	-	6,000
Total undiscounted financial liabilities	18,307,035	-	18,307,035
31.12.2023			
Financial liabilities:			
Trade and other payables	527,508	-	527,508
Loans and borrowings	20,135,848	20,135,848	40,271,696
Lease liabilities	6,000	6,000	12,000
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	553	-	553
Total undiscounted financial liabilities	20,669,909	20,141,848	40,811,757

* The fair value was Nil as the Company considered the financial guarantees to be performing, had low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to.

(c) Interest Rate Risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (31.12.2023: less than 6 months) from the reporting date.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(c) Interest Rate Risk (Cont'd)

Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit net of tax through the impact on interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	1.1.2024 to 31.12.2024		1.7.2022 to 31.12.2023	
	Interest rate	Effect on profit net of tax RM	Interest rate	Effect on profit net of tax RM
Ringgit Malaysia	+ 0.50%	(47,343)	+ 0.50%	(63,352)
Ringgit Malaysia	- 0.50%	47,343	- 0.50%	63,352
United States Dollar	+ 1.50%	(191,328)	+ 1.50%	(392,445)
United States Dollar	- 1.50%	191,328	- 1.50%	392,445

(d) Foreign Currency Risk

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

The Group has transactional currency exposures arising from sales or expenses that are denominated in a currency other than the respective functional currencies of the Group entities, primarily RM, United States Dollar ("USD"), Singapore Dollar ("SGD") and Mexican Peso ("MXN"). The major foreign currencies in which these transactions are denominated are RM, USD and SGD.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including The British Virgin Islands, Singapore and Mexico. These investments are not hedged as currency positions in USD, SGD and MXN are considered to be long-term in nature.

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in RM, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	31.12.2024		31.12.2023	
	USD/RM RM	SGD/RM RM	USD/RM RM	SGD/RM RM
Group				
Financial assets:				
Cash and cash equivalents	167,331,256	1,350,599	10,267,059	1,047,055
Investment securities	-	6,836,877	-	7,592,885
Short-term investments	761,813,365	-	131,082,972	-
Due from related companies	23,644,723	-	34,809,132	-
Trade receivables	7,280	-	7,467	-
Other receivables	9,657,628	-	9,904,706	109
	962,454,252	8,187,476	186,071,336	8,640,049

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(d) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in RM, which is one of the Group's entities functional currency as at the end of the reporting period was as follows: (Cont'd)

	31.12.2024		31.12.2023	
	USD/RM	SGD/RM	USD/RM	SGD/RM
	RM	RM	RM	RM
Group (Cont'd)				
Financial liabilities:				
Loans and borrowings	16,656,432	-	34,171,614	-
Due to related companies	22,556,520	1,491,982	-	-
Trade payables	1,482,509	358,542	-	-
	40,695,461	1,850,524	34,171,614	-
Currency exposure	921,758,791	6,336,952	151,899,722	8,640,049

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in SGD, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	31.12.2024		31.12.2023	
	USD/SGD	RM/SGD	USD/SGD	RM/SGD
	RM	RM	RM	RM
Group				
Financial assets:				
Cash and cash equivalents	25,663,149	964	36,349,322	764
Loan to subsidiary	3,576,208	-	14,691,922	-
Due from related companies	51,784,818	-	766,359,938	1,288
Other receivables	134,495	-	138,134	-
	81,158,670	964	817,539,316	2,052
Financial liabilities:				
Due to related companies	594,884	2,137,568	14,109,185	2,138,868
Other payables	67,197	33,993	69,015	33,993
	662,081	2,171,561	14,178,200	2,172,861
Currency exposure	80,496,589	(2,170,597)	803,361,116	(2,170,809)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(d) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in MXN, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	31.12.2024 USD/MXN RM	31.12.2023 USD/MXN RM
Group		
Financial assets:		
Cash and cash equivalents	234,889	321,608
Due from related companies	7,599,068	7,686,544
Other receivables	114,484	115,802
Currency exposure	7,948,441	8,123,954

