THIS DOCUMENT HAS NOT BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE INFORMATION IN THIS DOCUMENT MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY THE SC. UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE THE SECURITIES.

PROSPECTUS

ORKIM

ORKIM BERHAD

(Registration No. 200701009090 (767092-X))

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

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 400,000,000 ORDINARY SHARES IN ORKIM BERHAD ("ORKIM" OR THE "COMPANY") ("IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ORDINARY SHARES IN ORKIM ("SHARES") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 300,000,000 EXISTING SHARES ("OFFER SHARES") AND A PUBLIC ISSUE OF 100,000,000 NEW SHARES ("ISSUE SHARES") INVOLVING:

(I) INSTITUTIONAL OFFERING OF UP TO 372,000,000 IPO SHARES TO MALAYSIAN INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOK BUILDING ("INSTITUTIONAL PRICE"); AND

(II) RETAIL OFFERING OF 28,000,000 ISSUE SHARES TO THE DIRECTORS AND ELIGIBLE EMPLOYEES OF ORKIM AND ITS SUBSIDIARIES ("GROUP") AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM[•] PER ISSUE SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AND THE OVER-ALLOTMENT OPTION (AS DEFINED HEREIN). THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF THE RETAIL PRICE OR THE INSTITUTIONAL PRICE.

Principal Adviser, Joint Bookrunner, Managing Underwriter and Joint Underwriter

CIMB

CIMB INVESTMENT BANK BERHAD
Registration No. 197401001266 (18417-M)

Joint Bookrunner and Joint Underwriter

RHB Investment

RHB INVESTMENT BANK BERHAD
Registration No. 197401002639 (19663-P)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

[THE SC HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007.]

[THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC]. THE APPROVAL OF THE IPO, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS THAT YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" SET OUT IN SECTION 5 OF THIS PROSPECTUS.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED [•]

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", "Definitions", and "Glossary of Technical Terms" commencing on pages vii, xii and xxi respectively.

RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and the Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, being the Principal Adviser, Joint Bookrunner for the Institutional Offering, Managing Underwriter and Joint Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of RHB IB in our IPO is limited to being the Joint Bookrunner for the Institutional Offering and Joint Underwriter for the Retail Offering.

STATEMENTS OF DISCLAIMER

[Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.]

[This Prospectus, together with the Application Forms, have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.]

You should rely on your own evaluation to assess the merits and risks of your investment in our Shares. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

OTHER STATEMENTS

Investors should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

[Our Shares are classified as Shariah-compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.]

Investors should not take the agreement by the Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and it has not been and will not be lodged, registered or approved under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares are being offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, the Promoters, the Selling Shareholder, the Principal Adviser, Joint Bookrunners, Managing Underwriter and Joint Underwriters have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, our Promoters, the Selling Shareholder, the Principal Adviser, Joint Bookrunners, Managing Underwriter and Joint Underwriters or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of our Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves accordingly and to observe applicable restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in such connection.

It will be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO, which is undertaken in Malaysia and subject to the laws of Malaysia, and will not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subject. It will also be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither we nor our Promoters, the Selling Shareholder, the Principal Adviser, Joint Bookrunners, Managing Underwriter and Joint Underwriters nor any other advisers in relation to our IPO will accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

However, we reserve the right in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus [registered] with the SC are the same.

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions or Participating Securities Firms. These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you doubt of the validity or integrity of the Electronic Prospectus, you should immediately request a paper/printed copy of this Prospectus from us or the Issuing House. If there is any discrepancy between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reasons whatsoever, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

(i) we do not endorse and are not affiliated in any way with the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of, or the contents or any data, information, file or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;

(ii) we are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of your agreements with the Third-Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, file or other material provided by the Third-Party Internet Sites; and

(iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions or Participating Securities Firms, you are advised that:

(i) the Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institutions or Participating Securities Firms which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions or Participating Securities Firms are not responsible for the integrity of the contents of the Electronic Prospectus, which has been obtained from the web servers of the Internet Participating Financial Institutions or Participating Securities Firms and subsequently communicated or disseminated in any manner to you or other parties;

(ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and

(iii) the Internet Participating Financial Institutions or Participating Securities Firms are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions or Participating Securities Firms, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	**Time and/or Date**
Opening of the Institutional Offering[1]	[•]
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., [•]
Closing of the Retail Offering	5:00 p.m., [•]
Closing of the Institutional Offering	[•]
Price Determination Date	[•]
Balloting of applications for our Issue Shares under the Retail Offering	[•]
Allotment/Transfer of our IPO Shares to successful applicants	[•]
Listing	[•]

Note:

*(1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition of our IPO Shares by the Cornerstone Investors was entered into on **[●]**.*

In the event there are any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement on the website of Bursa Securities.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" or "Orkim" are to Orkim Berhad. All references to "Orkim Group" or "our Group" are to our Company and our subsidiaries taken as a whole. All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, our Group.

All references to "Selling Shareholder" are to TKSB.

All references to "Promoters" are to ECSB and TKSB.

All references to "you" are to our prospective investors.

Certain amounts and percentage figures included in this Prospectus have been subjected to rounding adjustments. Any discrepancies in the tables or charts between the amounts listed and the totals in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the "Definitions" section and technical terms used in this Prospectus are defined in the "Glossary of Technical Terms" section. Words denoting the singular will, where applicable include the plural and *vice versa* and words denoting the masculine gender will, where applicable, include the feminine and/or neuter gender and *vice versa*. Reference to persons will, where applicable, include companies and corporations.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall *(where the context admits)*, be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of the stock exchange *(as the case may be)* as modified by any written law or *(if applicable)* amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force and unless otherwise specified, is a reference to an enactment by Malaysia.

Any reference to a time or date shall be a reference to a time or date in Malaysia, unless otherwise stated.

Any references to the "LPD" in this Prospectus are to 30 June 2025, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website, directly or indirectly, linked to our website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. This data is taken or derived from information published by industry sources and from our internal data. In each of such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report as included in Section 8 of this Prospectus. We have appointed Vital Factor to provide an independent market and industry review. In compiling its data for the review, Vital Factor had relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

For the purpose of this Prospectus, EBITDA is calculated as our profit before tax for the financial year plus finance costs and depreciation and amortisation, less finance income. Adjusted EBITDA is calculated as EBITDA plus loss on disposal of PPE, less gain on disposal of PPE.

EBITDA, Adjusted EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS or MFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the IFRS or MFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA and Adjusted EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA and Adjusted EBITDA have been presented because we believe that these supplemental measures are frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA and Adjusted EBITDA are presented as supplemental measures of our ability to service debt. Nevertheless, EBITDA and Adjusted EBITDA have limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA and Adjusted EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies and prospects are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminologies such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

(i) the general industry environment, including the demand for our services, trends and competitive position;

(ii) our business strategies and potential growth opportunities;

(iii) our future plans and objectives;

(iv) our future financial position, earnings, cash flows and liquidity; and

(v) regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

(i) finance costs, interest rates, tax rates and foreign exchange rates;

(ii) shortages in skilled workers;

(iii) future regulatory or government policy changes;

(iv) competitive environment of the industry in which we operate;

(v) reliance on licences, permits and approvals;

(vi) continued availability of capital and financing;

(vii) fixed or contingent obligations and commitments;

(viii) changes in accounting standards and policies; and

(ix) other factors beyond our control.

Factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on “Risk Factors” and Section 12.2 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we will further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) (Supplementary and Replacement Prospectus) of the Prospectus Guidelines issued by the SC.

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DEFINITIONS

The following terms shall apply throughout this Prospectus unless the term is defined otherwise or the context requires otherwise:

General

ABS	:	American Bureau of Shipping
ACCA	:	Association of Chartered Certified Accountants
Act	:	Companies Act, 2016
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AGM	:	Annual general meeting
Application	:	Application for our Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form(s)	:	Application form(s) for the application for our Issue Shares accompanying this Prospectus
ART	:	AmanahRaya Trustees Berhad
ATM	:	Automated teller machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application in respect of the payment for our Issue Shares
BHPetrol	:	Boustead Petroleum Marketing Sdn Bhd
Board	:	Board of Directors of our Company
Bumiputera	:	In the context of: (i) individuals – Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies – a company which fulfils, amongst others, the following criteria or such other criteria as may be imposed by the MITI: (a) registered under the Act or the Companies Act, 1965 as a private company; (b) its shareholders are 100.0% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and (iii) cooperatives – a cooperative whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad

BWM Convention	:	International Convention for the Control and Management of Ships' Ballast Water and Sediments
CDS	:	Central Depository System
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
CIMB or Principal Adviser	:	CIMB Investment Bank Berhad
ClassNK	:	Nippon Kaiji Kyokai
CMSA	:	Capital Markets and Services Act, 2007
Constitution	:	Constitution of our Company
Cornerstone Investors	:	Collectively, [•]
COVID-19	:	Coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019 and has been declared as pandemic affecting many countries globally by the World Health Organization
Depositor	:	A holder of a Securities Account
Director(s)	:	A member of the Board and has the meaning given in Section 2 of the Act
DOSH	:	Department of Occupational Safety and Health
E-Cap 2	:	E-Cap (Internal) Two Sdn Bhd
E-Cap 4	:	E-Cap (Internal) Four Sdn Bhd
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
ECSB	:	Ekuinas Capital Sdn Bhd
Ekuinas Group	:	Collectively, Ekuiti Nasional Berhad, ECSB and its subsidiaries and associates
Electronic Prospectus	:	An electronic copy of this Prospectus that has been registered by the SC, which is being issued, circulated, distributed, stored or hosted on digital platforms. This includes, but is not limited to, website, mobile application, email, compact disc, thumb drive and cloud-based storage
Electronic Share Application	:	Application for our Issue Shares through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, our Directors, employees of our Group and persons who have contributed to the success of our Group, who are eligible to participate in the Retail Offering
ENSB	:	Exabytes Network Sdn Bhd

EPS	:	Earnings per share
EQA	:	Environmental Quality Act, 1974
Equity Guidelines	:	Equity Guidelines issued by the SC
ESG	:	Environmental, social and governance
EY	:	Ernst and Young PLT, our auditors and reporting accountants
Final Retail Price	:	Final price per IPO Share to be paid by the investors under the Retail Offering, being the lower of the Retail Price or the Institutional Price, to be determined on the Price Determination Date
Financial Years under Review	:	Collectively, the FYE 2022, the FYE 2023 and the FYE 2024
FYE	:	Financial year ended 31 December, or where the context otherwise requires, financial year ending
Government	:	Government of Malaysia
GP	:	Gross profit
HSSE	:	Health, Safety, Security and Environment
ICS	:	International Chamber of Shipping
IFRS	:	IFRS Accounting Standards issued by the International Accounting Standards Board
IMO	:	International Marime Organisation
IMR Report	:	Independent market research report dated 17 July 2025 prepared by Vital Factor
Institutional Offering	:	Institutional offering of up to 372,000,000 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions to Malaysian institutional and selected investors, including Bumiputera investors approved by the MITI
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering, which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application
Internet Share Application	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions or Participating Securities Firms
IPO	:	Initial public offering of up to 400,000,000 Shares comprising the Offer for Sale and the Public Issue
IPO Shares	:	Collectively, the Issue Shares and the Offer Shares
IRB	:	Inland Revenue Board of Malaysia

ISGOTT	:	International Safety Guide for Oil Tankers and Terminals
Issue Shares	:	New Shares to be issued by our Company under the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd
ITA	:	Income Tax Act, 1967 of Malaysia
Joint Bookrunners	:	Collectively, CIMB and RHB IB
Joint Underwriters	:	Collectively, CIMB and RHB IB
Key Senior Management	:	Key senior management of our Group, whose profiles are set out in Section 9.3.2 of this Prospectus
KPDN	:	Ministry of Domestic Trade and Cost of Living of Malaysia
Listing	:	Admission to the Official List and the listing of and quotation for the entire enlarged issued share capital of our Company on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Lock-up Agreement	:	Lock-up agreement dated [●] between [●] and [●] as detailed in Section 4.8.3 of this Prospectus
LPD	:	30 June 2025, being the latest practicable date prior to the registration of this Prospectus with the SC
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Managing Underwriter	:	CIMB
Market Day	:	A day on which Bursa Securities is open for trading in securities
MARPOL	:	International Convention for the Prevention of Pollution from Ships, 1973
Master Cornerstone Placement Agreement	:	Master cornerstone placement agreement dated [●] between our Company, the Selling Shareholder, the Joint Bookrunners and the Cornerstone Investors as detailed in Section [●] of this Prospectus
MCCG	:	Malaysian Code on Corporate Governance
MCO	:	Movement control order implemented under the Prevention and Control of Infectious Disease Act, 1988 and the Police Act, 1967 as a preventive measure to curb the spread of COVID-19 in Malaysia
MD&A	:	Management discussion and analysis
MDM	:	Marine Department of Malaysia
MFRS	:	MFRS Accounting Standards issued by the Malaysian Accounting Standards Board
MIA	:	Malaysian Institute of Accountants

MITI	:	Ministry of Investment, Trade and Industry of Malaysia
MSO	:	Merchant Shipping Ordinance, 1952
MyIPO	:	Intellectual Property Corporation of Malaysia
NA	:	Net assets
NBV	:	Net book value
NGL	:	Nippon Gas Line Co Ltd
Offer for Sale	:	Offer for sale of up to 300,000,000 Offer Shares by our Selling Shareholder, subject to the terms and conditions of this Prospectus
Offer Shares	:	Existing Shares to be offered by the Selling Shareholder pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities
Orkim or Company	:	Orkim Berhad
Orkim Group or Group	:	Collectively, Orkim and its subsidiaries
Orkim Shares or Shares	:	Ordinary shares in Orkim
OSHA	:	Occupational Safety and Health Act, 1994
Over-allotment Option	:	The over-allotment option granted by the Over-allotment Provider
Over-allotment Option Provider	:	PNB
Participating Financial Institutions	:	Participating financial institutions for the Electronic Share Application
Participating Securities Firms	:	Participating securities firms for the Internet Share Application
PAT	:	Profit after taxation
PATAMI	:	Profit after taxation and minority interest
PBT	:	Profit before taxation
PDA	:	Petroleum Development Act, 1974
PDB	:	PETRONAS Dagangan Berhad, a majority-owned subsidiary of PETRONAS
PE Multiple	:	Price-to-earnings multiple
PETCO	:	Petco Trading Labuan Company Limited, an indirectly wholly-owned subsidiary of PETRONAS

Petron Fuel International	:	Petron Fuel International Sdn Bhd
Petron Group	:	Collectively, Petron Fuel International and Petron Malaysia
Petron Malaysia	:	Petron Malaysia Refining & Marketing Berhad
PETRONAS	:	Petroliam Nasional Berhad
PETRONAS Group	:	Collectively, PETCO and PDB
Pink Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Eligible Persons accompanying this Prospectus
Pink Form Allocation	:	The allocation of 8,000,000 Issue Shares to the Eligible Persons under the Retail Offering
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholder, and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
PNB	:	Permodalan Nasional Berhad
PPE	:	Property, plant and equipment
Pre-IPO Exercise	:	Collectively, the Subdivision and the Transfer of Orkim Shares, details of which are set out in Section 6.1.3 of this Prospectus
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoters	:	Collectively, ECSB and TKSB
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 100,000,000 Issue Shares by our Company, subject to the terms and conditions of this Prospectus
RCCPS	:	Redeemable convertible cumulative preference shares
Record of Depositors	:	A record of securities holders established by Bursa Depository in accordance with the Rules of Bursa Depository
Retail Offering	:	Retail offering of 28,000,000 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated to the following: (i) 20,000,000 Issue Shares for application by the Malaysian Public, via balloting; and (ii) 8,000,000 Issue Shares reserved for application by the Eligible Persons
Retail Price	:	Initial retail price of RM[•] per IPO Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.4.1 of this Prospectus

Retail Underwriting Agreement	:	Retail underwriting agreement dated [●] between our Company and the Joint Underwriters as detailed in Section 4.8.1 of this Prospectus
RHB IB	:	RHB Investment Bank Berhad
ROC	:	Registrar of Companies
Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
Securities Account or CDS Account	:	An account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
Selling Shareholder	:	TKSB, being the party undertaking the Offer for Sale
Share Registrar	:	Boardroom Share Registrars Sdn Bhd
Shareholders' Restructuring	:	The internal reorganisation exercise to be undertaken by YPB, comprising (i) the Transfer of Ekuinas Group and (ii) the Transfer of Orkim Shares, further details of which are set out in Sections 6.1.2 and 6.1.3(ii) of this Prospectus
Share Lending Agreement	:	The agreement to be entered into by the Over-allotment Option Provider and the Stabilising Manager under which the Over-allotment Option Provider will lend Orkim Shares to the Stabilising Manager to cover over-allotments, if any, under the Over-allotment Option
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SOLAS	:	Safety of Life at Sea Convention
Stabilising Manager	:	CIMB
Subdivision	:	Subdivision of 38,835,314 Shares into 900,000,000 Shares as set out in Section 6.1.3(i) of this Prospectus
Substantial Shareholders	:	Collectively, YPB, ECSB, E-Cap 2 and TKSB as at the LPD. Upon completion of the Shareholders' Restructuring, PNB will become a Substantial Shareholder
TKSB	:	Tetap Kuasa Sdn Bhd
Transfer of Ekuinas Group	:	The transfer of the entire issued and paid-up share capital of ECSB by YPB (as transferor) to PNB (as transferee) as set out in Section 6.1.2 of this Prospectus
Transfer of Orkim Shares	:	The transfer of 600,000,000 Orkim Shares by TKSB (as transferor) to PNB together with the unit trust funds managed by PNB as its investment manager as set out in Section 6.1.3(ii) of this Prospectus

UTF(s)	:	The unit trust funds under the investment management of PNB. The trustee of the UTFs is ART
Vital Factor or IMR	:	Vital Factor Consulting Sdn Bhd, the independent business and market research consultants
White Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Malaysian Public accompanying this Prospectus
YA	:	Year of assessment
YPB	:	Yayasan Pelaburan Bumiputra

<u>Currencies</u>

RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
SGD	:	Singapore Dollar, the lawful currency of Singapore
USD	:	United States Dollar, the lawful currency of the United States of America

<u>Wholly-owned subsidiaries of Orkim</u>

DMVSB	:	Delmar Marine Venture Sdn Bhd
MESB	:	Matlamat Emas Sdn Bhd
MMSB	:	Magna Meridian Sdn Bhd
OASB	:	Orkim Ambition Sdn Bhd
OCSB	:	Orkim Challenger Sdn Bhd
ODIA	:	Orkim Diamond Sdn Bhd
ODIS	:	Orkim Discovery Sdn Bhd
OEME	:	Orkim Emerald Sdn Bhd
OENE	:	Orkim Energy Sdn Bhd
OEXP	:	Orkim Express Sdn Bhd
OISB	:	Orkim Inspiration Sdn Bhd
OJSB	:	Orkim Jade Sdn Bhd
OLSB	:	Orkim Leader Sdn Bhd
OMER	:	Orkim Merit Sdn Bhd
OMSB	:	Orkim Marine Sdn Bhd
OPEA	:	Orkim Pearl Sdn Bhd
OPOW	:	Orkim Power Sdn Bhd

ORSB	:	Orkim Reliance Sdn Bhd
ORUB	:	Orkim Ruby Sdn Bhd
OSMSB	:	Orkim Ship Management Sdn Bhd
OSSB	:	Orkim Sapphire Sdn Bhd
OTOP	:	Orkim Topaz Sdn Bhd
OTRI	:	Orkim Triumph Sdn Bhd
OWSB	:	Orkim Wisdom Sdn Bhd

Major Customers

The identities of the following major customers of our Group have not been disclosed in this Prospectus due to their policy of strict confidentiality of information on their suppliers and they wish to remain anonymous in their business dealings with us. Accordingly, they have informed us that they do not agree to be named in this Prospectus:

Customer A	:	Customer A is a private limited company incorporated in Malaysia which is principally involved in blending of lubricating oils and marketing of petroleum products. In respect of our Group, Customer A's activities are focused in Peninsular Malaysia. Customer B and Customer C are its related corporations
Customer B	:	Customer B is a private limited company incorporated in Malaysia which is principally involved in blending of lubricating oils and marketing of petroleum products. In respect of our Group, Customer B's activities are focused in East Malaysia. Customer A and Customer C are its related corporations
Customer C	:	Customer C is a sole proprietorship registered in Singapore which is principally engaged in commodity (excluding gold) and futures brokers and dealers. In respect of our Group, Customer C's activities are focused in the Asian region. Customer A and Customer B are its related corporations
Customer ABC Group	:	Collectively, Customer A, Customer B and Customer C

Customer ABC Group is part a global group of energy and petrochemicals companies. The ultimate holding company of Customer ABC Group is a multinational energy company incorporated in England and Wales, with its shares primarily listed and traded on Euronext Amsterdam and the London Stock Exchange.

GLOSSARY OF TECHNICAL TERMS

Ballast Water Management System	:	It refers to system installed on ships to treat ballast water
Bunker	:	Refers to the fuel used to power marine vessels, including marine diesel oil, heavy fuel oil, and alternative fuels. It fuels the vessel's engines and supports onboard systems like heating, lighting, and electricity generation
Chartering	:	In marine transportation industry, chartering is the process of leasing or renting a ship from its owner for a specific voyage, period, or purpose, based on mutually agreed terms and conditions between the shipowner and the charterer. In the context of this Prospectus, types of chartering include Time Charter, CVC, COA, and spot charter
Charter rate	:	Amount of money paid to a shipowner or shipping line for the use of the ship over a period of time
Clean petroleum products (CPP)	:	It refers to refined liquid fuels, such as gasoline, diesel, gas oil, jet fuel, naphtha, and kerosene. Condensate, while technically a feedstock, is included due to its similar handling characteristics. These products are typically derived from crude oil through distillation and further refining processes. CPP is the end products of crude oil that are ready for distribution and use
Consecutive voyage charter (CVC)	:	It refers to a chartering contract in which the shipowner agrees to transport cargo with the same charterer for back-to-back shipment over a specified period. These vessels are dedicated solely to the charterer for the duration of the contract
Contract of affreightment (COA) charter	:	It refers to a chartering contract in which the shipowner agrees to transport a specified amount of a particular type of cargo over a specified period. The schedule of shipments is mutually agreed upon by the shipowner and the charterer
Daily charter rate (DCR)	:	It refers to the daily charge for hiring a vessel for the agreed duration
Deadweight tonnage (DWT)	:	It refers to a ship's load capacity, including cargo, fuel, fresh water, ballast water, provisions, passengers and crew
Demurrage	:	It refers to a fee levied when the loading or unloading of cargo from a vessel is delayed beyond the agreed laytime (amount of time allowed for loading or unloading without extra charges) specified in the contract. Typically, the charterer pays this fee to the shipowner as compensation for the time lost
Draft	:	It refers to the depth of a vessel below the waterline, measured vertically from the waterline to the lowest point of the vessel's hull
Dry docking	:	It involves bringing a vessel into a specially designed dock where water will then be drained away to allow the vessel to rest on the docking platform. This will allow access to carry out inspections and maintenance to the exterior parts of the vessel including propeller and rudder which are located below the waterline when the vessel is afloat in water
Domestic shipping licence (DSL)	:	DSL refers to the licence to engage in domestic shipping. A DSL issued by the Domestic Shipping Licensing Board is required to carry goods from any port or place in Malaysia, unless exempted

Freight rates	:	Amount of money paid to a shipowner or shipping line for the carriage of each unit of cargo, such as ton, a cubic meter or container load
Jetty	:	It is a structure that extends from the shore into a body of water such as a sea, river, or lake. Its purpose is to provide a berthing place for vessels to load and unload cargo or passengers
Liquidated ascertained damage (LAD)	:	In the context of this Prospectus, it refers to a pre-agreed sum between parties in case of a breach of contract, particularly a delay in vessel delivery
Liquefied petroleum gas (LPG)	:	It is a mixture of hydrocarbon gases produced while refining crude oil. It is also produced from natural gas processing. It primarily consists of propane and butane. It is then liquefied through pressurisation, making it more practical to store and transport
Maritime	:	It commonly refers to anything related to the sea, ocean or navigation. In some situations, it may include other bodies of water such as lakes and rivers
Medium Range (MR) tankers	:	It refers to a type of tanker vessel, typically with a load capacity between 40,000 and 55,000 DWT
Port	:	It refers to a maritime facility comprising 1 or more loading areas, where ships load and discharge cargo and passengers
Redelivery	:	It refers to the process where a charterer returns a chartered vessel to the shipowner at the end of the charter period, or a shipowner returns the vessel to the charterer after dry docking to resume the chartering operation. This is only applicable for Time Charter contracts
Shipbroking	:	In the context of this Prospectus, it is a specialised service acting as an intermediary between shipowners and charterers of vessels. A commission is paid to the intermediary once a trade is concluded
Spot charter	:	It refers to a chartering arrangement in which the shipowner agrees to transport cargo, typically for a single voyage
Survey	:	A comprehensive inspection of a vessel or its equipment conducted to assess its condition, compliance with regulations, and suitability for its intended purpose
Tankers	:	Specialised ships designed to transport liquids in bulk
Terminal	:	It refers to a facility located at a port where cargo or passengers are transferred between ships and land-based transportation or facilities
Time Charter	:	It refers to a chartering arrangement in which the shipowner agrees to lease a vessel to the charterer for exclusive use over a specified period

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Nationality / Gender	Address
Dato' Abdul Hamid Bin Sh Mohamed	Non-Independent Non-Executive Chairman	Malaysian / Male	Lot 15060, Jalan L8 Kemensah Heights 53100 Kuala Lumpur Malaysia
Aliff Omar Bin Mohamad Omar	Non-Independent Non-Executive Director	Malaysian / Male	11, Jalan Serene Kiara 3 Serene Kiara Desa Sri Hartamas 50480 Kuala Lumpur Malaysia
Cheah Sin Bi	Non-Independent Executive Director	Malaysian / Male	11-01, Sutramas Luxury Condominium 12 Jalan Dutamas Melati 51200 Kuala Lumpur Malaysia
Datuk Azman Bin Ismail	Senior Independent Non-Executive Director	Malaysian / Male	25, Jalan USJ 14/1 UEP Subang Jaya 47630 Subang Jaya Selangor Malaysia
Zuhaida Binti Zulkifli	Independent Non-Executive Director	Malaysian / Female	No. 30, Jalan 8/35C Taman Seri Bangi Seksyen 8 Bandar Baru Bangi 43650 Selangor Malaysia
Lynette Yeow Su-Yin	Independent Non-Executive Director	Malaysian / Female	7, Lorong 14/30A 46100 Petaling Jaya Selangor Malaysia
Nasmiza Binti Ismail	Independent Non-Executive Director	Malaysian / Female	3432, Persiaran Kasawari 1 Desa Haras Taman ZooView 68000 Ampang Selangor Malaysia

1. CORPORATE DIRECTORY (*Cont'd*)

AUDIT COMMITTEE

Name	Designation	Directorship
Zuhaida Binti Zulkifli	Chairman	Independent Non-Executive Director
Datuk Azman Bin Ismail	Member	Senior Independent Non-Executive Director
Nasmiza Binti Ismail	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Lynette Yeow Su-Yin	Chairman	Independent Non-Executive Director
Aliff Omar Bin Mohamad Omar	Member	Non-Independent Non-Executive Director
Zuhaida Binti Zulkifli	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Datuk Azman Bin Ismail	Chairman	Senior Independent Non-Executive Director
Cheah Sin Bi	Member	Non-Independent Executive Director
Lynette Yeow Su-Yin	Member	Independent Non-Executive Director
Nasmiza Binti Ismail	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (*Cont'd*)

COMPANY SECRETARIES	:	**Alwizah Al-Yafii Binti Ahmad Kamal** 43-2, Plaza Damansara Jalan Medan Setia 1 Bukit Damansara 50490 Kuala Lumpur Malaysia
		Professional Qualification : Chartered Secretary, Fellow Member of Malaysia Institute of Chartered Secretaries and Administrators ("**MAICSA**") (MAICSA No. 7033148)
		CCM Practising Certificate No. : 202008002614
		Wong Youn Kim No. 11.07, Amcorp Tower Amcorp Business Centre 18, Pusat Perdagangan Amcorp 46050 Petaling Jaya Selangor Malaysia
		Professional Qualification : Chartered Secretary, Fellow Member of the Institute of Chartered Secretaries and Administrators (UK) and MAICSA (MAICSA No. 7018778)
		CCM Practising Certificate No. : 201908000410
REGISTERED OFFICE	:	43-2, Plaza Damansara Jalan Medan Setia 1 Bukit Damansara 50490 Kuala Lumpur Malaysia
		Tel. No. : +603 2011 4745
HEAD/MANAGEMENT OFFICE	:	Level 15, Menara TSR No. 12, Jalan PJU 7/3 Mutiara Damansara 47810 Petaling Jaya Selangor Malaysia
		Tel. No. : +603 7733 4228 E-mail : enquiry@orkimship.com Website : https://www.orkim.com.my

1. CORPORATE DIRECTORY (*Cont'd*)

SELLING SHAREHOLDER	:	**Tetap Kuasa Sdn Bhd** Level 16, Surian Tower No. 1, Jalan PJU 7/3 Mutiara Damansara 47810 Petaling Jaya Selangor Malaysia Tel. No. : +603 7710 7171
AUDITORS AND REPORTING ACCOUNTANTS	:	**Ernst and Young PLT** Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia Tel. No. : +603 7495 8000 Partner-in-charge : Ng Kim Ling Approval No. : 03236/04/2026 J Professional qualification : Member of the MIA (MIA Membership No. 33756) and member of the Institute of Chartered Accountants in England and Wales ("**ICAEW**") (ICAEW Membership No. 9113216)
PRINCIPAL ADVISER, JOINT BOOKRUNNER, MANAGING UNDERWRITER AND JOINT UNDERWRITER	:	**CIMB Investment Bank Berhad** Level 17, Menara CIMB 1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. No. : +603 2261 8888
JOINT BOOKRUNNER AND JOINT UNDERWRITER	:	**RHB Investment Bank Berhad** Level 10, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Tel. No. : +603 9287 3888
LEGAL ADVISERS	:	*To our Company* **Mah-Kamariyah & Philip Koh** 3A07, Block B, Phileo Damansara II 15 Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Malaysia Tel. No. : +603 7956 8686

1. CORPORATE DIRECTORY (*Cont'd*)

		To the Joint Bookrunners, Managing Underwriter and Joint Underwriters **Christopher & Lee Ong** Level 22, Axiata Tower No. 9, Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. No. : +603 2273 1919
INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS	:	**Vital Factor Consulting Sdn Bhd** V Square @ PJ City Centre (VSQ) Block 6, Level 6, Jalan Utara 46200 Petaling Jaya Selangor Malaysia Tel. No. : +603 7931 3188 Signing partner : Wooi Tan *(See Section 8 of this Prospectus for the profile of the firm and the signing partner)*
ISSUING HOUSE	:	**Malaysian Issuing House Sdn Bhd** 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Malaysia Tel. No. : +603 7890 4700
SHARE REGISTRAR	:	**Boardroom Share Registrars Sdn Bhd** 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Malaysia Tel. No. : +603 7890 4700
LISTING SOUGHT	:	Main Market of Bursa Securities

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

The SC has, via its letter dated [•], approved our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following conditions:

No	Details of condition imposed	Status of compliance
(i)	[•]	[•]

The SC has also via its letter dated [●] approved our application under the Bumiputera equity requirement for public listed companies.

The SC has, via its letter dated [•], approved the relief sought by us from complying with certain requirements under the Equity Guidelines. The details of the relief sought and the corresponding condition imposed by the SC are as follows:

Reference	Details of relief granted	Condition imposed (if any)
Equity Guidelines		
Paragraph 5.06A of Chapter 5, Part II	Relief from having to comply with the requirement that the CFO, finance director, or the individual holding an equivalent position in relation to the applicant's business, must have been appointed at least six months prior to the submission to the SC	[•]

2.1.2 MITI

The MITI has, via its letter dated [•], stated that it has taken note and has no objection for us to implement our Listing.

2.1.3 Bursa Securities

Bursa Securities has, via its letter dated [•], resolved to approve our Admission and our Listing, subject to compliance with the following conditions:

Details of condition imposed	Status of compliance
[•]	[•]

2. INTRODUCTION *(Cont'd)*

2.2 MORATORIUM ON OUR SHARES

[In accordance with the Equity Guidelines, our Shares held by the moratorium providers, being PNB and the UTFs, will be placed under moratorium and they have fully accepted the moratorium. In this respect, our Shares that are subject to moratorium for a period of 6 months from the date of our Listing are set out below:

	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Moratorium Providers	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
PNB and the UTFs	600,000,000(2)	60.0	540,000,000(2)	54.0

Notes:

(1) Based on our enlarged issued 1,000,000,000 Shares after our IPO.

(2) Being the total number of Shares held by PNB and the UTFs collectively as part of the Shares will be allocated to the respective UTFs.

PNB and the UTFs have fully accepted the moratorium. They will not be permitted to sell, transfer or assign any part of their respective holding in our Shares as at the date of our Listing for a period of six months from the date of the Listing.]

The above restrictions do not apply:

(a) in respect of our Shares that may be sold pursuant to the Over-allotment Option to be granted by the Over-allotment Option Provider to the Stabilising Manager (on behalf of the Joint Bookrunners); and

(b) to the transfer of our Shares by the Over-allotment Option Provider as contemplated under the Share Lending Agreement, provided that the restriction will apply to our Shares returned to the Over-allotment Option Provider pursuant to the Share Lending Agreement.

The above moratorium restrictions are specifically endorsed on the share certificates representing our Shares held by PNB and the UTFs which are under moratorium to ensure that our Share Registrar does not register any transfer that contravenes such restrictions.

3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF OUR IPO

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 372,000,000 IPO Shares, representing 37.2% of our enlarged issued Shares, at the Institutional Price, in the following manner:

(i) up to 50,000,000 IPO Shares, representing 5.0% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and

(ii) up to 322,000,000 IPO Shares, representing 32.2% of our enlarged issued Shares to other Malaysian institutional and selected investors.

3.1.2 Retail Offering

The Retail Offering involves the offering of 28,000,000 Issue Shares, representing 2.8% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Retail Price, in the following manner:

(i) Allocation to the Eligible Persons

8,000,000 Issue Shares, representing 0.8% of our enlarged issued Shares, are reserved for application by the Eligible Persons.

(ii) Allocation via balloting to the Malaysian Public

20,000,000 Issue Shares, representing 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 10,000,000 Issue Shares (equivalent to 50.0% of the total Issue Shares to be made available under balloting) have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

3.1.3 Moratorium on our Shares

In accordance with the Equity Guidelines, PNB and the UTFs are not allowed to sell, transfer or assign any part of their respective holdings in our Shares as at the date of our Listing, for a period of 6 months from the date of our Listing.

Our Public Issue is expected to raise gross proceeds amounting to RM[•] million to our Company, whilst the Offer for Sale is expected to raise gross proceeds of up to approximately RM[•] million, which will accrue entirely to the Selling Shareholder. For further details on our IPO and plan of distribution and moratorium on our Shares, see Sections 4.2 and 2.2 of this Prospectus, respectively.

3.2 OVERVIEW OF OUR BUSINESS

Our Company was incorporated in Malaysia under the Companies Act 1965 on 26 March 2007 as a private limited company. On 17 July 2025, we converted into a public limited company and assumed our present name of Orkim Berhad. Our principal activity is investment holding, while our subsidiaries are principally involved in owning, chartering and operating of vessels, and management of shipping property, freight contractors and transport business.

We are an owner-operator of CPP and LPG tankers, providing marine transportation services for CPP and LPG products. The CPP transported by our Group from refineries or storage facilities to other processing plants, storage facilities, or distribution points includes gasoline, diesel, gas oil, jet fuel, naphtha, kerosene, and condensates, all of which are refined from crude oil. LPG are mixtures of hydrocarbon gases (primarily propane and butane), which are produced through crude oil refining or natural gas processing and then liquefied through pressurisation, making them more practical for storage and transportation.

Malaysia is our principal market where our fleet of CPP tankers facilitates the transportation of cargo between domestic ports along coastal routes within Malaysia, and across neighbouring Asian countries, mainly Singapore. In addition, our LPG tankers are deployed on regional routes under their charter agreements, serving destinations between domestic ports and across some Asian countries mainly Singapore, China and South Korea.

For further details on our history, group structure and business, see Sections 6 and 7 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We have a proven track record as an owner-operator in the marine transportation of CPP and LPG across domestic and regional markets

We began our business in 2007, initially providing shipbroking services and ship management services using third-party vessels. Following the acquisition of our first CPP tanker which was delivered in 2009, we have since established a track record over the past 16 years as an owner-operator specialising in the marine transportation of CPP. We expanded into marine transportation of LPG following the delivery of our first newbuild LPG tanker in 2015.

(ii) We command a leading position in terms of the number of CPP tankers registered in Malaysia, representing approximately 56% of the 27 Malaysian-registered chemical/petroleum tankers, enabling us to fulfil critical domestic energy demand that underpins the nation's economic growth and rapid industrialisation

According to the latest statistics available in 2024, there were 27 Malaysian-registered chemical/petroleum tankers (*Source: IMR Report*). Our company owns and operates 15 of these, representing approximately 56% of Malaysian-registered chemical and petroleum tankers in Malaysia, establishing our leading position in this area.

In 2024, the apparent consumption volume of refined petroleum products in Malaysia was 32.1 million tonnes. Based on our total volume of 3.8 million tonnes of CPP and LPG that we transported and discharged in Malaysia, we have a market share of approximately 12% in 2024 (*Source: IMR Report*).

(iii) We have a stable stream of recurring revenue, reinforced by long-term contracts, ensuring earnings visibility and financial stability

Our business is supported by a large recurring revenue base derived from long-term contracts of up to 10 years and often includes extension options. We generate recurring revenue through the chartering of our 15 CPP and 2 LPG tankers under 3 types of key contracts, namely, Time Charter, CVC, and COA charter. For the FYE 2022, FYE 2023 and, FYE 2024, recurring revenue accounted for 59.9% (RM189.0 million), 85.0% (RM257.1 million), and 86.8% (RM274.9 million) of our total revenue respectively.

(iv) Our strong customer base is anchored by key energy companies that are involved in CPP distribution and retail operations in Malaysia, providing us with a stable foundation for business growth

Our strong customer base comprises energy companies through their respective marketing and distribution subsidiaries in Malaysia, which include PETRONAS Group, Customer ABC Group, Petron Malaysia, and BHPetrol.

(v) Our relatively young vessel fleet with an average age of approximately 12 years and shallow draft capabilities granting us broader market access and scalable expansion potential

The ages of our fleet of CPP and LPG tankers as at the LPD are as follows:

Number of tankers			Average age
5 years old	**10-15 years old**	**16-18 years old**	
5 CPP	2 CPP, 2 LPG	8 CPP	12 years

While there is no mandatory retirement age for CPP and LPG tankers, their typical service lifespan ranges from 25 to 30 years. As at the LPD, our fleet has an average age of approximately 12 years, positioning us favourably for continued, long-term operations.

However, with the delivery of our 2 newbuild CPP tankers, which are currently under construction and scheduled for completion in 2027, our fleet's average age is expected to reduce.

(vi) We are led by an experienced CEO and Key Senior Management team, supported by a pool of competent crews and officers for safe, efficient and reliable shipboard operations

Our Group is headed by our CEO, Captain Cheah Sin Bi, who has approximately 25 years of experience in marine transportation operations including shipboard operations, with 14 years dedicated to our Group. Our CEO is supported by our team of Key Senior Management with working experience spanning across various industries. As at the LPD, majority of them have been with our Group for more than 12 years, providing stability to our operations.

For further details of our competitive strengths, see Section 7.2.1 of this Prospectus.

3.4 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) Fleet expansion and rejuvenation by investing in younger, larger and more versatile tankers, including chemical/petroleum product tankers

As at the LPD, we have 2 orders for newbuild CPP tankers, which are currently under construction and scheduled for completion in 2027. The total estimated construction cost for the 2 newbuild CPP tankers is RM211.0 million. As at the LPD, RM43.7 million has been paid, with the remaining RM167.3 million secured through bank borrowings.

We plan to acquire 3 vessels over the period from 2025 to 2026 as follows:

(a) 2 chemical/petroleum product tankers, at an estimated cost of RM[•] million each; and

(b) a MR CPP tanker, at an estimated cost of RM[•] million.

(ii) Fleet modernisation program in line with environmental and HSSE developments

Our fleet modernisation strategies are focused on modernising our vessels to align with evolving market requirements in the energy industry, particularly in relation to ESG standards and HSSE expectations.

(iii) Technological advancements through digitalisation

Part of our plans is to invest in upgrading our digital technology facilities to complement our ongoing fleet modernisation, mainly to improve fuel efficiency and vessel performance, and reduce operational costs through digitalisation. Part of our strategies is aligned with the IMO 2030 targets, which cover various areas including carbon intensity reduction, operational efficiency, regulatory compliance and others.

For further details of our business strategies and future plans, see Section 7.2.2 of this Prospectus.

3.5 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. Prospective investors should rely on their own evaluation and carefully consider all the information contained in this Prospectus, including the risks described below before deciding to invest in our Shares. Our business, financial condition, results of operations and prospects could be affected by any of these risks.

The key risks faced by us in our business operations are set out as follows:

(i) We operate in a highly regulated industry with strong emphasis on HSSE regulations and standards

We are subject to stringent and continually evolving HSSE laws and regulations, both in Malaysia and internationally. Our operations must comply with numerous Malaysian laws and regulations, including the Environmental Quality Act 1974, the Occupational Safety and Health Act 1994 and the Merchant Shipping Ordinance 1952. In addition to Malaysian regulations and requirements, our vessels and operations must comply with international maritime conventions and standards, including MARPOL, SOLAS and the International Safety Management (ISM) Code established by the IMO.

(ii) We are required to maintain our major licences, permits and approvals which are mandatory for our business operations

All vessels involved in domestic shipping services in Malaysia are required to have a DSL from the Domestic Shipping Licensing Board. In addition, transportation of petroleum products such as CPP and LPG requires us to hold the necessary PETRONAS license under the relevant Standardised Work and Equipment Categories issued by PETRONAS. Furthermore, we also have valid PDA licences for marine transportation of petroleum products issued by KPDN pursuant to Section 6(3) of the PDA.