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in USD, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	31.12.2024		31.12.2023	
	SGD/USD RM	RM/USD RM	SGD/USD RM	RM/USD RM
Group				
Financial assets:				
Cash and cash equivalents	2,900,843	612,071	872,289	935,094
Due from related companies	4,079,588	80,660	1,704,262	80,660
Other receivables	5,972	-	84,628	111,429
	6,986,403	692,731	2,661,179	1,127,183
Financial liabilities:				
Due to related companies	7,580,265	-	2,055,399	142,030
Trade payables	164	-	1,349,398	85,077
Other payables	-	34,927	2,089	225,075
	7,580,429	34,927	3,406,886	452,182
Currency exposure	(594,026)	657,804	(745,707)	675,001

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(d) Foreign Currency Risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, RM and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Increase/(Decrease) in Profit Net of Tax	
	Group	
	1.1.2024 to 31.12.2024 RM	**1.7.2022 to 31.12.2023 RM**
USD/RM		
- strengthened 4% (31.12.2023: 6%)	28,021,467	6,926,627
- weakened 4% (31.12.2023: 6%)	(28,021,467)	(6,926,627)
SGD/RM		
- strengthened 5% (31.12.2023: 5%)	240,804	328,322
- weakened 5% (31.12.2023: 5%)	(240,804)	(328,322)
SGD/USD		
- strengthened 1% (31.12.2023: 1%)	(4,515)	(5,667)
- weakened 1% (31.12.2023: 1%)	4,515	5,667
RM/USD		
- strengthened 4% (31.12.2023: 6%)	19,997	30,780
- weakened 4% (31.12.2023: 6%)	(19,997)	(30,780)
USD/SGD		
- strengthened 1% (31.12.2023: 1%)	611,774	6,105,544
- weakened 1% (31.12.2023: 1%)	(611,774)	(6,105,544)
RM/SGD		
- strengthened 5% (31.12.2023: 5%)	(82,483)	(82,491)
- weakened 5% (31.12.2023: 5%)	82,483	82,491
USD/MXN		
- strengthened 6% (31.12.2023: 6%)	362,449	370,452
- weakened 6% (31.12.2023: 6%)	(362,449)	(370,452)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(e) Classification of Financial Instruments

	Group RM	Company RM
31.12.2024		
Financial assets		
Mandatorily at fair value through profit or loss		
Investment securities (Note 20)	12,379,376	6,736,436
Short-term investments (Note 24)	774,368,147	767,997,038
	786,747,523	774,733,474
Amortised cost		
Trade and other receivables (Note 22)	101,005,428	67,639,886
Cash and bank balances (Note 25)	267,587,690	168,134,578
	368,593,118	235,774,464
Financial liabilities		
Amortised cost		
Loans and borrowings (Note 26)	30,943,049	16,656,432
Trade and other payables (Note 28)	42,246,745	302,644
	73,189,794	16,959,076
31.12.2023		
Financial assets		
Mandatorily at fair value through profit or loss		
Investment securities (Note 20)	12,550,574	7,664,581
Short-term investments (Note 24)	172,498,679	166,682,096
	185,049,253	174,346,677
Amortised cost		
Trade and other receivables (Note 22)	964,135,023	50,589,106
Cash and bank balances (Note 25)	170,077,069	10,786,586
	1,134,212,092	61,375,692
Financial liabilities		
Amortised cost		
Loans and borrowings (Note 26)	55,686,029	34,171,614
Trade and other payables (Note 28)	193,305,622	528,061
	248,991,651	34,699,675

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

38. Financial Risk Management Objectives and Policies (Cont'd)

(f) Gains or Losses Arising from Financial Instruments

	Group RM	Company RM
1.1.2024 to 31.12.2024		
Financial assets		
Fair value through profit or loss		
Net gains recognised in profit or loss by mandatorily required by accounting standard	8,923,952	7,713,599
Amortised cost		
Net (losses)/gains recognised in profit or loss	(64,226,925)	20,951,970
Financial liabilities		
Amortised cost		
Net gains/(losses) recognised in profit or loss	144,706,639	(2,130,671)
1.7.2022 to 31.12.2023		
Financial assets		
Fair value through profit or loss		
Net gains recognised in profit or loss by mandatorily required by accounting standard	2,176,358	1,403,060
Amortised cost		
Net (losses)/gains recognised in profit or loss	(16,660,221)	192,746,209
Financial liabilities		
Amortised cost		
Net losses recognised in profit or loss	(29,303,375)	(22,099,210)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

39. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2024 and period ended 31 December 2023.

The Group monitors capital using a gearing ratio, which is total loans and borrowings divided by equity attributable to equity owners of the Company. The Group's policy is to maintain the gearing ratio at manageable level.

The calculations of the Group's gearing ratios are as follows:

		Group	
	Note	**31.12.2024 RM**	**31.12.2023 RM**
Loans and borrowings	26	30,943,049	55,686,029
Equity attributable to owners of the Company		1,782,815,787	1,734,508,161
Gearing ratio		0.02	0.03

There was no change in the Group's approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants, failing which, the bank may call an event of default. The Group has complied with this requirement.

40. Segment Information

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Chairman of the Group as its chief operating decision maker in order to allocate resources to segments and to assess their performance regularly. For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(a)	Gas processing	- Provision of onshore gas conditioning and jack-up gas compression services.
(b)	Vessels manufacturing and repairing services	- Fabrication and sale of offshore support and marine transportation vessels, and provision of ship repairs and maintenance services.
(c)	Vessels chartering and equipment hire	- Provision of vessels transportation and equipment hiring services.
(d)	Hospitality	- Development of an overwater bungalow resort.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respect as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

40. Segment Information (Cont'd)

	Gas processing services RM	Vessels manufacturing and repairing services RM	Vessels chartering and equipment hire RM	Hospitality RM	Adjustments and elimination RM	Notes	Per consolidated financial statements RM
31.12.2024							
Revenue:							
External customers	-	23,821,583	53,942,279	-	-		77,763,862
Inter-segment	912,707	1,113,684	2,830,612	-	(4,857,003)	A	-
Total revenue	912,707	24,935,267	56,772,891	-	(4,857,003)		77,763,862
Represented by:							
Revenue recognised over time							
- Vessels repairing services	-	25,589,049	-	-	(1,767,466)		23,821,583
- Vessels chartering services	-	-	53,942,279	-	-		53,942,279
	-	25,589,049	53,942,279	-	(1,767,466)		77,763,862
Results:							
Interest income	82,304,955	214,758	5,235,451	2,112	256,442		88,013,718
Depreciation	23,133,203	2,851,150	8,100,650	576,757	10,883		34,672,643
Other non-cash expenses	173,224,394	1,352,713	2,296,428	-	426,819	B	177,300,354
Share of profit of joint venture	68,713,983	-	-	-	-		68,713,983
Segment (loss)/ profit	(24,187,637)	150,023,048	69,781,560	(714,445)	(11,176,267)	C	183,726,259
Assets:							
Additions to non-current assets	38,408	384,312	4,188	1,015,348	25,791	D	1,468,047
Segment assets	551,190,144	174,455,782	167,375,727	38,136,850	949,247,818	E	1,880,406,321
Segment liabilities	3,835,894	31,398,350	6,674,440	19,874	37,047,182	F	78,975,740