(iii) Our business is heavily dependent on our ability to secure contracts continuously

Our ability to generate sustainable revenue is highly dependent on our ability to secure new charter contracts and renew existing ones to ensure optimal fleet deployment. As at the LPD, we operate a fleet of 17 vessels, all of which are currently deployed under their respective long-term charter contracts. While this level of contract coverage offers revenue visibility, we face renewal risk as some of these contracts are approaching expiry.

(iv) We are dependent on 2 major customers and the loss of these customers may affect our financial performance

Our revenue generation is highly concentrated towards contracts with our 2 major customers, one of them being the PETRONAS Group. While we have been dealing with the PETRONAS Group for approximately 15 years and we expect to continue to be awarded contracts from such major customers in the future, there may be changes in their operations, policies or business outlook that could have a material adverse effect on our business prospects.

(v) We may incur higher than expected vessel maintenance and repair expenses

We operate in a capital-intensive industry and incur substantial expenditure to ensure our vessels remain in optimal operating condition. Older vessels typically require higher maintenance spending to sustain operational efficiency and may incur higher capital expenditure for upgrading or retrofitting to comply with evolving regulatory requirements.

(vi) We are subject to fluctuations in bunker fuel costs

One of the main input costs for our marine transportation of CPP and LPG is bunker fuel, including very low sulphur fuel oil and marine gas oil, which are used to propel our vessels. Bunker fuel costs represent a significant proportion of our total purchases of input materials and services.

(vii) We face maritime operational risks encompassing vessel safety, potential accidents and breakdowns, piracy and security concerns

Our operations in the maritime transportation of CPP and LPG are inherently exposed to a range of operational risks, some of which are beyond our control. These encompass critical aspects of voyage safety, where the potential for incidents such as collisions, groundings, or fires could lead to severe consequences, including loss of life, injury to personnel and substantial damage to our vessels and third-party property.

Additionally, certain operating regions, particularly within Southeast Asia, pose ongoing threats of piracy and security incidents, which could endanger our crew, lead to cargo loss and disrupt our schedules, potentially increasing insurance costs and necessitating enhanced security measures.

(viii) We may face challenges in the implementation of our fleet rejuvenation strategy or future plans

Our strategy to rejuvenate our fleet to maintain an optimal fleet age profile and our plan to expand into the transportation of chemical products may expose us to various operational, financial and regulatory risks.

(ix) We face the risk of arrest or detention or delays in the deployment of our vessels

We face inherent operational risks related to the arrest, detention, or delays in the deployment of our vessels. These disruptions can occur at various stages of our shipping operations and may arise from legal, regulatory, operational, or logistical issues.

(x) We are reliant on our Key Senior Management for the successful execution of our growth plans

Our Group is led by our CEO who is supported by a team of Key Senior Management with extensive knowledge and experience in the marine transportation industry. In addition, our CEO and most of our Key Senior Management have been with us for more than 12 years, contributing a wealth of industry experience.

(xi) We may not be adequately insured against all risks associated with our business, which could result in significant losses

Our business operations are exposed to the inherent operating hazards of the marine transportation industry and the occurrence of which may result in damage to or loss of our vessels and/or injury to our crews on board of our ships.

(xii) We may be affected by changes to the current taxation regime for the Malaysian shipping industry

As a Malaysian-based marine transportation company which is a Malaysian tax resident, we currently benefit from the income tax exemption granted under the Income Tax (Exemption for Malaysian Ship) Order 2024 [P.U.(A) 184/2024].

(xiii) Our vessel operations are susceptible to risks associated with port congestion and delays in Malaysia and other Asian ports, potentially impacting vessel turnaround times and increasing operational costs

Our vessel operations, including the chartering of CPP and LPG tankers, are vulnerable to significant disruptions arising from port congestion and the associated delays experienced in Malaysia and other key Asian ports within our operating network. These logistical bottlenecks can impact the efficiency of our vessel turnaround times, leading to extended periods spent waiting for berthing, loading or discharging.

(xiv) We are exposed to risks of information technology disruptions, potential cybercrimes and security breaches

Our operations, including vessel communication and monitoring, rely heavily on information technology systems, which are essential for ensuring operational efficiency, navigation, and safety onboard our vessels. These systems may also store confidential and commercially sensitive information, such as customer and supplier data, charter contracts, and operational records. A cybersecurity breach could lead to the unauthorised access, disclosure, or theft of such information.

For further details on our risk factors, see Section 5 of this Prospectus.

3.6 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The direct and indirect shareholding of our Promoters and Substantial Shareholders before and after our IPO are as follows:

	As at the LPD				After the Transfer of Ekuinas Group				After the Subdivision			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TKSB	38,835,314	100.0	-	-	38,835,314	100.0			900,000,000	100.0		
E-Cap 2	-	-	38,835,314(1)	100.0	-	-	38,835,314(1)	100.0	-	-	900,000,000(1)	100.0
ECSB	-	-	38,835,314(2)	100.0	-	-	38,835,314(2)	100.0	-	-	900,000,000(2)	100.0
YPB	-	-	38,835,314(3)	100.0	-	-	38,835,314(4)	100.0	-	-	900,000,000(4)	100.0
PNB(6)	-	-	-	-	-	-	38,835,314(3)	100.0	-	-	900,000,000(3)	100.0

	After the Transfer of Orkim Shares				After our IPO				After the Over-allotment Option			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%(5)	No. of Shares	%(5)	No. of Shares	%(5)	No. of Shares	%(5)
TKSB	300,000,000	33.3	-	-	-	-	-	-	-	-	-	-
E-Cap 2	-	-	300,000,000(1)	33.3	-	-	-	-	-	-	-	-
ECSB	-	-	300,000,000(2)	33.3	-	-	-	-	-	-	-	-
YPB	-	-	900,000,000(4)	100.0	-	-	600,000,000(4)	60.0	-	-	540,000,000(4)	54.0
PNB(6)	600,000,000(6)	66.7	300,000,000(3)	33.3	600,000,000	60.0	-	-	540,000,000	54.0	-	-

Notes:

(1) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in TKSB.
(2) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in E-Cap 2.
(3) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in ECSB.
(4) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in PNB.
(5) Based on our enlarged issued Shares of 1,000,000,000 after our IPO.
(6) Being the total number of Shares held by PNB and the UTFs collectively, as part of the Shares will be allocated to the respective UTFs.

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Dato' Abdul Hamid Bin Sh Mohamed	Non-Independent Non-Executive Chairman
Aliff Omar Bin Mohamad Omar	Non-Independent Non-Executive Director
Cheah Sin Bi	Non-Independent Executive Director
Datuk Azman Bin Ismail	Senior Independent Non-Executive Director
Zuhaida Binti Zulkifli	Independent Non-Executive Director
Lynette Yeow Su-Yin	Independent Non-Executive Director
Nasmiza Binti Ismail	Independent Non-Executive Director
Key Senior Management	
Cheah Sin Bi	CEO
Tahirah Binti Mohd.Nor	CFO
Wong Kooi Vee	Financial Controller
Mohamad Zahid Bin Ahmad Amir	Head of Marine Operations
Khoo Jyh Herng	General Manager, Chartering
Leong Weng Keong	General Manager, Technical
Nor Azni Binti Abdul Latiff	General Manager, Human Resources (Sea & Shore)
Rahimee Bin Md Haza	Assistant General Manager, Commercial

For further information on our Directors and Key Senior Management, see Sections 9.2 and 9.3 of this Prospectus.

3.8 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to approximately RM[•] million(1) in the following manner:

Details	Estimated timeframe for use from the date of our Listing	RM'000	%
Purchase of Vessels	Within 24 Months	[•]	80.0
Working capital	Within 12 Months	[•]	9.0
Defray fees and expenses for our IPO and our Listing	Within 3 Months	[•]	11.0
Total		**[•]**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

For detailed information on our use of proceeds, see Section 4.6 of this Prospectus.

3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The table below sets out our historical financial information for the Financial Years Under Review:

	FYE		
	Audited		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Revenue	315,577	302,579	316,589
Cost of sales	(221,336)	(188,476)	(201,810)
GP	**94,241**	**114,103**	**114,779**
Other income	3,158	298	1,456
Administrative expenses	(8,445)	(9,333)	(9,528)
Gain/(loss) on disposal of PPE	(32,345)	-	4,481
Results from operating activities	56,609	105,068	111,188
Finance costs	(28,353)	(24,329)	(18,203)
Finance income	353	1,139	1,027
PBT	**28,609**	**81,878**	**94,012**
Income tax	(668)	(831)	(1,106)
PAT(1)	**27,941**	**81,047**	**92,906**

Other selected financial data

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
GP margin (%)(2)	29.9%	37.7%	36.3%
EBITDA(3)	106,523	155,882	170,085
Adjusted EBITDA(3)	138,868	155,882	165,604
EBITDA Margin (%)(4)	33.8%	51.5%	53.7%
Adjusted EBITDA Margin (%)(5)	44.0%	51.5%	52.3%
PBT margin (%)(6)	9.1%	27.1%	29.7%
PAT margin (%)(7)	8.9%	26.8%	29.3%
Basic and diluted EPS (sen)(8)	2.79	8.10	9.29

Notes:

(1) The PAT of the Group is wholly attributable to owners of our Company as there is no non-controlling interest.

(2) Computed based on GP divided by revenue.

(3) EBITDA is calculated as PBT plus finance costs and depreciation and amortisation, less finance income. Adjusted EBITDA is calculated as EBITDA plus loss on disposal of PPE, less gain on disposal of PPE. See below for details of computation as well as information regarding the use of non-MFRS measures.

(4) Computed based on EBITDA divided by revenue.

(5) Computed based on Adjusted EBITDA divided by revenue.

(6) Computed based on PBT divided by revenue.

(7) Computed based on PAT divided by revenue.

(8) Computed based on PAT divided by our enlarged issued Shares of 1,000,000,000 upon our Listing.

The following table reconciles the PBT to EBITDA and Adjusted EBITDA for the Financial Years Under Review:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
PBT	28,609	81,878	94,012
Add/(Less):			
Finance costs	28,353	24,329	18,203
Depreciation and amortisation	49,914	50,814	58,897
Finance income	(353)	(1,139)	(1,027)
EBITDA	**106,523**	**155,882**	**170,085**
Add/(Less):			
Loss/(Gain) on disposal of PPE	32,345	-	(4,481)
Adjusted EBITDA	**138,868**	**155,882**	**165,604**

For further information on our financial information relating to our Group, see Section 12 of this Prospectus.

3.10 DIVIDEND POLICY

We target a payout ratio ranging from 40% to 70% of our PAT attributable to owners of our Company of each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our cash requirements or any plans approved by our Board.

The following table sets out the dividends declared and paid during the Financial Years Under Review, and the corresponding dividend payout ratio:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Dividends declared	-	-	10,000[(1)]
Dividends paid	-	-	10,000[(1)]
PAT	27,941	81,047	92,906
Dividend payout ratio[(2)]	-	-	10.8%

***Notes**:*

(1) Dividend declared on 19 March 2024 in respect of FYE 2023 and paid in FYE 2024.
(2) Computed based on dividends paid divided by PAT.

For further details on our dividend policy, see Section 12.4 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Date
Opening of the Institutional Offering[(1)]	[•]
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., [•]
Closing of the Retail Offering	5:00 p.m., [•]
Closing of the Institutional Offering	[•]
Price Determination Date	[•]
Balloting of applications for our Issue Shares under the Retail Offering	[•]
Allotment/Transfer of our IPO Shares to successful applicants	[•]
Listing	[•]

Note:

*(1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the purchase and/or subscription of our IPO Shares by the Cornerstone Investors was entered into on **[●]**.*

In the event there are any changes to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement on the website of Bursa Securities.

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus, respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 400,000,000 IPO Shares, collectively representing approximately 40.0% of our enlarged issued Shares. For the avoidance of doubt, our IPO Shares offered under the Institutional Offering and the Retail Offering do not include our Shares under the Over-allotment Option.

4.2.1 Institutional Offering

The Institutional Offering involves the offering of up to 372,000,000 IPO Shares, representing 37.2% of our enlarged issued Shares, at the Institutional Price, in the following manner:

(i) up to 50,000,000 IPO Shares, representing 5.0% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and

(ii) up to 322,000,000 IPO Shares, representing 32.2% of our enlarged issued Shares to other Malaysian institutional and selected investors.

As part of the Institutional Offering, on [●], our Group, the Selling Shareholder, the Joint Bookrunners and the Cornerstone Investors entered into the Master Cornerstone Placement Agreement where the Cornerstone Investors have agreed to acquire, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements, an aggregate of [●] IPO Shares, representing approximately [●]% of our enlarged issued Shares at RM[●] per IPO Share or the Institutional Price, whichever is lower. None of the Cornerstone Investors will individually acquire or subscribe for 5.0% or more of our enlarged issued Shares under the cornerstone placement agreements.

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

4.2.2 Retail Offering

The Retail Offering involves the offering of 28,000,000 Issue Shares, representing 2.8% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Retail Price, in the following manner:

(i) Allocation to the Eligible Persons

8,000,000 Issue Shares, representing 0.8% of our enlarged issued Shares, are reserved for application by the Eligible Persons as follows:

Category of Eligible Persons	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Our Directors[(1)]	6	2,274,000
Eligible employees of our Group[(2)]	66	4,226,000
Persons who have contributed to the success of our Group[(3)]	2	1,500,000
Total	74	**8,000,000**

Notes:

(1) The criteria for allocation to our Directors is based on, among others, our Directors' respective roles and responsibilities in our Company and collectively, a total of 2,274,000 Issue Shares have been allocated to our Directors as follows:

Name	***Designation***	***No. of Issue Shares allocated***
Dato' Abdul Hamid Bin Sh Mohamed	*Non-Independent Non-Executive Chairman*	*200,000*
Aliff Omar Bin Mohamad Omar	*Non-Independent Non-Executive Director*	*Nil*
Cheah Sin Bi	*Non-Independent Executive Director and CEO*	*1,274,000*
Datuk Azman Bin Ismail	*Senior Independent Non-Executive Director*	*200,000*
Zuhaida Binti Zulkifli	*Independent Non-Executive Director*	*200,000*
Lynette Yeow Su-Yin	*Independent Non-Executive Director*	*200,000*
Nasmiza Binti Ismail	*Independent Non-Executive Director*	*200,000*
	Total	***2,274,000***

(2) The allocation to the eligible employees of our Group is to be made to full-time confirmed employees of our Group based on, among others, length of service, job grade, performance and past contribution to our Group.

(3) The allocation to the persons who have contributed to the success of our Group is based on, among others, their length of relationship with our Group and the level of their contribution and support to the success of our Group.

(ii) Allocation to the Malaysian Public via balloting

20,000,000 Issue Shares, representing 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 10,000,000 Issue Shares (equivalent to 50.0% of the total Issue Shares to be made available under balloting) have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

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In summary, our IPO Shares will be allocated, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus, in the following manner:

	Offer for Sale		Public Issue		Total	
Category	**No. of Shares**	**% of enlarged issued Shares[(1)]**	**No. of Shares**	**% of enlarged issued Shares[(1)]**	**No. of Shares**	**% of enlarged issued Shares[(1)]**
Retail Offering:						
Eligible Persons						
- Directors	-	-	2,274,000	0.2	2,274,000	0.2
- Eligible employees of our Group	-	-	4,226,000	0.4	4,226,000	0.4
- Persons who have contributed to the success of our Group	-	-	1,500,000	0.2	1,500,000	0.2
Malaysian Public (via balloting):						
- Bumiputera	-	-	10,000,000	1.0	10,000,000	1.0
- Non-Bumiputera	-	-	10,000,000	1.0	10,000,000	1.0
Sub-total	**-**	**-**	**28,000,000**	**2.8**	**28,000,000**	**2.8**
Institutional Offering:						
Bumiputera investors approved by the MITI	-	-	50,000,000	5.0	50,000,000	5.0
Other Malaysian institutional and selected investors	300,000,000	30.0	22,000,000	2.2	322,000,000	32.2
Sub-total	**300,000,000**	**30.0**	**72,000,000**	**7.2**	**372,000,000**	**37.2**
Total	**300,000,000**	**30.0**	**100,000,000**	**10.0**	**400,000,000**	**40.0**

Note:

(1) Based on our enlarged issued Shares of 1,000,000,000 after our IPO.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.8 of this Prospectus.

4.2.3 Clawback and reallocation

The Institutional Offering and the Retail Offering shall be subject to the following clawback and reallocation provisions:

(i) if our Issue Shares allocated to the Eligible Persons are under-subscribed, such Issue Shares may be allocated to the other Malaysian institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Bookrunners and us;

(ii) if our IPO Shares allocated to Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares shall be allocated to other Malaysian institutional and selected investors under the Institutional Offering.

If after the above reallocation, the MITI Tranche is still not fully taken up by the Malaysian institutional and selected investors, and there is a corresponding over-subscription for our IPO Shares by the Malaysian Public under the Retail Offering, our IPO Shares will be clawed back from the MITI Tranche and allocated firstly to the Bumiputera public investors under the Retail Offering and thereafter to the other Malaysian Public under the Retail Offering;

(iii) subject to (i) and (ii) above, if there is over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and

(iv) subject to (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and reallocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Issue Shares not taken up by any of the Eligible Persons ("**Excess Issue Shares**") will be made available for application by the other Eligible Persons who have applied for the Excess Issue Shares on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

(a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;

(b) secondly, allocation of any surplus Excess Issue Shares after (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for Excess Issue Shares based on the number of Excess Issue Shares applied for; and

(c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Issue Shares applied for in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept any Excess Issue Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described in item (i) above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

4.2.4 Over-allotment Option

The Over-allotment Option Provider may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Joint Bookrunners) and may together with our Company, appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may at its absolute discretion, over-allot our Shares (on behalf of the Joint Bookrunners) and subsequently, effect transactions to stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market.

Such transactions consist of bids or purchases to peg, fix or maintain the price of our Shares. If the Stabilising Manager creates a short position in our Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing our Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on 1 or more occasions, by giving written notice to the Over-allotment Option Provider at any time, within 30 days from the date of our Listing to purchase from the Over-allotment Option Provider up to an aggregate of 60,000,000 Shares at the Institutional Price for each Share, representing up to 15.0% of the total number of IPO Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Joint Bookrunners) enter into the Share Lending Agreement with the Over-allotment Option Provider to borrow up to an aggregate of 60,000,000 Shares to cover the over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Provider either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of the stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager, or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Shares issued and is not intended to constitute an offer for sale of our Shares by the Over-allotment Option Provider under our IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder.

The number of Shares that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 60,000,000 Shares, representing up to 15.0% of the total number of IPO Shares offered. However, there is no obligation on the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake any such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earlier of (i) the date falling 30 days from the commencement of trading of our Shares on the Main Market of Bursa Securities; or (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities, an aggregate of 60,000,000 Shares, representing up to 15.0% of the total number of IPO Shares offered to undertake the stabilising action.

Neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Shares. In addition, neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

4.2.5 Classes of shares and ranking

As at the date of this Prospectus, we only have 1 class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares, subject to any applicable Rules of Bursa Depository.

Our Offer Shares rank equally in all respects with our other existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of our Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders will, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders will be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders will be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative will have 1 vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.2.6 Share capital

Upon completion of our IPO, our share capital will be as follows:

	No. of Shares	RM'000
After the Subdivision	900,000,000	44,335
To be issued under the Public Issue	100,000,000	[•][(1)]
Enlarged number of issued Shares and share capital upon Listing	**1,000,000,000**	**[•]**

Note*:*

(1) Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM[•] million assumed to be directly attributable to the Public Issue.

4.2.7 Priority of the offering

In the event the demand for our IPO Shares is less than 400,000,000 IPO Shares, our Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall first be satisfied with our Issue Shares under our Public Issue and following that, any excess demand will be satisfied with our Offer Shares under the Offer for Sale.

4.2.8 Minimum subscription level

There is no minimum subscription level in terms of the amount of proceeds to be raised from our IPO. However, in order to comply with the public shareholding spread requirements of the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by public shareholders.

Under the Listing Requirements, we are required to have at least 25.0% of the total number of our Shares in the hands of a minimum number of 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the public shareholding spread requirement is not met, we may not be able to proceed with our Listing. For further details in the event there is a delay in or termination of our Listing, please see Section 5.3.5 of this Prospectus.

4.3 SELLING SHAREHOLDER

The Offer Shares to be offered by the Selling Shareholder, its respective shareholdings in our Company before and after our IPO, and its material relationship with our Group during the Financial Years Under Review and up to the LPD are as follows:

		Shareholding after the Subdivision and after the Transfer of Orkim Shares		Offer for Sale		Shareholding after our IPO	
Name	**Material relationship with our Group**	**No. of Shares**	**(%)[1]**	**No. of Shares**	**(%)[2]**	**No. of Shares**	**(%)[2]**
TKSB	Promoter and Substantial Shareholder	300,000,000	33.3	300,000,000	30.0	-	-

Notes:

(1) Based on our issued Shares of 900,000,000 after the Subdivision.
(2) Based on our enlarged issued Shares of 1,000,000,000 after our IPO.

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon by our Directors and the Selling Shareholder in consultation with our Joint Bookrunners, after taking into consideration the following factors:

(i) PE Multiple of approximately [•] times based on our Group's EPS of 9.29 sen after taking into account our PAT of RM92.9 million for the FYE 2024 and our enlarged issued Shares of 1,000,000,000 upon our Listing;

(ii) pro forma consolidated NA per Share attributable to ordinary equity holders of our Company as at 31 December 2024 after our IPO of RM[•] based on our enlarged issued Shares of 1,000,000,000 upon our Listing; and

(iii) our competitive strengths, as follows:

   (a) a proven track record as an owner-operator in the marine transportation of CPP and LPG across domestic and regional markets;

   (b) command a leading position in terms of the number of CPP tankers registered in Malaysia, representing approximately 56% of the 27 Malaysian-registered chemical/petroleum tankers, enabling us to fulfil critical domestic energy demand that underpins the nation's economic growth and rapid industrialisation;

   (c) a stable stream of recurring revenue, reinforced by long-term contracts, ensuring strong earnings visibility and financial stability;

   (d) strong customer base anchored by key energy companies that are involved in CPP distribution and retail operations in Malaysia, providing us with a stable foundation for business growth;

   (e) a relatively young vessel fleet, with an average age of approximately 12 years and shallow draft capabilities, granting us broader market access and scalable expansion potential; and

   (f) led by an experienced CEO and key senior management team, supported by a pool of competent crew and officers, for safe, efficient, and reliable shipboard operations.

(iv) our future plans and strategies, as follows:

   (a) fleet expansion and rejuvenation by investing in younger, larger and more versatile tankers, including chemical/petroleum product tankers;

   (b) fleet modernisation program in line with environmental and HSSE developments; and

   (c) technological advancements through digitalisation.

The Final Retail Price will be determined after the Institutional Price is determined on the Price Determination Date and will be the lower of:

(a) the Retail Price; or

(b) the Institutional Price.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. Further details on the refund mechanism are set out in Section 4.4.3 of this Prospectus.

The Final Retail Price and the Institutional Price are expected to be announced within 2 Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective Malaysian institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on [●] and will end on [●]. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholder in consultation with our Joint Bookrunners on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

(a) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or

(b) by crediting into the accounts of the successful applicants with the Participating Financial Institutions for applications made via the Electronic Share Application or the Internet Participating Financial Institutions or Participating Securities Firms for applications made via the Internet Share Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.10(v) of this Prospectus.

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be approximately RM[•] billion.

You should note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	RM
Final Retail Price/Institutional Price	[•]
Pro forma consolidated NA per Share as at 31 December 2024 after the Subdivision and before adjusting for our IPO	[•]
Pro forma consolidated NA per Share as at 31 December 2024 after the Subdivision and after adjusting for the use of proceeds from the Public Issue	[•]
Increase in NA per Share to our existing shareholders	[•]
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors	[•]
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	[•]%

Save as disclosed below, none of our Substantial Shareholders, Directors, Key Senior Management or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares for the past 3 years up to the LPD:

Date Allotted/ Transferred	Name	No. of Shares	Allotted/ Transferred	Total Consideration (RM)	Average price per Share (RM)
5 February 2025	TKSB	1,747,589	Transferred(1)	36,675,000	0.91(2)
[●]	TKSB	861,164,686	Allotted(3)	[Nil]	[Nil]

Notes:

(1) Pursuant to the sale of our Shares by 2 minority shareholders to TKSB.
(2) Calculated based on our issued 900,000,000 Shares after taking into account the effect of the Subdivision.
(3) Shares are allotted pursuant to the Subdivision as set out in Section 6.1.3(i) of this Prospectus.

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to approximately RM[•] million(1) in the following manner:

Details	Estimated timeframe for use from the date of our Listing	RM'000	%
Purchase of Vessels	Within 24 Months	[•]	80.0
Working capital	Within 12 Months	[•]	9.0
Defray fees and expenses for our IPO and our Listing	Within 3 Months	[•]	11.0
Total		**[•]**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

4.6.1 Purchase of vessels

As detailed in Section 7.2.2.1 of this Prospectus, we intend to invest in younger, larger and more versatile tankers, including chemical/petroleum product tankers, as part of our Group's fleet expansion and rejuvenation strategy.

As at the LPD, our Group plans to acquire up to 3 vessels over the period from 2025 to 2026, comprising the following:

(i) 2 chemical/petroleum product tankers, at an estimated cost of RM[•] million each; and

(ii) a MR CPP tanker, at an estimated cost of RM[•] million.

Our Group intends to utilise up to RM[•] million of the proceeds from the Public Issue to finance the acquisition of 1 of the abovementioned vessels. The balance of the acquisition costs, if any, will be funded through internally generated funds and/or borrowings, which includes part of the RM300.0 million Sukuk proceeds issued in February 2025. The final mix of funding sources will be determined based on prevailing market conditions, availability of financing options, and the Group's capital management strategy at the time of acquisition.

The timing and sequence of the acquisitions may vary based on the availability of suitable vessels in the market and the outcome of competitive bidding processes, if any. As such, the exact type, specifications, quantity, and final acquisition cost of the vessels are subject to change, depending on prevailing market conditions, including the prevailing vessel prices and foreign currency exchange rates at the time of acquisition. In identifying suitable vessels, our Group will consider, among others, the prevailing industry demand and operational requirements, pricing and availability of second-hand vessels, vessel specifications (e.g., fuel efficiency, speed, draft, carrying capacity, key machinery and equipment, and the age, condition, and historical performance of the vessels).

As at the LPD, our Group has not entered into any agreements for the acquisition of the vessels or for any related financing arrangements.

4.6.2 Working Capital

In line with our Group's business expansion and future plans, our Group intends to utilise RM[•] million of the proceeds from the Public Issue for working capital purposes. These proceeds will be used to support our Group's day-to-day operational expenses, which are expected to increase in tandem with the growth of our Group's business. The details are as follows:

	RM'000
Purchase of bunker fuel	[•]
Payment for vessel maintenance costs	[•]
Total	**[•]**

4.6.3 Defray fees and expenses for our IPO and our Listing

The estimated expenses and fees incidental to our IPO and our Listing amounting to approximately RM[•] million will be borne by us, the details of which are as follows:

	RM'000
Professional fees	[•]
Fees to authorities	[•]
Brokerage, underwriting and placement fees	[•]
Other fees and expenses such as printing, advertising, travel and roadshow expenses	[•]
Total	**[•]**

If the actual listing expenses are higher than estimated, the shortfall will be funded through internally generated funds. However, if the actual listing expenses are lower than estimated, the surplus will be used for our Group's working capital.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for our Group's working capital. However, if the actual proceeds are lower than budgeted above, the allocation for working capital will be reduced first, followed by the allocation for vessel purchases.

Given the timing of the use of proceeds to be raised from our Public Issue may not be immediate and as part of our efficient capital management to maximise profit income, we intend to place the proceeds raised from our Public Issue or any balance (including accrued profit, if any) in the profit-bearing accounts with licensed financial institution(s) and/or in money-market deposit instruments/funds.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM[•] million will accrue entirely to the Selling Shareholder. The Selling Shareholder will bear their own professional fees and placement fees as well as other miscellaneous expenses in relation to the Offer for Sale which is estimated to be approximately RM[•] million.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage Fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of [●]% (exclusive of any applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, neither we nor the Selling Shareholder will bear such brokerage commission.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, we will pay the Managing Underwriter and the Joint Underwriters an underwriting commission of [●]% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering. In addition, we will pay the Managing Underwriter a managing underwriting commission of [●]% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering.

4.7.3 Placement fee

The Selling Shareholder for our Offer Shares and us for our IPO Shares will pay the Joint Bookrunners a placement fee and selling commission of [●]% (exclusive of applicable tax) and may pay a discretionary fee of up to [●]% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares placed out to Malaysian institutional and selected investors under the Institutional Offering in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 28,000,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Sections 4.2.3 of this Prospectus respectively and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

[●]

4.8.2 Placement

We and the Selling Shareholder expect to enter into the Placement Agreement with the Joint Bookrunners in relation to the placement of up to 372,000,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.3 and 4.2.4 of this Prospectus, respectively. We and the Selling Shareholder will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Bookrunners against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.8.1 of this Prospectus.

4.8.3 Lock-up arrangements

[●]

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the application for our IPO Shares. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. Prospective investors should rely on their own evaluation and carefully consider all the information contained in this Prospectus, including the risks described below before deciding to invest in our Shares. Our business, financial condition, results of operations and prospects could be affected by any of these risks.

5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 We operate in a highly regulated industry with strong emphasis on HSSE regulations and standards

We are subject to stringent and continually evolving HSSE laws and regulations, both in Malaysia and internationally. Our operations must comply with numerous Malaysian laws and regulations, including the EQA, the OSHA and the MSO. In addition, we are required to adhere to requirements imposed by various departments and agencies of the Government such as the Department of Environment, MDM and the relevant port authorities.

In addition to Malaysian regulations and requirements, our vessels and operations must comply with international maritime conventions and standards, including the MARPOL, the SOLAS and the International Safety Management (ISM) Code established by the IMO. These conventions govern key areas of the maritime industry such as the discharge of pollutants, shipboard safety systems, crew certifications and emergency response procedures. Failure to comply with these international conventions and standards could result in penalties, detention of vessels and loss of access to international shipping routes.

To ensure compliance, we have adopted internal policies and operational procedures to be in line with the applicable regulations, conventions and standards, and we remain committed to enhancing our environmental practices. Nonetheless, compliance with current and future regulatory requirements may also require significant capital expenditures to upgrade our fleet, improve onboard safety and environmental systems, or adapt to new industry standards. Any actual or alleged non-compliance may result in regulatory action, including fines, penalties or other sanctions. Additionally, evolving environmental regulations may introduce more stringent standards and enforcement mechanisms over time. There is no assurance that our current measures will remain sufficient to meet future requirements, and compliance with more rigorous standards may materially increase our fleet operating costs, thereby adversely affecting our business, financial performance and future growth prospects.

Incidents such as oil spills or pollutant discharges could also give rise to significant liabilities, including clean-up costs and damages payable to government authorities or third parties. We could also be imposed with fines and penalties, revocation of our licences and permits and be prohibited from continuing our operations and the occurrence of any of the foregoing could have a material adverse effect on our business and our reputation.

In the course of our operations, our customers expect us to maintain HSSE standards in accordance with industry norms and expectations. Failure to adhere to such HSSE standards may result in the termination of existing charter contracts and/or could adversely affect our ability to secure new ones.

As at the LPD, we have not encountered any material incidents which affected the environment and accordingly, we have not experienced any material disruptions to our operations due to environmental circumstances. However, there can be no assurance that we will not be impacted by these risks in the future.

5.1.2 We are required to maintain our major licences, permits and approvals which are mandatory for our business operations

All vessels involved in domestic shipping services in Malaysia are required to hold valid DSLs issued by the Domestic Shipping Licensing Board. Domestic shipping refers to the shipment of goods or the carriage of passengers (i) between any ports or places within Malaysia; or (ii) between any port or place in Malaysia and any place within the exclusive economic zone. DSLs are required for us to secure port clearance from customs officers or other relevant authorities for the berthing or departure of our vessels at Malaysian ports. As at the LPD, all of our vessels possess valid DSLs, which are renewed periodically in accordance with regulatory requirements.

In addition, we are required to hold the necessary PETRONAS licence under the relevant Standardised Work and Equipment Categories issued by PETRONAS for transportation of petroleum products, such as CPP and LPG, for PETRONAS. PETRONAS is the custodian of Malaysia's oil and gas resources and serves as the country's upstream oil and gas industry regulator. PETRONAS derives its authority from the PDA, which vests PETRONAS with ownership of and exclusive rights to the country's petroleum resources. As at the LPD, we have valid PETRONAS licence for the provision of petroleum product tankers and LPG tankers. The PETRONAS licence is held by our subsidiary, OMSB.

Furthermore, we also have valid PDA licences for marine transportation of petroleum products issued by KPDN pursuant to Section 6(3) of the PDA. Both the PETRONAS licence and the PDA licences have certain equity conditions imposed which we are currently in compliance. Please refer to Annexure B of this Prospectus for details of our PETRONAS licence and PDA licences that we require for our operations.

Even though we have obtained the requisite licences for our business operations, we remain subject to continuous review under the applicable terms and conditions, general guidelines and minimum technical requirements imposed by the relevant issuing authorities, which are subject to change from time to time. Accordingly, there is a risk that our licences may not be renewed or could be revoked, suspended or blacklisted if we fail to meet or comply with the relevant terms and conditions or general guidelines stipulated in our licences and registrations. In addition, there is no assurance that we will continue to be in compliance with the relevant equity conditions in the future. If such events occur, we may be unable to participate in the marine transportation of CPP and LPG products in Malaysia and this could have an adverse effect on our business, financial performance and future growth prospects.

During the Financial Years Under Review and up to the LPD, we have not experienced any non-renewal, revocation or suspension of our licences.

5.1.3 Our business is heavily dependent on our ability to secure contracts continuously

Our ability to generate sustainable revenue is highly dependent on our ability to secure new charter contracts and renew existing ones to ensure optimal fleet deployment. As at the LPD, we operate a fleet of 17 vessels, all of which are currently deployed under their respective long-term charter contracts. While this level of contract coverage offers revenue visibility, we face renewal risk as some of these contracts are approaching expiry. As at the LPD, contracts for 8 of our vessels are due to expire in the next 12 months. Although some of these expiring contracts contain options for extension, there is no assurance that such options will be exercised by our customers.

Our average vessel utilisation stood at 88.3%, 91.4% and 92.0% for the FYE 2022, FYE 2023 and FYE 2024 respectively. Sustaining these utilisation levels is contingent upon us continuously securing or renewing charter contracts. The ability to do so is influenced by various factors including:

(i) our historical performance and safety track record;

(ii) the technical reliability and operational readiness of our vessels;

(iii) market demand for CPP and LPG transportation services;

(iv) competitive pricing dynamics and prevailing charter rates;

(v) availability of Malaysian-registered vessels to service our customers; and

(vi) broader economic and regulatory developments in the oil and gas and shipping sectors.

In the event we are unable to secure replacement charter contracts upon the expiry or completion of our existing charter contracts particularly for contracts with upcoming expiries or we are unable to do so on financially viable terms, we may face a decline in utilisation rates which would adversely impact our revenue generation ability. Any sustained gap between contract expiry and redeployment may have a material adverse effect on our business, financial performance and future growth prospects.

5.1.4 We are dependent on 2 major customers and the loss of these customers may affect our financial performance

Our revenue generation is highly concentrated towards contracts with our 2 major customers, namely the PETRONAS Group and the Customer ABC Group. While we have been dealing with the PETRONAS Group and the Customer ABC Group for approximately 15 years and we expect to continue to be awarded contracts from these 2 major customers in the future, there may be changes in their operations, policies or business outlook that could have a material adverse effect on our business prospects.

Revenue contribution from the PETRONAS Group accounted for 45.2%, 48.6% and 45.5% of our total revenue for the FYE 2022, FYE 2023 and FYE 2024 respectively. On the other hand, revenue contribution from the Customer ABC Group collectively accounted for 34.9%, 30.4% and 35.5% of our total revenue for the FYE 2022, FYE 2023 and FYE 2024 respectively. Both their combined revenue contributions accounted for 80.1%, 79.0% and 81.0% of our Group's total revenue for FYE 2022, FYE 2023 and FYE 2024 respectively.

If any of their contracts are reduced, suspended, terminated or completed without prompt replacement, it would adversely affect our financial performance. The loss of these major customers, any decline in freight rates or changes to the chartering terms upon renewal of the Group's charter agreements with these customers, would affect our revenue and cash flow and could have a material adverse effect on our business, financial condition and results of operations.

5.1.5 We may incur higher than expected vessel maintenance and repair expenses

We operate in a capital-intensive industry and incur substantial expenditure to ensure our vessels remain in optimal operating condition. Older vessels typically require higher maintenance spending to sustain operational efficiency and may incur higher capital expenditure for upgrading or retrofitting to comply with evolving regulatory requirements. While all our vessels currently comply with applicable laws and regulations, we cannot guarantee continued compliance considering potential regulatory changes. If retrofitting our older vessels to meet new regulatory requirements, conventions or standards becomes economically unviable or technically unfeasible, we may consider disposing of such vessels and may incur losses on disposal. For the FYE 2022, FYE 2023 and FYE 2024, our spare parts, repairs and maintenance costs accounted for 6.4%, 9.4% and 9.1%, respectively of our voyage and vessel operating costs.

We undertake periodic dry-docking of our vessels to conduct planned inspections, maintenance and repairs, as well as to renew class certifications. Dry-docking is carried out at a dockyard, as it involves maintenance activities that cannot be performed while the vessel is in operation. This process includes servicing the hull, deck, cargo holds, navigation and communication systems and other onboard equipment. Each vessel is also subject to a structured survey regime, comprising annual surveys, intermediate surveys and special surveys. Special surveys are conducted every five years, with intermediate surveys carried out once during each five-year cycle. These surveys are generally conducted during dry-docking by independent classification societies and are critical for the renewal of the vessel's class certification.

In addition to periodic dry-docking, we carry out our own maintenance in accordance with a planned maintenance schedule for routine upkeep while the vessels remain in operation. This helps to ensure optimal fleet performance and reliability between scheduled dry-docking intervals.

Additionally, our vessels may require unscheduled docking in the event of mechanical breakdowns or collisions. In such cases, we may incur substantial rectification costs, and the affected vessels could be temporarily out of service, potentially leading to disruptions in our operations. In 2024, one of our vessels experienced a mechanical breakdown due to machinery wear and tear, leading to repair costs of approximately RM1.1 million. The repair cost was substantially covered through an insurance claim. While the incident was resolved, there can be no assurance that similar incidents in the future may not adversely affect our business, financial performance and prospects.

Our maintenance and repair costs may increase due to various factors such as rising prices for labour, materials and spare parts, growth in the size of our fleet, changes in regulations and fluctuations in currency exchange rates. During the FYE 2022, FYE 2023, and FYE 2024, spare parts, repairs, and maintenance costs sourced from foreign countries represented 51.2%, 48.9%, and 46.8%, respectively, of our total expenditure in this category. In addition, for the FYE 2024, our dry-docking expenses were mainly transacted in SGD. Unforeseen breakdowns or maintenance issues may result in higher-than-expected repair and upkeep costs, which could also adversely affect our financial performance for the year in which such costs are incurred.

5.1.6 We are subject to fluctuations in bunker fuel costs

One of the main input costs for our marine transportation of CPP and LPG is bunker fuel, including very low sulphur fuel oil and marine gas oil, which are used to propel our vessels. Bunker fuel costs represent a significant proportion of our total purchases of input materials and services. For the Financial Years Under Review, bunker costs accounted for 28.1%, 20.6% and 19.9% of our voyage and vessel operating costs for the FYE 2022, FYE 2023 and FYE 2024, respectively.

Bunker fuel is denominated in USD and is subject to fluctuations in global oil prices. The pricing of bunker fuel is influenced by a range of external factors beyond our control, including global supply and demand dynamics, geopolitical developments in key oil-producing regions, changes in governmental energy policies and the overall state of the global economy. Volatility in any of these factors may result in material increases in global oil prices, which could in turn lead to higher bunker fuel costs for our Group.

As an owner-operator of CPP and LPG tankers, we face financial risk from fluctuating bunker fuel costs, particularly for vessels chartered under spot charters. Under spot charter contracts, we are fully responsible for all bunker costs incurred during the voyage, and charges to customers are quoted on an all-in basis. As such, we are exposed to fluctuations in bunker prices between the time of rate quotation and actual voyage execution, potentially compressing margins if fuel prices rise in the interim.

Under CVC and COA contracts, we are responsible for sourcing and paying for bunkers. However, these contracts typically incorporate bunker cost adjustment mechanism, allowing us to pass on most of the bunker cost fluctuations to our customers. This mechanism helps to mitigate the financial impact of bunker fuel price volatility on our margins, as charges to customers are adjusted periodically to reflect prevailing bunker prices. Conversely, under Time Charter contracts, bunker costs are borne entirely by the charterers and we are responsible only for vessel operation and maintenance.

Despite these contractual cost adjustment mechanisms, if we are unable to effectively pass on rising bunker costs to our customers or manage our exposure to the bunker fuel price fluctuations for our voyage charters, our financial performance could be materially and adversely affected.

5.1.7 We face maritime operational risks encompassing vessel safety, potential accidents and breakdowns, piracy and security concerns

Our operations in the maritime transportation of CPP and LPG are inherently exposed to a range of operational risks, some of which are beyond our control. These encompass critical aspects of voyage safety, where the potential for incidents such as collisions, groundings, or fires could lead to severe consequences, including loss of life, injury to personnel and substantial damage to our vessels and third-party property. Furthermore, the risk of vessel breakdowns due to mechanical failures or structural issues could result in off-hire periods, costly repairs and potential delays in fulfilling our charter obligations.

Additionally, certain operating regions, particularly within Southeast Asia, pose ongoing threats of piracy and security incidents, which could endanger our crew, lead to cargo loss and disrupt our schedules, potentially increasing insurance costs and necessitating enhanced security measures. In 2015, we experienced 2 separate security incidents, namely, an armed robbery against one of our vessels where part of the cargo (diesel) was siphoned and an armed piracy incident where our crew and vessel were safely recovered by the authorities, without any ransom paid. No such security-related or piracy incidents have occurred during the Financial Years under Review and up to the LPD.

While we take precautions to mitigate these risks, including adhering to international maritime safety protocols, equipping our vessels with enhanced security features, and maintaining insurance coverage against security-related incidents, there can be no assurance that such measures will prevent all incidents from happening or provide sufficient compensation for any losses suffered in the event of an incident. Any serious incident could materially and adversely affect our business operations and financial performance.