40. Segment Information (Cont'd)

	Gas processing services RM	Vessels manufacturing and repairing services RM	Vessels chartering and equipment hire RM	Adjustments and elimination RM	Notes	Per consolidated financial statements RM
31.12.2023						
Revenue:						
External customers	221,719,695	4,359,822	107,556,053	-		333,635,570
Inter-segment	4,412,637	6,815,269	303,597	(11,531,503)	A	-
Total revenue	226,132,332	11,175,091	107,859,650	(11,531,503)		333,635,570
Represented by:						
Revenue recognised over time						
- Offshore asset chartering services	221,719,695	-	-	-		221,719,695
- Vessels repairing services	-	11,669,544	-	(7,309,722)		4,359,822
- Vessels chartering services	-	-	115,030,249	(7,474,196)		107,556,053
	221,719,695	11,669,544	115,030,249	(14,783,918)		333,635,570
Results:						
Interest income	163,255,837	204,065	3,413,748	1,713,735		168,587,385
Depreciation	103,256,477	5,257,224	28,945,143	20,652		137,479,496
Other non-cash expenses	372,852,927	2,129,361	1,781,713	8,444,492	B	385,208,493
Share of profit of joint venture	274,794,573	-	-	-		274,794,573
Segment profit	210,632,385	299,766	153,560,709	16,351,943	C	380,844,803
Assets:						
Additions to non-current assets	1,535,117	323,398	104,093	13,570	D	1,976,178
Segment assets	1,482,275,359	73,703,794	265,832,254	187,363,666	E	2,009,175,073
Segment liabilities	6,074,225	185,108,723	8,336,028	60,913,975	F	260,432,951

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

40. Segment Information (Cont'd)

Notes Nature of adjustments and eliminations to arrive at amount reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Impairment loss on receivables	8	155,359,806	185,524,898
Fair value loss on investment securities	10	422,524	301,116
Fair value loss on short-term investments	10	105,632	-
Impairment loss on plant and equipment	10	20,033,910	-
Inventories written down	10	-	2,056,489
Plant and equipment written off	10	1,537	6,421
Unrealised loss on foreign exchange	10	1,376,945	41,996,922
Loss on disposal of effective interest in joint venture		-	155,322,647
		177,300,354	385,208,493

C The following items are deducted from segment (loss)/profit to arrive at "Profit before tax" presented in the consolidated statement of profit or loss:

	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Finance costs	(3,156,993)	(36,660,802)
Unallocated corporate (expenses)/income	(8,019,274)	53,012,745
	(11,176,267)	16,351,943

D Additions to non-current assets consist of:

Property, plant and equipment	1,468,047	1,900,343
Right-of-use assets	-	75,835
	1,468,047	1,976,178

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	31.12.2024 RM	31.12.2023 RM
Tax recoverable	3,676,674	1,780,244
Unallocated corporate assets	945,571,144	185,583,422
	949,247,818	187,363,666

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

40. Segment Information (Cont'd)

Notes Nature of adjustments and eliminations to arrive at amount reported in the consolidated financial statements (Cont'd)

F The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	31.12.2024 RM	31.12.2023 RM
Deferred tax liabilities	2,080,001	2,129,375
Income tax payable	2,580,988	1,469,054
Loans and borrowings	30,943,049	55,686,029
Lease liabilities	1,123,963	1,085,000
Unallocated corporate liabilities	319,181	544,517
	37,047,182	60,913,975

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Malaysia	28,523,841	19,646,211	89,999,579	80,509,221
Mexico	-	221,719,695	211,978,470	260,532,838
Saudi Arabia	48,416,377	85,842,564	38,252,535	44,292,547
Others	823,644	6,427,100	2,350,740	23,806,812
	77,763,862	333,635,570	342,581,324	409,141,418

The information on the disaggregation of revenue based on geographical location is summarised below:

	Over time	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Malaysia	28,523,841	19,646,211
Mexico	-	221,719,695
Saudi Arabia	48,416,377	85,842,564
Others	823,644	6,427,100
	77,763,862	333,635,570

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

40. Segment Information (Cont'd)

Geographical information (Cont'd)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	31.12.2024 RM	31.12.2023 RM
Property, plant and equipment	306,673,391	398,300,241
Right-of-use assets	32,873,034	7,724,254
Investment properties	3,034,899	3,116,923
	342,581,324	409,141,418

Information about major customers

There are two (31.12.2023: two) major customers from the vessels repairing and vessels chartering segment that contributed more than 10% to the Group's revenue.