5.1.8 We may face challenges in the implementation of our fleet rejuvenation strategy or future plans

Our strategy to maintain an optimal fleet age profile and expand into the transportation of chemical products may expose us to various operational, financial and regulatory risks. Modernising and upgrading our fleet would require substantial capital investment and while we anticipate that newer vessels will improve operational efficiency and ensure environmental compliance, there can be no assurance that such investments will generate the expected financial returns. Delays in vessel deliveries, changes in shipbuilding costs, or adverse fluctuations in financing terms could negatively impact our ability to execute this strategy effectively. We have secured chartering contracts in September 2024 for our 2 new vessels currently under construction, namely Orkim Jade and Orkim Ruby, which are expected to be delivered in 2027. In the event of any delay in the completion of construction of the 2 newbuild vessels, the scheduled delivery timelines may be affected, which could delay the commencement of their respective contracts and consequently, affect our financial performance in the future.

Furthermore, the expansion and fleet renewal efforts may increase our leverage and impact our liquidity position, particularly if we face challenges in securing contracts at favourable rates. The increased capital expenditures, coupled with the inherent volatility of the shipping industry, including fluctuations in bunker prices, interest rates and vessel charter rates, may strain our balance sheet and affect our ability to meet covenants under existing or future financing arrangements.

Our potential expansion into the transportation of chemical products may expose us to new technical, regulatory and operational requirements. Chemical cargoes typically require the use of specialised vessels and equipment, as well as enhanced crew training and certification. The handling and transportation of chemical products are subject to more stringent environmental, health, and safety regulations, both locally and internationally. Accordingly, we may be required to make additional capital investments in vessels and crew development to meet these requirements. Failure to comply with the applicable regulations or to adequately manage the associated operational requirements could result in delays, fines, reputational damage, or the inability to operate in this segment. In addition, our ability to successfully venture into chemical products transportation will depend on securing favourable contracts with our potential customers.

While we believe our experience in transporting CPP and LPG provides a strong foundation for our foray into the transportation of chemical products, there is no assurance that we will be able to manage the associated risks effectively or that this segment will contribute positively to our financial performance in the future.

5.1.9 We face the risk of arrest or detention or delays in the deployment of our vessels

We face inherent operational risks related to the arrest, detention, or delays in the deployment of our vessels. These disruptions can occur at various stages of our shipping operations and may arise from legal, regulatory, operational, or logistical issues. Any such interruptions could materially affect our ability to fulfil contractual obligations, optimise vessel utilisation and maintain reliable shipping schedules, which in turn may have a negative impact on our financial performance and customer relationships.

In Malaysia, where our vessels primarily operate, vessels are subject to strict enforcement of maritime, environmental and customs regulations by authorities such as MDM, the Royal Malaysian Customs Department and the Malaysian Maritime Enforcement Agency ("**MMEA**"). Our vessels could be detained or delayed due to alleged violations, such as improper cargo documentation, failure to obtain necessary port or customs clearances, illegal discharges, or non-compliance with safety, crewing, or equipment standards. In addition, vessel arrest can occur due to legal claims by third parties, such as cargo owners, suppliers, or service providers, including unresolved charter disputes, unpaid invoices, or maritime liens. In 2024, two of our vessels were detained and fined by the MMEA for failure to comply with Section 491(B)(1)(I) of the MSO for anchoring without permission due to ambiguities in the ballast water exchange approvals issued by the MDM. The fines were subsequently settled by our Group and such amount was subsequently reimbursed by our insurer. Following the incidents, the MDM had issued a new blanket circular and a revised approval to clarify and rectify the ambiguities.

Deployment delays can arise from various factors, including vessel unavailability due to unforeseen mechanical issues or unscheduled drydocking, port congestion leading to berthing and cargo handling delays, adverse weather conditions affecting loading/discharging operations or route schedules, port clearance, regulatory/inspection delays and crew-related issues such as delayed crew changes. Unexpected quarantine orders due to health concerns (e.g., disease outbreaks) can also significantly disrupt vessel scheduling and route planning. Any one or combination of these factors can disrupt our service deployment.

While we maintain comprehensive compliance review and contingency planning procedures, including routine audits and crew training, we cannot fully eliminate the risk of arrest, detention, or deployment delays. Any such incidents may lead to direct financial losses through missed charter hire, increased insurance premiums, penalties, or fines, as well as indirect consequences such as reputational damage or the loss of key commercial relationships. Continued exposure to these risks may hinder our ability to expand our fleet, enter new markets, or secure long-term contracts with customers which will then have a material adverse effect on our financial performance.

5.1.10 We are reliant on our Key Senior Management for the successful execution of our growth plans

Our Group is led by our CEO who is supported by the Key Senior Management team who have extensive knowledge and experience in the marine transportation industry. In addition, our CEO and most of our Key Senior Management have been with us for more than 12 years, contributing a wealth of industry experience. Please see Sections 9.2.2 and 9.3.2 of this Prospectus for the profiles of our CEO and Key Senior Management respectively.

We believe that the successful execution of our business plan and consequently, our growth strategy is dependent upon the continued service of our CEO and Key Senior Management. The loss of our CEO and any of our Key Senior Management without proper succession planning and timely replacement, or the inability to attract, hire and retain suitable replacement candidates for Key Senior Management positions may adversely affect our continued ability to compete with other industry players and implement our business strategies, which could have a material adverse effect on our business, financial performance and future growth prospects.

5.1.11 We may not be adequately insured against all risks associated with our business, which could result in significant losses

Our business operations are exposed to the inherent operating hazards of the marine transportation industry and the occurrence of which may result in damage to or loss of our vessels and/or injury to our crews on board of our ships.

We maintain insurance policies at levels that we believe are customary in the business that we operate in such as hull and machinery insurance, protection and indemnity coverage and other relevant policies. However, our insurance coverage may not be sufficient to fully cover all potential liabilities, losses or damages arising from events such as vessel construction risks, marine accidents, environmental incidents, piracy, cargo loss, natural disasters, machinery breakdowns, third-party claims or other operational risks.

We believe that our insurance coverage is sufficient. However, in certain circumstances, insurance coverage may be limited, subject to deductibles or exclusions, or unavailable on commercially acceptable terms. Moreover, claims under our insurance policies may be disputed by insurers or denied in whole or in part. There is also no assurance that we will be able to renew existing policies at similar terms in the future.

In addition, while we strive to comply with applicable laws and best practices in maintaining adequate insurance, there can be no assurance that our insurance arrangements will be sufficient to cover all potential losses. Any uninsured loss or shortfall in insurance coverage could result in us incurring significant costs or liabilities, which may have a material adverse effect on our business and financial performance.

5.1.12 We may be affected by changes to the current taxation regime for the Malaysian shipping industry

As a Malaysian-based marine transportation company which is a Malaysian tax resident, we currently benefit from the income tax exemption granted under the Income Tax (Exemption for Malaysian Ship) Order 2024 [P.U.(A) 184/2024] ("**Exemption Order**") that was gazetted on 5 July 2024, which grants income tax exemption on 100% of the statutory income for a YA from the business of transporting passengers or cargo by sea on a Malaysian ship or letting out on charter a Malaysian ship owned by him on a voyage or time charter basis ("**Shipping Income**"), subject to conditions prescribed in the Exemption Order. The Exemption Order is valid for the YA 2024 to YA 2026.

Prior to YA 2012, the statutory income of a Malaysian tax resident from Shipping Income was granted 100% income tax exemption under Section 54A of the ITA. The law was amended with effect from YA 2012 to reduce the income tax exemption under Section 54A to 70% of statutory income. Notwithstanding this, the Minister of Finance subsequently exercised his powers under Section 127(3)(b) of the ITA to grant 100% income tax exemption on Shipping Income by way of the following gazette orders:

- Income Tax (Exemption) (No. 2) Order 2012 for the YA 2012 to YA 2013
- Income Tax (Exemption) Order 2018 for the YA 2014 to YA 2015
- Income Tax (Exemption) (No. 2) Order 2018 for the YA 2016 to YA 2020

- Income Tax (Exemption) (No. 7) Order 2022 for the YA 2021 to YA 2023
- Income Tax (Exemption for Malaysian Ship) Order 2024 for the YA 2024 to YA 2026

These income tax exemptions are a significant factor in enhancing our financial position and profitability. However, there can be no assurance that such income tax exemption will be maintained indefinitely. The Government may, at its discretion, amend, suspend, or revoke such income tax exemptions as part of a broader fiscal or regulatory policy reform. If these income tax exemptions are reduced, modified, or withdrawn, we may become subject to higher income tax liabilities, which could have a material adverse effect on our financial performance. In addition, there can be no guarantee that the income tax exemption will continue to be extended by the Government.

Any changes in the current tax regime and/or laws, rules and regulations pertaining to the taxation of Malaysian shipping companies, or the interpretation thereof, which may have a retrospective, current and/or prospective effect, will affect the tax paid or payable by us arising from a tax reassessment on our financial results.

5.1.13 Our vessel operations are susceptible to risks associated with port congestion and delays in Malaysia and other Asian ports, potentially impacting vessel turnaround times and increasing operational costs

Our vessel operations, including the chartering of CPP and LPG tankers, are vulnerable to significant disruptions arising from port congestion and the associated delays experienced in Malaysia and other key Asian ports within our operating network. These logistical bottlenecks can impact the efficiency of our vessel turnaround times, leading to extended periods spent waiting for berthing, loading, or discharging.

Such delays directly translate into increased operational costs, including higher fuel consumption during waiting periods. Furthermore, these delays can disrupt our planned vessel schedules, potentially causing a cascading effect on subsequent voyages and our ability to meet contractual obligations. Protracted delays can also negatively impact our vessel utilisation rates, reducing the number of revenue-generating voyages we can complete within a given period.

We are exposed to risks associated with delayed vessel availability for subsequent voyages, which may lead to disruptions in subsequent voyage schedules, which are commonly applicable for vessels that are chartered under CVC, COA and spot charter. The delays may be caused by various factors, including port congestion causing berthing delays, cargo handling delays due to faulty equipment or poor weather, documentation delays that may halt the cargo clearance, emergency repairs, as well as security and piracy incidents. In the event of material delays, it may affect our business and financial performance. During the Financial Years Under Review, we have not experienced a material impact on our business and financial performance due to delayed vessel availability.

Nevertheless, there is no assurance that we may not experience adverse financial impact arising from delayed vessel availability.

5.1.14 We are exposed to risks of information technology disruptions, potential cybercrimes and security breaches

Our operations, including vessel communication and monitoring, rely heavily on information technology ("**IT**") systems, which are essential for ensuring operational efficiency, navigation, and safety onboard our vessels. These systems may also store confidential and commercially sensitive information, such as customer and supplier data, charter contracts, and operational records. A cybersecurity breach could lead to the unauthorised access, disclosure, or theft of such information.

We depend on third-party vendors and service providers for critical IT infrastructure and cybersecurity support. Any disruption or breach affecting these third parties may result in a cascading impact on our operations and expose us to risks that are beyond our direct control.

The marine transportation industry, including the CPP and LPG tanker segments in which we operate, is increasingly vulnerable to cyber threats and IT-related risks. Disruptions to IT systems may may occur due to various causes, including natural disasters, catastrophic events, cyberattacks, system malfunctions, or other events beyond our control. These risks are often unpredictable and may not be fully preventable or mitigated, even with robust security measures in place.

In response to the rising incidence of cyberattacks, the Government has introduced more stringent cybersecurity requirements. Any failure to comply with these obligations including technical standards and incident reporting, could result in penalties, regulatory scrutiny, and reputational damage.

5.2 RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

5.2.1 We face competition in the provision of marine transportation of CPP and LPG in Malaysia, as well as in Asia, which are our main markets

We operate in a competitive marine transportation industry, particularly in the carriage of CPP and LPG along coastal routes within Malaysia and other Asian countries, including Singapore, the Philippines, Indonesia, Brunei and China. Our competitors include both local and international vessel operators and shipowners, some of whom may have larger and more diversified fleets, broader regional networks, or greater financial resources, allowing them to offer lower charter rates or more flexible commercial terms.

Based on the latest available data from 2024, there were 27 Malaysian-registered chemical/petroleum tankers *(Source: IMR Report)*. In Malaysia, the marine transportation industry is subject to cabotage regulations, which prioritise the use of Malaysian-registered vessels for domestic shipping routes. While cabotage regulations offer a degree of competitive protection within Malaysian waters by prioritising Malaysian-registered vessels, we continue to face competition from other domestic operators. In certain cases, foreign-registered vessels may be permitted to operate in Malaysian waters, subject to specific approvals from the relevant authorities. Other Asian countries which we operate in or may expand into may also enforce their respective cabotage laws that restrict the involvement of foreign-registered vessels and crews in marine transportation of CPP and LPG in their countries, potentially limiting market access and intensifying local competition. Any future relaxation or amendment of existing cabotage regulations could allow greater access for foreign-registered vessels, thereby increasing competition in our domestic operations.

Outside Malaysia, we compete with regional and global players for charter opportunities, which are subject to key competitive factors including pricing, vessel availability and specifications, safety and environmental compliance, customer service and operational track record.

Failure to compete effectively, particularly in securing or renewing key charter contracts, could lead to a lower utilisation of our fleet, downward pressure on charter rates and a negative impact on our revenue, profitability and market position.

5.2.2 We face volatility in freight and charter rates, which may affect our financial performance

Our revenue is derived from various types of chartering contracts, including Time Charter, CVC, COA and spot charter. Please refer to Section 7.5.7 of this Prospectus for further details on the types of our charter contracts. While long-term Time Charter, CVC and COA contracts provide a more predictable and stable income stream, spot charter contracts are more sensitive to short-term market movements and fluctuations in charter rates.

Spot and shorter-term charter contracts can yield higher returns in favourable market conditions, but they also expose us to downside risk during periods of oversupply or weak demand in the shipping market when charter rates are lower. Factors such as global economic conditions, fluctuations in crude oil and petroleum product demand and changes in fleet capacity may impact the prevailing charter rates, potentially leading to lower vessel utilisation or reduced earnings.

While we seek to mitigate these fluctuations through long-term contracts and maintaining strong relationships with our major customers, we may not always be able to renew or secure favourable charter terms, especially during market downturns. Significant or prolonged volatility in freight and charter rates may adversely affect our revenue, operating margins and overall financial performance.

5.2.3 There is limited supply of qualified and skilled personnel

We provide fully-manned vessels for customers throughout the charter period. Qualified personnel are essential for our marine transportation operations. All our seafarers hold the required certificate of competency to work onboard. As at the LPD, we have a total offshore workforce of 364 seafarers for shipboard operations. Our crew comprises a mix of Malaysian and foreign nationals, including key crew members such as ship captains, engineers and general workers. Our marine transportation operations involve handling hazardous cargo hence we ensure that our crew members are well-trained and have the necessary experience, where possible. In addition, many of our crew personnel also hold professional qualifications relevant to their specific roles onboard our vessels.

We face the risks of potential crew shortages and challenges in effectively recruiting, training and retaining qualified ship personnel. Crew shortages could disrupt our operations, potentially leading to breaches of our charter contracts. Such breaches may result in contract termination, legal action and/or penalties imposed by our customers if we fail to remedy such breaches. Furthermore, persistent crew shortages could tarnish our market reputation, negatively impacting our ability to secure new contracts or extend existing ones.

While we have a dedicated pool of seafarers that we can employ and have implemented various programmes aimed at recruiting, training and retaining crew personnel, there is no guarantee that we will not experience crew shortages, which could negatively affect our business operations and financial performance.

5.2.4 We are exposed to political, economic, social and regulatory developments risks

Our business prospects are vulnerable to unfavourable political, economic, social and regulatory changes in Malaysia and the countries where our vessels operate. Any adverse developments or uncertainties in political, economic or regulatory conditions in Malaysia or any of the countries where our vessels operate, as well as occurrence of force majeure events, such as terrorism acts, war, riots, disease outbreaks (including but not limited to a COVID-19-like pandemic) and natural disasters whether globally or in Malaysia could unfavourably affect our financial and business prospects. The political, economic and regulatory risks which may affect us include unfavourable changes in inflation rates, interest rates and foreign exchange rates, expropriations, adverse changes in political leadership, global, regional or local economic slowdown and unfavourable changes in government policies and regulations.

As an owner-operator of CPP and LPG tankers transporting petroleum products within domestic ports in Malaysia and across some Asian countries, we are subject to changes in government policies, cabotage regulations, laws and regulations affecting the marine transportation industry in Malaysia and internationally. These risks arise from maritime laws and regulations that govern vessel operations, safety protocols and potential liability. Furthermore, each country where our vessels operate has its own cabotage restrictions on the involvement of foreign-registered vessels and crews in marine transportation of CPP and LPG in their countries, as well as rules and regulations concerning trade permits, port operations, customs procedures, border control and immigration for personnel thus requiring our continuous monitoring and adherence to avoid penalties and operational disruptions.

These unfavourable political, economic, social and regulatory changes are beyond our control and may have an adverse impact on the demand of our vessels or cause interruptions and delays in our daily vessel operations, which may result in our financial performance being adversely affected.

As at the LPD, we have not experienced any adverse political, economic and regulatory changes or any force majeure events (save for the COVID-19 pandemic) which has had a direct impact on our business operations.

5.2.5 Our operations may be impacted by adverse weather conditions and natural hazards

Our vessels primarily operate in Malaysian and regional waters, which are susceptible to seasonal monsoons and tropical storms. Inclement weather, including monsoons, storms or heavy seas, may disrupt port operations, delay voyages or require route deviations, affecting our ability to maintain our planned delivery schedules and to optimise fleet utilisation.

Our Group is generally protected against delays due to weather through demurrage provisions or fixed hire rates. However, spot charter arrangements do not provide similar protections. Delays under spot charters may result in reduced revenue or increased operating costs, particularly in cases of prolonged idle time or voyage inefficiencies.

Furthermore, adverse weather may pose safety risks to our crew and vessels, lead to increased fuel consumption, higher maintenance and insurance costs, or result in temporary vessel unavailability.

While we adopt operational safeguards and contingency measures, we may not be able to fully mitigate the impact of severe weather conditions on our operations. Nevertheless, our Group has maintained a track record of timely performance under its charterparty obligations to date. However, past performance is not necessarily indicative of future results and any significant or recurring weather-related disruptions, particularly under spot charter arrangements, may still adversely affect our financial performance, charterer relationships and overall operational reliability.

5.3 RISKS RELATING TO OUR SHARES AND OUR LISTING

5.3.1 Our Listing may not result in an active liquid market for our Shares

There can be no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the price at which holders would be able to sell our Shares. Neither we nor our Promoters have an obligation to make a market for our Shares or, if such a market does develop, to sustain it.

In addition, there can be no assurance that the trading price of our Shares will reflect our operations and financial conditions, our growth prospects or the growth prospects of the industry in which we operate.

5.3.2 Our Share price and trading volume may be volatile

The market price of our Shares may fluctuate as a result of, among other things, the following:

(a) general market, political and economic conditions;

(b) trading liquidity of our Shares;

(c) differences between our actual financial and operating results and those expected by investors and analysts;

(d) changes in securities analysts' recommendations, perceptions or estimates of our Group's financial performance;

(e) changes in conditions affecting our industry, the general economic conditions or stock market sentiments or other related events or factors;

(f) changes in market valuations of listed shares in general or shares of companies comparable to ours;

(g) additions or departures of our Key Senior Management;

(h) perceived prospects of our business and the industry in which we operate

(i) adverse media reports regarding us or our shareholders;

(j) changes in government policy, legislation or regulation; and

(k) general operational and business risks.

In addition, many of the risks described herein could materially and adversely affect the market price of our Shares. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility, which has affected the share price of many companies. The share price of many companies has experienced wide fluctuations which were not always related to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

5.3.3 We may not be able to pay dividends

Our Company is a holding company, and all of our operations are conducted through our subsidiaries. Accordingly, dividends and other distributions received from our subsidiaries are our Company's principal source of income. Our Company and its subsidiaries may incur expenses or liabilities that would reduce or eliminate the cash or profit available for the distribution of dividends.

As part of our Board's guidance on dividends, we aim to declare a certain portion of our PAT attributable to the owners of our Company for each financial year, subject to the approval of our Board and to any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. Even if we are able to pay dividends, our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than the amount we currently propose, after taking into consideration the necessary funds for capital expenditure, working capital and applicable restrictive covenants under our financing. Such declaration of dividends shall not exceed our distributable profits. Further, if we incur new borrowings after our Listing, we and our subsidiaries may be subjected to additional covenants restricting the ability to pay dividends. If we do not pay dividends, or we pay dividends at levels lower than anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure as well as our ability to make interest and principal repayments on any borrowings that we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all.

5.3.4 The sale, or possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 1,000,000,000 Shares, of which up to 400,000,000 Shares, representing 40.0% of our enlarged issued Shares, will be held by investors participating in our Listing, and approximately 60.0% will be held by PNB and the UTFs, assuming the Over-allotment Option is not exercised. Our Shares sold in our IPO will be tradable on the Main Market of Bursa Securities without restriction following our Listing If any shareholders or group of shareholders were to dispose of a substantial number of our Shares in a short period of time, it may put downward pressure on our Share price, which could adversely affect the market value of our Shares.

A moratorium and lock-up agreement will apply to the shareholdings held by PNB and the UTFs for a period of 6 months from the date of our Listing, during which time no sale or disposal of these shares will be permitted. However, PNB or the UTFs could dispose of some or all of our Shares that they hold after the moratorium and lock-up period pursuant to their own investment objectives. If PNB or the UTFs sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

5.3.5 There may be a delay in or termination of our Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

(i) the Managing Underwriter's or the Joint Underwriters' exercise of their rights under the Retail Underwriting Agreement, or the Joint Bookrunners' exercise of their rights under the Placement Agreement, to discharge themselves of their obligations under such agreements;

(ii) our inability to meet the minimum public spread requirement of having at least 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing; or

(iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

(i) the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Selling Shareholders shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our Issue Shares and the issue proceeds form part of our share capital:

(i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (b) a solvency statement from the directors.

5.3.6 Forward-looking statements in this Prospectus may not be accurate

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, to those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations are forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and government initiatives. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements of our Group, or industry results, to be materially different from any future results, performance, achievements or industry results expressed or implied by such forward-looking statements.

Considering these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

6.1.1 History and background

Our Company was incorporated in Malaysia under the Companies Act 1965 on 26 March 2007 as a private limited company under the name of Orkim Sdn Bhd and is deemed registered under the Act. On 17 July 2025, our Company was converted into a public limited company and assumed our present name of Orkim Berhad.

The principal activity of our Company is investment holding, while our subsidiaries are principally involved in owning, chartering and operating of vessels as well as management of shipping property, freight contractors and transport business.

We own and operate marine vessels, namely product tankers and LPG tankers, providing marine transportation services for CPP and LPG. Our principal place of business is in Malaysia, with our head office located at Mutiara Damansara, Petaling Jaya, Selangor.

We commenced operations in 2007 with the incorporation of our Company, initially engaging in shipbroking and the provision of third-party ship management services. In 2010, we marked our entry into marine transportation services with the registration of our first wholly-owned vessel under the Malaysian flag and the commencement of CPP transportation. Over the years, we continue to expand our fleet, reaching 10 CPP tankers in 2014. In the same year, ECSB became our controlling shareholder following its acquisition of a majority stake in our Company via TKSB from the original shareholders.

Between 2015 and 2024, we expanded our fleet through the acquisition of LPG and CPP tankers, including our first MR CPP tanker in 2021. As part of our fleet rejuvenation plan, we took delivery of five new CPP tankers in 2021 and disposed of five older vessels between 2022 and 2024. As at the LPD, our fleet comprises 17 tankers.

On 7 March 2025, TKSB acquired the remaining minority equity interest of 4.5% in Orkim, resulting in Orkim to be wholly owned by TKSB.

Further information on our subsidiaries is set out in Section 6.3 of this Prospectus.

6.1.2 Transfer of Ekuinas Group

YPB has agreed with PNB to transfer the entire issued share capital of ECSB (being YPB’s existing wholly-owned subsidiary) to another wholly-owned subsidiary, PNB.

ECSB is the holding company of E-Cap 2, which in turn is the major shareholder of TKSB. The Transfer of Ekuinas Group was completed on [●].

6.1.3 Pre-IPO Exercise

To facilitate our Listing, we undertook the Pre-IPO Exercise comprising the following:

(i) Subdivision

Our Company undertook the subdivision of our then existing 38,835,314 Shares into 900,000,000 Shares. The Subdivision was completed on [●].

The purpose of the Subdivision is to increase the number of our issued Shares to facilitate our IPO and Listing as well as to enhance the liquidity of our Shares at the time of our Listing.

The completion of the Subdivision resulted in TKSB's shareholdings in our Company to increase from 38,835,314 Shares to 900,000,000 Shares.

(ii) Transfer of Orkim Shares

TKSB has on 18 July 2025 entered into a term sheet with PNB and ART for the Transfer of Orkim Shares, subject to the execution of a definitive agreement between the parties. The completion of the Transfer of Orkim Shares is intended to take place immediately prior to the date of our Listing.

Following the completion of the Transfer of Orkim Shares, PNB and the UTFs will collectively hold at least 54.0% in the Company, assuming the Over-allotment Option is fully exercised.

PNB and the UTFs are not considered as cornerstone investors, as both of them do not participate in the book-building process.

6.1.4 Share Capital

As at the date of this Prospectus, our issued share capital is RM44,335,314, comprising 900,000,000 Shares. Our Company does not have any treasury shares as at the LPD.

The changes in our issued share capital since the date of our incorporation and up to the LPD are as follows:

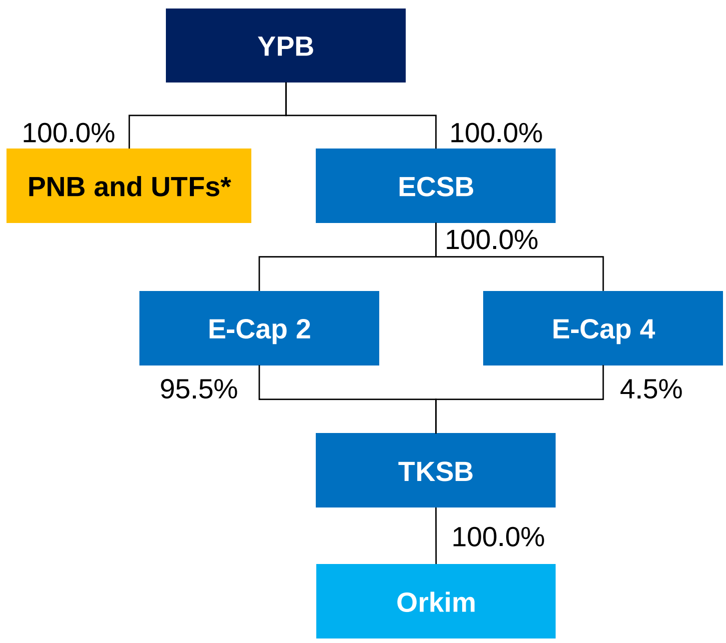
Date of allotment/ Subdivision	No. of Shares allotted	Consideration	No. of cumulative Shares	Cumulative issued share capital (RM)
26 March 2007	2	Cash	2	2
20 July 2007	15,802,088	Cash	15,802,090	15,802,090
22 April 2008	9,197,910	Cash	25,000,000	25,000,000
15 July 2008	1,620,096	Cash	26,620,096	26,620,096
26 May 2009	7,524,019	Cash	34,144,115	34,144,115
21 August 2009	3,475,981	Cash	37,620,096	37,620,096
30 September 2014	1,215,218	Otherwise than cash	38,835,314	38,835,314
[•]	861,164,686[(1)]	N/A	900,000,000	44,335,314

Note:

(1) Pursuant to the Subdivision as set out in Section 6.1.3(i) of this Prospectus.

6.2 OUR GROUP STRUCTURE

As at 14 July 2025, our shareholding structure is as follows:



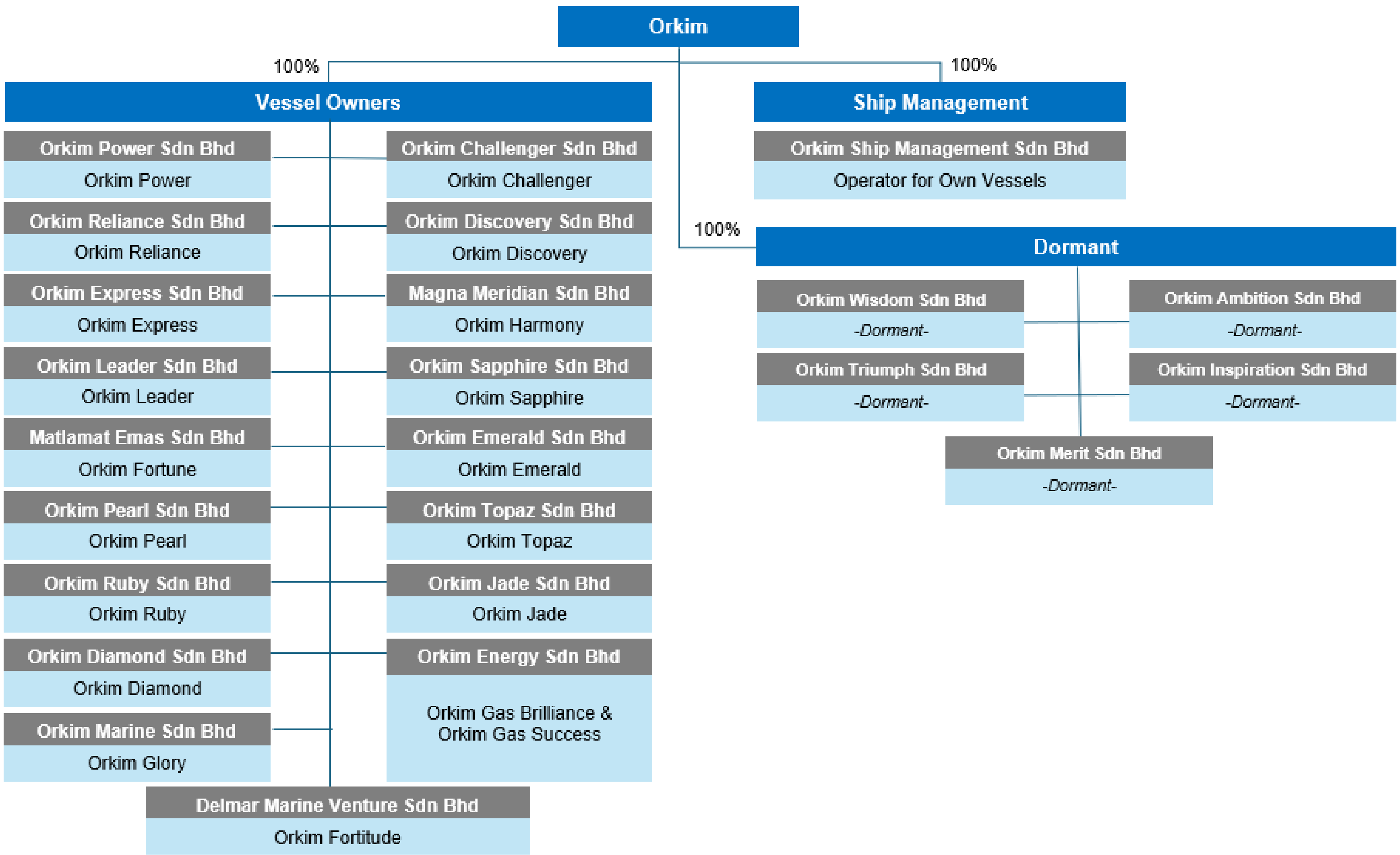
Note:

* *The UTFs are constituted pursuant to their respective trust deeds, with ART as the appointed trustee. PNB, a subsidiary of YPB, is the investment manager for the UTFs.*

TKSB had on 14 July 2025 allotted and issued such number of new ordinary shares in TKSB to E-Cap 4 with the ultimate shareholding proportion of 95.5% and 4.5% held by E-Cap 2 and E-Cap 4 respectively in TKSB.

6. INFORMATION ON OUR GROUP *(Cont'd)*

As at LPD, our group structure is as follows:



6.3 OUR SUBSIDIARIES

As at the LPD, we have 24 wholly-owned subsidiaries and do not have any joint ventures and associated companies. The details of our subsidiaries as at the LPD are as follows:

Name of company	Registration no.	Date / Country of incorporation	Issued share capital (RM)	Our effective equity interest (%)	Principal activities
DMVSB	199901010856 (485756-M)	14 June 1999 / Malaysia	1,000,000	100.0	Ship brokering and any ancillary business in connection to the shipping and marine industry warehousemen; and shipping and forwarding agent
MESB	201201020758 (1005250-K)	8 June 2012 / Malaysia	5,710,000	100.0	Owning, chartering and operating of a vessel; management of shipping property, freight contractors and transport business
MMSB	201201021277 (1005769-A)	12 June 2012 / Malaysia	5,400,000	100.0	Owning, chartering and operating of a vessel; management of shipping property, freight contractors and transport business
OASB	201501040825 (1166144-T)	18 November 2015 / Malaysia	1,000,000	100.0	Ship-owning and freighting (dormant)
OCSB	200701039421 (797453-W)	28 November 2007 / Malaysia	12,000,000	100.0	Ship-owning and freighting
ODIA	201901021091 (1330420-U)	17 June 2019 / Malaysia	1,000,000	100.0	Transport of freight overseas and coastal waters
ODIS	200701039422 (797454-K)	28 November 2007 / Malaysia	12,000,000	100.0	Ship-owning and freighting
OEME	201901021095 (1330424-P)	17 June 2019 / Malaysia	1,000,000	100.0	Transport of freight overseas and coastal waters
OENE	200701002528 (760526-M)	24 January 2007 / Malaysia	10,000,000	100.0	Ship freighting

6. INFORMATION ON OUR GROUP *(Cont'd)*

Name of company	Registration no.	Date / Country of incorporation	Issued share capital (RM)	Our effective equity interest (%)	Principal activities
OEXP	200701022002 (780017-H)	7 July 2007 / Malaysia	9,016,667	100.0	Owning of vessel(s); secure sea transportation projections for the vessel(s); and other ancillary or essential business
OISB	201501040771 (1166090-A)	17 November 2015 / Malaysia	8,221,002	100.0	Ship-owning and freighting (dormant)
OJSB	202401029738 (1575586-K)	24 July 2024 / Malaysia	2	100.0	Transport of freight overseas and coastal waters
OLSB	200701021998 (780013-D)	7 July 2007 / Malaysia	12,000,000	100.0	Ship-owning and freighting
OMER	200701022005 (780020-H)	7 July 2007 / Malaysia	9,016,667	100.0	Ship-owning and freighting (dormant)
OMSB	200301026087 (628507-D)	18 September 2003 / Malaysia	300,000	100.0	Ship brokers, shipping and freight management
OPEA	201901021100 (1330429-W)	17 June 2019 / Malaysia	1,000,000	100.0	Transport of freight overseas and coastal waters
OPOW	200701021992 (780007-K)	7 July 2007 / Malaysia	12,000,000	100.0	Ship-owning and freighting
ORSB	200801024715 (826039-H)	21 July 2008 / Malaysia	12,000,000	100.0	Ship-owning and freighting
ORUB	202401029745 (1575593-A)	24 July 2024 / Malaysia	2	100.0	Transport of freight overseas and coastal waters
OSMSB	200401019760 (658264-U)	2 July 2004 / Malaysia	100,000	100.0	Consultancy, management and advisory in shipping and maritime industry and business; shipping brokers
OSSB	201901021103 (1330432-W)	17 June 2019 / Malaysia	1,000,000	100.0	Transport of freight overseas and coastal waters

6. INFORMATION ON OUR GROUP *(Cont'd)*

Name of company	Registration no.	Date / Country of incorporation	Issued share capital (RM)	Our effective equity interest (%)	Principal activities
OTOP	201901021225 (1330554-M)	18 June 2019 / Malaysia	1,000,000	100.0	Transport of freight overseas and coastal waters
OTRI	201501040800 (1166119-D)	18 November 2015 / Malaysia	6,394,502	100.0	Ship-owning and freighting (dormant)
OWSB	201701042461 (1256634-M)	21 November 2017 / Malaysia	1,000,000	100.0	Transport of freight overseas and coastal waters

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6.3.1 DMVSB

DMVSB was incorporated in Malaysia under the Companies Act 1965 on 14 June 1999 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of DMVSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of DMVSB is RM1,000,000 comprising 1,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of DMVSB during the Financial Years Under Review up to the LPD.

Date of allotment	No. of shares	Consideration	Cumulative issued share capital (RM)
25 October 2023	900,000	Cash	1,000,000

DMVSB is our wholly-owned subsidiary. As at the LPD, DMVSB does not have any subsidiary, joint venture or associated company.

6.3.2 MESB

MESB was incorporated in Malaysia under the Companies Act 1965 on 8 June 2012 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of MESB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of MESB is RM5,710,000 comprising 5,710,000 ordinary shares. There has been no change in the issued share capital of MESB during the Financial Years Under Review up to the LPD.

MESB is our wholly-owned subsidiary. As at the LPD, MESB does not have any subsidiary, joint venture or associated company.

6.3.3 MMSB

MMSB was incorporated in Malaysia under the Companies Act 1965 on 12 June 2012 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of MMSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of MMSB is RM5,400,000 comprising 5,400,000 ordinary shares. There has been no change in the issued share capital of MMSB during the Financial Years Under Review up to the LPD.

MMSB is our wholly-owned subsidiary. As at the LPD, MMSB does not have any subsidiary, joint venture or associated company.

6.3.4 OASB

OASB was incorporated in Malaysia under the Companies Act 1965 on 18 November 2015 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OASB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OASB is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of OASB during the Financial Years Under Review up to the LPD.

OASB is our wholly-owned subsidiary. As at the LPD, OASB does not have any subsidiary, joint venture or associated company.

6.3.5 OCSB

OCSB was incorporated in Malaysia under the Companies Act 1965 on 28 November 2007 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OCSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OCSB is RM12,000,000 comprising 12,000,000 ordinary shares. There has been no change in the issued share capital of OCSB during the Financial Years Under Review up to the LPD.

OCSB is our wholly-owned subsidiary. As at the LPD, OCSB does not have any subsidiary, joint venture or associated company.

6.3.6 ODIA

ODIA was incorporated in Malaysia under the Act on 17 June 2019 as a private limited company under its present name. The principal place of business of ODIA is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of ODIA is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of ODIA during the Financial Years Under Review up to the LPD.

ODIA is our wholly-owned subsidiary. As at the LPD, ODIA does not have any subsidiary, joint venture or associated company.

6.3.7 ODIS

ODIS was incorporated in Malaysia under the Companies Act 1965 on 28 November 2007 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of ODIS is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of ODIS is RM12,000,000 comprising 12,000,000 ordinary shares. There has been no change in the issued share capital of ODIS during the Financial Years Under Review up to the LPD.

ODIS is our wholly-owned subsidiary. As at the LPD, ODIS does not have any subsidiary, joint venture or associated company.

6.3.8 OEME

OEME was incorporated in Malaysia under the Act on 17 June 2019 as a private limited company under its present name. The principal place of business of OEME is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OEME is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of OEME during the Financial Years Under Review up to the LPD.

OEME is our wholly-owned subsidiary. As at the LPD, OEME does not have any subsidiary, joint venture or associated company.

6.3.9 OENE

OENE was incorporated in Malaysia under the Companies Act 1965 on 24 January 2007 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OENE is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OENE is RM10,000,000 comprising 10,000,000 ordinary shares. There has been no change in the issued share capital of OENE during the Financial Years Under Review up to the LPD.

OENE is our wholly-owned subsidiary. As at the LPD, OENE does not have any subsidiary, joint venture or associated company.

6.3.10 OEXP

OEXP was incorporated in Malaysia under the Companies Act 1965 on 7 July 2007 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OEXP is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OEXP is RM9,016,667 comprising 9,016,667 ordinary shares. There has been no change in the issued share capital of OEXP during the Financial Years Under Review up to the LPD.

OEXP is our wholly-owned subsidiary. As at the LPD, OEXP does not have any subsidiary, joint venture or associated company.

6.3.11 OISB

OISB was incorporated in Malaysia under the Companies Act 1965 on 17 November 2015 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OISB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OISB is RM8,221,002 comprising 1,000,002 ordinary shares and 7,221,000 RCCPS(1). There has been no change in the issued share capital of OISB during the Financial Years Under Review up to the LPD.

OISB is our wholly-owned subsidiary. As at the LPD, OISB does not have any subsidiary, joint venture or associated company.

Note:

(1) As at the LPD, our Company is the sole preference shareholder of OISB, holding a total of 7,221,000 RCCPS. The salient terms, rights, privileges and restrictions of the said RCCPS are as follows:

- *(a) The RCCPS shall rank equally among themselves and in priority to the ordinary shares of OISB.*
- *(b) Any dividends declared over the RCCPS shall be paid to the holders of the RCCPS in preference to any dividend declared over ordinary shares of OISB provided all moneys owing by OISB to its financiers, if any, has been fully repaid.*
- *(c) The holders of the RCCPS shall be entitled to receive all notices, accounts and reports which holders of the ordinary shares are entitled to.*
- *(d) The holders of the RCCPS shall only be entitled to vote at the meetings convened for the purpose of transacting the following items of business:*
  - *(i) Variation, whether directly or indirectly of the rights attached to the RCCPS.*
  - *(ii) Winding-up of OISB.*
  - *(iii) Such other circumstances as may be expressly provided under law from time to time in respect of preference shares.*

(e) *The RCCPS shall on winding-up or other return of capital confer on the holders of the RCCPS the right to receive, in priority to the holders of ordinary shares of OISB, the cash repayment in full of the redemption amount payable of that RCCPS after the payment and discharge of all debts and liabilities of OISB, including priority, all moneys owing by OISB to its financers if any, and the costs of winding up or such capital reduction exercise.*

(f) *The RCCPS shall not be sold, assigned, pledged, charged or transferred by the holders of the RCCPS without the prior written consent of the directors of OISB, which consent may be granted or withheld at their sole and absolute discretion.*

(g) *There shall no variation/abrogation of any of the rights of the RCCPS unless approved by special resolution of holders of the RCCPS.*

(h) *The RCCPS are convertible into ordinary shares or any other class of shares in OISB.*

(i) *The tenure of the RCCPS is 10 years with coupon of 5.5% per annum.*

6.3.12 OJSB

OJSB was incorporated in Malaysia under the Act on 24 July 2024 as a private limited company under its present name. The principal place of business of OJSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OJSB is RM2 comprising 2 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of OJSB during the Financial Years Under Review up to the LPD.

Date of allotment	No. of shares	Consideration	Cumulative issued share capital (RM)
24 July 2024	2	Cash	2

OJSB is our wholly-owned subsidiary. As at the LPD, OJSB does not have any subsidiary, joint venture or associated company.

6.3.13 OLSB

OLSB was incorporated in Malaysia under the Companies Act 1965 on 7 July 2007 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OLSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OLSB is RM12,000,000 comprising 12,000,000 ordinary shares. There has been no change in the issued share capital of OLSB during the Financial Years Under Review up to the LPD.

OLSB is our wholly-owned subsidiary. As at the LPD, OLSB does not have any subsidiary, joint venture or associated company.

6.3.14 OMER

OMER was incorporated in Malaysia under the Companies Act 1965 on 7 July 2007 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OMER is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OMER is RM9,016,667 comprising 9,016,667 ordinary shares. There has been no change in the issued share capital of OMER during the Financial Years Under Review up to the LPD.

OMER is our wholly-owned subsidiary. As at the LPD, OMER does not have any subsidiary, joint venture or associated company.

6.3.15 OMSB

OMSB was incorporated in Malaysia under the Companies Act 1965 on 18 September 2003 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OMSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OMSB is RM300,000 comprising 300,000 ordinary shares. There has been no change in the issued share capital of OMSB during the Financial Years Under Review up to the LPD.

OMSB is our wholly-owned subsidiary. As at the LPD, OMSB does not have any subsidiary, joint venture or associated company.

6.3.16 OPEA

OPEA was incorporated in Malaysia under the Act on 17 June 2019 as a private limited company under its present name. The principal place of business of OPEA is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OPEA is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of OPEA during the Financial Years Under Review up to the LPD.

OPEA is our wholly-owned subsidiary. As at the LPD, OPEA does not have any subsidiary, joint venture or associated company.

6.3.17 OPOW

OPOW was incorporated in Malaysia under the Companies Act 1965 on 7 July 2007 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OPOW is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OPOW is RM12,000,000 comprising 12,000,000 ordinary shares. There has been no change in the issued share capital of OPOW during the Financial Years Under Review up to the LPD.

OPOW is our wholly-owned subsidiary. As at the LPD, OPOW does not have any subsidiary, joint venture or associated company.

6.3.18 ORSB

ORSB was incorporated in Malaysia under the Companies Act 1965 on 21 July 2008 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of ORSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of ORSB is RM12,000,000 comprising 12,000,000 ordinary shares. There has been no change in the issued share capital of ORSB during the Financial Years Under Review up to the LPD.

ORSB is our wholly-owned subsidiary. As at the LPD, ORSB does not have any subsidiary, joint venture or associated company.

6.3.19 ORUB

ORUB was incorporated in Malaysia under the Act on 24 July 2024 as a private limited company under its present name. The principal place of business of ORUB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of ORUB is RM2 comprising 2 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of ORUB during the Financial Years Under Review up to the LPD.

Date of allotment	No. of shares	Consideration	Cumulative issued share capital (RM)
24 July 2024	2	Cash	2

ORUB is our wholly-owned subsidiary. As at the LPD, ORUB does not have any subsidiary, joint venture or associated company.

6.3.20 OSMSB

OSMSB was incorporated in Malaysia under the Companies Act 1965 on 2 July 2004 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OSMSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OSMSB is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of OSMSB during the Financial Years Under Review up to the LPD.

OSMSB is our wholly-owned subsidiary. As at the LPD, OSMSB does not have any subsidiary, joint venture or associated company.

6.3.21 OSSB

OSSB was incorporated in Malaysia under the Act on 17 June 2019 as a private limited company under its present name. The principal place of business of OSSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OSSB is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of OSSB during the Financial Years Under Review up to the LPD.

OSSB is our wholly-owned subsidiary. As at the LPD, OSSB does not have any subsidiary, joint venture or associated company.

6.3.22 OTOP

OTOP was incorporated in Malaysia under the Act on 18 June 2019 as a private limited company under its present name. The principal place of business of OTOP is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OTOP is RM1,000,000 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of OTOP during the Financial Years Under Review up to the LPD.

OTOP is our wholly-owned subsidiary. As at the LPD, OTOP does not have any subsidiary, joint venture or associated company.

6.3.23 OTRI

OTRI was incorporated in Malaysia under the Companies Act 1965 on 18 November 2015 and is deemed registered under the Act as a private limited company under its present name. The principal place of business of OTRI is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OTRI is RM6,394,502 comprising 1,000,002 ordinary shares and 5,394,500 RCCPS[(1)]. There has been no change in the issued share capital of OTRI during the Financial Years Under Review up to the LPD.

OTRI is our wholly-owned subsidiary. As at the LPD, OTRI does not have any subsidiary, joint venture or associated company.

Note:

(1) As at the LPD, our Company is the sole preference shareholder of OTRI, holding a total of 5,394,500 RCCPS. The salient terms, rights, privileges and restrictions of the said RCCPS are as follows:

- *(a) The RCCPS shall rank equally among themselves and in priority to the ordinary shares of OTRI.*
- *(b) Any dividends declared over the RCCPS shall be paid to the holders of the RCCPS in preference to any dividend declared over ordinary shares of OTRI provided all moneys owing by OTRI to its financiers, if any, has been fully repaid.*
- *(c) The holders of the RCCPS shall be entitled to receive all notices, accounts and reports which holders of the ordinary shares are entitled to.*
- *(d) The holders of the RCCPS shall only be entitled to vote at the meetings convened for the purpose of transacting the following items of business:*
  - *(i) Variation, whether directly or indirectly of the rights attached to the RCCPS.*
  - *(ii) Winding-up of OTRI.*
  - *(iii) Such other circumstances as may be expressly provided under law from time to time in respect of preference shares.*
- *(e) The RCCPS shall on winding-up or other return of capital confer on the holders of RCCPS the right to receive, in priority to the holders of ordinary shares of OTRI, the cash repayment in full of the redemption amount payable of that RCCPS after the payment and discharge of all debts and liabilities of OTRI, including priority, all moneys owing by OTRI to its financers if any, and the costs of winding up or such capital reduction exercise.*
- *(f) The RCCPS shall not be sold, assigned, pledged, charged or transferred by the holders of the RCCPS without the prior written consent of the directors of OTRI, which consent may be granted or withheld at their sole and absolute discretion.*
- *(g) There shall be no variation/abrogation of any of the rights of the RCCPS unless approved by special resolution of holders of the RCCPS.*
- *(h) The RCCPS are convertible into ordinary shares or any other class of shares in OTRI.*
- *(i) The tenure of the RCCPS is 10 years with coupon of 5.5% per annum.*

6.3.24 OWSB

OWSB was incorporated in Malaysia under the Act on 21 November 2017 as a private limited company under its present name. The principal place of business of OWSB is at Level 15, Menara TSR, No. 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.

As at the LPD, the issued share capital of OWSB is RM1,000,000 comprising 1,000,00 ordinary shares. There has been no change in the issued share capital of OWSB during the Financial Years Under Review up to the LPD.

OWSB is our wholly-owned subsidiary. As at the LPD, OWSB does not have any subsidiary, joint venture or associated company.

As at the LPD, save as disclosed in this section, our Group has not issued any outstanding warrants, options, convertible securities or uncalled capital, and none of our Shares and share capital in our subsidiaries were issued and allotted at a discount or have any special terms or instalment payment term. Our issued Shares and the issued shares of our subsidiaries are fully paid-up.

As at the LPD, neither our Company nor our subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

During the last financial year and up to the LPD, there were no:

(i) public take-over offers by third parties in respect of our Shares; and

(ii) public take-over offers by our Company in respect of other companies' securities.

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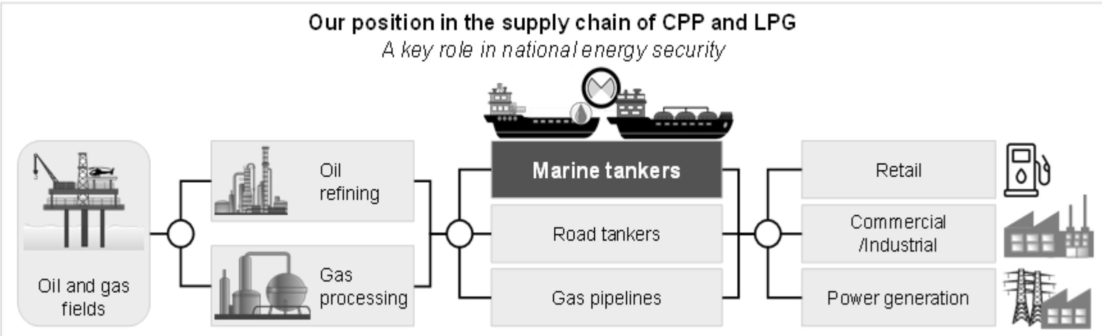
7. BUSINESS OVERVIEW

7.1 OVERVIEW

We are an owner-operator of CPP and LPG tankers, providing marine transportation services for CPP and LPG products. The CPP transported by our Group from refineries or storage facilities to other processing plants, storage facilities, or distribution points includes gasoline, diesel, gas oil, jet fuel, naphtha, kerosene, and condensates, all of which are refined from crude oil. LPG are mixtures of hydrocarbon gases (primarily propane and butane), which are produced through crude oil refining or natural gas processing and then liquefied through pressurisation, making them more practical for storage and transportation. CPP and LPG are critical to a nation's energy supply, serving diverse applications across transportation, power generation, industrial processes, and as feedstocks for petrochemical products. Please refer to the diagram below on our Group's position in the supply chain of CPP and LPG products.



The CPP marine transportation segment is our principal revenue driver, supported by a fleet of 15 CPP tankers as at the LPD. This segment operates under a mix of time and voyage charter contracts and has consistently contributed over 90% of our total revenue during the Financial Years Under Review. The LPG marine transportation segment provides a smaller but stable revenue stream and contributes to our service diversification. Our average vessel utilisation rate was 88.3%, 91.4% and 92.0% in FYE 2022, FYE 2023 and FYE 2024 respectively, reflecting our operational efficiency and ability to meet customer requirements.

Malaysia is our principal market where our fleet of CPP tankers facilitates the transportation of cargo between domestic ports along coastal routes within Malaysia, and across neighbouring Asian countries, mainly Singapore. In addition, our LPG tankers are deployed on regional routes under their charter agreements, serving destinations between domestic ports and across some Asian countries mainly Singapore, China and South Korea. As at the LPD, our fleet of 17 vessels has a total load capacity of 189,187 DWT, comprising:

(i) 14 CPP tankers with total load capacities of 134,684 DWT (load capacity of each tanker ranges between 7,000 DWT and 15,000 DWT);

(ii) 1 MR CPP tanker with a load capacity of 48,005 DWT; and

(iii) 2 LPG tankers with a total load capacity of 6,498 DWT.

According to the latest statistics available in 2024, there were 27 Malaysian-registered chemical/petroleum tankers. We own and operate 15 of these tankers in 2024, representing approximately 56% of Malaysian-registered chemical and petroleum tankers in Malaysia. *(Source: IMR Report)*. Based on Malaysia's estimated consumption volume of 32.1 million tonnes of refined petroleum products in 2024, our CPP and LPG tankers carried volume of 3.8 million tonnes in Malaysia representing a market share of approximately 12% *(Source: IMR report)*. This positions us as a key player in the marine transportation of CPP and LPG products within Malaysia's coastal regions, safeguarding Malaysia's energy security.

7.2 COMPETITIVE STRENGTHS, FUTURE PLANS AND STRATEGIES

7.2.1 Competitive strengths

Our competitive advantages are as follows:

(i) **We have a proven track record as an owner-operator in the marine transportation of CPP and LPG products across domestic and regional markets**

We began our business in 2007, initially providing shipbroking services and ship management services using third-party vessels. Following the acquisition of our first CPP tanker which was delivered in 2009, we have since established a track record over the past 16 years as an owner-operator specialising in the marine transportation of CPP products. We expanded into marine transportation of LPG products following the delivery of our first newbuild LPG tanker in 2015. As at the LPD, we own and operate 15 CPP and 2 LPG tankers, primarily serving customers in Malaysia.

In addition to operating between domestic ports along coastal routes within Malaysia, our fleet of vessels also supports regional movements across Asia, primarily to and from Singapore, the Philippines, Indonesia and Brunei. Please refer to Section 7.6 of this Prospectus for further details.

Although our customer base is predominantly in Malaysia, we have served foreign customers within Asia that provide us a platform for acquiring new international customers, expanding our market coverage, and supporting our business growth. Furthermore, a larger customer base and an expanded route network have enabled us to optimise fleet utilisation, maximise our revenue generation potential and minimise vessel idle time. Please refer to Section 7.9 of this Prospectus for further details on our major customers.

Our established track record in CPP and LPG marine transportation provides significant advantages by fostering credibility and trust with our customers and regulators. Our strong market recognition and reputation are supported by our historical track record of proven operational reliability, thereby providing us with a competitive edge in securing new contracts and renewing existing contracts. Our long-term customer relationships can be demonstrated by the fact that our top 2 major customers, namely the PETRONAS Group and Customer ABC Group, who have been engaging our services for approximately 15 years as at the LPD. These 2 customers collectively contributed 81.0% of our total revenue in FYE 2024. In addition, we secured 2 new customers namely BHPetrol and Petron Malaysia in 2021, and these 2 customers collectively contributed 12.2% of our total revenue in FYE 2024. Our client portfolio includes key energy companies operating in Malaysia, underscoring our position as a trusted service provider across the country's critical energy sector.

Providing quality marine transportation services is essential for securing repeat business from our existing customers, and allows us to establish a strong, positive market reputation to attract new customers. Our commitment to operational excellence has been recognised through various awards received, including the Shipping and Maritime Appreciation Awards awarded by Shell, and the Caring Employer Award awarded by the National Union of Seafarers of Peninsular Malaysia ("**NUSPM**"). In serving key energy companies such as the PETRONAS Group, our vessels are required to meet and maintain strict maritime assurance criteria for shipping focusing on ensuring safety, security, and compliance with relevant regulations and industry standards. We have been in compliance with our customers' technical and quality-assurance standards, including the PETRONAS' Technical Standards. This is predicated on our business dealings with the PETRONAS Group and the Customer ABC Group for approximately 15 years respectively as at the LPD.

We have also demonstrated our commitment in upholding ESG standards through our operational practices and fleet compliance. Our fleet complies with IMO MARPOL Annex VI regulations which address the prevention of air pollution from ships. We hold various accreditations and management system certifications, including safety-related certificates ensuring vessel structural integrity, equipment, and operational procedures meet international safety standards. These include the International Ship Security Certificate, International Load Line Certificate ("**ILLC**"), International Ballast Water Management Certificate (compliant with D-1 and D-2 standards), International Air Pollution Prevention Certificate ("**IAPP**"), and International Energy Efficiency Certificate ("**IEEC**"). These certifications demonstrate our commitment in delivering reliable and consistent service quality. Please refer to Section 7.4 for further details on our awards and recognitions, and Annexure B of this Prospectus for further details on our major licences, permits and approvals for our business operations. We continue to monitor international regulatory developments relating to decarbonisation and continue to evaluate potential future upgrades to align with long-term climate targets. Please refer to Section 7.16 for further details of our ESG practices.

As an owner-operator of 15 CPP tankers and 2 LPG tankers, we have direct control over vessel operations, maintenance and crew management. This enables us to optimise cost structures via economies of scale, while enhancing asset utilisation and safety. In addition, we implement proactive planning for dry docking and maintenance, ensuring operational reliability and minimising unplanned downtime. Our ownership model also provides us with the flexibility to make independent decisions to maximise our revenue potential. This includes optimising route planning, vessel utilisation, voyage scheduling, and the timing of maintenance and certifications.

Ownership of our fleet allows us to retain a greater share of the charter income compared to leasing arrangements, while also preserving long-term asset value through strategic deployment, resale, or potential repurposing of our vessels. Furthermore, we are well-positioned to adapt to evolving regulatory requirements, reinforcing our access to regulated international ports and long-term serviceability of our vessels.

(ii) **We command a leading position in terms of the number of CPP tankers registered in Malaysia, representing approximately 56% of the 27 Malaysian-registered chemical/petroleum tankers, enabling us to fulfil critical domestic energy demand that underpins the nation's economic growth and rapid industrialisation**

According to the latest statistics available in 2024, there were 27 Malaysian-registered chemical/petroleum tankers *(Source: IMR Report).* Our company owns and operates 15 of these, representing approximately 56% of Malaysian-registered chemical and petroleum tankers in Malaysia, establishing our leading position in this area.

In 2024, the apparent consumption volume of refined petroleum products in Malaysia was 32.1 million tonnes. Based on our total volume of 3.8 million tonnes of CPP and LPG that we transported and discharged in Malaysia, we have a market share of approximately 12% in 2024 (*Source: IMR Repor*t). Our leading market position enables us to fulfil critical domestic needs for CPP and secure Malaysia's energy supply chain. Managing a large fleet enhances our operational efficiency through optimised routing, scheduling, and logistics, ensuring timely and reliable service. A large fleet also allows for better risk diversification, minimising disruptions if any 1 single tanker is out of service.

Our leading position provides us with a platform to address business opportunities and stand to benefit from the ongoing development of the energy industry, particularly in the downstream segment. Growth in the energy industry will drive demand for marine transportation of energy-related products, including CPP and LPG products. In Malaysia. the production volume of refined petroleum and processed gas products grew at a compound annual growth rate ("**CAGR**") of 4.0% between 2020 and 2024.

PETRONAS' commitment towards Malaysia's energy security creates opportunities for operators involved in CPP and LPG marine transportation. CPP and LPG are critical for daily operations across transportation, industry, and households. Between 2022 and 2024, PETRONAS' capital expenditure grew at a CAGR of 3.9%, with the majority of the increase attributed to activities in Malaysia. In 2023, PETRONAS planned to allocate RM300 billion in capital expenditure over the next 5 years, with 80% directed towards its core hydrocarbon business to strengthen energy security. In 2024, PETRONAS prioritised energy security while fostering ongoing collaboration with stakeholders *(Source: IMR Report).*

The Pengerang Integrated Petroleum Complex ("**PIPC**") in Johor is a major project to establish Johor as a world-class refinery and petrochemical hub. The PIPC Master Plan targets 5 million cubic metres of liquid storage capacity, 1 million barrels per day of refining capacity, and 11.3 million tonnes per annum of petrochemical production capacity. As of December 2023, PIPC had achieved 82% of its targeted storage capacity, 30% of refining capacity, and 31.9% of petrochemical production capacity. The PIPC would provide opportunities for CPP and LPG marine transportation service providers servicing international markets, including Asia *(Source: IMR Report).*

Furthermore, the Malaysian cabotage policy provides a degree of protection and support for domestic owners, offering key benefits, which include prioritising Malaysian-registered vessels to participate in domestic marine transportation. This will continue to drive marine transportation demand for domestic Malaysian-registered vessels, fostering business growth for domestic owner-operators.

(iii) **We have a stable stream of recurring revenue, reinforced by long-term contracts, ensuring earnings visibility and financial stability**

Our business is supported by a large recurring revenue base derived from long-term contracts of up to 10 years, and often includes extension options. As at the LPD, the number of subsisting long-term contracts is as follows:

	Number of contracts
>1 to 2-year tenure *(with extension options)*	5
>2 to 5-year tenure *(with extension options)*	4
6 to 10-year tenure *(with extension options)*	8

We generate recurring revenue through the chartering of our 15 CPP and 2 LPG tankers under 3 types of key contracts, namely, Time Charter, CVC, and COA charter. For the FYE 2022, FYE 2023 and, FYE 2024, recurring revenue accounted for 59.9% (RM189.0 million), 85.0% (RM257.1 million), and 86.8% (RM274.9 million) of our total revenue respectively. The remaining revenue is not recurrent and includes spot charters for single voyages and shipbroking fees.

Our recurring revenue, underpinned by long-term charter contracts, delivers predictable and consistent revenue inflows that drive long-term earnings visibility and financial stability. By reducing the volatility inherent with ad-hoc spot charters, this model allows for more accurate financial forecasting and planning, enabling optimised resource allocation and strategic planning. In addition, our contract-backed revenue provides a solid financial platform, offers the ability to secure external financing, and enhances our resilience. This positions us to pursue growth opportunities and withstand economic downturns and unexpected market fluctuations.

In addition to Time Charters contracts, we have also secured other forms of long-term contracts such as CVC and COA, with durations typically ranging from 1 to 3 years (including extension options). While the nature of COA and CVC contracts is contingent upon the customer's scheduling requirements, designated routes, and cargo availability, they nonetheless provide recurring income and support steady fleet utilisation even though their value is not readily quantifiable as a fixed order book. These arrangements enhance the visibility and stability of our earnings, contributing to a balanced and diversified revenue mix.

As at the LPD, the total estimated contract value for our Time Charter contracts, assuming (i) full utilisation of the remaining contracted charter period; and (ii) extension options for the respective contracts are fully exercised by our customers, are RM656 million. As at the LPD, 47% of our vessels are operating under Time Charters contracts while the remaining 53% are operating under CVC and COA contracts. Please see Section 12.2.18 of this Prospectus for more information on our estimated contract value.

(iv) **Our strong customer base is anchored by key energy companies that are involved in CPP distribution and retail operations in Malaysia, providing us with a stable foundation for business growth**

Our strong customer base comprises energy companies through their respective marketing and distribution subsidiaries in Malaysia, which mainly include PETRONAS Group, Customer ABC Group, Petron Malaysia and BHPetrol. These companies are actively involved in the distribution and retail operations of CPP products in Malaysia, which provide us with stable and predictable revenue streams due to their consistent, high-volume needs. Revenue contribution from key energy and related companies collectively accounted for 94.2% (RM297.2 million), 93.1% (RM281.8 million) and 94.2% (RM298.2 million) of our total revenue for FYE 2022, FYE 2023, and FYE 2024 respectively. Please refer to Section 7.9 of this Prospectus for further details.

Furthermore, their contracts with us are mainly long-term (1 year or more), which contributes to our financial visibility. Serving these major industry players enhances our market reputation for reliability, capability and quality, resulting in valuable referrals and new business opportunities. The financial stability of our customers also reduces the risk of payment delays or defaults, contributing to our financial health.

As at the LPD, we have subsisting long-term charters with the PETRONAS Group, Customer ABC Group, Petron Malaysia and BHPetrol, and our contracts with these customers range from 2 to 10 years (including extension options).

(v) **Our relatively young vessel fleet with an average age of approximately 12 years and shallow draft capabilities granting us broader market access and scalable expansion potential**

The ages of our fleet of CPP and LPG tankers as at the LPD are as follows:

Number of tankers			Average age
5 years old	**10-15 years old**	**16-18 years old**	
5 CPP	2 CPP, 2 LPG	8 CPP	12 years

While there is no mandatory retirement age for CPP and LPG tankers, their typical service lifespan ranges from 25 to 30 years. As at the LPD, our fleet has an average age of approximately 12 years, positioning us favourably for continued, long-term operations. However, with the delivery of our 2 newbuild CPP tankers, which are currently under construction and scheduled for completion in 2027, our fleet's average age is expected to be reduced.

A younger fleet offers several advantages, including a longer revenue stream before retirement compared to older vessels, as well as improved fuel efficiency through advanced engine technologies, thereby reducing operating costs. These vessels typically require less maintenance and experience minimal downtime, ensuring consistent operational availability. Furthermore, the newer tankers are often equipped with enhanced safety features, such as advanced navigation and communication systems, which minimise the risk of accidents.

Our large fleet of CPP and LPG tankers are also designed to access facilities including ports, jetties, and terminals with relatively shallow drafts, providing us with a significant competitive advantage by enabling us to serve a broader range of facilities. Our CPP tankers can operate in water depths between 7 to 9 meters, while our LPG tankers require a water depth of only approximately 5 meters. This capability allows us to serve a wider range of ports, jetties, and terminals, including those inaccessible by larger vessels, thereby significantly expanding our addressable markets.

In addition to our low-draft vessels, we also operate a MR CPP tanker that requires a water depth of 11 meters and offers a substantially higher load capacity, approximately 4 to 5 times that of our lower-draft CPP tankers. While our MR CPP tanker can access fewer ports, jetties, and terminals due to its greater water depth requirement, its significantly higher load capacity provides economies of scale that help offset these limitations. This dual capability, the broad accessibility of our low-draft fleet combined with the high-capacity efficiency of our MR CPP tanker, not only expands our potential customer base and geographical reach but provides us with greater operational flexibility in scheduling and delivery. Ultimately, this enhances our responsiveness and market competitiveness.

During the Financial Years Under Review, our CPP and LPG tankers fleet operated in approximately 25 domestic and 65 foreign locations for loading and discharging (including ports, jetties and terminals), reflecting our broad regional reach and versatility in serving diverse port infrastructure.

(vi) **We are led by an experienced CEO and Key Senior Management team, supported by a pool of competent crews and officers for safe, efficient and reliable shipboard operations**

Our Group is headed by our CEO, Cheah Sin Bi, who has approximately 25 years of experience in marine transportation operations including shipboard operations, with 14 years dedicated to our Group. He is responsible for the overall strategic direction and driving operational excellence, which includes ensuring regulatory compliance and long-term business growth initiatives.

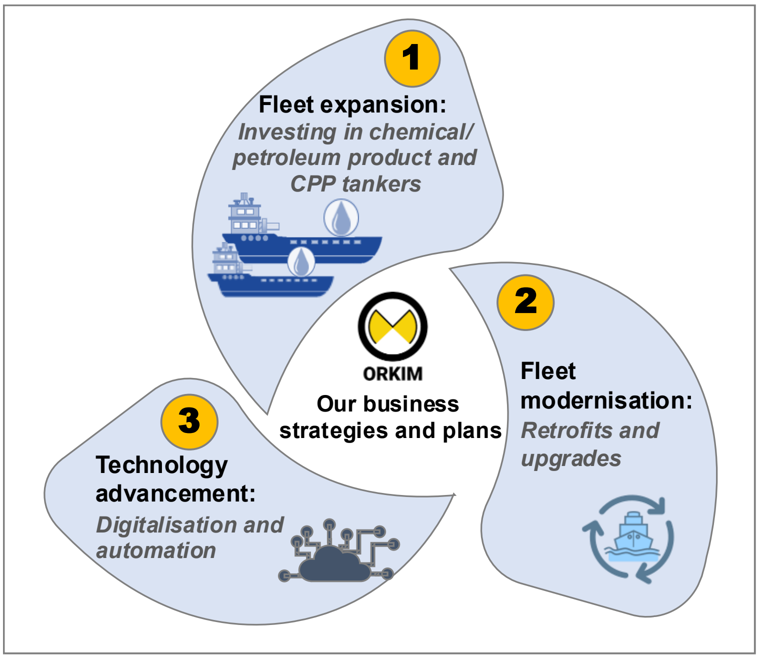
Our CEO is supported by our team of Key Senior Management with working experience spanning across various industries. As at the LPD, a majority of them has been with our Group for more than 12 years, providing stability to our operations. Please refer to Section 9.3.2 of this Prospectus for profiles of our Key Senior Management

We provide fully-manned vessels for customers throughout the charter period. Qualified personnel are essential to our marine transportation operations. All our seafarers hold the required certificate of competency to work onboard. As at the LPD, we have a total offshore workforce of 364 seafarers for shipboard operations.

7.2.2 Our plans and strategies

Going forward, we will continue to focus on our core marine transportation business, leveraging our strengths to capitalise on growth opportunities.

Our strategy centres on 3 core initiatives to drive long-term sustainability and operational excellence: (i) expanding our fleet through targeted investments in chemical/petroleum product and CPP tankers, (ii) modernising existing vessels via systematic retrofits to enhance safety, efficiency, and environmental performance; and (iii) adopting digitalisation and automation to boost operational efficiency and decision-making.



7.2.2.1 Fleet expansion and rejuvenation by investing in younger, larger and more versatile tankers, including chemical/petroleum product tankers

As at the LPD, we own and operate 17 vessels, comprising 15 CPP tankers and 2 LPG tankers. As at the LPD, we have 2 orders for newbuild CPP tankers, which are currently under construction and scheduled for completion in 2027. The total estimated construction cost for the 2 newbuild CPP tankers is RM211.0 million. As at the LPD, RM43.7 million has been paid, with the remaining RM167.3 million secured through bank borrowings.

We plan to acquire 3 vessels over the period from 2025 to 2026 as follows:

(i) 2 chemical/petroleum product tankers, at an estimated cost of RM[•] million each; and

(ii) a MR CPP tanker, at an estimated cost of RM[•] million.

As at the LPD, we have not entered into any agreements for the acquisition of the vessels or for any related financing arrangements. The acquisition of the vessels is subject to various factors including the vessel specifications, availability and suitability. Please refer to Section 4.6.1 for further details on the purchase of vessels.

Our fleet expansion strategy focuses on investing in a high-specification and versatile fleet. We will invest in IMO type II tankers designed to transport both petroleum and chemical products, including a wide range of liquid chemicals, petrochemicals and oleo-chemicals products in bulk. These vessels feature stainless steel or chemically resistant coated tanks, and dedicated segregation systems to prevent cross-contamination, enabling the independent carriage of different chemicals. These vessels fully comply with stringent IMO Type II tanker classification/standards and will enhance our ability to safely and flexibly transport a wide range of chemicals, including CPP.

By leveraging our expertise in transporting CPP and LPG cargoes, and our established market leadership in CPP marine transportation, we are well-positioned to establish our foothold in adjacent segments. This strategic approach enables us to capture growth within the Malaysian coastal and regional marine transportation market and capitalise on market opportunities for sustainable expansion.

Our strategic intent to acquire chemical/petroleum specialised vessels is to capture growth within the Malaysian coastal and regional marine transportation market for CPP, while diversifying our capabilities to include the bulk transport of a wide range of liquid chemicals, including petrochemicals and oleochemicals. In addition, our decision to pivot towards this segment is based on industry observations, including the size, and growth of the liquid chemical markets. In 2024, the export value of chemicals and chemical products (including petrochemical products) in Malaysia amounted to RM73.6 billion, while the export value of palm-based oleochemicals amounted to RM27.5 billion. Between 2022 and 2024, the export volume of palm-based oleochemicals grew at a CAGR of 20.7% to 6.7 million tonnes *(Source: IMR Report)*.

The total estimated cost for the acquisition of the above additional vessels is RM[•] million, of which RM[•] million will be funded through IPO proceeds and the remaining RM[•] million through internally generated funds and/or external borrowings.

Our management conducts ongoing assessments of our vessels based on their condition, maintenance and repair costs (including surveys and dry docking), contractual obligations, and applicable regulatory developments in the marine transportation industry. These evaluations help determine the continued suitability of each vessel for operation. This approach allows us to identify business opportunities and pursue fleet expansion, guided by the commercial viability of each vessel. During the Financial Years Under Review, we disposed of 4 CPP tankers in FYE 2022 and 1 CPP tanker in FYE 2024. These vessels were on spot charters, required higher maintenance and relatively smaller, with an average size of around 8,000 DWT at the time of disposal. We may continue to dispose of vessels as and when necessary to maintain a modern and efficient fleet.

7.2.2.2 Fleet modernisation program in line with environmental and HSSE developments

Our fleet modernisation strategies are focused on modernising our vessels to align with evolving market requirements in the energy industry, particularly in relation to ESG standards and HSSE expectations. These efforts include retrofitting and upgrading our existing vessels as well as ensuring proper planning of vessel dry docking, all of which are crucial for our operational efficiency and overall cost effectiveness. We will actively undertake fleet modernisation initiatives to ensure compliance with evolving IMO regulations and meeting environmental standards. Dry docking is a mandatory maintenance procedure, including underwater hull inspection and maintenance, ensuring vessel performance and safety while optimising energy efficiency. In addition to compliance with regulations, periodic dry dockings ensure vessel safety and seaworthiness, while providing the benefit of enhancing fuel efficiency through hull cleaning.

In addition to hull maintenance, vessel upgrades during dry docking include the following key areas:

(i) **Propulsion system enhancements**: This includes upgrading the vessel's propeller through polishing, the application of specialised coatings, and the installation of energy-saving devices (i.e. Propeller Boss Cap Fins ("**PBCF**")) to improve propulsion efficiency and reduce fuel consumption and emissions. We will also undertake main engine overhauls and enhancements to associated machinery to align with the latest environmental and operational standards. This may involve installing new systems or upgrading existing ones to improve overall vessel performance, reduce carbon emissions, and enhance operational reliability.

(ii) **Environmental compliance systems and equipment**: We will retrofit existing vessels with upgraded environmental compliance systems, such as ballast water treatment systems, improved sewage treatment plants, recalibrated oil discharge monitoring equipment, and upgraded shaft seals and bearings. Shaft power limiters will also be installed to reduce fuel consumption by limiting propeller shaft output. Furthermore, enhanced monitoring systems will be implemented to support effective waste management, emissions tracking, and discharge control in compliance with regulatory requirements.

(iii) **Navigation and communication systems**: We plan to upgrade vessel navigation and communication systems by integrating modern technologies with existing infrastructure. This includes adopting electronic navigation systems, such as electronic chart display and information systems, to improve navigational accuracy and safety. Communication upgrades will consist of hardware installations, software updates, and system integration to ensure seamless communication and reliable connectivity at sea.

We also aim to prolong vessel lifespan and preserve the value of our vessels through our fleet modernisation initiatives, thereby optimising investments, minimising operational disruptions, and enhancing the long-term performance and sustainability of our fleet. Our fleet modernisation will also be a cost-efficient complement to newbuilds and maximise asset value.

As part of our strategies, we plan to set aside at least RM50 million for fleet modernisation within 24 months from the date of our Listing, which will be funded through a combination of internally generated funds and borrowings.

7.2.2.3 Technological advancements through digitalisation

Part of our plans is to invest in upgrading our digital technology facilities to complement our ongoing fleet modernisation, mainly to improve fuel efficiency and vessel performance, and reduce operational costs through digitalisation.

Part of our strategies is aligned with the IMO 2030 targets, which cover various areas including carbon intensity reduction, operational efficiency, regulatory compliance and others. Please refer to Section 7.16 on our ESG initiatives.

We plan to invest in digitalisation as follows:

(i) Upgrading our control centre system by subscribing to more advanced visualisation tools and integrated data platforms, which will enhance situational awareness of maritime traffic, weather conditions, and port congestion. In addition, we will adopt AI-powered analytics capable of identifying and responding to deviations from optimal vessel performance, thereby improving vessel operating performance, reducing fuel consumption and achieving cost efficiency; and

(ii) Utilise a suite of digital technologies to automate, optimise, and enhance various aspects of vessel operations and logistics. These systems are modular, allowing for future integration with onshore logistics, or customer visibility portals. Key benefits include:

(a) **Route optimisation**: Using real-time and historical data to determine the most fuel-efficient routes, factoring in weather, sea currents, and port schedules to reduce travel time and maximise savings;

(b) **Predictive maintenance and performance monitoring**: Enabling early detection of issues through continuous monitoring of critical vessel components, reducing the risk of costly breakdowns and unplanned downtime;

(c) **Optimised crew management**: Streamlining crew scheduling, training, and deployment, thereby reducing administrative overheads;

(d) **Regulatory compliance and reporting**: Automating the logging and reporting of regulatory and environmental data (e.g., emissions, ballast water discharge), ensuring improved compliance with IMO and other regulatory requirements; and

(e) **Cybersecurity measures**: Cybersecurity safeguards will be embedded to protect operational data and minimise the risk of cyber threats that may disrupt vessel operations or compromise sensitive information.

The total cost for the investment in digitalisation including upgrading of systems and software is estimated to be RM1.0 million, of which the amount will be funded through internally generated funds.

7.3 KEY MILESTONES

Year	Key Events and Milestones
2007 – 2010	• Orkim was incorporated in 2007, providing shipbroking services and ship management services using third-party vessels. • We acquired our first CPP tanker, *Orkim Power*, which was built in 2008 and delivered in 2009. In 2010, we registered *Orkim Power* under the Malaysian flag and commenced our first CPP charter with 1 of our major customers. • In 2010, we took delivery of another 5 new CPP tankers, namely *Orkim Leader, Orkim Merit, Orkim Discovery, Orkim Challenger* and *Orkim Reliance*.

Year	Key Events and Milestones
2011- 2020	• In 2011 and 2013, we took delivery of another 2 CPP tankers, *Orkim Express* and *Orkim Glory* respectively, further expanding our fleet size to 8 CPP tankers. • In 2014, we acquired companies that owned the 2 CPP tankers namely, *Orkim Fortune* and *Orkim Harmony*. In the same year, ECSB through TKSB, became our corporate shareholder. • We expanded into the LPG marine transportation segment with the construction of our first LPG tanker, *Orkim Gas Brilliance*, in 2013 with a capacity of 3,251 DWT. We took delivery of *Orkim Gas Brilliance* in 2015 and commenced LPG marine transportation services under a contract with NGL. • In addition, in 2015, we further acquired 4 CPP tankers, namely *Orkim Victory, Orkim Inspiration, Orkim Triumph* and *Orkim Ambition*. In 2016, we took delivery of another LPG tanker, *Orkim Gas Success* and in 2018, we further increased our fleet size to 17 vessels with the acquisition of a CPP tanker, *Orkim Wisdom*.
2021- LPD	• In 2021, we further expanded our fleet of CPP tankers with the acquisition of our first MR CPP tanker, *Orkim Fortitude,* with a load capacity of 48,005 DWT to meet the demand for Malaysian-owned large capacity tanker from PETCO. • Throughout 2021, we also took delivery of 5 newly built CPP product tankers, namely *Orkim Pearl, Orkim Sapphire, Orkim Diamond, Orkim Topaz* and *Orkim Emerald*, with load capacities ranging between 9,500 DWT and 15,000 DWT. In line with our fleet rejuvenation strategy, we also disposed 6 CPP tankers between 2021 and 2024. • We continued to expand our fleet and in March 2024, we entered into 2 shipbuilding contracts for the construction of *Orkim Ruby* and *Orkim Jade*. These CPP tankers, which are currently under construction and scheduled for delivery in 2027, are built to serve 2 long-term CPP transportation contracts that are expected to commence upon delivery.

7.4 ACCREDITATIONS, AWARDS AND RECOGNITIONS

For the Financial Years Under Review and up to the LPD, we obtained the following awards and recognitions:

Year	Key awards and recognitions	Awarded by
2022	World Seafarers Day: Anugerah Majikan Prihatin (*Caring Employer Award*)	National Union of Seafarers of Peninsular Malaysia
2023	Distribution Operations Conference SEA 2023: ▪ Top Performer in Oil Loss for Year 2022 ▪ Appreciation Award: Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) Compliance for Year 2022	Shell
2024	Distribution Operations Conference SEA 2024: ▪ Oil Loss Control Performance (*Orkim Power*) ▪ Powering Progress (Partnership in Growth and Safety)	Shell
2025	Distribution Operations Conference SEA-HK 2025: ▪ Shipper of the Year ▪ Oil Loss Control Performance ▪ Powering Progress Together (Pioneering Maritime Innovation)	Shell

As at the LPD, we have been accredited with certifications that ensure our marine transportation operations meet the relevant operational and environmental standards, some of which are as set out below. Details of our major licences, permits and approvals are set out in Annexure B of this Prospectus.

Operational

(i) International Ballast Water Management Certificate (D-1 Standard) issued by the ABS which verifies that the ship complies with Regulation D-1 of the BMW Convention ("**D-1 Standard**"). The D-1 Standard requires ships to conduct ballast water exchange in open ocean waters to minimise the transfer of invasive aquatic species.

(ii) International Ballast Water Management Certificate (D-2 Standard) issued by the ABS and ClassNK for our LPG tankers which verifies that the ship complies with Regulation D-2 of the BMW Convention ("**D-2 Standard**") for ballast water treatment. The D-2 standard requires ships to implement a Ballast Water Management System capable of discharging treated ballast water that meets specific concentration limits for viable organisms and indicator microbes.

(iii) ILLC issued by the ABS for our CPP tankers and ClassNK for our LPG tankers which certifies that the ship's freeboard and load-line markings conform to the International Convention on Load Lines 1966. The ILLC is essential for ships engaged in international voyage.

Environmental

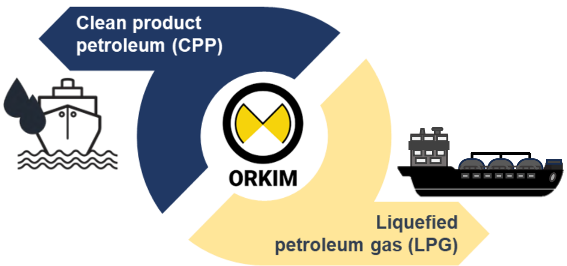
(i) IAPP issued by the ABS for our CPP tankers and Class NK for our LPG tankers which certifies that all equipment, systems, fittings, arrangement and materials of the ships fully comply with the applicable requirements under the MARPOL Annex VI, which addresses the prevention of air pollution from ships.

(ii) IEEC issued by the ABS or the Surveyor General of Malaysia for our CPP tankers and by ClassNK for our LPG tankers which verifies that the ship complies with the applicable requirements under the MARPOL, which set out the energy efficiency standards for ships. This certificate remains valid for the ship's lifetime, unless major modifications or regulatory changes necessitate reissuance.

7.5 OUR BUSINESS

7.5.1 Overview

An overview of our business activities and revenue streams, as well as our customer base is summarised below:

Business activities and revenue streams	Our customer base
Owner-operator providing CPP and LPG marine transportation services	**Energy companies and related companies**
Key role in Malaysia's energy security 	• Petroleum product distribution and trading companies • Refinery operators
	Intermediaries
Shipbroking services	• Marine transportation companies

7.5.2 Business activities and revenue stream

We operate in the marine transportation sector as an owner-operator of vessels, specialising in the transportation of CPP and LPG products within Malaysia's coastal waters and across some Asian routes. We derive our revenue mainly from the following segments:

(i) Chartering of our vessels for marine transportation of CPP, which accounted for 92.4%, 92.0% and 92.0% of our Group's total revenue for FYE 2022, FYE 2023 and FYE 2024 respectively; and

(ii) Chartering of our vessels for marine transportation of LPG, which accounted for 7.3%, 7.5%, and 7.8% of our Group's total revenue for FYE 2022, FYE 2023, and FYE 2024 respectively.

In addition to the 2 main segments above, we also provide shipbroking services whereby we act as an intermediary to facilitate the chartering of vessels, which are on-demand and ad-hoc by nature. We charge a one-time fixed brokerage fee, calculated as a percentage of the total freight charges and invoice our customers upon cargo delivery.