41. Significant Events During The Financial Year

(a) On 17 January 2024, the Company had incorporated a wholly-owned subsidiary under Companies Act 2016 of Malaysia known as Coastal Hospitality Holdings Sdn. Bhd. ("CHH"). CHH is a private company limited by shares. The issued and paid-up ordinary share capital of CHH as of date of incorporation was RM3,000. The intended principal activity of CHH is investment holding.

(b) Coastal Hospitality Holdings Sdn. Bhd. ("CHH"), a wholly-owned subsidiary of the Company had on 29 February 2024 entered into a Share Sale Agreement and on 12 March 2024 entered into a Shareholders Agreement (collectively known as "Transaction Documents"). Under the Transaction Documents, CHH shall acquire 100,000 shares in Jewel of Mabul Development Sdn. Bhd. ("JOMD") from Richard Christopher Barnes ("Seller") and subscribe another 1,722,222 ordinary shares in JOMD. Upon the completion of the share transfer and share subscription, CHH shall hold 82% equity interest in JOMD. The Conditions Precedent for Seller under the Transaction Documents was successfully fulfilled and satisfied by CHH on 14 March 2024.

(c) On 21 August 2024, the Company had incorporated a wholly-owned subsidiary under Companies Act 2016 of Malaysia known as Coastal Power Holdings Sdn. Bhd. ("CPH"). CPH is a private company limited by shares. The issued and paid-up ordinary share capital of CPH is RM5,000. The intended principal activity of CPH is investment holding.

(d) On 23 August 2024, CPH had incorporated a wholly-owned subsidiary under Companies Act 2016 of Malaysia known as Coastal Solar Sdn. Bhd. ("CS"). CS is a private company limited by shares. The issued and paid-up ordinary share capital of CS is RM5,000. The intended principal activity of CS is to own and operate renewable energy assets.

(e) On 27 August 2024, the Company had incorporated a wholly-owned subsidiary in the British Virgin Islands known as Coastal Offshore Marine Inc. ("COM"). The issued and paid-up capital of COM is USD50,000. It is a company limited by shares and is registered under the BVI Business Companies Act 2004, Territory of the British Virgin Islands. The principal activity of COM is sale of offshore support and marine transportation vessels.

(f) The Company's wholly-owned subsidiaries, Coastal Solar Sdn. Bhd. and Pleasant Engineering Sdn. Bhd. in collaboration with Bina HT Sdn. Bhd. (collectively known as "the Parties") as a consortium (the "Consortium") had on 21 December 2024 received a Letter of Notification on Acceptance of Offer ("LON") issued by Energy of Commission Sabah ("ECoS"). The LON was to notify that the Consortium's proposal to develop a Large–Scale Solar PV Plant of 15.00 MWa.c. at East Coast of Sabah has been approved by Majlis Tenaga Sabah subject to the full compliance and acceptance of the terms and conditions outlined in the LON.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2024 (cont'd.)

42. Event Occurring After The Reporting Period

On 6 January 2025, Coastal Drilling Pte. Ltd. ("CD"), a wholly-owned subsidiary of the Company, had incorporated a 60%-owned subsidiary under Companies Act (Cap 50) in Singapore known as Coastal Watt Energy Pte. Ltd. ("CWE"). CWE is a private company limited by shares. The issued and paid-up capital of CWE is SGD100,000 comprising of 100,000 ordinary shares. The intended principal activity of CWE is investment holding.

The incorporation of CWE is part of the proposed collaboration between CD and Hongkong Watt Energy Tec Co., Ltd, ("HWET") in capitalising opportunities in the renewable energy industry. The Parties has on 7 January 2025 entered into a Shareholders' Agreement, which regulated the governance, as well as the terms and conditions for the proposed collaboration.

43. Authorisation of Financial Statements for Issue

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 25 April 2025.