For the Financial Years Under Review, our revenue segmentation by business activities is set out below:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	**RM'000**	%	**RM'000**	%
CPP marine transportation	**291,721**	**92.4**	**278,404**	**92.0**	**291,406**	**92.0**
▪ Voyage charter[(1)]	184,561	58.4	146,988	48.6	170,275	53.8
▪ Time Charter	107,160	34.0	131,416	43.4	121,131	38.2
LPG marine transportation[(2)]	**22,958**	**7.3**	**22,753**	**7.5**	**24,607**	**7.8**
Shipbroking services	**898**	**0.3**	**1,422**	**0.5**	**576**	**0.2**
Total revenue	**315,577**	**100.0**	**302,579**	**100.0**	**316,589**	**100.0**

Notes:

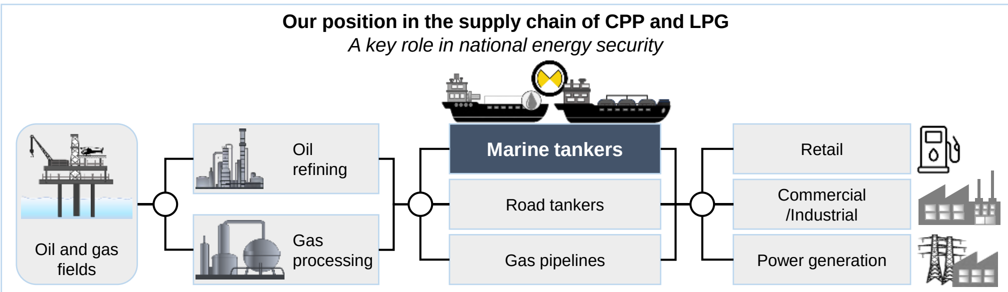
(1) Includes CVC, COA, and spot charters.
(2) Primarily operating under Time Charter contracts.

The products we carry are vital to Malaysia's energy security for several reasons:

(i) CPP such as gasoline, diesel, gas oil and jet fuel, are essential for Malaysia's transportation sector, industrial production and power generation needs. Any disruption in CPP supply could result in fuel shortages, price volatility, and broader economic and social disruptions affecting essential services.

(ii) LPG serves as a primary energy source for household and commercial cooking and supports a range of industrial applications, including heating, drying, forging, heat treatment, and chemical manufacturing. A stable LPG supply is therefore critical to household, commercial and industrial activities.

Please refer to the diagram below on our Group's position in the supply chain of CPP and LPG products.



7.5.3 Our CPP tankers

CPP tankers are specialised vessels to transport refined petroleum products. Our CPP tankers transport unleaded gasoline, diesel, jet fuel, gas oil, naphtha, kerosene, and condensate, which are transported in a liquid state. These CPP tankers feature coated tanks for corrosion prevention, segregated compartments to enhance safety and, where required, allow simultaneous transportation of multiple products. In addition, our CPP tankers' shallow draft significantly enhances market access by allowing us to serve a wide range of ports, jetties, and terminals in Malaysia.

Our newer CPP tankers such as the 5 CPP tankers that were delivered in 2021 and the 2 CPP tankers currently under construction are equipped with enhanced safety features such as an inert gas system to prevent cargo tank fires and explosions. These tankers also come with eco-friendly engines that consume lesser fuel, lower carbon emissions and comply with the IMO Tier 3 nitrogen oxide emissions which serves to reduce air pollution. These tankers are also fitted with a Ballast Water Management System, which serves to protect the environment by preventing the spread of invasive species through the vessels' ballast water.

As at the LPD, we have a total of 15 CPP tankers comprising 14 coastal tankers with DWT below 15,000 DWT and 1 MR CPP tanker of 48,005 DWT. Please refer to Section 7.5.5 of this Prospectus for further details of our fleet of vessels.

7.5.4 Our LPG tankers

LPG tankers are specialised vessels designed to transport processed gas products, primarily propane and butane. The gases are typically produced during crude oil refining or natural gas processing, which are then transformed into a liquid state for ease of storage and transportation. Our LPG tankers employ pressurised cargo containment systems to maintain the LPG in a liquid state during transportation.

As at the LPD, we have 2 LPG tankers, namely *Orkim Gas Brilliance* and *Orkim Gas Success*, with a designed load capacity of 3,251 DWT and 3,247 DWT respectively. Please refer to Section 7.5.5 of this Prospectus for further details of our fleet of vessels.

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7.5.5 Details of our fleet of vessels

As at the LPD, we own and operate a total of 17 Malaysian-registered vessels (comprising 15 CPP tankers and 2 LPG tankers) with a total designed load capacity of 189,187 DWT. Their details are as follows (*the list is arranged based on year of registration*):

No.	Vessel name	Vessel type	Load capacity (DWT)	Year built[(1)]	Age[(2)]	Year registered	Cost (RM'000)	Net book value as at 31 December 2024
1.	Orkim Harmony 	CPP tanker	7,301	2007	18	2009	20,156	12,676
2.	Orkim Fortune 	CPP tanker	7,296	2007	18	2009	20,077	12,631
3.	Orkim Leader 	CPP tanker	7,361	2008	17	2010	53,673	18,155

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Vessel name	Vessel type	Load capacity (DWT)	Year built(1)	Age(2)	Year registered	Cost (RM'000)	Net book value as at 31 December 2024
4.	Orkim Power 	CPP tanker	7,370	2008	17	2010	54,193	19,113
5.	Orkim Discovery 	CPP tanker	9,999	2009	16	2010	65,629	32,208
6.	Orkim Challenger 	CPP tanker	9,998	2009	16	2010	66,093	31,860

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Vessel name	Vessel type	Load capacity (DWT)	Year built[(1)]	Age[(2)]	Year registered	Cost (RM'000)	Net book value as at 31 December 2024
7.	Orkim Reliance 	CPP tanker	9,969	2010	15	2011	62,143	31,775
8.	Orkim Express 	CPP tanker	7,990	2009	16	2011	50,483	21,162
9.	Orkim Glory 	CPP tanker	8,876	2012	13	2013	42,930	26,038

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Vessel name	Vessel type	Load capacity (DWT)	Year built(1)	Age(2)	Year registered	Cost (RM'000)	Net book value as at 31 December 2024
10.	Orkim Gas Brilliance 	LPG tanker	3,251	2015	10	2015	50,623	39,412
11.	Orkim Gas Success 	LPG tanker	3,247	2015	10	2016	54,841	42,931
12.	Orkim Fortitude 	CPP tanker	48,005	2009	16	2021	76,404	64,096

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Vessel name	Vessel type	Load capacity (DWT)	Year built[(1)]	Age[(2)]	Year registered	Cost (RM'000)	Net book value as at 31 December 2024
13.	Orkim Diamond 	CPP tanker	14,914	2020	5	2021	83,958	73,874
14.	Orkim Emerald 	CPP tanker	14,932	2020	5	2021	83,786	73,945
15.	Orkim Pearl 	CPP tanker	9,544	2020	5	2021	68,834	59,369

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Vessel name	Vessel type	Load capacity (DWT)	Year built[1]	Age[2]	Year registered	Cost (RM'000)	Net book value as at 31 December 2024
16.	Orkim Sapphire 	CPP tanker	9,567	2020	5	2021	69,725	60,409
17.	Orkim Topaz 	CPP tanker	9,567	2020	5	2021	71,821	63,617
		Total	**189,187**				**995,369**	**683,271**

Notes:

(1) The useful life of our vessels is estimated at 25 years based on our Group's accounting policy.
(2) A vessel's age is computed from the year the vessel was built up to the year 2025.

In addition to the above, in March 2024, we entered into 2 shipbuilding contracts for the construction of *Orkim Ruby* and *Orkim Jade*, each with an approximate load capacity of 14,500 DWT, as stated in the contracts secured. The final load capacity is subject to the completion of the vessel construction. The total estimated construction cost for both newbuild CPP tankers is RM211.0 million, of which, RM43.7 million has been paid as at the LPD.

Our management continuously evaluates our vessels from time to time in terms of the vessel conditions, maintenance and repair costs (including surveys and dry docking), contract bindings, and any relevant new or changing regulations to the marine transportation industry to determine if the vessels are suitable for continuous use. This approach enables us to pursue business opportunities and expansion by leveraging the growth of our fleet, and any expansion plan will take into consideration the vessel's commercial viability associated with the plan.

7.5.6 On-going contracts

As at the LPD, all our vessels are operating under long-term charter contracts, which we define as contracts with a duration of 1 year or more. However, certain contracts are approaching expiry with less than 1 year remaining on their contractual terms as at the LPD. The extension or renewal of these contracts is subject to the discretion of the respective charterers to exercise the extension options. The details of our existing charter contracts are as follows:

				Contract End Date	
Vessel	**Charter type**	**Client**	**Duration (Years)**	**Actual**	**With Extension**
CPP Tankers					
Orkim Power	CVC	Customer A/ Customer B	0.75+1	January 2026	-
Orkim Leader	CVC	Customer A/ Customer B	1+1	February 2026	-
Orkim Reliance	CVC	Customer A/ Customer B	1+1	August 2025	August 2026
Orkim Discovery	CVC	Customer A/ Customer B	1+1+0.5	December 2025	June 2027
Orkim Glory	CVC	Customer A/ Customer B	1.75+1	January 2026	January 2027
Orkim Express; Orkim Harmony;	COA[(1)]	Petron Malaysia	2+1	May 2026	-
Orkim Challenger; Orkim Fortune	COA[(1)]	BHPetrol	1+1	December 2025	-
Orkim Pearl	Time Charter	PETRONAS Group	5+1+1+1+1+1	March 2026	March 2031
Orkim Sapphire	Time Charter	PETRONAS Group	5+1+1+1+1+1	April 2026	April 2031
Orkim Topaz	Time Charter	PETRONAS Group	5+1+1+1+1+1	July 2027	July 2032
Orkim Diamond	Time Charter	PETRONAS Group	5+1+1+1+1+1	July 2026	July 2031
Orkim Emerald	Time Charter	PETRONAS Group	5+1+1+1+1+1	July 2027	July 2032
Orkim Fortitude	Time Charter	PETRONAS Group	5+1+1	August 2026	August 2028
LPG Tankers					
Orkim Gas Brilliance	Time Charter	PETRONAS Group	3+2	February 2027	-
Orkim Gas Success	Time Charter	PETRONAS Group	2	December 2026	-
Upcoming CPP Tankers					
Orkim Jade	CVC	Customer A/ Customer B	3+3+2	March 2030	March 2035
Orkim Ruby	CVC	Customer A/ Customer B	3+3+2	May 2030	May 2035

Note:

(1) These vessels can be deployed for spot charters during intervals between COA voyages.

7.5.7 Vessel charter contracts

Our tankers are chartered under 4 different types of contracts, as set out in the following table:

Type of charter	Time Charter	CVC	COA	Spot charter
Description of arrangement	Fixed period	Fixed number of voyages for a fixed period	Fixed cargo volume for a fixed period	Single voyage
Dedicated vessel specified in the contract	√	√	X	X
Charter rate	Specific rate per day	Specific rate per voyage	Specific rate per tonne for cargo transported	Negotiated rate per voyage
Vessel operating costs(1)	Orkim	Orkim	Orkim	Orkim
Route operational control(2)	Customer	Orkim	Orkim	Orkim
Voyage cost(3)	Customer	Orkim	Orkim	Orkim

Notes:

(1) Including vessel surveys, licences and registrations, insurance, maintenance and repair, vessel's upkeep, and crew salary and related expenses.
(2) Such as vessel route and timing.
(3) Such as bunker costs, port charges (such as pilotage, port dues and custom clearance fees), and other voyage-specific items.

Further details on the charter contracts are set out below.

(i) **Time Charter**

Customers charter our fully-manned vessels for exclusive use during a specified contract period, typically ranging from 1 to 5 years, with extension options of a further period of up to 5 years. The customer has full control of the vessel's route operational control.

Under a Time Charter contract, we charge the charterer an agreed fixed DCR during the charter period. The DCR may be prorated for any part of a day, from the time and date of the delivery to the charterer until the time and date of redelivery to us. We will invoice customers in advance at the start of the month based on the number of the days in the month with adjustments made by our customers based on their estimated off-hire periods. Off-hire periods refer to any events that result in a loss of vessel operating time, including among others, scheduled or ad-hoc maintenance, suspension of sailing due to industrial action, the need for medical treatment for sick or injured individuals or detention of the vessel by authorities due to legal action.

Under a Time Charter contract, the charterer bears all other variable voyage costs, such as bunker, port and other associated charges. On the other hand, we bear vessel operating costs (such as surveys, licences and registrations, insurance, maintenance, repair, spare parts) and crew-related expenses. In addition, we are subjected to LAD for any delay in the delivery of the vessel at the agreed DCR per day as stipulated in the contract. During the Financial Years Under Review and up to the LPD, we have not experienced any LAD claims.

(ii) **Voyage charter**

(a) **CVC**

Customers charter our fully-manned vessels for exclusive use for a fixed number of journeys over a contracted period, typically ranging from 1 to 3 years, with extension options. In the event the charterer requests for the tanker to undertake a journey to and from any port not listed in the charter contract, both parties shall negotiate in good faith, a freight rate for such voyage calculated on the same basis as the existing freight rates.

Under a CVC contract, we charge the charterer an agreed freight rate for each voyage, from loading to discharge ports, during the charter period and invoice our customers upon completion of each voyage. The freight rates are subject to a monthly bunker adjustment to account for movements in market bunker prices.

The charterer bears all cargo-related costs such as bulk liquid handling charge, cargo permit, customs due on cargo clearance and other handling charges. In addition, the charterer is obliged to pay a demurrage fee to us if loading or discharging operations exceed the agreed laytime for each voyage.

We bear vessel operating costs, such as surveys, licences and registrations, insurance, maintenance, repair, spare parts, port and related charges and crew-related expenses.

(b) **COA**

Customers charter our fully-manned vessels to transport a specified volume of cargo from designated loading ports to discharge ports. These contracts typically span 1 to 2 years, with optional extensions of up to an additional year. The schedule of shipments is agreed upon and confirmed on a monthly basis. Our vessels are not solely dedicated to the charterer and can be rotated or used for spot charter when the vessels are available.

Under a COA contract, we charge the charterer an agreed freight rate for each voyage during the charter period and invoice our customers based on bill of lading presented by us upon completion of each voyage. The freight rates are subject to a monthly bunker adjustment to account for movements in market bunker prices.

The charterer bears all cargo-related costs such as freight tax and all shore-related expenses in connection with the cargo, mooring charges (if incurred) and shifting expenses between berths at a single loading or discharging port (if incurred). In addition, the charterer is obliged to pay a demurrage fee to us if loading or discharging operations exceed the agreed laytime for each voyage.

We bear vessel operating costs such as surveys, licences and registrations, insurance, maintenance, repair, spare parts, port and related charges and crew-related expenses.

(c) **Spot charter**

Customers charter our fully-manned vessels typically for single voyage. Charter rates are based on prevailing market freight rates for the specific route between the loading and discharge ports. We bear all costs, including among others, bunker and port charges.

7.5.8 Vessel maintenance and management

All our vessels are managed in-house by our wholly-owned subsidiary, OSMSB. OSMSB is responsible for the full technical and operational management of our fleet, covering both newly constructed vessels and vessels acquired from the secondary market. The vessel management activities undertaken by OSMSB include:

(i) **Technical management**: Oversight of routine maintenance, repairs, and dry-docking to ensure all vessels remain in compliance with applicable regulatory requirements and classification society standards.

(ii) **Marine management**: Conducting internal audits and inspections to monitor compliance with safety, navigation, and regulatory standards, including those required by classification societies.

(iii) **Crew management**: Recruitment, training, deployment, and rotation of crew members for our vessels.

(iv) **Procurement**: Sourcing and purchasing spare parts, equipment, lubricants, and consumables required for vessel operations.

(v) **Pre-purchase inspections and vessel registration**: Conducting inspections for vessels to be acquired and managing the registration of vessels with relevant regulatory authorities and classification societies.

7.5.8.1 Regular Maintenance and Repairs

Our technical team supervises routine maintenance and repair works. These are carried out either while the vessel is at port or while at sea, following scheduled maintenance plans. The vessel crew performs day-to-day maintenance and reports any issues to the technical team, who will coordinate appropriate corrective actions to ensure operational reliability. Spare parts and consumables are closely monitored and replenished as necessary to ensure uninterrupted vessel operations.

7.5.8.2 Regulatory Inspections

In addition to regular maintenance, our vessels undergo periodic surveys and inspections by classification societies that are members of the International Association of Classification Societies ("**IACS**"), such as the ABS and ClassNK. These inspections include annual surveys, intermediate surveys, special surveys, periodic surveys, and ad-hoc inspections following any incidents. The scope and frequency of these inspections are determined based on regulatory requirements and the vessel's condition. We continuously monitor the classification status of all vessels as part of our ongoing fleet management procedures.

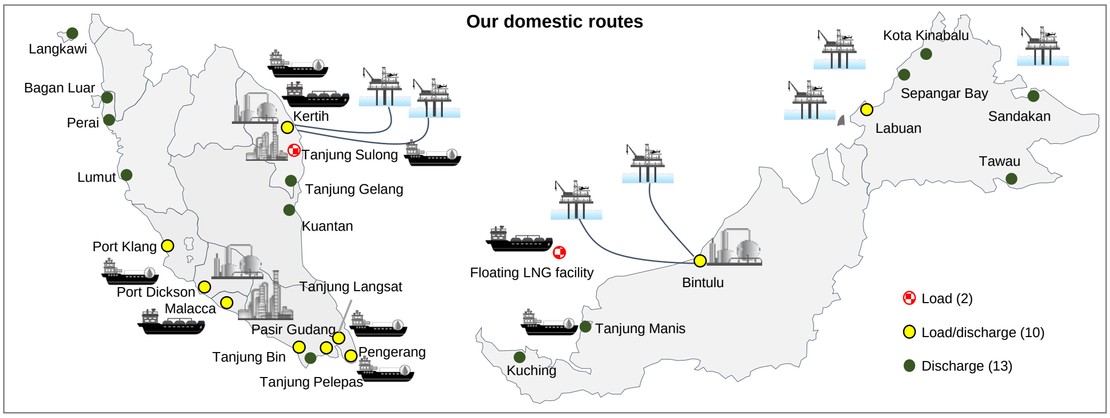
7.5.8.3 Dry docking

As part of a vessel's class renewal, each vessel is required to undergo dry-docking twice in every 5-year cycle, once for an intermediate survey and once for a special survey. Dry docking allows for full inspection and maintenance of underwater components such as the hull, rudder, and propeller. During these dry dockings, our vessels are surveyed and inspected by the classification society surveyor (ABS for our CPP tankers or ClassNK for our LPG tankers), hence these vessels will be out of operation. Intermediate surveys typically require 5 to 7 days to complete, while special surveys may take up to 14 days depending on the vessel's condition and age. The dry-docking process involves the clearing of all cargo onboard, entry of the vessel into the dry dock, inspection, cleaning, repairs, and system checks. Upon completion, the vessel is refloated, inspected jointly with a classification society surveyor, and certified for continued operation

7.6 OUR DOMESTIC AND REGIONAL ROUTES

Our fleet of CPP and LPG tankers supports transportation between domestic ports along coastal routes within Malaysia and across neighbouring Asian countries, mainly Singapore. Our fleet is primarily chartered to serve petroleum product distribution and trading companies, refinery operators, and marine transportation companies. The regional routes are typically non-repetitive, driven by market demands, cargo availability, and varying discharge destinations based upon our customers' requests.

Our fleet of CPP and LPG tankers operates in 25 locations for cargo loading and/or discharging (including ports, jetties, and terminals) along domestic routes in Malaysia during the Financial Years Under Review as depicted in the diagram below:



Our vessels at various jetties for loading/discharge

7. BUSINESS OVERVIEW *(Cont'd)*

During the Financial Years Under Review, our fleet of CPP and LPG tankers operating under various charter types extended their operations to neighbouring Asian countries, calling on approximately 65 foreign locations (including ports, jetties, and terminals) for cargo loading and/or discharging across Singapore, and other Asian countries, such as the Philippines, Indonesia, Brunei, and China.

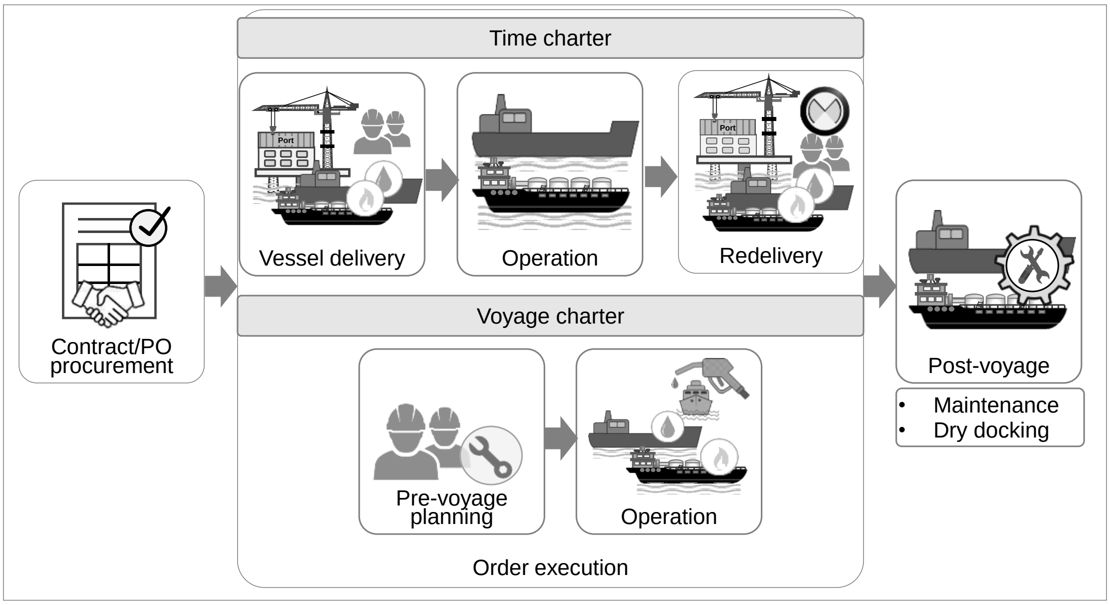
The foreign port calls are generally not part of recurring or fixed international routes, but are instead determined based on the charterers' requirements, including those under spot charter contracts. Under such arrangements, vessels may be directed to foreign ports depending on specific voyage requirements.

For the Financial Years Under Review, the number of ports calls in various locations (including ports/jetties/terminals) is as follows:

	Collective number of port calls during the Financial Years Under Review	
	Number of locations	**Number of port calls**
Malaysia	25	4,657
Asia	65	1,539
• Singapore	3	1,133
• Others	62	406
Total	**90**	**6,196**

7.7 OPERATIONAL PROCESSES

An overview of our operational process for our CPP and LPG marine transportation from contract procurement up to post-voyage is depicted as follows:



Contract procurement

Our Time Charter, CVC, and COA contracts are secured through tendering or submission of proposals. We prepare all necessary documents such as DSLs and relevant certifications, ensure our vessels meet safety and regulatory standards to comply with the requirements outlined in the tender or proposal invitation. The contracts typically include commercial terms, vessel and bunker specifications, crew responsibilities, payment terms, and other terms that vary depending on the charter type.

For spot charters, the process typically begins with a customer inquiry or a request for indicative rates. Once the customer reviews and agrees to the indicative rate, a preliminary agreement is formed before both parties conduct necessary due diligence and finalise the agreement. Upon finalisation, the agreement is confirmed through the issuance of a fixture note.

Order execution

(i) **Time Charter Contracts**

For Time Charter contracts, a vessel with certified crew members onboard is assigned to the customer. Upon finalisation of the contract, the dedicated vessel will be delivered to the customer as per the agreed delivery timeline. A joint on-hire survey is conducted with the customer at an agreed port to determine the remaining bunker onboard the vessel. The on-hire survey date indicates the commencement of the hire period.

As the vessel owner during the charter, we manage all aspects of crewing and vessel maintenance to ensure compliance with maritime safety standards. We also schedule periodic dry-docking, during which the vessel is considered off-hired (with charter payments paused) to ensure compliance with safety requirements. Upon completion of maintenance, the vessel is re-delivered to our customer to resume the chartering service. Our customer is responsible for route operational control of voyages, covering bunker costs, port fees, and other voyage-related expenses.

Upon issuance of the redelivery notice and the completion of the final shipment, a joint off-hire survey is conducted together with our customer to determine the remaining bunker quantity onboard, which will be measured for final cost reconciliation. The vessel is then redelivered to our Group, with the last hire payment adjusted to account for any off-hire periods.

(ii) **Voyage charter contracts**

For voyage charter contracts, we are responsible for route operational control of the contracted voyages. Under CVC contracts, a dedicated vessel is specifically assigned to our customers, while COA and spot charters will utilise vessels available from the pool of eligible vessels upon request.

In addition, our Group performs documentation verification to ensure that all cargo manifests and documents required for port calls are accurate and complete. We send voyage instructions received from the charterers to the ship master and port agents. The port agents are responsible for liaising with the port authorities and terminal operators to arrange for the tankers' arrivals, ensuring all required documents are complete and all fees and charges are paid.

Upon arrival at the loading port, our tankers will berth at the dedicated terminal for loading. Once the vessel is ready, the vessel will notify the terminal of its readiness to begin loading. Upon completion of loading, the appointed cargo surveyor will verify the quantity and quality of the loaded cargo. Once verified, the necessary documents, including a bill of lading, will be issued and declared to the authorities.

During transportation, our crew continuously monitors and maintain the security and safety of the vessel. While the vessel generally adheres to the planned routes, deviations may occur due to unforeseen circumstances, such as adverse weather or navigational hazards. Our vessel's location is tracked in real-time, ensuring full visibility throughout the journey.

Similar to cargo loading, the port agents will advise the discharging terminals in advance prior to the vessel's arrival. Upon arrival at the discharge terminal, our vessel will undergo repeat clearance procedures with the relevant authorities, similar to those performed at the loading terminal. Our vessel then conducts pre-discharge checks and unloads the cargo. The final amount discharged is measured, documented, and reported to the authorities accordingly.

Post-voyage

Upon completion of the cargo discharge, the vessels will either be loaded with their next cargoes at the same terminal or advance to their next loading terminal. Prior to cargo-loading, tank preparation work will be carried out to suit the requirements of the next cargo.

7.8 CAPACITY AND UTILISATION

Our vessel capacity and utilisation rate for the CPP and LPG tankers during the Financial Years Under Review are as follows:

	Number of vessels(1)	Annual capacity(2) (number of days)	Operating days(3) (number of days)	Utilisation rate(4) (%)
FYE 2022	22(5)	7,011	6,193	88.3
FYE 2023	18	6,570	6,007	91.4
FYE 2024	18(6)	6,374	5,867	92.0

Notes:

(1) Refers to the number of vessels available for chartering.
(2) Refers to the number of days a vessel is available for use, which are calculated based on 365/366 days adjusted for the vessel's acquisition and disposal dates.
(3) Refers to the number of chargeable days during which the vessels are actively deployed and generating revenue.
(4) Computed based on the total number of operating days divided by the total number of available days.
(5) Disposed 1 CPP tanker in February 2022, 1 CPP tanker in April 2022, and 2 CPP tankers in May 2022.
(6) Disposed 1 CPP tanker in May 2024.

7.9 MAJOR CUSTOMERS

We market and offer our marine transportation services directly to customers who rely on us to transport their cargo. These customers are typically the energy companies with an extensive distribution network in Malaysia, 1 of them being the PETRONAS Group. We engage directly with our customers, who are the users of our marine transportation services, gaining valuable insights into their needs and requirements. This allows us to deliver high-quality services, strengthen business relationships and foster customer loyalty. By working closely with our customers, we can gather feedback on service performance and emerging customer needs. This feedback enables us to refine our service offerings continuously, ensuring we stay ahead of market trends and allows us to consistently meet our customers' expectations.

Apart from dealing directly with energy companies, we also have dealings with marine transportation companies who act as intermediaries, whereby we will use our vessels to transport cargo for the customers of these intermediaries. This allows us to leverage on the intermediaries' networks to expand our market coverage while ensuring our vessels are continuously being chartered when they are in between contracts to maximise vessel utilisation and revenue potential.

For the Financial Years Under Review, the revenue contribution by our customer segments is as follows:

	FYE 2022		FYE 2023		FYE 2024	
Customer segment	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Energy companies and related companies	297,215	94.2	281,761	93.1	298,243	94.2
Intermediaries	18,362	5.8	20,818	6.9	18,346	5.8
Total revenue	**315,577**	**100.0**	**302,579**	**100.0**	**316,589**	**100.0**

Top 5 major customers

Our top 5 major customers and their contributions to our revenue for FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2022

Top 5 Customers	Location	Main services	Revenue (RM'000)	%	Approximate length of relationship[1] (years)
PETRONAS Group	Malaysia	Marine transportation of CPP and LPG	142,552	45.2	16
Customer ABC Group	Malaysia and Singapore	Marine transportation of CPP	110,274	34.9	15
Petron Malaysia	Malaysia	Marine transportation of CPP	18,576	5.9	4
NGL	Japan	Marine transportation of LPG	11,902	3.8	10
BHPetrol	Malaysia	Marine transportation of CPP	7,822	2.5	4
Total			**291,126**	**92.3**	

FYE 2023

Top 5 Customers	Location	Main services	Revenue (RM'000)	%	Approximate length of relationship[1] (years)
PETRONAS Group	Malaysia	Marine transportation of CPP and LPG	146,911	48.6	16
Customer ABC Group	Malaysia and Singapore	Marine transportation of CPP	92,099	30.4	15
Petron Malaysia	Malaysia	Marine transportation of CPP	22,714	7.5	4
NGL	Japan	Marine transportation of LPG	11,380	3.8	10
BHPetrol	Malaysia	Marine transportation of CPP	7,968	2.6	4
Total			**281,072**	**92.9**	

FYE 2024

Top 5 Customers	Location	Main services	Revenue (RM'000)	%	Approximate length of relationship[1] (years)
PETRONAS Group	Malaysia	Marine transportation of CPP and LPG	144,129	45.5	16
Customer ABC Group	Malaysia and Singapore	Marine transportation of CPP	112,274	35.5	15
Petron Malaysia	Malaysia	Marine transportation of CPP	23,484	7.4	4
BHPetrol	Malaysia	Marine transportation of CPP	15,298	4.8	4
NGL	Japan	Marine transportation of LPG	9,849	3.1	10
Total			**305,034**	**96.3**	

Note:

(1) Length of relationship as at the LPD.

We are dependent on the following major customers by virtue of their revenue contribution for each of the Financial Years Under Review:

(i) **PETRONAS Group**

The revenue contribution from the PETRONAS Group collectively accounted for 45.2% (RM142.6 million), 48.6% (RM146.9 million), and 45.5% (RM144.1 million) of our total revenue for the FYE 2022, FYE 2023, and FYE 2024 respectively.

The PETRONAS Group has been our customer for the provision of marine transportation services since 2009. As at the LPD, we have 8 subsisting Time Charter contracts with the PETRONAS Group, including 6 contracts with PETCO for our CPP tankers and 2 contracts with PDB for our LPG tankers. The services from the subsisting contracts are expected to be completed progressively from 2026 up to 2032. Please refer to Section 7.5.6 of this Prospectus for further details of our ongoing contracts. In addition, we have previously secured spot charter contracts with the PETRONAS Group upon request.

(ii) **Customer ABC Group**

The revenue contribution from the Customer ABC Group collectively accounted for 34.9% (RM110.3 million), 30.4% (RM92.1 million), and 35.5% (RM112.3 million) of our total revenue for the FYE 2022, FYE 2023, and FYE 2024 respectively.

The Customer ABC Group has been our customer for the provision of marine transportation of CPP since 2010. As at the LPD, we have 5 subsisting CVC contracts with the Customer ABC Group for our CPP tankers. The contracts are expected to be completed progressively in 2026 and 2027. Furthermore, we had secured 2 additional CVC contracts with the Customer ABC Group in September 2024 for 2 newbuild vessels, *Orkim Jade* and *Orkim Ruby*, which are currently under construction. These contracts are expected to commence operations in 2027 upon delivery of both *Orkim Ruby* and *Orkim Jade* and will remain valid up to 2035 (including extension options). Please refer to Section 7.5.6 of this Prospectus for further details of our ongoing contracts. In addition, we have also secured spot charter contracts with the Customer ABC Group upon request.

Notwithstanding that our Group is dependent on the charter contracts with the PETRONAS Group and the Customer ABC Group as customers, concentration risk is mitigated by the following:

(i) We have been dealing with the PETRONAS Group and the Customer ABC Group for approximately 15 years, providing the basis for a continuing business relationship. As at the LPD, we have subsisting long-term chartering contracts with the PETRONAS Group and the Customer ABC Group, and collectively, our contracts with them range from 2 to 10 years;

(ii) We hold a leading position in terms of the number of CPP tankers registered in Malaysia, representing approximately 56% of the 27 Malaysian-registered chemical/petroleum tankers in 2024, which enables us to fulfil critical domestic needs for CPP and secure Malaysia's energy supply. Furthermore, the Malaysian cabotage rule promotes the use of Malaysian-registered vessels for domestic shipping such as transportation of goods or carriage of passengers within coastal routes in Malaysia. Nonetheless, in cases where Malaysian-registered vessels are unavailable or insufficient, foreign-registered vessels will then be granted temporary license to carry out such activities;

(iii) Our focus on operational stability is achieved through proactive vessel maintenance, ensuring fleet reliability and employing experienced cargo handling crews to minimise downtime. This stability is underpinned by our 18-year track record in marine transportation operations, dating back to our incorporation in 2007. As at 31 December 2024, we have cumulatively invested approximately RM203.5 million in dry docking expenditures for our vessels. This investment demonstrates our commitment to maintaining our fleet's safe and reliable operational condition while ensuring that we comply with the relevant regulatory requirements;

(iii) Our continued fleet expansion would facilitate the chartering of additional CPP and LPG vessels to established customers, including the PETRONAS Group and the Customer ABC Group. We have cumulatively invested approximately RM1.0 billion in our existing fleet of 17 vessels as at 31 December 2024. Leveraging on our strength as a vessel owner and operator to ensure fleet availability and reliability, we continue to serve the PETRONAS Group with our existing CPP and LPG tanker charter contracts. Furthermore, our ability to secure new contracts from the Customer ABC Group for *Orkim Ruby* and *Orkim Jade* demonstrates our track record as well as resilient demand from our key customers for our services; and

(iv) We ensure operational efficiency through consistent quality services and adherence to shipping schedules. This is supported by a fleet management system with real-time vessel tracking, providing transparent cargo status and location updates to maintain shipping schedules and service integrity. All our vessels are equipped with real-time tracking systems.

7.10 MAJOR SUPPLIERS

Our top 5 major suppliers and our purchases from them for the FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2022

Top 5 Suppliers	Location	Main input materials/ services purchased	Purchases (RM'000)	%	Approximate length of relationship (years)[(1)]
Island Oil Limited	Cyprus	Bunker	13,615	12.2	4
PSP Marine (M) Sdn Bhd	Malaysia	Bunker	9,905	8.9	7
Ascent Glory Limited	Hong Kong	Bunker	9,269	8.3	4
Monjasa Pte Ltd	Singapore	Bunker	6,756	6.0	10
State Insurance Brokers Sdn Bhd	Malaysia	Insurance	5,622	5.0	16
Total			**45,167**	**40.4**	

FYE 2023

Top 5 Suppliers	Location	Main input materials/ services purchased	Purchases (RM'000)	%	Approximate length of relationship (years)[(1)]
Island Oil Limited	Cyprus	Bunker	7,752	9.1	4
Bunkers Marine Pte Ltd	Singapore	Bunker	5,118	6.0	15
KPI Oceanconnect Pte Ltd	Singapore	Bunker	4,963	5.9	3
State Insurance Brokers Sdn Bhd	Malaysia	Insurance	4,960	5.8	16
Srikanda Marine Pte Ltd	Singapore	Spare parts	4,036	4.8	4
Total			**26,829**	**31.6**	

FYE 2024

Top 5 Suppliers	Location	Main input materials/ services purchased	Purchases (RM'000)	%	Approximate length of relationship (years)[1]
G Ocean Trading Pte Ltd	Singapore	Bunker	9,579	10.7	2
Monjasa Pte Ltd	Singapore	Bunker	5,805	6.5	10
PSP Marine (M) Sdn Bhd	Malaysia	Bunker	5,368	6.0	7
Bunkers Marine Pte Ltd	Singapore	Bunker	5,356	6.0	15
Sing Fuels Pte Ltd	Singapore	Bunker	4,833	5.4	7
Total			**30,941**	**34.6**	

Note:

(1) Length of relationship as at the LPD.

During the Financial Years Under Review, we are not dependent on any of our top 5 major suppliers as bunkers, our principal supply item, can be readily sourced from alternative suppliers in both Malaysia and foreign countries. Furthermore, bunkers are commodities which are widely traded and readily available in the marine transportation market.

7.11 BUSINESS DEVELOPMENT AND MARKETING ACTIVITIES

Our sales and marketing strategies focus on contract acquisition, customer relationship management, and showcasing the unique value of our marine transportation services. This includes:

(i) **Sales positioning for contract acquisition**

We position ourselves as an established owner-operator of Malaysian-registered marine transportation of CPP and LPG. Our services are integral in supporting the national energy security, providing secure and reliable transportation of petroleum products within Malaysia coastal routes and some Asian countries. We primarily serve petroleum product distribution and trading companies, refinery operators, and marine transportation companies.

We offer a range of chartering options, including Time Charter, CVC, COA, and spot charter, to meet diverse customer needs. As at the LPD, we have 17 subsisting long-term chartering contracts comprising 8 Time Charters, 7 CVCs, and 2 COAs, where the vessels can be used for spot charters when available.

In addition, we have established a dedicated team to service our customers and is responsible for maintaining relationships with our customers by understanding our customers' needs and participating in contract tenders and price negotiations. We are staffed with experienced personnel who have a strong technical understanding of CPP and LPG marine transportation, enabling effective communication with customers and the ability to address technical and operational requirements.

(ii) **Customer relationship management for existing customers**

We directly market our marine transportation services to key customers, including refineries, petroleum product distribution and trading companies. This direct engagement provides valuable insights into our customers' needs, enabling us to deliver high-quality services, strengthen business relationships, and foster customer loyalty to retain existing customers and attract new customers.

We have leading market position in terms of the number of CPP tankers registered in Malaysia, representing approximately 56% of the 27 Malaysian-registered chemical/petroleum tankers in 2024 *(Source: IMR Report).* In 2024, the apparent consumption volume of refined petroleum products in Malaysia was 32.1 million tonnes. Based on our total volume of 3.8 million tonnes of CPP and LPG that we transported and discharged in Malaysia, we have a market share of approximately 12% in 2024 (*Source: IMR Report*). In addition, we have been servicing the PETRONAS Group since 2009, and the Customer ABC Group since 2010, with fleet expansion over the years being driven by demand from these 2 customers. In serving key energy companies such as the PETRONAS Group and the Customer ABC Group, we ensure that our vessels consistently meet and maintain maritime assurance criteria for shipping, focusing on ensuring safety, security, and compliance with relevant regulations and industry standards. This includes adherence to international conventions like MARPOL and SOLAS, as well as industry codes and guidelines like ISGOTT, and ICS. We also undergo continuous internal assessments by the PETRONAS Group and the Customer ABC Group. We operate in compliance with PETRONAS' Technical Standards and the Customer ABC Group's Maritime Assurance System.

(iii) **Participation in maritime energy and shipping industry events**

We leverage on industry events to introduce our services to potential customers. Some notable business conferences and trade events that we participated in are:

(a) International Conference on Maritime Logistics and Ports (ICMLP) 2024 in Putrajaya;

(b) Malaysia Maritime Week 2024 in Kuala Lumpur; and

(c) Day of the Seafarer 2022 and 2023 in Terengganu and Putrajaya, respectively.

In addition, our Group, through our CEO, had participated as a speaker in various engagements, including forums, roadshows, panel discussions, and seminars, for networking, fostering business growth, and understanding industry developments. Some engagements are as follows:

(a) Annual Shipowners & Charterers Forum 2022;

(b) Asia Pacific Maritime Roadshow - Topic: Malaysia Maritime Market 2024; and

(c) Asian Maritime Law and Business Conference 2024.

Orkim is also a member of industry associations such as Malaysia Shipowner's Association ("**MASA**"). As at the LPD, our Group's CEO serves as a member of several national and international maritime committees and councils, including Shell Maritime Partners in Safety – Asia Pacific Middle East Focus Group, ABS Southeast Asia and Middle East Technical Committee, MASA's Executive Committee and Tanker Committee, National Shipping and Port Council Advisory Committee, Malaysia Shipping Development Board and Human Resource Development Corporation's Sectorial Training Committee – Transportation. In July 2025, he is appointed by the Ministry of Transport Malaysia as an ad hoc member of the Malaysia Maritime Law Revision and Reform Committee.

7.12 OUR VOYAGE AND VESSEL OPERATING COSTS

The primary inputs and costs incurred in our marine transportation operations relate to bunker costs, port charges, and spare parts, repairs and maintenance. Collectively, these inputs accounted for 43.1%, 36.4% and 36.9% of our total cost of sales for the FYE 2022, FYE 2023 and FYE 2024 respectively. Further details on our direct cost components are set out in Section 12 of this Prospectus.

Bunker is the main fuel used by our tankers during voyage operations and represents a substantial portion of our direct costs. We procure bunker fuel at ports both locally and regionally. Bunker prices are closely tied to global crude oil price movements, which are subject to fluctuations arising from macroeconomic factors such as global supply and demand dynamics, geopolitical developments, regulatory changes, and economic activity. During the Financial Years Under Review, we did not experience any material difficulties in securing the supply of bunker fuel.

Port charges refer to charges imposed by port authorities and terminal operators for the use of port facilities and related services. These include pilotage, towage, mooring, berthing, and port dues when our vessels call at ports. These charges are typically regulated by the port authorities and terminal operators.

Spare parts, repairs and maintenance comprise mainly expenses associated with vessel repairs and maintenance, which are necessary to ensure compliance with safety and regulatory requirements. These costs vary depending on the age and condition of the vessel and the timing of scheduled dry-docking activities. Despite these cyclical variations, our overall spare parts, repairs and maintenance costs remained stable over the Financial Years Under Review. In addition, we also engage third party vendors to carry out repair and maintenance services for our vessels.