44. Comparative Figures

The Company had changed its financial year end from 30 June to 31 December effective from the previous reporting period. Consequently, the comparative figures are for the previous 18 months period from 1 July 2022 to 31 December 2023. The current financial statements are for a period of 12 months from 1 January 2024. Due to the change in the financial year end, the amounts presented in the financial statements are not entirely comparable.

List of Properties in the Group

Property/ Location address	Age of buildings	Tenure/ Expiry date	Description/ existing use	Land Area/ Built-up area	Date of purchase	Valuation date	Net book value (31.12.2024) (RM)
CL 075512168 Off Mile 9, Sungai Seguntor, Labuk Road, Sandakan, Sabah.	20 to 37years	Leasehold / 31.12.2073	Shipbuilding & Repairs Facility	17.66 acres/ 76,348.43 sq ft	24.04.1990	11.05.2001	3,140,453
1/50 undivided share of TL077508886 Lot 4A, 4th Floor, Wisma Wemin, Mile 1 1/2, Leila Road, Sandakan, Sabah.	38 years since 1987	Leasehold / 15.12.2910	1 unit residential flat	1.027 acres / 900 sq ft	14.12.1995	11.05.2001	17,124
1/2 undivided share of TL077534313 Lot 3A, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	41 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	06.08.1997	11.05.2001	97,994
1/2 undivided share of TL077534313 Lot 3B, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	41 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	06.08.1988	11.05.2001	92,907
1/2 undivided share of TL077534304 Lot 4A, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	41 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	20.04.1991	11.05.2001	94,134
CL 075360673 CL 075360664 CL 075360655 CL 075366022 CL 075366013 CL 075366004 CL 075448930 CL 075448921 Mile 8, Jalan Datuk Tay, Off Jalan Lintas Sibuga, Sandakan, Sabah.	15 to 18 years	Leasehold / 31.12.2073 31.12.2073 31.12.2073 31.12.2073 31.12.2078 31.12.2078 31.12.2088 31.12.2088	Shipbuilding & Repairs Facility	2.07 acres 1.80 acres 1.99 acres 6.30 acres 12.83 acres 11.38 acres 8.00 acres 8.00 acres	06.08.2004	22.03.2006	7,868,872
CL 075360397 CL 075360404 Mile 8, Jalan Datuk Tay, Off Jalan Lintas Sibuga, Sandakan, Sabah.	N/A	Leasehold / 31.12.2071 31.12.2071	Vacant Land	2.23 acres 2.17 acres	26.02.2007	N/A	83,562

List of Properties in the Group (cont'd.)

Property/ Location address	Age of buildings	Tenure/ Expiry date	Description/ existing use	Land Area/ Built-up area	Date of purchase	Valuation date	Net book value (31.12.2024) (RM)
CL 075350855 CL 075350864 CL 075350882 CL 075359652 Mile 9, Church Road, Off Jalan Labuk, Jalan Seguntur, Sandakan, Sabah.	16 years	Leasehold / 31.12.2073 31.12.2073 31.12.2073 31.12.2078	Shipbuilding & Repairs Facility	2.36 acres 2.83 acres 10.65 acres 6.20 acres	22.12.2008	N/A	1,275,682
CL 075366031 Sungai Seguntor, Sandakan, Sabah.	14 years	Leasehold / 31.12.2077	Shipbuilding & Repairs Facility	6.31 acres	18.05.2010	N/A	1,058,462
1/2 undivided share of TL077534322 Lot 2B, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	41 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	06.06.2011	N/A	138,383
7/206 undivided share of CL075495340 Lot SO197 - SO203, Block A, One Avenue, Phase 8, Bandar Utama, Mile 6, Jalan Utara, Sandakan, Sabah.	13 years	Leasehold / 31.12.2081	7 units double storey shop office	1,475.60 sq m	17.12.2007	N/A	3,034,899
CL 125340418 Pulau Mabul, Semporna, Sabah.	N/A	Leasehold / 31.12.2067	Held for development	31.15 hectares	13.03.2024	13.03.2024	37,073,063
NT 123035754 Kg. Pakalangan, Semporna, Sabah.	N/A	Freehold / N/A	Held for development	3.477 hectares	09.07.2024	N/A	1,000,000