7.13 MATERIAL PROPERTIES AND EQUIPMENT

7.13.1 Material real properties of our Group

Details of the material property leased/tenanted by our Group is set out as follows. We do not own any material properties.

Tenant	Landlord / Lessor	Location / Postal address	Description/ Existing use	Date of CCC or equivalent	Tenure of tenancy	Rental per annum (RM)
OSMSB	U-Ni Magna Sdn Bhd	Level 15, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia	**Brief description:** Office tower **Existing use:** Head office **Rented area:** 10,666 sq ft	2 April 2014	3 years, commencing from 1 June 2023 and expiring on 31 May 2026, with an option to extend for a further term of 3 years until 31 May 2029	422,373.60

As at the LPD, there is no breach of relevant laws, regulations, rules and requirements relating to the above property which may materially affect our operations and utilisation of the above property.

7.13.2 Material equipment owned by our Group

A summary of the material equipment owned and used by us are as below:

Vessels	Number of units	Average age (years)$^{(1)}$	Audited NBV as at 31 December 2024 (RM'000)
CPP tankers	15	13	600,928
LPG tankers	2	10	82,343
			683,271

Note:

(1) Average age of the equipment is computed from the year of built and up to the year 2025.

Subsequent to the FYE 2024 and up to the LPD, we have entered into 2 shipbuilding contracts for the construction of CPP tankers. The total estimated construction cost for both CPP tankers is RM211.0 million, of which, RM43.7 million has been paid as at the LPD.

See Section 7.5.5 of this Prospectus for further details on the vessels owned by us.

7.14 SEASONALITY

We do not experience any material seasonality in our business as our business operations are mainly based on contractual arrangements.

7.15 EMPLOYEES

As at the LPD, we have a total workforce of 431 employees, comprising approximately 84.5% offshore (vessel-based) and 15.5% onshore (shore-based) personnel. Our offshore workforce consists of crew members assigned to operate our CPP and LPG tankers, while our onshore workforce supports the Group's commercial, operational, finance, and administrative functions.

As at the LPD, our shore-based workforce comprises 67 employees. Of these, approximately 92.5% are permanent employees while the remaining 7.5% are contractual employees. The breakdown of our shore-based employees is as follows:

Categories	Contractual Employee	Permanent Employee	Grand Total
CEO Office	1	1	2
Commercial & Chartering	-	9	9
Fleet operations (Technical, Marine Safety & Quality)	1	23	24
Finance	-	10	10
Human resource (Sea & Shore)	2	10	12
Other support services (including Procurement, IT, Compliance, and Legal)	1	9	10
Grand Total	**5**	**62**	**67**

As at the LPD, our total offshore workforce comprised 364 employees, of which 41.5% are local seafarers, while the remaining 58.5% are foreign seafarers from Indonesia, Myanmar, the Philippines, India, and Yemen.

All of our foreign employees possess valid working permits and/or documentations. Except for our seafarers, including local and foreign employees, who belong to NUSPM, none of our other employees belong to any labour union.

During the Financial Years Under Review and up to the LPD, there has not been any major industrial dispute pertaining to our employees. During the same period, we did not face any labour shortage that led to any disruption to our business operations.

7.16 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The following key aspects highlight our strong commitment to environmental, social, and governance practices.

7.16.1 Environmental

Recognising the broader impacts of our operation, both directly and indirectly to the environment, we have adopted measures to minimise these effects through carbon footprint management, energy management, waste management as well as water and effluents management.

(i) **Greenhouse Gas ("GHG") Emissions and Energy Management**

Climate change poses a significant risk to global ecosystems, economies, and communities, making the reduction of emissions a critical priority for all industries. As a key player in the maritime sector, we recognise the importance of managing emissions not only to meet regulatory expectations, but also to support the transition towards a low-carbon economy. Our GHG emissions management approach is guided by key international frameworks such as the GHG Protocol and the IMO's decarbonisation strategy. While we have not yet set a formal net-zero target, we are actively aligning our practices with these standards.

Guided by the GHG Protocol, we have implemented a monitoring tool to track Scope 1 and Scope 2 emissions from our operations. Scope 1 emissions primarily arise from fuel combustion and are calculated based on actual fuel consumption recorded in vessel logbooks. Scope 2 emissions stem from electricity consumption at our corporate office. Ongoing tracking enables us to monitor emissions closely and support informed planning for potential reduction measures. We are also working towards expanding our emissions inventory to include additional Scope 3 categories such as business travel and employee commuting.

We conduct continuous monitoring and periodic assessments to maintain alignment with the IMO's requirements, particularly for vessels performing below efficiency baselines. As needed, targeted improvement plans encompassing technical, operational, and financial measures are deployed to enhance vessel performance. Several vessel-level efficiency initiatives contribute to emissions reduction, including the installation of PBCF on 8 of our vessels and the equipment of engine power limiters on 9 of our vessels. As part of standard operational practice, our vessels undergo periodic hull cleaning between dry dockings to minimise fouling, reduce resistance, and improve fuel efficiency. These initiatives have been implemented since 2018, reflecting our commitment to reduce our operational GHG emissions. In recognition of these efforts, we received Shell's Shipping and Maritime Appreciation Award in 2021 and 2022, for CO_2 emissions tracking and EEXI and CII compliance categories.

In 2024, our total Scope 1 emissions intensity decreased by 2.4% in comparison to 2023 primarily attributed to lower overall fuel consumption. Our relocation to a larger, modern office in Menara TSR in Mutiara Damansara has led to an increase in Scope 2 emissions intensity from 5.73 kgCO_2e/sqft to 7.75 kgCO_2e/sqft due to higher energy usage. We expect emissions to decline over time with planned energy efficiency measures, including deactivating non-essential air conditioning and automated after-hours shutdowns.

(ii) **Waste Management**

Our waste management practices are guided by the requirements of the MARPOL, ISO 21070 and our internal Environment Management Manual. We focus on achieving sustainable and impactful waste minimisation through efficient onboard management, covering categories such as plastic waste, food waste and domestic and operational waste. Aligned with our commitment towards environmental stewardship, we strictly prohibit the discharge of plastic materials including but not limited to synthetic ropes, and incinerated plastic waste, into the environment in which we operate.

Our Environmental Management Manual outlines the framework for onboard waste management. This encompasses waste minimisation, collection, sorting and processing methods such as compaction and incineration, as well as procedures for storage and disposal at sea and at shore-based facilities. Efforts to minimise waste intake onboard begin at the procurement stage, where the use of supplies containing non-recyclable materials is reduced where feasible. These efforts are supported by systematic procedures for waste collection and segregation, with an emphasis on recycling and reusing materials to extend their lifecycle, in line with Shipboard Garbage Management procedures.

(iii) **Water and Effluents Management**

We understand the significant impact of our business on the marine environment. In response, we have established our Environment Management Manual to provide clear guidelines for managing our water and effluents treatment prior to discharging into the sea. Effluents refers broadly to operational discharge which include bilge water, sludge, sewage and oily water.

Our vessels are equipped with approved sewage treatment plants, holding tanks, and oil-water separators to prevent marine contamination. Effluent discharge is closely monitored to adhere to MARPOL discharge requirements criteria, and logs are maintained as part of our Shipboard Sewage Disposal Record Book and Oil Record Book.

Guided by the BWM Convention, our vessels' Ballast Water Management Plans detail formal procedures and operational limits for compliant and safe ballast water and sediment handling. It also outlines the responsibilities of designated officers, control measures for ballast water discharge, and prescribed methods for the handling and disposal of sediments. As at the LPD, 14 out of 17 of our vessels, representing approximately 80% of the fleet have been upgraded with a Ballast Water Management System, with the remaining vessels set to be upgraded by the end of the year.

(iv) **Ecological Impact**

As part of our commitment to protecting our operating environment, we have established a Shipboard Oil Spill Contingency Procedure Manual ("**CPM**"), alongside our Environment Management Manual, to guide us in the event of an oil spill. These manuals outline key countermeasures for oil spill and dispersion, methods for handling oil absorbing equipment and treatment agents, and the quantity of such equipment and agents. The CPM also set out procedures for reporting incidents to the appropriate authorities and requesting assistance from shore-based support teams.

We remain committed to the prevention of oil spill incidents through a comprehensive and proactive approach, as outlined below:

(a) Structured crew training and certification programmes to ensure all personnel are equipped with the knowledge and skills to respond effectively to pollution control scenarios;

(b) Regular safety drills, including ship-to-shore coordination exercises to simulate oil spill emergencies and improve response readiness;

(c) Strict operational procedures (e.g., pre-cargo checklists, bunkering standard operating procedures, and ship-shore safety alignments) to minimise high-risk activities and prevent incidents;

(d) Regular monitoring of equipment (e.g., stern tube oil seal, deck machinery, air vent systems) for leaks; and

(e) Equipping vessels (currently 5 out of 17) with seawater-lubricated shaft systems instead of oil-lubricated ones, reducing the risk of oil pollution through shaft seals.

In the event of an oil spill onboard, Oil Spill Kit materials (e.g., oil dispersants, sawdust, and absorbent pads) are available for immediate deployment, as outlined in the Shipboard Oil Pollution Emergency Plan. As at the LPD, we have not incurred any fines for breach or non-compliance with applicable environmental laws.

We have received consecutive recognitions from 2023 to 2025 for our exemplary oil loss control performance, reflecting our commitment to minimising ecological impact. Please refer to Section 7.4 of this Prospectus for further details on these recognitions received.

7.16.2 Social

We uphold the responsibilities towards the well-being, rights, and development of our employees and the communities we engage with. Our practices reflect a focus on inclusivity, fair treatment, and safe working conditions. Employee upskilling and management, as well as occupational health and safety are vital in ensuring a sustainable business growth.

(i) **Employee upskilling and development**

Employees today value clear career planning and structured support systems for their professional development. In facilitating this, we have established structured development initiatives and strategic partnerships that benefit both our shore-based professionals and seafarers.

We conduct annual assessments of key positions, including succession planning and manpower requirements, to ensure our talent strategy aligns with business needs..

We employ a Competency Profile and Individual Training Matrix to identify skill gaps and inform targeted training interventions. Our Training Plan is continuously updated to address both business and regulatory demands.

Additionally, our bi-annual performance appraisal process identifies development needs and guides the allocation of resources to support employees in their ongoing professional growth.

Building on these efforts, our Human Resources & Administrations ("**HRA**") Policies and Procedures emphasise women's empowerment and gender equality, promoting equal opportunity, diversity, and non-discrimination across the organisation. We actively support the career growth and leadership development of our female employees, ensuring they receive fair treatment and have access to the same growth opportunities as their peers.

Since 2023, we have actively included female students in our sea-time placement and cadetship program to promote female participation in the maritime sector. As at the LPD, we have successfully trained 2 female junior officers for year 2025. Please see Section 7.16.2(iv)(a) of this Prospectus for further details of our training initiatives.

Furthermore, we have invested in the Certificate of Competency ("**COC**") sponsorship program in 2025 for a female Fourth Engineer. As at the LPD, we have 7 female crew members serving on our vessels. This degree of representation is consistent with the maritime industry standards, underscoring our strong commitment to the development of women in the maritime industry.

(ii) **Employee Management**

We understand the importance of creating a respectful and inclusive work environment, recognising that our employees are among our most valuable assets. We uphold fair employment practices by ensuring compliance with all applicable labour laws, including fair wages, reasonable working hours, non-discriminatory recruitment processes, and equitable compensation.

In ensuring the protection of our employees from inappropriate conduct, any form of harassment (verbal, written, or physical) that demeans, humiliates, threatens, or undermines dignity is strictly prohibited. Employees are encouraged to report such behaviour to Human Resources for appropriate action.

Our HRA Policies and Procedures clearly outline available benefits and support. We regularly review and enhance these resources to remain competitive and supportive of employee well-being. The benefits we offer include:

(a) Sailing allowances, medical and insurance coverage;

(b) Employee welfare program covering major life events like marriage, childbirth, hospitalisation, and family bereavement; and

(c) Extensive personal and professional development opportunities.

In addition to these benefits, we also provide mental health and wellbeing support for our employees, such as the ongoing collaboration with Mental Illness Awareness and Support Association and Medical Enhancement Scheme for Seafarers, which aims to provide medical counselling support for employees.

These initiatives have earned us recognition through Anugerah Majikan Prihatin (Caring Employer Award) in 2022, reflecting our continued dedication to the welfare and well-being of our seafarers.

(iii) **Occupational Health and Safety**

In line with the principles set out in the SOLAS, we have established a Safety Procedure Manual that outlines risk hazard management, shipboard safety committee, personal safety and accident prevention, as well as health and hygiene onboard.

Our Health, Safety and Environmental Protection Policy was established to promote safe practices in vessel operations and to maintain a safe working environment. This policy aims to prevent human injury, protecting life at sea, and ensure that safety standards are upheld across all aspects of our maritime operations.

As part of our commitment to our employee safety, we also mandate that our employees undergo safety training and are certified with the relevant knowledge in managing safety hazards in accordance with the Standards of Training, Certification and Watchkeeping for Seafarers ("**STCW**").

We adhere to the STCW through established internal procedures. All prospective crew members are required to complete an application process and undergo thorough certificate verification. Additionally, all seafarers must complete pre-joining training to meet STCW and relevant Flag State requirements, ensuring they are fully qualified and prepared for their roles.

(iv) **Corporate Social Responsibility ("CSR")**

At Orkim, we believe long-term business success is intrinsically linked to our contributions to society and the maritime industry. Our CSR initiatives reflect our core values of responsibility, integrity, and community upliftment. Our commitment is demonstrated through key programs that invest in both the future of maritime professionals and the communities we serve:

(a) **Training and Education**

(1) **Enhancing Maritime Safety and Training**

As part of our ongoing support for safety and excellence in the maritime sector, we have contributed a fast rescue boat to Pelita Akademi, a maritime training centre accredited by the MDM. This initiative strengthens practical training in emergency rescue operations and enhances the capabilities of future maritime professionals. The collaboration underscores our joint commitment to improving maritime safety standards and investing in the next generation of seafarers.

(2) **Supporting Access to Maritime Education**

In line with our dedication to educational development, our participation in the Industrial and Professional Certification Programme by the Ministry of Higher Education allows us to offer industrial placements to cadets. Eligible participants benefit from National Higher Education Fund Corporation (PTPTN) education loans and repayment incentives, easing financial burdens and increasing access to maritime careers for aspiring Malaysian youth.

(3) **Developing Future Seafarers**

Since 2017, we have supported over 100 cadets through structured sea-time placement and cadetship programmes to prepare cadets for certification and long-term careers at sea, in collaboration with premier institutions such as Malaysian Maritime Academy. We also support onboard technical placement programmes for trainees to develop industry-ready talent and address national workforce shortages.

(4) **Marine Engineering Degree Programme**

Our CEO plays a key role in the establishment of a Marine Engineering Degree Course at Politeknik Ungku Omar, aimed at producing skilled maritime engineers for the local and regional shipping industry, as he serves as both Programme Chairman and Maritime Programme Adviser.

(5) **Electro-Technical Officer ("ETO") Development**

We collaborated with the Technology Depository Agency and UniKL, in support of Majlis Amanah Rakyat (MARA), to develop a programme focused on enhancing industry-ready technical skills in electrical engineering through structured industrial training and upskilling initiatives.

(b) **Community Development**

(1) **Seafarers Day Career Talk**

The Seafarers Day Career Talk is one of the ways we give back to the community by sharing our knowledge, experience, and inspiration to aspiring cadets. It celebrates the role of seafarers while encouraging the next generation to explore opportunities in the maritime industry.

(2) **Zakat-Wakalah Program for Back-to-School Aid**

We support the educational needs of employees' children through a Zakat-Wakalah Back-to-School Program, ensuring that they are equipped with essential supplies. This initiative not only promotes education but also fulfils our religious and social responsibility in supporting the well-being of our extended Orkim family.

(3) **Bumiputera Professional Sponsorship**

In FYE 2024, we, in collaboration with Ekuinas, conducted a sponsorship program with a total investment of approximately RM100,000 to support the development of Bumiputera seafarers. The sponsorship fully covered STCW COC courses for both deck and engine officers, reflecting our commitment to cultivating a highly skilled maritime workforce.

7.16.3 Governance

We have put in place relevant frameworks and practices to guide and promote ethical conduct, accountability, and transparency across all levels of our organisation.

(i) **Transparency and accountability**

Our Board is committed to achieving and sustaining a high standard of corporate governance. We have put in place the following practices in accordance with the principles provided in the MCCG which include:

(a) board leadership and effectiveness;

(b) effective audit and risk management; and

(c) integrity in corporate reporting and establishing meaningful relationships with our stakeholders.

We have also met the MCCG's recommendations to have at least 30% female directors and at least 50.0% independent directors. As at the LPD, 3 out of 7 Directors or 43% of our Board are female directors and 4 out of 7 Directors or 57% of our Board are independent directors.

Our Board's Charter is set out in Section 9.2 of this Prospectus. Additionally, our governance structure includes our Audit Committee, our Nomination and Remuneration Committee and our Risk Management Committee, whose membership comprise all or a majority of Independent Non-Executive Directors, acting as board committees to oversee, amongst others, financial reporting, compensation, potential conflicts and related party transactions and identifying and addressing risks. For further details of our board committees, see Sections 9.2.7, 9.2.8 and 9.2.9 of this Prospectus.

(ii) **Ethical Conduct of Business**

We recognise the importance of sound governance, integrity, and ethical business practices for the company. As such, we have established the Anti-Bribery and Anti-Corruption Policy ("**ABC Policy**"), Compliance Policy and Anti Money Laundering/Counter-Financing Terrorism Policy ("**AML/CFT Policy**") to guide our business operations in upholding principles of integrity, ethics, and accountability. The ABC Policy and procedures are in line with the Malaysian Anti-Corruption Commission Act 2009, covering aspects of whistleblowing and anti-fraud procedures. Our Compliance Policy sets forth the mandatory laws and regulations our vessels are mandated to while the AML/CFT Policy covering aspects in identifying, preventing, and reporting any suspicious financial activities, particularly those that may be linked to illicit fund transfers and terrorism financing.

7.17 TECHNOLOGIES USED

We utilise several softwares to support our operations, as follows:

(i) Vessel management software and live location tracking to monitor and manage the daily operations, maintenance, and real-time movements of our vessels.

Real-time vessel monitoring in our control room

(ii) Cellular network and satellite communications system to facilitate shore-to-ship communication to ensure safe and efficient maritime operations.

(iii) Safety and crew management software, used to monitor and manage safety aspects of our vessels, as well as to maintain sea staff records including certifications and scheduled rotations.

(iv) Software onboard vessels including electronic chart system, electronic publication library, and electronic rest hour software for operation purposes.

7.18 RESEARCH AND DEVELOPMENT

We do not carry out any research and development activity as it is not relevant to our business, and as such, we do not have any research and development policy.

7.19 MATERIAL INTERRUPTIONS IN OUR BUSINESS

Our business operations did not experience material interruptions during the 12 months prior to the date of this Prospectus.

7.20 INTELLECTUAL PROPERTY RIGHTS

We are in the midst of applying for trademark registration for our corporate logo. The application for the registration of the trademark with MyIPO was submitted on 6 May 2025 and is expected to take approximately 12 to 18 months for registration. As at the LPD, the trademark is currently under formality validation, the details of which are as follows:

Trademark	Registered owner/ Applicant	Registration/ Application no.	Legal Status	Class
ORKIM	Orkim	TM2025014365	Under Formality Validation	35[1]
	Orkim	TM2025014366	Under Formality Validation	37[2]
	Orkim	TM2025014368	Under Formality Validation	39[3]
	Orkim	TM2025014369	Under Formality Validation	35[1]
	Orkim	TM2025014370	Under Formality Validation	37[2]
	Orkim	TM2025014371	Under Formality Validation	39[3]

Notes:

(1) Administration of sales and promotional incentive schemes; Advertising, promotion and marketing; Digital marketing; Presentation of goods on communications media for retail purposes; Processing telephone inquiries regarding advertised goods and services; Procurement of contracts for others for the purchase and sale of goods; Product marketing; Promotion and marketing of products and services through global computer networks; Social network marketing; Targeted marketing.

(2) Fleet management services in the field of refuelling of vehicles; Husbanding services being fuelling of ships; Husbanding services being repair and maintenance of ships; Maintenance and repair in the field of vehicle fleet management; Maintenance and repair of ships; Marine dry docking services for water vehicle maintenance and repair; Provision of information relating to the repair or maintenance of vessels; Repair or maintenance of vessels; Ship launching services.

(3) Arranging for the shipping of goods; Cargo ship transport; Chartering of ships; Filling of ships with goods; Freighting and ship brokerage services; International ocean freight shipping services; Monitoring and tracking of package shipments; Ocean shipping services; Providing information relating to ship brokerage; Rental of tankers; Ship piloting and provision of information relating thereto; Shipping services; Storage of liquefied natural gas on ships; Storage, distribution, transportation, shipping, and delivery of gas, oil and chemicals; Supply chain logistics and reverse logistics services consisting of the storage, transportation and delivery of goods for others by air, rail, ship or lorry.

Notwithstanding that the registration of our corporate logo is still pending, our Group is not dependent on the registration of such trademarks for our business operation as we have an established operating track record in the industry as well as well-developed business relationships.

7.21 APPROVALS, MAJOR LICENCES AND PERMITS

We have various licences and permits for our operations in Malaysia. See Annexure B for details of our major licences, permits and approvals. Save as disclosed in Annexure B of this Prospectus, our Group is not dependent on any major licences, permits, approvals for our business operations.

7.22 GOVERNING LAWS AND REGULATIONS

Our business is regulated by specific laws of Malaysia. See Annexure C for an overview of the material regulatory requirements governing our Group which are material to our business operation. As at the LPD, our Group is in compliance with all these relevant laws, regulations, rules and requirements.

7.23 MATERIAL DEPENDENCY ON CONTRACTS

We are materially dependent on the following agreements entered into by our Group with the PETRONAS Group and the Customer ABC Group to ensure the continuity of the operations of our business:

Agreements entered into with the PETRONAS Group

(i) Time charter agreements entered into between PETCO and OMSB (as a disponent owner of the vessels) as set out in the following:

(a) Time charter-party dated 8 May 2019 in respect of Orkim Diamond, a coastal vessel, in which OMSB agreed to charter Orkim Diamond to PETCO for the carriage of crude oil, petroleum and/or its products in bulk, and such other lawful merchandise as may be suitable for Orkim Diamond. The time charter party shall be valid for a period of 5 years, commencing from 13 July 2021 to 12 July 2026, with the option to extend the period up to 5 periods of 1 year each.

(b) Time charter-party dated 8 May 2019 in respect of Orkim Emerald, a coastal vessel, in which OMSB agreed to charter Orkim Emerald to PETCO for the carriage of crude oil, petroleum and/or its products in bulk, and such other lawful merchandise as may be suitable for Orkim Emerald. The time charter party shall be valid for a period of 5 years, commencing from 9 July 2022 to 8 July 2027, with the option to extend the period up to 5 periods of 1 year each.

(c) Time charter-party dated 8 May 2019 in respect of Orkim Pearl, a coastal vessel, in which OMSB agreed to charter Orkim Pearl to PETCO for the carriage of crude oil, petroleum and/or its products in bulk, and such other lawful merchandise as may be suitable for Orkim Pearl. The time charter party shall be valid for a period of 5 years, commencing from 6 March 2021 to 5 March 2026, with the option to extend the period up to 5 periods of 1 year each.

(d) Time charter-party dated 8 May 2019 in respect of Orkim Sapphire, a coastal vessel, in which OMSB agreed to charter Orkim Sapphire to PETCO for the carriage of crude oil, petroleum and/or its products in bulk, and such other lawful merchandise as may be suitable for Orkim Sapphire. The time charter party shall be valid for a period of 5 years, commencing from 30 April 2021 to 29 April 2026, with the option to extend the period up to 5 periods of 1 year each.

(e) Time charter-party dated 8 May 2019 in respect of Orkim Topaz, a coastal vessel, in which OMSB agreed to charter Orkim Topaz to PETCO for the carriage of crude oil, petroleum and/or its products in bulk, and such other lawful merchandise as may be suitable for Orkim Topaz. The time charter party shall be valid for a period of 5 years, commencing from 6 July 2022 to 5 July 2027, with the option to extend the period up to 5 periods of 1 year each.

(ii) Form of agreement dated 26 February 2021 entered between PETCO and OMSB in respect of Orkim Fortitude, a medium range vessel, in which OMSB agreed to entered into the provision of long-term time charter Malaysian-flagged medium range size vessel services for PETCO for the carriage of CPP products. The form of agreement shall be valid for a period of 5 years, commencing from 31 August 2021 to 30 August 2026, with the option to extend the period of up to 2 periods of 1 year each.

(iii) Time charter agreements entered into between PDB and OMSB (as a disponent owner of the vessels) as set out in the following:

(a) Time charter-party dated 3 August 2022 in respect of Orkim Gas Brilliance, an LPG vessel, in which OMSB agreed to charter Orkim Gas Brilliance to PDB for the carriage of LPG products. The time charter party shall be valid for a period of 3 years commencing from 19 January 2022 to 18 January 2025, with the option to extend the period up to 2 periods of 1 year each. The charter period has been extended via Addendum No. 1 dated 20 January 2025 for a further period of 2 years commencing from 4 February 2025 to 3 February 2027.

(b) Time charter-party dated 20 January 2025 in respect of Orkim Gas Success, an LPG vessel, in which OMSB agreed to charter Orkim Gas Success to PDB for the carriage of LPG products. The time charter party shall be valid for a period of 2 years commencing from 1 January 2025 to 31 December 2026.

Agreements entered into with Customer A and Customer B

(i) Consecutive voyage contracts entered into with Customer A and Customer B as set out in the following:

(a) Consecutive voyage contract dated 1 January 2025 entered into between Customer A and ODIS in respect of Orkim Discovery, a coastal vessel, in which ODIS agreed to charter Orkim Discovery to Customer A for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 January 2025 to 31 December 2025 with the option to extend for a period of 1 year.

(b) Consecutive voyage contract dated 1 April 2024 entered into between Customer A and OMSB in respect of Orkim Glory, a coastal vessel, in which OMSB agreed to charter Orkim Glory to Customer A for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 April 2024 to 31 January 2026 with the option to extend for a period of 1 year.

(c) Consecutive voyage contract dated 1 March 2024 entered into between Customer A and OLSB in respect of Orkim Leader, a coastal vessel, in which OLSB agreed to charter Orkim Leader to Customer A for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 March 2024 to 28 February 2025 with the option to extend for a period of 1 year. The parties had subsequently on 9 January 2025 agreed to extend for another period of 1 year.

(d) Consecutive voyage contract dated 1 April 2024 entered into between Customer A and OPOW in respect of Orkim Power, a coastal vessel, in which OPOW agreed to charter Orkim Power to Customer A for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 February 2024 to 31 January 2025 with the option to extend for a period of 1 year. The parties had subsequently on 9 January 2025 agreed to extend for another period of 1 year.

(e) Consecutive voyage contract dated 16 August 2024 entered into between Customer A and ORSB in respect of Orkim Reliance, a coastal vessel, in which ORSB agreed to charter Orkim Reliance to Customer A for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 16 August 2024 to 15 August 2025 with the option to extend for a period of 1 year. The parties had subsequently on 4 July 2025 agreed to extend for another period of 1 year.

(f) Consecutive voyage contract dated 27 September 2024 entered into between Customer A and OJSB in respect of Orkim Jade, a coastal vessel, in which OJSB agreed to charter Orkim Jade to Customer A for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 April 2027 to 31 March 2030.

(g) Consecutive voyage contract dated 27 September 2024 entered into between Customer A and ORUB in respect of Orkim Ruby, a coastal vessel, in which ORUB agreed to charter Orkim Ruby to Customer A for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 June 2027 to 31 May 2030.

(h) Consecutive voyage contract dated 1 January 2025 entered into between Customer B and ODIS in respect of Orkim Discovery, a coastal vessel, in which ODIS agreed to charter Orkim Discovery to Customer B for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 January 2025 to 31 December 2025 with the option to extend for a period of 1 year.

(i) Consecutive voyage contract dated 1 April 2024 entered into between Customer B and OMSB in respect of Orkim Glory, a coastal vessel, in which OMSB agreed to charter Orkim Glory to Customer B for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 April 2024 to 31 January 2026 with the option to extend for a period of 1 year.

(j) Consecutive voyage contract dated 1 March 2024 entered into between Customer B and OLSB in respect of Orkim Leader, a coastal vessel, in which OLSB agreed to charter Orkim Leader to Customer B for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 March 2024 to 28 February 2025 with the option to extend for a period of 1 year. The parties had subsequently on 9 January 2025 agreed to extend for another period of 1 year.

(k) Consecutive voyage contract dated 1 April 2024 entered into between Customer B and OPOW in respect of Orkim Power, a coastal vessel, in which OPOW agreed to charter Orkim Power to Customer B for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 February 2024 to 31 January 2025 with the option to extend for a period of 1 year. The parties had subsequently on 9 January 2025 agreed to extend for another period of 1 year.

(l) Consecutive voyage contract dated 16 August 2024 entered into between Customer B and ORSB in respect of Orkim Reliance, a coastal vessel, in which ORSB agreed to charter Orkim Reliance to Customer B for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 16 August 2024 to 15 August 2025 with the option to extend for a period of 1 year. The parties had subsequently on 4 July 2025 agreed to extend for another period of 1 year.

(m) Consecutive voyage contract dated 27 September 2024 entered into between Customer B and OJSB in respect of Orkim Jade, a coastal vessel, in which OJSB agreed to charter Orkim Jade to Customer B for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 April 2027 to 31 March 2030.

(n) Consecutive voyage contract dated 27 September 2024 entered into between Customer B and ORUB in respect of Orkim Ruby, a coastal vessel, in which ORUB agreed to charter Orkim Ruby to Customer B for bulk transportation of cargo on a consecutive voyage basis. The consecutive voyage contract shall be effective from 1 June 2027 to 31 May 2030.

Please refer to Annexure A for the salient terms of the abovementioned contracts.

Vital Factor Consulting Sdn Bhd
(Company No.: 199301012059 (266797-T))
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46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 7931-3188
Website: www.vitalfactor.com

17 July 2025

The Board of Directors
Orkim Berhad
Level 15, Menara TSR
No.12, Jalan PJU 7/3
Mutiara Damansara
47810, Petaling Jaya, Selangor

Dear Sirs and Madams

Independent Assessment of the Clean Petroleum Products and Liquefied Petroleum Gas Marine Transportation Industries in Malaysia

We are an independent business consulting and market research firm based in Malaysia, established in 1993. We offer consulting services, including business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises such as initial public offerings, reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for publicly listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services encompass business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for prospectuses, shareholders' circulars and information memorandums.

We have been engaged to provide an independent assessment of the clean petroleum products and liquefied petroleum gas marine transportation industries in Malaysia for inclusion in the prospectus of Orkim Berhad for its initial public offering and listing of its shares on the Main Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable due care taken to ensure its accuracy and completeness.

We believe the report provides a true and fair assessment of the industry, considering the limitations of timely and available information, and analyses based on secondary and primary market research as of the report date. However, it should be noted that our assessment pertains to the industry as a whole and may not reflect the performance of any specific company. We accept no responsibility for the decisions or actions of readers based on this document. This report should not be construed as a recommendation to buy, not buy, sell or not sell the securities of any company.

Please be aware that our report may include disclosures, assessments, opinions, and forward-looking statements that are subject to hitherto unknown or undisclosed information, uncertainties, and contingencies. These statements are based on secondary information and primary market research, and despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual outcomes and future results to differ materially from these statements.

Yours sincerely

Wooi Tan
Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders, Australia. With over 30 years of experience in business consulting and market research, he has also assisted companies in their initial public offerings and listings on Bursa Malaysia Securities Berhad.

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Date of Report: 17 July 2025

INDEPENDENT ASSESSMENT OF THE CLEAN PETROLEUM PRODUCTS AND LIQUEFIED PETROLEUM GAS MARINE TRANSPORTATION INDUSTRIES IN MALAYSIA

1. OVERVIEW OF ORKIM GROUP'S BUSINESS AND REPORT PARAMETERS

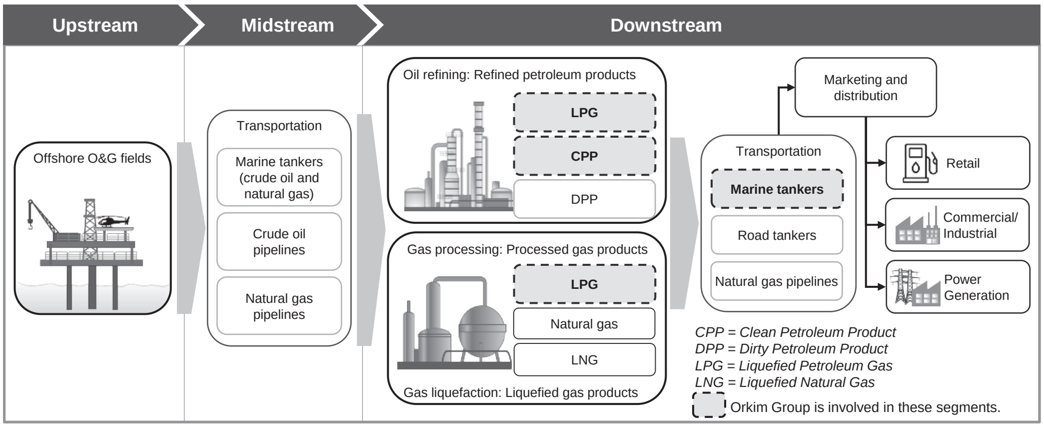
- Orkim Berhad, together with its subsidiaries (Orkim Group), is an owner-operator of clean petroleum products (CPP) and liquefied petroleum gas (LPG) marine tankers, primarily facilitating the transportation of cargo between domestic ports along coastal routes within Malaysia and across some neighbouring Asian countries. As of the date of this report, Orkim Group has 15 CPP tankers and 2 LPG tankers, all of which are Malaysian-registered. The above shall form the focus of this report. Unless stated otherwise, all information in this report pertains to Malaysia and is based on the latest available data.

2. INDUSTRY OVERVIEW

2.1 Industry Structure

- The transportation of oil and gas (O&G) products is critical for the midstream (from offshore O&G fields to processing facilities) and downstream segments (from processing facilities to end users) of the industry. As O&G are fundamental to the energy requirement of communities, businesses, and government sectors, maintaining an uninterrupted supply is essential for the nation's continued social and economic stability and development, including industrialisation.

Value Chain of the O&G Industry Focusing on the Transportation Sector in Malaysia



Midstream Transportation

- Malaysia's O&G production is primarily in offshore fields. As a result, much of the country's O&G transportation involves moving extracted products via tankers and subsea pipelines from offshore production platforms to onshore facilities for processing. In addition, crude oil is also exported directly to foreign countries via tankers from fixed offshore platforms and floating production, storage, and offloading units (FPSOs). Furthermore, floating liquefied natural gas (FLNG) vessels are deployed in offshore gas fields in Malaysia. These FLNG vessels extract natural gas, process and liquefy it onboard, and then transfer the LNG to specialised tankers for delivery to onshore infrastructure or direct export.

Downstream Transportation

- The downstream segment involves refining crude oil, processing and liquefying raw natural gas, and marketing and distributing refined petroleum and processed gas products to end-user markets or for export. End-user markets include retail outlets (such as petrol stations), commercial and industrial consumers, and power generation plants. Malaysia's downstream operations are supported by a robust transportation network that includes marine tankers, road tankers, and natural gas pipelines. This transportation network ensures the security and reliability of the national energy supply.

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- Marine tankers are among the most common methods used for the regional and international transportation of refined petroleum and processed gas products, primarily due to their ability to carry large volumes per vessel. Road tankers are the primary mode of transport for land-based distribution of these products. In Malaysia, natural gas, commonly called sales gas, is transported domestically via a pipeline network that connects gas processing plants to major industrial hubs and power generation facilities.

- Orkim Group is primarily involved in the marine transportation of CPP and LPG, mainly serving coastal routes in Malaysia and some neighbouring Asian countries.

2.2 Refined Petroleum and Processed Gas Products

- In oil refining, crude oil is first preheated before being fed into distillation columns, where it is separated into individual components based on their different boiling points. As the components vaporise and rise within the column, they cool and condense at different levels. The lighter fractions rise to higher levels, while the heavier fractions condense at lower levels. The result is a range of refined petroleum products, arranged from the heaviest to the lightest, as follows:

  - **Dirty Petroleum Products** (DPP) are the heavier fractions that vaporise and condense at lower levels due to their higher boiling points. Common examples of DPP include bitumen, fuel oil (bunker fuel), and lubricant oil.

  - **Clean Petroleum Products** (CPP) are the lighter fractions that vaporise and rise to higher levels, with relatively lower boiling points. Common examples of CPP include diesel, kerosene (jet fuel), naphtha, and petrol (gasoline).

  - **Petroleum Gas** (when liquified, it is LPG) consists of the lightest fractions, such as propane and butane, which are separated at the highest levels of the distillation column.

  Malaysia operates seven oil refineries with a total refining capacity of approximately 1.1 million barrels of crude oil daily. A list of oil refineries in Malaysia is as below:

Oil Refinery	Operators	Capacity (bpd)
Kemaman, Terengganu	Kemaman Bitumen Company Sdn Bhd	100,000
Kertih, Terengganu	PETRONAS	124,000
Melaka Energy Park	PETRONAS	300,000
Port Dickson, Negeri Sembilan	Hengyuan Refining Company Bhd	156,000
Port Dickson, Negeri Sembilan	Petron Malaysia Refining & Marketing Bhd	88,000
Refinery and Petrochemical Integrated Development (RAPID)	Pengerang Refining Company Sdn Bhd	300,000
Tanjung Bin, Johor	ATB Sdn Bhd	32,000

bpd = barrels per day; PETRONAS = Petroliam Nasional Berhad Group of companies. (Source: Malaysian Investment Development Authority (MIDA) and Vital Factor analysis)

- Refineries and processing plants would need to transport their finished products to customers and end-users. They will require, among others, CPP and LPG marine transportation for the domestic and international markets.

- At gas processing plants, natural gas liquids, such as propane and butane (the main components of LPG), along with methane-rich natural gas (sales gas), are separated and treated from raw natural gas. PETRONAS operates four major LNG facilities within the LNG complex in Sarawak, five gas processing plants in Terengganu, and two regasification terminals in Malacca and Pengerang, Johor *(Source: PETRONAS)*.

- These refined and processed products require specially constructed vessels for safe marine transportation. **CPP tankers** have specially coated tanks for corrosion and contamination prevention, and segregated compartments for safety. **LPG tankers** are typically equipped with spherical or cylindrical tanks that are pressurised and/or refrigerated to maintain LPG in a liquid state. While CPP tankers can transport DPP, the reverse process is more complex. DPP tankers require a thorough cleaning process and special coatings to transport CPP and prevent contamination safely.

- Chemical tankers can also transport CPP. They are typically equipped with coated or stainless-steel tanks or other corrosion-resistant materials designed for safety and contamination prevention. The coatings on chemical tankers are generally of equal or higher specifications than those on CPP tankers.

- Orkim Group specialises in the marine transportation of CPP and LPG, loading them from refineries, gas processing plants and storage terminals and discharging them at various ports, jetties and terminals.

2.3 International Maritime Organisation

- The International Maritime Organisation (IMO) is the primary international body responsible for establishing global standards for marine transportation's safety, security, and environmental performance. The IMO develops regulatory frameworks for the industry, which are widely adopted and implemented worldwide. Some key IMO conventions adopted by the Malaysian Government include, among others, the following:
  - **The International Convention for the Safety of Life at Sea (SOLAS)** specifies minimum standards for the construction, equipment and operation of ships.
  - **The International Convention for the Prevention of Pollution from Ships (MARPOL)** sets rules to prevent marine pollution from ships, whether from operational activities or accidental causes. For instance, Annex I of MARPOL, which addresses oil pollution, mandates that oil tankers be constructed with double hulls.
  - **The International Convention on Tonnage Measurement of Ships** introduces a universal tonnage measurement system to standardise ship size classifications, including gross and net tonnage.
  - **The International Convention on Load Lines** establishes a limitation on the draught (water depth) to which a ship can be loaded, ensuring vessel stability and safety.
  - **The International Convention on Civil Liability for Oil Pollution Damage (CLC)** defines the liability and compensation framework for oil pollution damage caused by ships. It holds ship owners financially responsible for oil spills and requires them to insure tankers carrying more than 2,000 tonnes of oil to cover potential pollution damages.

- As of the date of this report, Orkim Group complies with all of the IMO conventions mentioned above.

3. O&G INDUSTRY IN MALAYSIA

- Industry operators providing marine transportation services for the O&G industry in Malaysia, including Orkim Group, stand to benefit from the ongoing development of the O&G industry, particularly in the downstream segment. Growth in the O&G industry will increase exports, driving demand for marine transportation of O&G, including CPP and LPG.

3.1 Capital Expenditure (CAPEX) by PETRONAS

- In Malaysia, PETRONAS is granted full ownership and exclusive rights to O&G resources found in Malaysia, as well as control over the downstream activities and development relating to petroleum and its products. As a result, CAPEX by PETRONAS, particularly in the downstream segment, can influence the demand for marine transportation services serving this sector.

- Between 2022 and 2024, PETRONAS' CAPEX grew at a compound annual growth rate (CAGR) of 4.0%, with the majority of the increase attributed to activities in Malaysia. Between 2022 and 2024, however, CAPEX for downstream activities declined at an average annual rate of 46.4%. This decline is primarily due to the high base in 2022, when CAPEX surged to RM16.3 billion (up

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from RM3.9 billion in 2021) following the acquisition of a subsidiary and other operational and growth projects. In 2023 and 2024, CAPEX in the downstream segment was primarily directed towards operational projects and turnaround activities, with most of the spending occurring domestically. In 2024, CAPEX for downstream activities decreased from RM5.8 billion in 2023 to RM4.7 billion. *(Source: PETRONAS)*

3.2 Pengerang Integrated Petroleum Complex

- The Pengerang Integrated Petroleum Complex (PIPC) in Johor is a major project to establish Johor as a world-class refinery and petrochemical hub. Scheduled as a 25-year development spanning four phases from 2013 to 2037 over 22,904 acres, its key developments include the PETRONAS-operated Pengerang Integrated Complex (PIC), and a deepwater terminal which is a multi-phased storage facility for petroleum products. PIC includes RAPID, Pengerang Deepwater Terminal 2, and an LNG regasification terminal. The PIC represents PETRONAS' largest downstream investment and was completed in December 2019.