Analysis of Shareholdings
As at 24 March 2025

Statistics on Ordinary Shareholdings as at 24 March 2025

Total Number of Issued Shares Including Treasury Shares	558,015,201 Ordinary Shares
Type of Shares	Ordinary Shares
Voting Rights	One vote per Ordinary Share
No. of Treasury Shares Held	14,894,200 Ordinary Shares

Analysis of Shareholdings

Size of Shareholdings	No. of Shareholders	No. of Shares	% of Issued Share
Less than 100	249	9,902	0.00
100 to 1,000	826	419,905	0.08
1,001 to 10,000	1,928	9,189,785	1.69
10,001 to 100,000	896	27,775,519	5.11
100,001 to less than 5% of issued shares	162	270,691,698	49.84
5% and above of issued shares	4	235,034,192	43.28
Total	4,065	543,121,001	100.00

List of Thirty Largest Securities Accounts Holders

No.	Name	No. of Shares	%
1.	IVORY ASIA SDN. BHD.	84,746,660	15.60
2.	IVORY ASIA SDN. BHD.	66,666,666	12.28
3.	HSBC NOMINEES (ASING) SDN BHD QUINTET LUXEMBOURG FOR SAMARANG UCITS-SAMARANG ASIAN PROSPERITY	50,754,200	9.35
4.	PANG FONG THAU	32,866,666	6.05
5.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG CHIN KOK (B TINGGI-CL)	24,353,254	4.48
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG CHIN SHIN	24,291,320	4.47
7.	ONG SENG HENG	23,945,100	4.41
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG CHIN KEUAN	23,916,287	4.40
9.	PANG FONG THAU	23,006,200	4.24
10.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG CHIN HENG (KKINABALU-CL)	18,971,500	3.49
11.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	13,010,900	2.40
12.	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	12,132,700	2.23
13.	PANG FONG THAU	10,609,509	1.95
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF) (446190)	9,000,000	1.66
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	6,576,600	1.21
16.	NG CHIN HENG	6,375,201	1.17
17.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR RICKOH CORPORATION SDN BHD (MY0507)	4,157,700	0.77
18.	SUSY DING	3,768,500	0.69
19.	NG CHIN HENG	3,733,333	0.69
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI SIAK HWEE (7001913)	3,669,800	0.68

Analysis of Shareholdings (cont'd.)
As at 24 March 2025

List of Thirty Largest Securities Accounts Holders (Cont'd)

No.	Name	No. of Shares	%
21.	NG CHIN HENG	3,666,666	0.68
22.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)	2,195,000	0.40
23.	LEE SEE JIN	2,087,300	0.38
24.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIOW MING YEW (KKINABALU-CL)	2,070,600	0.38
25.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	1,935,600	0.36
26.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	1,750,000	0.32
27.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,732,973	0.32
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MEDICAL FUND (IFM KAF) (451154)	1,550,000	0.29
29.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ALICE NG (KKINABALU-CL)	1,277,266	0.24
30.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YOONG KAH YIN (PB)	1,275,000	0.24

Substantial Shareholders

No.	Name	No. of Shares Held		% of Issued Share	
		Direct	Indirect	Direct	Indirect
1.	IVORY ASIA SDN. BHD.	151,413,326	-	27.88	-
2.	PANG FONG THAU	66,482,375	[a]184,160,026	12.24	33.91
3.	SAMARANG UCITS– SAMARANG ASIAN PROSPERITY	50,754,200	-	9.34	-
4.	NG CHIN HENG	32,746,700	[b]217,895,701	6.03	40.12