- The PIPC Master Plan targets 5 million cubic metres of liquid storage capacity, 1 million bpd of refining capacity, and 11.3 million tonnes per annum of petrochemical production capacity. As of December 2023, PIPC had achieved 82% of its targeted storage capacity, 30% of refining capacity, and 31.9% of petrochemical production capacity *(Latest available data. Source: Malaysia Petroleum Resources Corporation (MPRC))*. The PIPC would provide opportunities for CPP and LPG marine transportation service providers servicing international markets, including Asia.

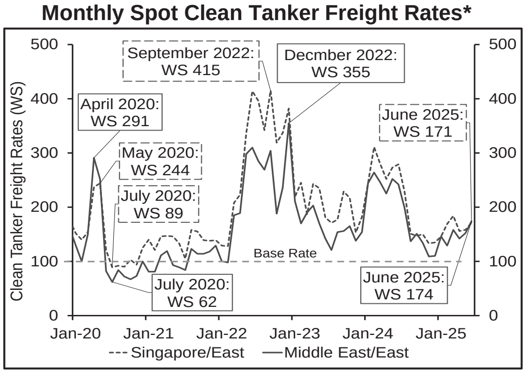
4. PERFORMANCE OF THE MARINE TRANSPORTATION INDUSTRY

4.1 Clean Tanker Freight Rates

- Clean (or CPP) tanker freight rates, as measured by Worldscale (WS), may offer some valuable insights into the performance of the marine transportation of the CPP industry. WS refers to the standard freight scale used for the transportation of oil and oil products in bulk by sea, with WS 100 representing the base rate.

- Orkim Group primarily charters its vessels within the Malaysian coastal region and along several Asian routes. Therefore, this section will focus on analysing the spot clean tanker freight rates along the East of Suez routes, particularly the Middle East-to-East and Singapore-to-East routes, to serve as a performance indicator for the charter rates.

Monthly Spot Clean Tanker Freight Rates*



** Freight rates for tankers with size between 30,000 DWT and 35,000 DWT. Data range from January 2020 to June 2025. (Source: Vital Factor analysis)*

- On the Middle East-to-East route, spot clean tanker freight rates spiked in April 2020, reaching WS 291 amid the COVID-19 pandemic. Similarly, the spot clean tanker freight rates on the Singapore-to-East route reached WS 244 in May 2020. Following these peaks, freight rates for both routes declined until the Russia-Ukraine conflict triggered a subsequent rise in rates. The Singapore-to-East route peaked at WS 415 in September 2022, while the Middle East-to-East route peaked at WS 355 in December 2022. Since then, clean tanker freight rates have generally trended downwards. However, the Red Sea Crisis and ongoing conflicts in the Middle East in early 2024 caused a temporary surge in clean tanker freight rates for both routes. In June 2025, the clean tanker freight rates for the Middle East-to-East and Singapore-to-East routes trended upwards, primarily driven by geopolitical concerns in the Middle East. Nevertheless, the clean tanker freight rates on these routes remained 28.1% and 38.7% lower respectively, compared to June 2024.

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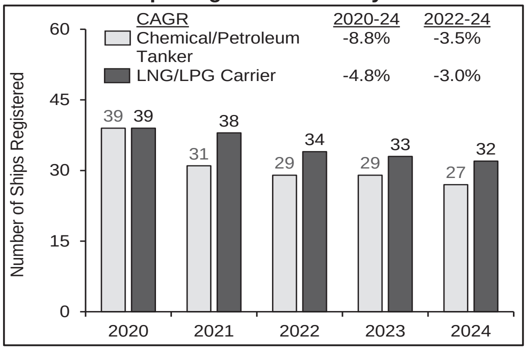
5. SUPPLY AND SUPPLY DEPENDENCIES

5.1 Selected Ships Registration in Malaysia

- The number of ships registered in Malaysia can indicate the supply, demand and competition for vessel chartering services. Between 2022 and 2024, both the number of chemical/petroleum tankers and LNG/LPG carriers declined at an average annual rate of 3.5% and 3.0% respectively. In 2024, there were a total of 27 chemical/petroleum tankers and 32 LNG/LPG carriers registered in Malaysia. A declining supply of Malaysian-registered chemical/petroleum tankers, as well as LNG/LPG carriers, may provide growth opportunities for existing operators within the marine transportation of the CPP and LPG industries in Malaysia, especially in light of increasing domestic consumption of refined petroleum products (See section 6.1 of this report). Orkim Group owns 15 CPP tankers and 2 LPG carriers in Malaysia.

Total Number of Selected Ships Registered in Malaysia

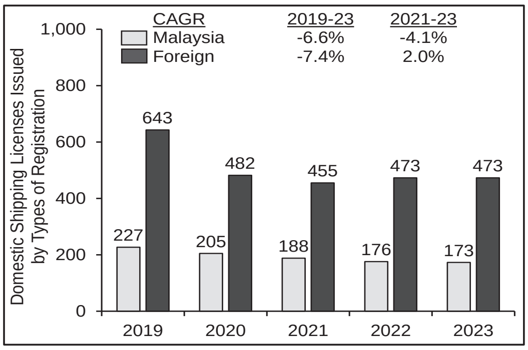


(Source: MoT)

5.2 Domestic Shipping Licence (DSL)

- A DSL issued by the Domestic Shipping Licensing Board is required to transport goods between any ports or locations within Malaysia, including within Malaysia's exclusive economic zone, unless exempted. Between 2021 and 2023, the total number of licences issued to Malaysian registered vessels to carry petroleum, diesel, and chemical declined at an average annual rate of 4.1%. In contrast, the total number of licences issued to foreign registered vessels to carry petroleum, diesel, and chemical grew at a CAGR of 2.0% to 473 during the same period.

Number of DSL Issued to Carry Petroleum, Diesel, and Chemical



Latest available data. (Source: MoT)

- The number of licences issued to foreign registered vessels to carry petroleum, diesel, and chemical was nearly three times that of Malaysian registered vessels. However, all foreign-registered vessels are only granted temporary licenses with a maximum validity of three months. In contrast, Malaysian-registered vessels may receive licences for up to two years, provided they meet all requirements. Orkim Group holds domestic shipping licenses for all its vessels.

6. DEMAND AND DEMAND DEPENDENCIES

6.1 Downstream O&G Industry

- Orkim Group's tankers cater to the downstream O&G industry. Hence, this section will analyse the performance of the downstream O&G industry in Malaysia, particularly refined petroleum products, as it may affect the performance of the marine transportation of the CPP and LPG industries.

Production Volume of Refined Petroleum and Processed Gas Products in Malaysia

	'000 tonnes					CAGR (%)	CAGR (%)
	2020	2021	2022	2023	2024	2020-24	2022-24
LNG	26,576	29,012	31,283	31,224	31,017	3.9	-0.4
*Diesel/Gas Oil	10,922	12,881	15,332	16,236	16,993	11.7	5.3
*Gasoline	4,981	6,433	6,466	4,758	4,278	-3.7	-18.7
*Kerosene	3,695	4,168	3,158	3,286	3,620	-0.5	7.1
*Naphtha	3,754	3,901	3,259	3,061	3,382	-2.6	1.9
*LPG	2,549	2,693	2,678	2,606	2,386	-1.6	-5.6

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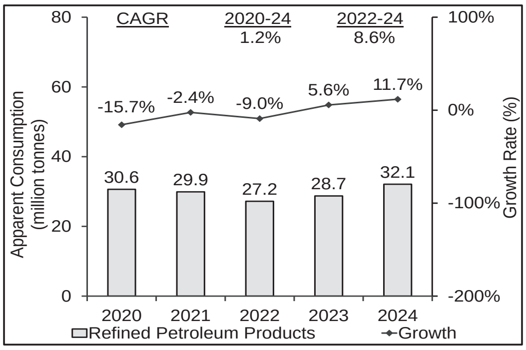
	2020	2021	'000 tonnes 2022	2023	2024	CAGR (%) 2020-24	CAGR (%) 2022-24
Fuel Oil	2,089	2,119	1,990	1,962	2,128	0.5	3.4
Lubricating Oil	92	107	145	182	240	26.9	28.7
Total	**54,658**	**61,314**	**64,311**	**63,316**	**64,043**	**4.0**	**-0.2**

** Orkim Group is involved in the marine transportation of these products. Source: (DoSM)*

- Between 2022 and 2024, the production volume of refined petroleum and processed gas products declined at an average annual rate of 0.2%. The slight decline during this period was due to a decline of 1.5% in 2023, mainly affected by disruptions in upstream supply and maintenance activities in refineries *(Source: Bank Negara Malaysia (BNM))*. Nevertheless, in 2024, the production volume of refined petroleum and processed gas products experienced a growth of 1.1%. *(Source: DoSM)*

Apparent Consumption Volume of Refined Petroleum Products

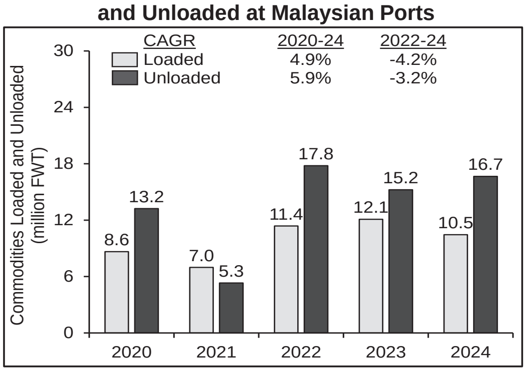


Apparent consumption = Production plus import less export. (Source: Vital Factor analysis)

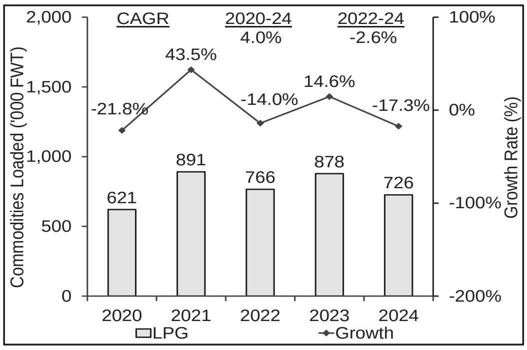
- Apparent consumption volume offers some indication towards domestic demand. Between 2022 and 2024, the apparent consumption volume of refined petroleum products grew at a CAGR of 8.6%, reaching 32.1 million tonnes. Nevertheless, the apparent consumption of LNG declined at an average annual rate of 4.1%, from 6.9 million tonnes to 6.3 million tonnes. In the first quarter (Q1) of 2025, the apparent consumption of refined petroleum products grew by 4.1% compared to Q1 2024. *(Source: Vital Factor analysis)* A growing apparent consumption of refined petroleum products indicates increased demand for transportation services, including marine transportation.

6.2 Commodities Loaded and Unloaded

Petroleum/Fuel Oil Loaded and Unloaded at Malaysian Ports



LPG Loaded at Malaysian Ports



FWT = Freight weight tonnes (Source: MoT)

- The loading and unloading of commodities in Malaysian ports, such as petroleum, fuel oil, and LPG, may indicate the demand for relevant product tankers to transport domestically as well as internationally. Between 2022 and 2024, the amount of loaded and unloaded petroleum and fuel oil declined at an average annual rate of 4.2% and 3.2% respectively. Additionally, the amount of loaded LPG also declined at an average annual rate of 2.6% over the same period. The declines between 2022 and 2024 were primarily attributed to the lower production output in both the upstream and downstream sectors during the same period. *(Source: BNM and DoSM)* In Q1 2025, the amount of loaded petroleum/fuel oil declined by 71.2%, while unloaded petroleum/fuel oil grew by 46.9%, compared to Q1 2024 respectively. In terms of LPG loaded at Malaysian ports, in Q1 2025, the volume declined by 13.2% compared to Q1 2024. *(Source: MoT)*

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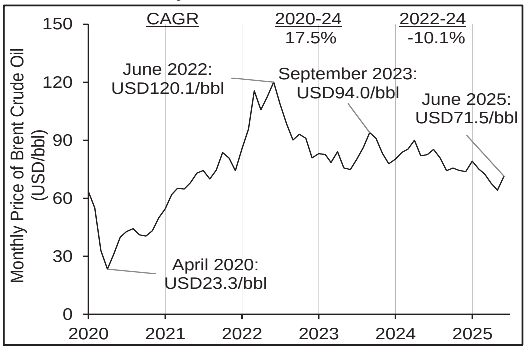
6.3 Global Crude Oil Prices

- The fluctuation of prices for globally traded crude oil has a major impact on the activities of the O&G industry. Higher prices for crude oil will stimulate upstream O&G activities like exploration, development and production, and thereby increase the downstream activities such as oil refining. However, higher input prices indicate a more expensive downstream refined petroleum product which may ultimately discourage consumption.

Monthly Global Crude Oil Prices

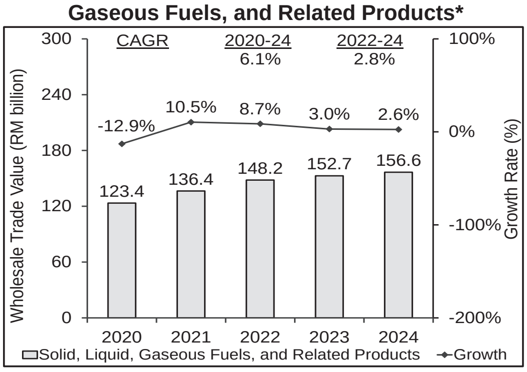


bbl = barrel. Data range from January 2020 to June 2025. (Source: Vital Factor analysis)

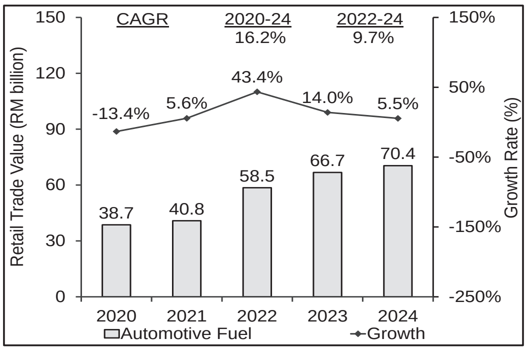
6.4 Wholesale and Retail Sales of Fuels

- Orkim Group's tankers mainly carry refined petroleum products, including petrol, diesel, LPG, naphtha, and automotive fuel. The demand for marine transportation of CPP and LPG is dependent upon the demand for such refined petroleum products. As such, the wholesale and retail trade value of these products may affect the industry's demand performance.

Wholesale Trade Value of Solid, Liquid, Gaseous Fuels, and Related Products*



Retail Trade Value of Automotive Fuel in Specialised Stores



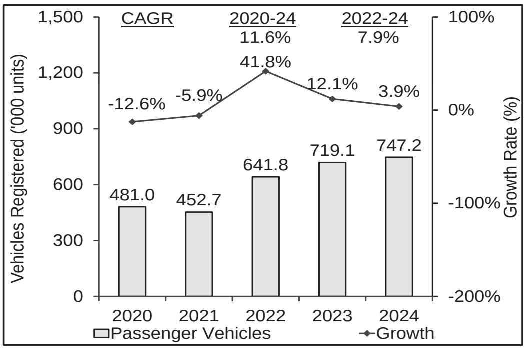
** Include petrol, diesel, lubricants, LPG, naphtha and others. (Source: DoSM)*

- Between 2022 and 2024, the wholesale trade value of solid, liquid, gaseous fuels, and related products grew at a CAGR of 2.8% from RM148.2 billion to RM156.6 billion. Similarly, the retail trade value of automotive fuel in specialised stores also grew at a CAGR of 9.7% from RM58.5 billion to RM70.4 billion between 2022 and 2024. In Q1 2025, the wholesale trade value of solid, liquid, gaseous fuels, and related products, and the retail trade value of automotive fuel in specialised stores grew by 3.0% and 7.2% respectively, compared to Q1 2024 *(Source: DoSM)*. Growth in both wholesale and retail trade value of selected refined petroleum products mentioned would create demand for refined petroleum products and benefit service providers associated with the transportation of these products for the domestic market.

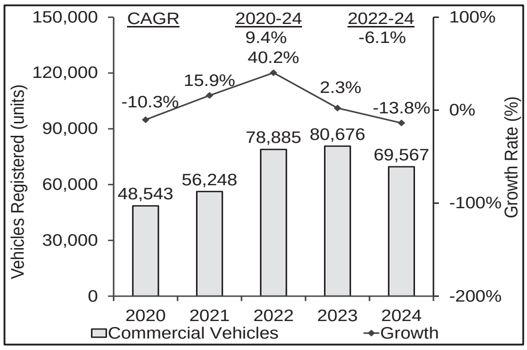
6.5 New Passenger and Commercial Vehicle Registration

- The number of motor vehicles in Malaysia may indicate the demand for automotive fuel and diesel, both of which are CPP. Between 2022 and 2024, the number of new passenger vehicles registered grew at a CAGR of 7.9%. However, between 2022 and 2024, the number of new commercial vehicles registered declined at an average annual rate of 6.1%, primarily due to the removal of the diesel subsidy in June 2024. In 2024, the number of new passenger and commercial vehicles registered stood at 747,180 and 69,567 respectively. In the first five months of 2025, a total of 316,737 new vehicles were registered in Malaysia. In 2025, the total number of new passenger and commercial vehicles registered in Malaysia is forecasted to decline to 780,000 units. *(Source: Malaysian Automotive Association (MAA))* The number of motor vehicles will create continued demand for CPP, which in turn, will benefit CPP marine transportation service providers such as Orkim Group.

New Passenger Vehicles Registered in Malaysia



New Commercial Vehicles Registered in Malaysia



(Source: MAA)

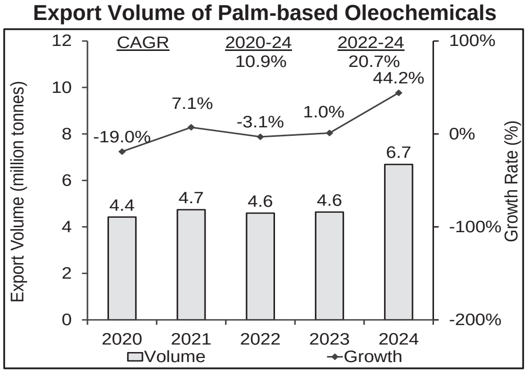
7. DEMAND AND DEMAND DEPENDENCIES FOR CHEMICAL TANKERS

- As part of Orkim Group's expansion strategy to acquire chemical/petroleum tankers for transporting chemical products, including petrochemical and oleochemical derivatives, this section will provide some relevant insights.

- Between 2022 and 2024, the export value of chemicals and chemical products (including petrochemical products) in Malaysia declined at an average annual rate of 4.4% to RM73.6 billion. In Q1 2025, the export value further declined by 6.0% compared to Q1 2024. *(Source: Malaysia External Trade Development Corporation (MATRADE))* According to MIDA, as of 12 October 2023, 18 companies or refineries in Malaysia produce 34 types of petrochemical products, including methanol, butadiene, benzene, and ethylene, which form the base addressable market for chemical tankers.

- Oleochemical derivatives are chemical products derived from natural fats and oils, such as palm oil. Between 2022 and 2024, the export volume of palm-based oleochemicals grew at a CAGR of 20.7% to 6.7 million tonnes. Despite this growth in export volume, the export value declined at an average annual rate of 9.6% to RM27.5 billion between 2022 and 2024, mainly attributed to falling crude palm oil prices over the same period. In Q1 2025, the export volume of palm-based oleochemicals declined by 5.8%, while the export value grew by 22.1% respectively, compared to Q1 2024. *(Source: DoSM)*

Export Volume of Palm-based Oleochemicals



(Source: DoSM)

8. COMPETITIVE LANDSCAPE

- There is no published data on the number of companies involved in providing CPP and LPG marine transportation in Malaysia. The companies listed below were selected based on their provision of CPP and/or LPG marine transportation, aligning with Orkim Group's core activities. Additional selection criteria included ownership of Malaysian-registered vessels, operational presence in Malaysia, and the availability of up-to-date financial information. The list is sorted by descending total revenue and is not exhaustive.

Company	CPP	LPG	FYE (1)	Rev(2) (RM mil)	GP(2) (RM mil)	GP(2) margin	EBITDA (RM mil)	EBITDA margin	NP(2) (RM mil)	NP(2) margin
Marine & General(3)	√		Apr-24	348.0	86.6	24.9%	182.1	52.3%	67.8	19.5%
Orkim Group	√	√	**Dec-24**	**316.6**	**114.8**	**36.3%**	**170.1**	**53.7%**	**92.9**	**29.3%**
Adamas Marine S/B(4)	√		Dec-23	180.1	n.a.	n.a.	69.8	38.7%	34.8	19.3%

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Company	CPP	LPG	FYE (1)	Rev(2) (RM mil)	GP(2) (RM mil)	GP(2) margin	EBITDA (RM mil)	EBITDA margin	NP(2) (RM mil)	NP(2) margin
Avangaad Berhad(5)	√		Dec-24	122.7	50.1	40.8%	239.3(5)	195.1%(5)	154.3(5)	125.8%(5)
Uni-Fleet S/B(6)		√	Jul-24	29.0	0.1	0.4%	5.0	17.1%	2.1	7.4%
Coral Navigation(7)		√	Aug-24	11.9	5.2	43.4%	4.3	36.2%	3.1	25.8%

FYE= Financial Year Ended; Rev= Revenue; GP= Gross Profit; EBITDA = Earnings Before Interest, Taxes, Depreciation, and Amortisation; NP= Net Profit; mil= million; S/B= Sendirian Berhad; n.a.= not available.
(1) Latest audited financial data from the Companies Commission of Malaysia, annual reports and Orkim Group.
(2) May include other business activities, products or services at the group or company level.
(3) Marine & General Berhad. A listed entity on the Main Market of Bursa Securities. The entity and its subsidiaries are principally involved in the provision of offshore marine support services, marine logistics services, tanker management services, and investment holding. The revenue from the marine logistics downstream segment was RM82.1 million.
(4) It is principally involved in the provision of ship owning, ship chartering, and ship management.
(5) A listed entity on the Main Market of Bursa Securities, formerly known as E.A. Technique (M) Berhad. It is principally involved in ship owning and the operation of marine vessels for the transportation and offshore storage of oil and gas, providing port marine services, and the provision of engineering, procurement, construction, installation, and commissioning of floating storage and offloading vessels. The high NP was mainly due to the one-off income from the creditor scheme settlements, which amounted to RM171.1 million.
(6) It is principally involved in ship owning, ship operating, and related shipping services.
(7) Coral Navigation Malaysia S/B. It is principally involved in the business of ship owning and shipping.

9. BARRIERS TO ENTRY

- Barriers to entry for the marine transportation of the CPP and LPG industries are high, predicated on the following:
  - Vessel ownership requires a high capital requirement. If vessels are leased to provide service, the leasing expenses are also high. As of 2024, 27 chemical/petroleum tankers and 32 LNG/LPG carriers are registered in Malaysia *(Source: MoT)*.
  - To provide service to O&G companies in Malaysia, it is mandatory to obtain a valid PETRONAS licence issued by PETRONAS.
  - Other barriers to entry include, among others, the need for a DSL issued by the Domestic Shipping Licensing Board to load and unload the same goods in Malaysian waters, compliance with international standards, a proven track record, and the ability to secure long-term contracts with major O&G players in the region.

10. INDUSTRY SIZE AND SHARE

- Some latest available industry statistics and corresponding Orkim Group's data are as follows:

	Industry size	Orkim Group	
2024– Malaysian-registered	Total ships (a) (1)	Vessels owned and operated (b) (2)	Market share (3)
Chemical/Petroleum tankers	27	15	56%
LNG/LPG carriers	32	2	6%

Source: (a) MoT; (b) Orkim Group.
(1) Total number of ships in each category registered in Malaysia as of 2024.
(2) Orkim Group's fleet size for each category as at the financial year ended 31 December 2024.
(3) Vessels owned and operated by Orkim Group divided by industry size x 100% in each category.

- According to Malaysia's cabotage law, only Malaysian-registered vessels are allowed to load and unload the same goods in Malaysian waters, while foreign-registered vessels may be granted temporary three-month licences on condition that no suitable Malaysian-registered vessels are available at that point in time. Exceptions include submarine cable repairs and containerised transshipment of cargo between Peninsular Malaysia and Sabah or Labuan, as well as between ports within Sabah.

	Industry size	Orkim Group	
2024- Malaysia (1)	Apparent consumption volume (a)	CPP and LPG discharging volume (b)	Proportion carried (2)
Refined petroleum products (3)	32.1 million tonnes (4)	3.8 million tonnes	12%

Sources: (a) DoSM and Vital Factor analysis; (b) Orkim Group.
***(1)** Refined petroleum products in Malaysia are transported via marine and road tankers.* ***(2)** ((b) divided by (a) x 100%).* ***(3)** It includes dirty and clean petroleum products, and LPG. No further segmentation available.*
***(4)** Apparent consumption = domestic production plus imports less exports.*

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11. INDUSTRY OUTLOOK AND PROSPECTS

Some factors affecting the outlook and prospects of the industry are as follows:

Opportunities and drivers of growth

- In 2025, the **Malaysian economy** is projected to grow slightly slower than the earlier forecast of **4.5% and 5.5%.** Despite global trade tensions, the growth will be supported by the sustained strength in domestic demand, supported by factors such as rising household expenditure, ongoing investment activity in multi-year projects, sustained external demand for E&E products, and increased tourism activity. *(Source: BNM)* Economic growth will drive increased CPP and LPG consumption across households, businesses, and government sectors, leading to higher demand for CPP and LPG marine transportation within the Malaysian market.
- Malaysia's **industrialisation landscape** has been significantly shaped by the development of its manufacturing sector. Government initiatives such as the National Investment Aspirations and the New Industrial Master Plan 2030 are expected to further strengthen the development of this sector. As manufacturing activity expands, energy consumption is anticipated to rise correspondingly across industrial, transportation, and domestic sectors. This growing demand will, in turn, increase the need for the transportation of CPP, such as diesel, gasoline, kerosene, and LPG.
- **PETRONAS' commitment towards Malaysia's energy security** creates opportunities for operators involved in CPP and LPG marine transportation. CPP and LPG are critical for daily operations across transportation, industry, and households. In 2023, PETRONAS planned to allocate RM300 billion in CAPEX over the next five years, with 80% directed towards its core hydrocarbon business to strengthen energy security. In 2024, PETRONAS continued to prioritise energy security while fostering ongoing collaboration with stakeholders. *(Source: PETRONAS)* As such, to foster energy security along the full supply chain, priority is expected to be given to Malaysian-registered CPP and LPG marine transportation to ensure uninterrupted supply, especially to the domestic market.
- The **Malaysian cabotage law**, by favouring Malaysian-registered CPP and LPG tankers, provides a degree of protection and operational support for domestic owners and operators, including Orkim Group, within the CPP and LPG marine transportation industries.
- The ongoing development of the **PIPC** will potentially drive demand for CPP and LPG marine transportation. The PIPC encompasses several major projects, including refineries, steam crackers, and petrochemical plants. The gap between the refining capacity achieved in 2023 (300,000 bpd) and the targeted capacity of one million bpd by 2037 presents significant opportunities for operators, as both CPP and LPG are key outputs of oil refining. As a world-class integrated hub, the PIPC is designed to serve both domestic and international markets. Consequently, this creates opportunities for CPP and LPG marine transportation service providers to facilitate exports to international markets, including Asia.
- Growth in **motor vehicle registrations** (CAGR 2022-24 for passenger vehicles: 7.9%) indicates increased demand for petroleum, while the increasing apparent consumption of refined petroleum products, including CPP and LPG (CAGR 2022-24: 8.6%), further supports this trend. This suggests a growing need for transportation services, including marine transportation, for these refined petroleum products from refineries to domestic user markets. This bodes well for operators such as Orkim Group, which is involved in CPP and LPG marine transportation in Malaysia.

Threats and challenges

- The adoption of **electric vehicles**, including hybrids (xEVs), is expected to make up 15% of total new vehicle registrations by 2030 and 80% by 2050 *(Source: Malaysian Investment Development Authority)*. In 2024, xEVs accounted for 5.6% of new registrations, reflecting a 19% increase from 2023 *(Source: MAA)*. This shift is expected to impact petroleum demand, which may negatively affect CPP marine transportation operators.
- The establishment of **Petroleum Sarawak Berhad (PETROS)** may create uncertainties within Malaysia's O&G industry. Moving forward, this may affect PETRONAS' performance, potentially influencing the overall industry landscape.
- The **conflicts in the Middle East** may heighten uncertainties in the global economy and the O&G industry.

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profiles of our Promoters and Substantial Shareholders

(i) **ECSB**
Promoter and Substantial Shareholder

ECSB was incorporated in Malaysia under the Companies Act, 1965 on 23 October 2009 as a private limited company and is deemed registered under the Act. ECSB is principally involved in the business of an investment holding company, investing in private equity investments and acquisition of shares of or investment in any company.

As at the LPD, the issued share capital of ECSB is RM3,690,020,002 comprising 90,000,002 ordinary shares and 36,000,000 preference shares.

The shareholder of ECSB and its shareholdings in ECSB as at the LPD are as follows:

Shareholder	Country of incorporation	Direct No. of shares	Direct %	Indirect No. of shares	Indirect %
YPB	Malaysia	90,000,002[(1)]	100.0	-	-

Note:

(1) YPB also holds 36,000,000 preference shares in ECSB.

(ii) **TKSB**
Promoter and Substantial Shareholder

TKSB was incorporated in Malaysia under the Companies Act, 1965 on 8 May 2014 as a private limited company and is deemed registered under the Act. TKSB is principally involved in the business of an investment holding company, investing in private equity investments and acquisition of shares of or investment in any company.

As at 14 July 2025, the issued share capital of TKSB is RM367,595,136 comprising 367,595,136 ordinary shares.

The shareholders of TKSB and their respective shareholdings in TKSB as at 14 July 2025 are as follows:

Shareholders	Country of incorporation	Direct No. of shares	Direct %	Indirect No. of shares	Indirect %
E-Cap 2	Malaysia	351,053,355	95.5	-	-
E-Cap 4	Malaysia	16,541,781[(1)]	4.5		
ECSB	Malaysia	-	-	367,595,136[(2)]	100.0
YPB	Malaysia	-	-	367,595,136[3)]	100.0

Notes:

(1) On 14 July 2025, TKSB has subsequently allotted and issued such number of new ordinary shares to E-Cap 4 with the ultimate shareholding proportion of 95.5% and 4.5% held by E-Cap 2 and E-Cap 4 respectively in TKSB.
(2) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in E-Cap 2.
(3) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in ECSB.

(iii) **E-Cap 2**
Substantial Shareholder

E-Cap 2 was incorporated in Malaysia under the Companies Act, 1965 on 9 July 2012 as a private limited company and is deemed registered under the Act. E-Cap 2 is principally involved in the business of an investment holding company, investing in private equity investments and acquisition of shares of or in any company.

As at the LPD, the issued share capital of E-Cap 2 is RM258,335,776 comprising 85,542,475 ordinary shares and 1,727,364 preference shares.

The shareholders of E-Cap 2 and their respective shareholdings in E-Cap 2 as at the LPD are as follows:

		Direct		Indirect	
Shareholders	**Country of incorporation**	**No. of shares**	**%**	**No. of shares**	**%**
ECSB	Malaysia	85,542,475[(1)]	100.0	-	-
YPB	Malaysia	-	-	85,542,475[(2)]	100.0

Notes:

(1) ECSB also holds 1,727,364 preference shares in E-Cap 2.
(2) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in ECSB.

(iv) **YPB**
Substantial Shareholder

YPB was incorporated in Malaysia under the Companies Act, 1965 on 9 January 1978 as a public company by guarantee under its present name and deemed registered under the Act. The principal activity of YPB is receiving and administering funds for the purpose of:

(a) promoting and enhancing effective and sustainable participation by Bumiputera (as defined in the Federal Constitution of Malaysia) in the economy, principally through investing in, nurturing and facilitating Bumiputera controlled entities; and

(b) Promoting the ownership of assets, including the ownership of share capital in the corporate sector and ownership of property in the property sector,

By the citizens of Malaysia who are Malays and other indigenous peoples through the object clauses as set out in the Constitution of YPB.

As YPB is a company limited by guarantee, it has no share capital and no shareholders.

(v) **PNB**
Substantial Shareholder

Following the completion of the Shareholders' Restructuring, PNB will be our Substantial Shareholder.

PNB was incorporated on 17 March 1978 in Malaysia under the Companies Act, 1965, and is deemed registered under the Act, as an investment holding company with a diversified portfolio of interests that includes asset management, unit trusts, institutional property trusts and property management. It owns the country's largest unit trust management companies, among others, Amanah Saham Nasional Berhad. Together with its proprietary fund, PNB manages approximately RM348.3 billion worth of assets as at 31 December 2024.

As at the LPD, the issued share capital of PNB is RM100,000,000 comprising 100,000,000 ordinary shares.

The shareholders of PNB and their respective shareholdings in PNB as at the LPD are as follows:

Shareholders	Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Minister of Finance (Incorporated)	Malaysia	1	*	-	-
YPB	Malaysia	99,999,999	99.99	-	-

Note:

** Negligible*

9.1.2 Shareholdings of our Promoters and Substantial Shareholders

The direct and indirect shareholding of our Promoters and Substantial Shareholders before and after our IPO are as follows:

	As at the LPD				After the Transfer of Ekuinas Group				After the Subdivision			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TKSB	38,835,314	100.0	-	-	38,835,314	100.0			900,000,000	100.0		
E-Cap 2	-	-	38,835,314(1)	100.0	-	-	38,835,314(1)	100.0	-	-	900,000,000(1)	100.0
ECSB	-	-	38,835,314(2)	100.0	-	-	38,835,314(2)	100.0	-	-	900,000,000(2)	100.0
YPB	-	-	38,835,314(3)	100.0	-	-	38,835,314(4)	100.0	-	-	900,000,000(4)	100.0
PNB(6)	-	-	-	-	-	-	38,835,314(3)	100.0	-	-	900,000,000(3)	100.0

	After the Transfer of Orkim Shares				After our IPO				After the Over-allotment Option			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%(5)	No. of Shares	%(5)	No. of Shares	%(5)	No. of Shares	%(5)
TKSB	300,000,000	33.3	-	-	-	-	-	-	-	-	-	-
E-Cap 2	-	-	300,000,000(1)	33.3	-	-	-	-	-	-	-	-
ECSB	-	-	300,000,000(2)	33.3	-	-	-	-	-	-	-	-
YPB	-	-	900,000,000(4)	100.0	-	-	600,000,000(4)	60.0	-	-	540,000,000(4)	54.0
PNB(6)	600,000,000(6)	66.7	300,000,000(3)	33.3	600,000,000	60.0	-	-	540,000,000	54.0	-	-

Notes:

(1) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in TKSB.
(2) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in E-Cap 2.
(3) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in ECSB.
(4) Deemed interested pursuant to section 8(4) of the Act by virtue of its interest held in PNB.
(5) Based on our enlarged total number of 1,000,000,000 Shares after our IPO.
(6) Being the total number of Shares held by PNB and the UTFs collectively as part of the Shares will be allocated to the respective UTFs.

9.1.3 Changes in our Promoters' and Substantial Shareholders' shareholdings in our Company

Save as disclosed below, there are no changes to the shareholdings of our Promoters and Substantial Shareholders in our Company for the past 3 years up to the date of this Prospectus:

(i) On 7 March 2025, TKSB acquired 1,747,589 Shares, representing 4.5% of the issued share capital of our Company, before the Subdivision;

(ii) the Subdivision as detailed in Section 6.1.3(i) of this Prospectus; and

(iii) the Transfer of Orkim Shares as detailed in Section 6.1.3(ii) of this Prospectus.

9.2 BOARD OF DIRECTORS

9.2.1 Board practices

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

Our Board comprises at least 30% female Directors and at least half of our Board comprises independent directors. With that, our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

With the limits set by our Constitution, our Board is responsible for the governance and management of our Group. To ensure that effective discharge of its functions, our Board has set out the following key responsibilities in our board charter:

(i) together with the key senior management, promote good corporate governance culture within our Group which enforces ethical, prudent and professional behaviour;

(ii) reviewing, challenging and deciding on management's proposal on matters as set out in the limit of authority, which includes the overall corporate strategy, business plan, budget and regulatory plan, and monitor the implementation by management;

(iii) reviewing and adopting a strategic plan for our Group, including setting performance objectives and approving operating budgets for our Group, as well as ensuring that they support long-term value creation and account for economic, environment and social consideration to promote sustainability;

(iv) monitoring the implementation of strategic plans by management;

(v) timely review and approve all quarterly and annual financial statements for declaration to Bursa Securities and stakeholders;

(vi) overseeing the conduct of our Group's business to evaluate whether the business is being properly managed, monitoring our Group's performance and build sustainable value for all stakeholders of our Group;

(vii) reviewing our Board and the key senior management's remuneration policy and procedure;

(viii) identifying and evaluating business risks and ensure implementation of a managed and sound risk management framework;

(ix) approving the nomination, selection, succession policies, and remuneration packages for our Board members, Board Committee members, nominee directors on the functional Boards of our subsidiaries, and the annual manpower budget for our Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing key senior management personnel;

(x) reviewing the adequacy and integrity of the internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

(xi) reviewing and overseeing the appointment, resignation or termination of our Directors, company secretaries, auditors and key senior management;

(xii) ensuring that control measures for corruption prevention are put in place and ensure systematic review, monitoring and enforcement of our Company's anti-bribery and corruption policy;

(xiii) ensuring establishment of succession plans for our Board members and the key senior management including appointing, training, fixing the compensation of and where appropriate, replacing the key senior management;

(xiv) ensuring our Board is supported by at least a suitably qualified and competent company secretary to whom shall advice on compliance with applicable laws and any amendment to the laws and regulations related to the MCCG, the Act and the Listing Requirements;

(xv) formalise ethical standards of conduct through a code of conduct & ethics for our Directors and management and ensure compliance;

(xvi) developing and implementing an investors' relations programme and a shareholders or stakeholders communication policy;

(xvii) ensuring there is regular monitoring and communication between our Company and subsidiaries on financial and non-financial performance to ensure overall compliance to the strategic direction and vision of our Group;

(xviii) reviewing the adequacy and integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, the Act and the Listing Requirements);

(xix) reviewing and approving the financial statements encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;

(xx) reviewing and approving the Audit and Risk Management Committee report, risk management and internal control statement for the annual report;

(xxi) preparing a corporate governance overview statement and corporate governance report on compliance with the MCCG for the annual report of our Company;

(xxii) reviewing and approving investment policies and guidelines for our Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;

(xxiii) reviewing and approving the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the limits of authority;

(xxiv) approving the appointment of external auditors and their related audit fees; and

(xxv) ensuring our subsidiaries provide our Company with all necessary information for its supervision of the subsidiaries' performance, including assessment of financial and non-financial related performance.

In addition, the roles and responsibilities of our Chairman are segregated to head the orderly conduct and function of the Board. Our Chairman is primarily responsible for the following:

(i) providing leadership to our Board, and overseeing our Board in the effective discharge of its fiduciary duties;

(ii) leading our Board so that our Board can perform its responsibilities effectively in achieving corporate objectives and long-term success of our Company;

(iii) review contributions made by Board members, whilst the Nomination and Remuneration Committee is given the task to review effectiveness in terms of performance and develop the criteria on independence assessment;

(iv) facilitating effective and productive working relationships between our Managing/Executive Directors and Non-Executive Directors and manage the interface between our Board and management;

(v) ensuring an effective communication with shareholders and stakeholders, and ensuring that their views are communicated to the Board as a whole, in particular, at the AGM, which represents the principal forum for dialogue and interaction with shareholders;

(vi) encouraging active participation and allowing dissenting views to be freely expressed;

(vii) leading our Board in establishing and monitoring good corporate governance practices in our Company;

(viii) the Chairman, in consultation with our company secretary, sets the agenda for our Board meetings and ensures our Board members receive complete and accurate information in a timely manner;

(ix) the Chairman is responsible for managing the business of our Board including setting our Board agenda to ensure that:

(a) all Directors are properly briefed on issues arising at Board meetings; and

(b) sufficient time is allowed for the discussion of complex or contentious issues and where appropriate, arranging for informal meeting to enable thorough discussion by our Board;

(x) leading Board meeting and discussions. At our Board meetings, the Chairman plays a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner; and

(xi) the Chairman has a casting vote in the case of an equality of votes, except where only 2 Directors form a quorum or if there are only 2 Directors competent to vote on the question at issue.

The details of the members of our Board and the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Name	Age	Nationality	Designation	Date of appointment	Date of expiry of current term of office	No. of years in office
Dato' Abdul Hamid Bin Sh Mohamed	60	Malaysian	Non-Independent Non-Executive Chairman	2 May 2025	At the AGM of our Company to be held in year 2027	Less than one year
Aliff Omar Bin Mohamad Omar	40	Malaysian	Non-Independent Non-Executive Director	20 July 2017	At the AGM of our Company to be held in year 2027	8 years
Cheah Sin Bi	45	Malaysian	Non-Independent Executive Director and CEO	3 March 2025	At the AGM of our Company to be held in year 2027	Less than one year
Datuk Azman Bin Ismail	62	Malaysian	Senior Independent Non-Executive Director	30 June 2025	At the AGM of our Company to be held in year 2026	Less than one year
Zuhaida Binti Zulkifli	50	Malaysian	Independent Non-Executive Director	30 June 2025	At the AGM of our Company to be held in year 2026	Less than one year
Lynette Yeow Su-Yin	56	Malaysian	Independent Non-Executive Director	30 June 2025	At the AGM of our Company to be held in year 2026	Less than one year

Name	Age	Nationality	Designation	Date of appointment	Date of expiry of current term of office	No. of years in office
Nasmiza Binti Ismail	60	Malaysian	Independent Non-Executive Director	30 June 2025	At the AGM of our Company to be held in year 2026	Less than one year

Save for Dato' Abdul Hamid Bin Sh Mohamed and Aliff Omar Bin Mohamad Omar who are the nominee directors of PNB, none of our Directors represents any corporate shareholder on our Board as at the LPD.

See Section 9.5 of this Prospectus for further details of the associations or family relationship between our Promoters, Substantial Shareholders, Directors and Key Senior Management.

9.2.2 Profiles of our Directors

(i) Dato' Abdul Hamid Bin Sh Mohamed

Dato' Abdul Hamid Bin Sh Mohamed, a Malaysian aged 60, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 2 May 2025. It is expected that he will be a nominee of PNB following the Shareholders' Restructuring. He completed the professional examinations of the Association of Accounting Technicians in December 1984 and the ACCA in December 1988. He has been a fellow of the ACCA since July 2003.