Directors' Shareholdings

No.	Name	No. of Shares Held		% of Issued Share	
		Direct	Indirect	Direct	Indirect
1.	NG CHIN HENG	32,746,700	[c]218,292,634	6.03	40.19
2.	NG CHIN SHIN	24,291,320	-	4.47	-
3.	ALICE NG	1,277,266	-	0.24	-
4.	HJ. IR. INTIZAM BIN AYUB	80,000	-	0.01	-
5.	JACOB O PANG SU YIN	-	-	-	-
6.	SEETO YEE @ SEETO TIN YEE	-	-	-	-

[a] Deemed interests by virtue of shareholdings of husband, Mr. Ng Chin Heng and Ivory Asia Sdn. Bhd. in the Company.
[b] Deemed interests by virtue of shareholdings of wife, Madam Pang Fong Thau and Ivory Asia Sdn. Bhd. in the Company.
[c] Deemed interests by virtue of shareholdings of wife, Madam Pang Fong Thau, shareholdings of son, Mr. Ng San Chen, shareholdings of daughter, Madam Ng San Yin and Ivory Asia Sdn. Bhd. in the Company.

This page has been intentionally left blank.

COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)
(Incorporated in Malaysia)

CDS Account No.

FORM OF PROXY

I/We, ... NRIC/Company No. .....

of .....

being a Member/Members of COASTAL CONTRACTS BHD., hereby appoint .....

NRIC/Passport No. ..... of .....

or failing him/her ..... NRIC/Passport No. .....

of ..... or failing him/her,

THE CHAIRMAN OF THE MEETING as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah on Thursday, 19 June 2025 at 10:00 am or at any adjournment thereof and to vote as indicated below:-

No.	Resolutions	For	Against
1.	To approve the payment of fees and benefits to Non-Executive Directors.		
2.	To re-elect Mr Ng Chin Shin as Director.		
3.	To re-elect Hj. Ir. Intizam Bin Ayub as Director.		
4.	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
5.	Proposed retention of Mr Jacob O Pang Su Yin as an Independent Non-Executive Director.		
6.	Proposed retention of Hj. Ir. Intizam Bin Ayub as an Independent Non-Executive Director.		
7.	Authority to issue shares pursuant to the Companies Act 2016.		
8.	Proposed Renewal of Share Buy-Back Authority.		

Please indicate with an "X" in the space provided for each resolution. Unless voting instructions are indicated in the space above, the proxy will vote or abstain as he/she thinks fit and if no name is inserted in the space for the name of proxy, the Chairman of the Meeting will act as proxy.

Signed this ..... day of 2025

No. of ordinary shares held

Percentage of shareholdings to be represented by proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
Total		100%

.....
Signature/common seal of Member(s)

Notes:

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate, speak and vote instead of him and that a proxy need not be a member of the Company.

(b) For the purpose of determining member's eligibility to attend this Meeting, only member whose name appears in the Record of Depositors as at 12 June 2025 shall be entitled to attend this Meeting or appoint proxy(ies) to attend and/or vote on his behalf.

(c) A member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint not more than 2 proxies to attend and vote in his stead at the Meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy, failing which, the appointment shall be invalid.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at this meeting at which the appointor is entitled to vote.

(f) The instrument appointing a proxy shall be left at the Registered Office of the Company at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah, or received at the electronic address at ir@coastalcontracts.com, at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which it is to be used, and in default shall not be treated as valid.

(g) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

FOLD THIS FLAP FOR SEALING

FOLD HERE

STAMP

Coastal Contracts Bhd.
Registration No. 200001015043 (517649-A)

Block G, Lot 3B, Bandar Leila
W.D.T. 259, 90009 Sandakan, Sabah

FOLD HERE

Coastal Contracts Bhd. Registration No. 200001015043 (517649-A)

Block G, Lot 3B, Bandar Leila, W.D.T. 259, 90009 Sandakan, Sabah, Malaysia.

T : +60 89 616263
F : +60 89 616654
E : mail@coastalcontracts.com

www.coastalcontracts.com