Dato' Abdul Hamid began his career in May 1989 as a Corporate Services Assistant in the Insolvency Department at Lim Ali & Co, where he supported the insolvency team in the management of insolvency cases. He left the firm in August 1989.

In the same month, Dato' Abdul Hamid joined Bumiputra Merchant Bankers Berhad (now known as Alliance Investment Bank Berhad) as a Corporate Banking Officer, responsible for identifying, originating, executing and closing sales opportunities for corporate banking products and services. He was promoted to Assistant Manager, Corporate Banking in January 1993 and to Manager, Corporate Banking in January 1994, before leaving the bank in September 1994.

In October 1994, Dato' Abdul Hamid joined Komplek Kewangan Malaysia Berhad (subsequently known as Amanah Capital Malaysia Berhad) ("**KKMB**") as a Senior Manager, Corporate Planning, overseeing corporate planning across the KKMB group of companies. He was later promoted to Head of Corporate Services in January 1998, where he led both the corporate planning and corporate finance departments until his departure in April 1998.

In May 1998, Dato' Abdul Hamid joined Kuala Lumpur Stock Exchange ("**KLSE**") (now known as Bursa Malaysia Berhad) as Senior Vice President, Strategic Planning and International Affairs. He was promoted to Deputy President, Strategy and Development in January 2002 and was subsequently redesignated as Chief Financial Officer in January 2003. During his tenure, he spearheaded key strategic initiatives, including the acquisitions of Kuala Lumpur Options and Financial Futures Exchange (KLOFFE) and Commodity and Monetary Exchange of Malaysia (COMMEX), as well as the merger of both exchanges to form Malaysian Derivatives Exchange (MDEX). He was also instrumental in the acquisition of the Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ) and led KLSE's demutualisation exercise. He left KLSE in November 2003.

In December 2003, Dato' Abdul Hamid was appointed as an Executive Director of Symphony House Berhad (now known as Symphony House Sdn Bhd following its delisting in December 2015) ("**Symphony House**"), an investment holding company focused on delivering information technology and managed services, including human resource and corporate services, corporate secretarial services such as share issuance and registration services. In this role, he is responsible for managing and overseeing business operations and corporate development within the Symphony House group of companies.

As at the LPD, Dato' Abdul Hamid is an Independent Non-Executive Director of OM Holdings Limited, a public company listed on Australian Securities Exchange and secondary listed on the Main Market of Bursa Securities, and sits on the board of directors of other public limited and private limited companies as disclosed in Section 9.2.4 of this Prospectus.

(ii) **Aliff Omar Bin Mohamad Omar**

Aliff Omar Bin Mohamad Omar ("**Aliff**"), a Malaysian aged 40, is our Non-Independent Non-Executive Director. He was appointed to our Board on 20 July 2017. As at the LPD, he is also a representative of ECSB, a substantial shareholder and promoter of our Company. It is expected that Aliff will be redesignated as the nominee of PNB after the Shareholders' Restructuring.

Aliff graduated with a Bachelor of Industrial Engineering and Management Sciences (Cum Laude) with a second major in Economics from the Northwestern University in June 2008. He obtained a Master of Philosophy in Finance from the University of Cambridge in July 2009.

Aliff carries with him over 16 years' experience in corporate advisory and deal-making. He began his career as an Analyst in the Investment Banking Division at Maybank Investment Bank Berhad in August 2009. In September 2010, Aliff joined CIMB Investment Bank Berhad as an Executive in the Regional Mergers & Acquisitions ("**M&A**") department, focusing on M&A transactions across Southeast Asia. He left the bank in June 2012.

In July 2012, Aliff joined UBS Securities Malaysia ("**UBS**") as an Associate in the Country Coverage & Southeast Asia Corporate Finance Group and rose up the ranks to Associate Director in February 2013 and subsequently Director in February 2016 until his departure in July 2017. Throughout his career in UBS, Aliff led multiple M&A and capital markets transactions across Malaysia and Southeast Asia, advising corporates, institutional investors and family offices within the energy, financial institutions, infrastructure, utilities and real estate sectors.

In July 2017, Aliff joined Ekuiti Nasional Berhad ("**Ekuinas**") as Director, Investment, and was promoted to Senior Director, Investment in April 2022 where he oversaw and managed Ekuinas' investments in the energy, consumer and technology sectors. He is a member of Ekuinas' Investment Committee and Management Committee. On 23 May 2025, Aliff was appointed as the CEO of Ekuinas.

As at the LPD, Aliff sits on the board of directors of the subsidiaries of our Group and other private limited companies as disclosed in Section 9.2.4 of this Prospectus.

(iii) **Cheah Sin Bi**

Cheah Sin Bi, a Malaysian aged 45, is our Non-Independent Executive Director and CEO. He was appointed to our Board on 3 March 2025. He obtained a Bachelor of Management Technology (Maritime Transportation) degree from Universiti Teknologi Malaysia in July 2002 and a Class 1 Certificate of Competency as Master (Unlimited Voyage) from the Marine Department Malaysia in October 2011. Captain Cheah has been a life member of Ikhtisas Kelautan Malaysia since April 2018, an elected member of ABS since April 2023 and an associate fellow of The Nautical Institute since March 2025.

Captain Cheah presently serves as a member of several national and international maritime committees and councils, including the ad hoc member of the Malaysia Maritime Law Revision and Reform Committee, Shell Maritime Partners in Safety – Asia Pacific Middle East Focus Group, ABS Southeast Asia and Middle East Technical Committee, MASA's Executive Committee and Tanker Committee, National Shipping and Port Council Advisory Committee, Malaysia Shipping Development Board and Human Resource Development Corporation's Sectorial Training Committee – Transportation.

Captain Cheah began his career in May 2000 with IMC Shipping Company Pte Ltd ("**IMC**") in Singapore, under the cadet sponsorship programme of Global Maritime Ventures Berhad. From May 2000 to September 2004, he progressed through various roles as Cadet Officer, Third Officer and Second Officer on board medium range chemical tankers. He was involved in chemical tanker operations, vessel navigation, wall wash testing for chemical cargoes, supervising tank cleaning procedures and advising port captains on optimal tank cleaning methods.

In January 2005, Captain Cheah joined V-Ships Pte Ltd (now known as V. Ships Asia Group Pte Ltd), where he served as Third Officer and Second Officer on board the chemical tankers owned by various ship owners. In December 2006, he was promoted to Chief Officer where he was responsible for ensuring safe operations and compliance across all shipboard activities, including shipboard maintenance, deck operations, shipboard training, voyage planning, cargo planning and safe cargo operations. He handled cargo operations involving aggressive and sensitive chemicals, clean petroleum products and edible oils. Additionally, he also served as Chief Officer Trainer, in which he was responsible for mentoring junior officers in the fleet which involved specific training to ensure competency in handling the chemical cargoes and operational aspects of such type of tanker, until his departure in November 2009.

Between December 2009 to April 2010, Captain Cheah joined OSMSB, our wholly-owned subsidiary, as part of the delivery team to assist with the delivery of Orkim Power to Malaysia.

In July 2010, Captain Cheah rejoined IMC as a Senior Chief Officer on board a chemical tanker where the role that he assumed was similar to the role he had performed in V-Ships Pte Ltd until his departure in December 2010.

In April 2011, Captain Cheah re-joined OSMSB, as part of the delivery team to assist with the delivery of Orkim Express to Malaysia. He was subsequently transitioned to a shore-based role as Marine Superintendent in July 2011, where he was responsible for ensuring our vessels' compliance with the regulatory requirements and upgraded the operational procedure on board for all the vessels owned by our Group. He also served as Master on board for our various vessels, where he led the vessel operations, including navigation, crew management, cargo handling and ensuring compliance with international maritime regulations.

In January 2012, he was appointed as the Head of Marine Operations, leading the Marine Operations Department. As the Head of Marine Operations, he was primarily responsible for overseeing the day-to-day fleet management activities, including navigational compliance, cargo handling, incident reporting and safety training. Captain Cheah was promoted to the position of General Manager, Marine, Safety and Quality Department in October 2013, where he was primarily responsible for overseeing the day-to-day operational aspects of the vessels, particularly in relation to navigational and cargo-handling matters. His responsibilities included maintaining safe ship operations, regulatory compliance updates, vessel monitoring and charterer reporting, coordination of shore-based personnel training, assisting Masters during audits and inspections and managing departmental procedures, publications and inventory control. He also implemented, promoted, and maintained our Group's Safety Management System ("**SMS**") and Quality Assurance practices ashore and on board, ensuring compliance with statutory regulations, industry standards and the International Safety Management ("**ISM**") Code.

In June 2015, following our Group's internal restructuring exercise, Captain Cheah was promoted to the position of General Manager in the Fleet Management Division and appointed as the Designated Person Ashore ("**DPA**") of our Group, where he oversaw the Technical, Services and Marine Safety and Quality departments. He was primarily responsible for technical operations, procurement, budgeting, vessel performance monitoring and interactions with classification societies and regulatory authorities. As our Group's DPA, he led emergency response preparations, administered the SMS according to ISM Code requirements, facilitated internal and external ISM audits and continuously reviewed SMS effectiveness, recommending improvements. Captain Cheah was also involved in maintaining the fleet safety, conducting regular safety training for shore and ship personnel, maintaining SMS documentation, ensuring validity of regulatory certifications and performing annual management reviews to confirm fleet seaworthiness and compliance.

In March 2018, Captain Cheah was promoted to the position of our Chief Operating Officer, where he managed the daily operations of our vessel fleet. As our Chief Operating Officer, he led multiple departments of our Group, including Commercial, Fleet Personnel, Technical, Procurement, IT, Project, Marine, Safety and Quality. His role included overseeing the implementation of the SMS, managing chartering operations, promoting and maintaining our Group's health, safety and environmental protection policy, handling vessel inspections and audits and acting as the emergency response team leader.

In August 2021, Captain Cheah was promoted to his current position of our CEO where he is responsible for the overall strategic direction, leadership, and operations of our Group. His primary responsibilities include corporate decision-making, oversight of our Group's fiscal activity, policy development, regulatory compliance, stakeholder engagement and long-term goal planning.

With 25 years of extensive experience in the maritime industry, including 14 years dedicated to our Group, Captain Cheah plays a pivotal role in shaping our marine operational strategy, enhancing reliability and reinforcing our competitive position in the industry.

(iv) **Datuk Azman Bin Ismail**

Datuk Azman Bin Ismail, a Malaysian aged 62, is our Senior Independent Non-Executive Director. He was appointed to our Board on 30 June 2025. He graduated from the University of Nebraska-Lincoln, USA with a Bachelor of Science in Chemical Engineering in 1985.

Datuk Azman is a member of various institutions, namely, the Institution of Engineering Malaysia since 1994, the Malaysia Institute of Management since 2014 and the Institute of Corporate Directors Malaysia since 2023.

Datuk Azman has accumulated over 30 years of working experience with Shell group of companies. He commenced his career in June 1986 as a Conceptual Design Engineer at Sarawak Shell Berhad, where he was involved in the production and extraction of oil and gas from offshore fields. In June 1987, he held the position of a Refinery Technologist, where he was involved in the operation of the entire process of the company's refinery plant located in Lutong, Miri, Sarawak. In July 1992, he held the position of a Design Manager & Project Engineer, where he managed the design contract of a gas stabilisation plant of the company in Bintulu, Sarawak. He provided construction support and resolved technical queries and conducted factory acceptance tests at suppliers' warehouse in relation to the gas stabilisation plant. He also managed offshore construction projects relating to the retrofitting of equipment on offshore platforms.

Subsequently, in October 1996, Datuk Azman returned to Kuala Lumpur and assumed the role of Property Manager at Shell Malaysia Limited. In October 1997, he joined Shell Malaysia Trading Sdn. Bhd. ("**SMTSB**") as a Retail Property Management Manager. During such period, he was instrumental in the development and implementation of a property database for the retail property department and established a structured evaluation process to ensure optimum utilisation of property assets. He was also responsible for managing the company's property portfolio.

Datuk Azman continued his tenure with SMTSB, serving as Network Planning and Development Manager for Malaysia from January 1999 to December 2000, Network Manager for Malaysia from January 2001 to December 2001 and Cluster Network Manager for Malaysia, Singapore and Brunei from January 2002 to October 2003. In these roles, he was responsible for leading network planning and development activities which included the evaluation, acquisition and development of sites. In January 2004, he held the position of Retail National Sales and Operations Manager of SMTSB, where he led the retail sales and operations team in Malaysia until December 2006.

In January 2007, Datuk Azman held the position of Global Lead at Network Real Estate Centre of Excellence of Shell Downstream Inc., where he developed the process and procedures for the acquisition of real estate for business purposes and led a regional delivery team.

Datuk Azman returned to SMTSB in February 2009 as Retail National Sales and Operations, before being promoted to General Manager, Retail Business for Malaysia, Singapore, Hong Kong and Brunei from January 2010 to December 2014. During his tenure in the sales and operations division, he was responsible for ensuring safe operations and delivering business results, while working with the regional team to drive growth in cash flow and returns. From January 2015 to August 2016, he served as General Manager, Retail (Malaysia and Brunei) and Integrated Downstream Business Lead, where he led the transformation of the integrated retail business model.

Concurrently, from January 2010 to August 2016, Datuk Azman was also the Managing Director of SMTSB, the retail business and operations of downstream business activities of Shell's group of companies in Malaysia. He left Shell group of companies in August 2016.

From January 2017 to December 2022, Datuk Azman joined PLUS Malaysia Berhad ("**PLUS**") as Managing Director, leading the group's overall strategy, governance, and direction until December 2022. He led the digital transformation and sustainability efforts at PLUS, making it the first highway operator in Malaysia to sign the United Nations Global Compact. He also led PLUS on a safety journey to reduce preventable fatality and lost time injury and to become the first highway concessionaire in Malaysia to introduce Expressway Operation Safety Passport (EOSP).

From June 2023 to September 2024, Datuk Azman served as a part-time coach at the Razak School of Government, guiding emerging leaders on stakeholders' engagement and business transformation.

In October 2024, he joined Digital Nasional Berhad as the CEO, where he oversees the operations and performance of the company and works closely with the board, government authorities, telecommunication operators and other relevant stakeholders of the company.

As at the LPD, Datuk Azman sits on the board of directors of a public limited company as disclosed in Section 9.2.4 of this Prospectus.

(v) **Zuhaida Binti Zulkifli**

Zuhaida Binti Zulkifli, a Malaysian aged 50, is our Independent Non-Executive Director. She was appointed to our Board on 30 June 2025. She graduated from Monash University, Australia with a Bachelor of Business (Accounting) in December 1996. She is a fellow of Chartered Accountants Australia and New Zealand and has been a member of the Malaysian Institute of Accountants since November 2003.

Zuhaida began her career in March 1997 as an Auditor with KPMG Malaysia, where she was involved in financial audit and review of several companies in various sectors. She left KPMG Malaysia in December 1999 as a Senior Auditor.

From March 2000 to January 2022, Zuhaida served within the PETRONAS group of companies, holding various positions across multiple divisions. She began her tenure at PDB in March 2000 as an Executive, General Ledger and Taxation, where she was responsible for monthly financial reporting and analysis. She also provided financial advisory to ensure efficient execution of the company's business operations. In April 2003, she was promoted to Senior Executive, Joint Venture Accounting, where she assumed similar roles and responsibilities with a focus on the company's joint venture activities. From July 2003 to March 2005, she served as Manager, Financial Accounting, overseeing monthly financial reporting for PDB group of companies, managing and analysing supply chain and inventory data and supporting joint venture activities.

In April 2005, Zuhaida joined PETRONAS and assumed the role of Manager, Group Accounts & Policies, where she was responsible for financial reporting and consolidation of the half-year and annual results for the PETRONAS group of companies globally. From July 2007 to December 2008, she served as Senior Manager, Accounts and Budget at PETRONAS International Corp Ltd, where she was involved in the preparation of consolidated management and financial reporting, including analysis of business performance of PETRONAS' international entities.

From January 2009 to December 2012, Zuhaida was seconded to PETRONAS Australia Pty Limited ("**PAPL**") as Chief Financial Officer. In this role, she was responsible for the establishment and set-up of the finance and administrative department of PETRONAS' Australian office. She led the finance team by setting functional objectives, enhancing team capabilities and overseeing the delivery of key outcomes. Zuhaida also worked closely with the CEO and the Management Committee of PAPL in developing and implementing the strategic direction of the PAPL group of companies. During her tenure, she was involved in the commercial aspects of project management for Gladstone LNG, a liquefied natural gas plant in Queensland, Australia.

In January 2013, Zuhaida returned to Malaysia and held the position of General Manager, Business Planning & Performance Reporting for Upstream Business in PETRONAS, where she formulated and implemented corporate and functional policies/procedures and planning, performance reporting and the management of accounting and financial services matters across upstream business of PETRONAS. She also provided support to global upstream activities and ensured compliance with all relevant regulatory requirements, as well as PETRONAS' internal policies and guidelines.

From April 2016 to September 2018, Zuhaida served as Senior General Manager, Commercial & Strategic Relations (Malaysia Petroleum Management), where she provided commercial strategy for petroleum arrangements, including providing direction for the establishment and development of stakeholders' relationship management with contractors, both local and foreign government authorities and agencies, business partners and industry players.

Subsequently in October 2018, Zuhaida held the position of Senior General Manager, Governance & Strategic Relations (Malaysia Petroleum Management). In this role, she was responsible for the planning, budgeting and performance of petroleum arrangements contractors ("**PACs**"). She spearheaded stakeholder engagement initiatives by establishing and implementing comprehensive stakeholder management frameworks with PACs, both local and foreign government authorities and agencies, business partners and industry players.

In January 2020, Zuhaida held the position of Senior General Manager, Strategy, Finance & Risk for Downstream Business, where she provided strategic direction to ensure the long-term sustainability of the downstream business in line with the group's vision and mission. She left PETRONAS in January 2022.

As at the LPD, Zuhaida is an Independent Non-Executive Director of Petra Energy Bhd, a company listed on the Main Market of Bursa Securities and sits on the board of directors of other public limited and private limited companies as disclosed in Section 9.2.4 of this Prospectus.

(vi) **Lynette Yeow Su-Yin**

Lynette Yeow Su-Yin, a Malaysian aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 30 June 2025. She graduated with a Bachelor of Arts in Law from the University of Cambridge, United Kingdom in 1992 and subsequently obtained a Master of Arts in Law from the same university in 1996. She was admitted as an advocate and solicitor of the High Court of Malaya and became a member of the Malaysian Bar in 1994.

Lynette has been practicing in Malaysian law firms since January 1995, specialising in corporate and securities laws, with a focus on mergers and acquisitions and capital markets. She began her career as a legal assistant at Messrs Lee Hishammuddin in January 1995, where she practised until April 1995. From June 1995 to November 1997, she was a legal assistant at Messrs Lee Choon Wan & Co. She subsequently joined Messrs Rashid & Lee as a legal assistant from January 1998 to November 1998. In November 1998, she joined Messrs Raslan Loong as a legal assistant and was promoted to partner in January 2002. She left the firm in August 2002.

Lynette was a partner at Messrs Zaid Ibrahim & Co. from September 2002 to April 2011 and subsequently at Messrs Kadir Andri & Partners from May 2011 to April 2012. After a career break, she returned to Messrs Kadir Andri & Partners and resumed her role as partner from January 2014 to October 2015. In November 2015, she joined Messrs Chua Associates as a partner and was appointed as a Consultant in April 2018 until her departure in December 2018. In January 2019, she joined Messrs Sanjay Mohan as a Consultant, a position she continues to hold to date.

As at the LPD, Lynette is an Independent Non-Executive Director of MBSB Berhad and CTOS Digital Berhad, both are listed on the Main Market of Bursa Securities and sits on the board of directors of other public limited and private limited companies as disclosed in Section 9.2.4 of this Prospectus.

(vii) **Nasmiza Binti Ismail**

Nasmiza Binti Ismail, a Malaysian aged 60, is our Independent Non-Executive Director. She was appointed to our Board on 30 June 2025. She graduated from the Queensland Institute of Technology, Australia with a Bachelor of Applied Science – Applied Chemistry in March 1987.

Nasmiza has over 30 years of working experiences with the PETRONAS group of companies, having held various positions across various divisions within PETRONAS. She began her career in July 1987 as a Project Executive in PETRONAS, where she was assigned to the team responsible for conducting technical studies and licensor assessments for technology and processes to be installed at PETRONAS' refinery located in Malacca. She was also involved in the evaluation of crude oil quality and production profiles to broaden the refinery's feedstock portfolio and developed the linear programming model for use in refinery production planning.

From January 1994 to December 2001, Nasmiza served as a Production Planner at Petronas Penapisan Melaka Sdn Bhd, where she was responsible for developing the monthly refinery operating plans for both the company and its joint venture partner (following the commencement of JV operations in 1998). Her role included optimising production rates and petroleum products distribution modes for both domestic and export markets, and resolving any operational issues relating to the production and distribution of petroleum products.

Nasmiza rejoined PETRONAS in January 2002 and held several positions over the following years, including Executive, Refinery Planning (2002 to 2006), Manager, Refinery Optimisation, Oil Business (2006 to 2009), Senior Manager, System Optimisation (2009 to 2010) and Head of Enterprise Optimisation (2010 to 2013). During her tenure with the Refinery Planning and Optimisation, Oil Business Division of PETRONAS, she was responsible for optimising and coordinating the implementation of PETRONAS' domestic oil business portfolio while ensuring integration with overseas assets including refineries, oil trading and lubricant businesses. She was also involved in the management of petroleum products supply chain in Malaysia, the resolution of downstream inter-company disputes and the assessment the petroleum products' demand and market for expansion of the projects.

Subsequently, Nasmiza joined PETCO, where she served as the Head of Crude Oil Trading from March 2013 to December 2015 and later as the Head of Petroleum Products Trading from January 2016 to November 2021. In these roles, she was responsible for directing the trading and sourcing of crude oil, petroleum products and liquefied petroleum gas for PETRONAS. She led negotiations related to refinery projects, joint ventures and trading partnerships and was the lead negotiator for crude sourcing and product trading arrangements for Pengerang Integrated Complex, an oil refining complex jointly developed by PETRONAS and Saudi Arabian Oil Company (Saudi Aramco) in Pengerang, Johor. She retired in December 2021.

As at the LPD, Nasmiza sits on the board of directors of a private limited company as disclosed in Section 9.2.4 of this Prospectus.

9.2.3 Shareholdings of our Directors

The details of our Directors and their shareholdings in our Company before and after our IPO, assuming our Directors will fully subscribe for their respective entitlements for the Pink Form Shares are as follows:

					After our IPO							
	Before our IPO				**Assuming the Over-allotment Option is not exercised**				**Assuming the Over-allotment Option is fully exercised**			
	Direct		**Indirect**		**Direct**		**Indirect**		**Direct**		**Indirect**	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Abdul Hamid Bin Sh Mohamed	-	-	-	-	200,000[(1)]	*	-	-	200,000[(1)]	*	-	-
Aliff Omar Bin Mohamad Omar	-	-	-	-	-	-	-	-	-	-	-	-
Cheah Sin Bi	-	-	-	-	1,274,000[(1)]	*	-	-	1,274,000[(1)]	*	-	-
Datuk Azman Bin Ismail	-	-	-	-	200,000[(1)]	*	-	-	200,000[(1)]	*	-	-
Zuhaida Binti Zulkifli	-	-	-	-	200,000[(1)]	*	-	-	200,000[(1)]	*	-	-
Lynette Yeow Su-Yin	-	-	-	-	200,000[(1)]	*	-	-	200,000[(1)]	*	-	-
Nasmiza Binti Ismail	-	-	-	-	200,000[(1)]	*	-	-	200,000[(1)]	*	-	-

Notes:

* *Negligible.*

(1) Assuming full subscription by our Directors for their respective entitlements to the Pink Form Shares.

9.2.4 Principal business activities of our Directors outside our Group

Save as disclosed below, none of our Directors are involved in any other principal business activities outside of our Group or hold principal directorships in companies outside of our Group as at the LPD ("**Present Involvement**") and in the past 5 years preceding the LPD ("**Past Involvement**"):

(i) Dato' Abdul Hamid Bin Sh Mohamed

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Present Involvement				
Symphony House Sdn Bhd	Investment holdings in cash, shares, unit trusts and structured funds	Director and substantial shareholder (indirect)	3 December 2003	-
Symphony Assets Sdn Bhd	Dormant; intended to provide management services to its holding company, Symphony House Sdn Bhd and its subsidiaries; the provision of consultancy services and business of letting properties	Director and substantial shareholder (indirect)	5 January 2007	-
Symphony Data Processing Sdn Bhd	Dormant; intended to provide infrastructure, manpower and services for the centralisation of outward cheque clearing	Director and substantial shareholder (indirect)	21 August 2007	-
MMC Corporation Berhad	Undertake mining and mineral exploration activities and also derives income from its investment. The subsidiaries of the company are principally involved in engineering, infrastructure and utilities	Director	10 August 2009	-
Almurisi Capital Sdn Bhd	Investment and property holding and management services	Director and substantial shareholder (direct and indirect)	1 August 2011	-
Stone Equity Sdn Bhd	Investment holding of Symphony House Sdn Bhd and its subsidiaries	Director and substantial shareholder (direct)	3 December 2012	-
Almurisi Development Sdn Bhd	Property and housing developer	Director	3 January 2014	-

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Almurisi Holding Sdn Bhd	Investment holding company, while its subsidiary is involved in property and housing developer	Director and substantial shareholder (direct)	19 June 2017	-
Maybank Investment Bank Berhad	Investment banking business including Islamic banking scheme operations, provision stock brokering services and related financial services	Director	26 October 2017	-
PT Maybank Sekuritas Indonesia	Stock broking	Director	9 April 2019	-
Solid Walls & Floors Sdn Bhd	Activities of interior decorations	Director	26 July 2019	-
Ekuiti Nasional Berhad	Investment advisory services	Director	1 June 2020	-
Harimau Menangis Sdn Bhd	Activities of holding company; real estate activities with own or leased property not elsewhere classified	Director and substantial shareholder (direct)	22 January 2021	-
OM Holdings Limited	Investment holding(1)	Director	10 May 2021	-
Maybank International Holdings Sdn Bhd	Investment holding company and Principally involved in investment banking business	Director	31 January 2024	-
Pi Data Centre Sdn Bhd	Data centre co-location, operation and managed services	Director	2 January 2025	-
Panti Transport Sendirian Berhad	Taxi and collection of rental	Substantial shareholder (direct)	-	-
The Trustees of Al-Fitrah Foundation Registered	A non-profit organisation set up to assist blind Muslims everywhere to access the Holy Quran and other Islamic texts through Braille publications and other means	Trustee	21 May 2014	-

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Past Involvement				
Boardroom Share Registrars Sdn Bhd	Provide and/or undertake share registration services	Director	5 January 2004	31 December 2022
Malaysian Issuing House Sdn Bhd	Issuing house	Director	4 February 2004	31 December 2022
Boardroom Business Solutions Sdn Bhd	Principally provide corporate secretarial, accounting payroll, tax, training, consultancy services, including and not limited to other allied services	Director	28 July 2006	31 December 2022
Sky Corporate Services Sdn Bhd	Management consultancy	Director	19 June 2017	31 December 2022
Boardroom Corporate Services Sdn Bhd	Principally provide company secretarial corporate governance, due diligence, training, consultancy services, including and not limited to other allied services and investment holding	Director	4 February 2019	31 December 2022
Boardroom (Malaysia) Sdn Bhd	Principally engaged in the business of providing solutions and management services to the group of companies, other allied services and investment holding	Director	1 April 2019	31 December 2022
Ultimate Forte Sdn Bhd	Private hospital	Director	21 April 2020	9 May 2022
Boustead Holdings Berhad	Investment holding company, while its subsidiaries are involved in plantation, property and industrial, pharmaceutical, heavy industries and trading, finance and investment sector	Director	1 September 2020	16 April 2021
Lembaga Tabung Haji	Principally involved in pilgrimage management, depository services, and investment	Director	1 August 2021	31 July 2023

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
TH Alam Management (M) Sdn Bhd	Ship operating and chartering	Director	1 November 2021	4 August 2023
Maybank IBG Holdings Limited	Holding company for all Maybank investment banking companies outside Malaysia	Director	1 August 2019	31 January 2024

Note:

(1) As at the LPD, OM Holdings Limited is a public company listed on the Australian Securities Exchange and the Main Market of Bursa Securities. Its subsidiaries are principally involved in production of manganese alloys and ferrosilicon, and the marketing and trading of manganese ore and ferroalloys.

(ii) Aliff Omar Bin Mohamad Omar

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Present Involvement				
Premier Connexion Sdn Bhd	Investment holding	Director	31 December 2020	-
Exabytes Capital Group Sdn Bhd	Investment holding	Director	1 January 2021	-
E-Global Innovative Sdn Bhd	Web and cloud hosting, computer and internet related services, developing, marketing computer software, provide technical and operational advice	Director	31 January 2021	-
Exabytes Cloud Sdn Bhd	Operating of a shared services / outsourcing centre providing business process and information technology outsourcing services and related implementation, technical and maintenance services	Director	31 January 2021	-
Exabytes Data Centre Sdn Bhd	Activities of providing infrastructure for hosting, data processing services and related activities	Director	31 January 2021	-

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Exabytes Enterprise Sdn Bhd	Web hosting and related services	Director	31 January 2021	-
Exabytes Network Sdn Bhd	Providing services for website and domain hosting, networking, appliances and server management services training provider	Director	31 January 2021	-
HT Internet Sdn Bhd	Providing services for website and domain hosting, networking, appliances and server management services	Director	31 January 2021	-
Signetique Network Sdn Bhd	Providing internet and intranet applications, webhosting and web page design services, e-commerce and computer programming, development and consultancy services	Director	31 January 2021	-
Sempena Fokus Sdn Bhd	Investment holding (in the process of winding up)	Director	1 November 2021	-
TKSB	Investment holding	Director	30 March 2025	-
ECSB	Investment holding	Director	30 March 2025	-
E-Cap Asas Sdn Bhd	Investment holding	Director	30 March 2025	-
E-Cap 2	Investment holding	Director	30 March 2025	-
E-Cap 4	Investment holding	Director	30 March 2025	-
E-Cap (Internal) Three Sdn Bhd	Investment holding	Director	30 March 2025	-
E-Cap (External) One Sdn Bhd	Investment holding	Director	30 March 2025	-
E-Cap (External) Two Sdn Bhd	Investment holding	Director	30 March 2025	-
E-Cap (PC) One Sdn Bhd	Activities of holding company; other credit granting not elsewhere classified; licensed money lending activities	Director	30 March 2025	-
Hallmark Odyssey Sdn Bhd	Investment holding	Director	30 March 2025	-

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Premier Ambient Sdn Bhd	Investment holding	Director	30 March 2025	-
Ekuiti Nasional Berhad	Investment advisory services	Director	23 May 2025	-
Past Involvement				
Coolblog Apps Sdn Bhd	Management services, acquire and hold for investment shares, stocks and debentures	Director	31 March 2019	28 July 2020
Coolblog F&B Sdn Bhd	Trading of dessert and beverages components and related merchandise, equipment and apparatus, and also outlet operator of dessert and beverage	Director	31 March 2019	28 July 2020
Coolblog Enterprise Sdn Bhd	Trading of dessert and beverages components and related merchandise, equipment and apparatus, and also outlet operator of dessert and beverage	Director	31 March 2019	28 July 2020
Coolblog Dessert Sdn Bhd	Licensing and franchise of certain dessert and beverages outlet operators, trading of beverages components and related merchandise, equipment and apparatus	Director	31 March 2019	28 July 2020
Coolblog Trading Sdn Bhd	Trading of dessert and beverages components and related merchandise, equipment and apparatus, and also outlet operator of dessert and beverage	Director	31 March 2019	28 July 2020
Jit Sing Enterprise Sdn Bhd	Trading of beverage components and related merchandise, equipment and apparatus	Director	31 March 2019	28 July 2020
Cahya Mata Cement Sdn Bhd	Manufacturing and trading of cement and cement clinker; manufacturing and	Director	6 January 2025	24 March 2025

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
	supplying of concrete related products			
Cahya Mata Phosphates Industries Sdn Bhd	To operate and integrate phosphate complex for manufacturing of food, feed and fertiliser phosphate products	Director	6 January 2025	24 March 2025
Lianson Fleet Group Berhad (*formerly known as Icon Offshore Berhad*)	Investment holding[(1)]	Alternate director	30 March 2023	1 April 2025

Note:

(1) As at the LPD, Lianson Fleet Group Berhad (formerly known as Icon Offshore Berhad) is listed on the Main Market of Bursa Securities. Its subsidiaries are principally involved in vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries.

(iii) Datuk Azman Bin Ismail

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Present Involvement				
Digital Nasional Berhad	To own, build and operate a 5G network and infrastructure exclusively and to provide access to its network to licensed telecommunications service providers in Malaysia	CEO	23 October 2024	-
Past Involvement				
Justgo Digital Berhad	Operator of the digital payment systems	Director	1 January 2017	1 January 2023
Expressway Lingkaran Tengah Sdn Bhd	Construction of bridges, including those for elevated highways, highway, bridge and tunnel operation services	Director	1 January 2017	1 January 2023
Lebuhraya Pantai Timur 2 Sdn Bhd	Operations and maintenance of the East Coast Expressway Phase 2	Director	1 January 2017	1 January 2023
Penang Bridge Sdn Bhd	Highway, bridge and tunnel operation	Director	1 January 2017	1 January 2023

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
	services; construction of bridges, including those for elevated highways; surface work on streets, roads, highways, bridges or tunnels			
PLUS Malaysia Berhad	Investment holding, while its subsidiaries involved in construction, operation and maintenance of highways, bridge and tunnel	Director	1 January 2017	1 January 2023
Projek Lebuhraya Utara-Selatan Berhad	Highway, bridge and tunnel operation services	Director	1 January 2017	1 January 2023
Projek Lebuhraya Usahasama Berhad	Provision of expressways operation	Director	1 January 2017	1 January 2023
Teras Teknologi Sdn Bhd	Investment holding and engaged in supply, installation and maintenance of toll systems and equipment for expressway products, secure access and automatic fare collection	Director	1 January 2017	1 January 2023
Terra Plus Sdn Bhd	Real estate activities with own or leased property not elsewhere classified	Director	1 January 2017	1 January 2023
Zoom Interactive Sdn Bhd	Other information technology service activities not elsewhere classified; research and development on information communication technology	Director	4 January 2019	1 January 2023

(iv) Zuhaida Binti Zulkifli

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Present Involvement				
CIMB Islamic Bank Berhad	Islamic banking and related financial services	Director	1 March 2023	-
Petra Energy Bhd	Investment holding(1)	Director	1 September 2023	-
Qalya Legacy Sdn Bhd	Activities of investment holding, provision of property management and related services; general trading	Director and substantial shareholder (direct and indirect)	20 May 2021	-
Past Involvement				
Petronas Trading Corporation Sendirian Berhad	Marketing of crude oil, trading in crude oil and petroleum products and investment holding	Director	29 April 2020	21 December 2021
Petronas Lubricants International Sdn Bhd	Investment holding, manufacturing and trading of lubricant products	Director	19 October 2020	5 January 2022
Petronas Marketing International Sdn Bhd	Investment holding of Engen Limited group of companies, being a downstream retail business of PETRONAS in South Africa and other African nations	Director	16 April 2020	14 January 2022
Petronas Lubricants Italy S.p.A	Investment holding, manufacturing and trading of lubricant products	Director	7 April 2021	31 January 2022

Note:

(1) As at the LPD, Petra Energy Bhd is listed on the Main Market of Bursa Securities. Its subsidiaries are engaged in a comprehensive range of activities that span the upstream segment of the oil and gas industry, specialising in operations and maintenance of oilfields, integrated brown field maintenance & engineering; marine offshore support; design, fabrication supply & installation and engineering & project management services.

(v) **Lynette Yeow Su-Yin**

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Present Involvement				
SC Shekar Photography Sdn Bhd	Dealing in photography and photographic materials; dealing in exhibitions and artists' products; restoration and cleaning of pictures of all kinds	Director and substantial shareholder (direct and indirect)	11 June 2012	-
Beagle Books Sdn Bhd	Dealing in publication of reading materials and pictures of all kinds; printers and distributors for printing materials and equipment; general trading	Director and shareholder (direct and indirect)	29 June 2012	-
MBSB Berhad	Investment holding[(1)]	Director	22 March 2017	-
CTOS Digital Berhad	Investment holding[(2)]	Director	1 October 2020	-
TNB Power Generation Sdn Bhd	Operation of generation facilities that produce electric energy	Director	10 October 2023	-
MBSB Investment Bank Berhad *(formerly known as MIDF Amanah Investment Bank Berhad)*	Investment banking and related financial services	Director	1 January 2025	-
Messrs Sanjay Mohan	Law firm	Consultant	1 January 2019	-
Amanah Warisan Negara	To protect the land, buildings and facilities within Taman Tugu; and to manage, operate, monitor and maintain Taman Tugu	Trustee	24 June 2025	-
Past Involvement				
Destination Resorts and Hotels Sdn Bhd	Investment holding and provision of management services	Director	27 March 2015	1 January 2021
MBSB Bank Berhad	Islamic banking business and related services	Director	7 February 2018	11 June 2021

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
CTOS Data Systems Sdn Bhd	Credit reporting agency and other digital software related services	Director	1 October 2020	31 August 2023
SC	The statutory body entrusted with the responsibility to regulate and develop the Malaysian capital market	Member of the SC's Take Overs and Mergers Committee	10 January 2020	10 June 2023
		Board member	11 June 2021	10 June 2023
The Datai Pledge	A conservation and sustainability programme initiated by The Datai, Langkawi	Trustee	21 February 2020	30 April 2025

Notes:

(1) As at the LPD, MBSB Berhad is a public company listed on the Main Market of Bursa Securities. Its subsidiaries are principally involved in Islamic banking, investment banking, development finance and related financial services.

(2) As at the LPD, CTOS Digital Berhad is a public company listed on the Main Market of Bursa Securities. Its subsidiaries are principally involved in credit reporting agency business, and offering digital products and credit risk management solutions and services for credit decisioning.

(vi) Nasmiza Binti Ismail

Name of company/ entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Present Involvement				
Zoo Bear Agro Sdn Bhd	Farming and general agricultural activities	Director and substantial shareholder (direct and indirect)	30 December 2015	-
Past Involvement				
Petronas Energy Trading Limited	Liquefied natural gas, gas trading and marketing company in the West of Suez handling both physical and derivatives products; storage, shipping and optimisation of gas and liquefied natural gas assets	Director	23 March 2017	23 December 2021

The involvement of our Directors in these business activities outside our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors.

9.2.5 Service contracts with our Directors

As at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and our Company which provide for benefits upon termination of employment.

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9.2.6 Directors' remuneration and material benefits-in-kind

The aggregate remuneration and material benefits-in-kind (including contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2024 and proposed to be paid for FYE 2025 are as follows:

FYE 2024 (Paid)	**Director's fees**	**Salaries**	**Bonuses**	**EPF and SOCSO**	**Allowances**	**Benefits-in-kind**	**Total**
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Dato' Abdul Hamid Bin Sh Mohamed(1)	-	-	-	-	-	-	-
Aliff Omar Bin Mohamad Omar	-	-	-	-	-	-	-
Cheah Sin Bi(2)	-	576,000	264,000	146,417	84,000	11,728	1,082,145
Datuk Azman Bin Ismail(3)	-	-	-	-	-	-	-
Zuhaida Binti Zulkifli(3)	-	-	-	-	-	-	-
Lynette Yeow Su-Yin(3)	-	-	-	-	-	-	-
Nasmiza Binti Ismail(3)	-	-	-	-	-	-	-

FYE 2025 (Proposed)	**Director's fees**	**Salaries**	**Bonuses**	**EPF and SOCSO**	**Allowances**	**Benefits-in-kind**	**Total**
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Dato' Abdul Hamid Bin Sh Mohamed(1)	120,000	-	-	-	7,500	-	127,500
Aliff Omar Bin Mohamad Omar	-	-	-	-	-	-	-
Cheah Sin Bi(2)	-	720,000	300,000	175,033	84,000	13,476	1,292,509
Datuk Azman Bin Ismail(3)	60,000	-	-	-	19,500	-	79,500

FYE 2025 (Proposed)	Director's fees	Salaries	Bonuses	EPF and SOCSO	Allowances	Benefits-in-kind	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Zuhaida Binti Zulkifli[(3)]	60,000	-	-	-	19,500	-	79,500
Lynette Yeow Su-Yin[(3)]	60,000	-	-	-	19,500	-	79,500
Nasmiza Binti Ismail[(3)]	60,000	-	-	-	19,500	-	79,500

Notes:

(1) Dato' Abdul Hamid Bin Sh Mohamed was appointed to our Board on 2 May 2025.
(2) Cheah Sin Bi was appointed to our Board on 3 March 2025.
(3) Datuk Azman Bin Ismail, Zuhaida Binti Zulkifli, Lynette Yeow Su-Yin and Nasmiza Binti Ismail were appointed to our Board on 30 June 2025.

The remuneration of our Directors, which includes Directors' fees, bonus and such other allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved/endorsed by our shareholders at a general meeting.

9.2.7 Audit Committee

Our Audit Committee was formed by our Board on 14 July 2025. Our Audit Committee currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Zuhaida Binti Zulkifli	Chairman	Independent Non-Executive Director
Datuk Azman Bin Ismail	Member	Senior Independent Non-Executive Director
Nasmiza Binti Ismail	Member	Independent Non-Executive Director

In fulfilling its primary objectives, the Audit Committee undertakes, among others, the following responsibilities and duties as stated in the terms of reference:

(i) To review and assess the suitability, objectivity and independence of the external auditors and internal auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services;

(ii) To assess the suitability, objectivity and independence of the external auditor and internal auditor based on the relevant policies and procedures, including but not limited to the following:

(a) to draw reference to the annual transparency report to be presented by external auditors, if any;

(b) to determine the appropriateness of audit fees to support a quality audit;

(c) to approve non-audit services before services rendered by the external auditor and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees;

(d) to obtain a written assurance from the external auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;

(e) to conduct an annual evaluation on the performance of the external auditor and internal auditor. An evaluation shall be completed by the management and members of the Audit Committee and a summary report shall be presented to our Board;

(f) to make appropriate recommendations to our Board on matters of resignation, dismissal or cessation of office of the external auditors and secure the reason of such resignation, dismissal or cessation of office; and

(g) to recommend the nomination of person(s) as the external auditors to our Board and subsequent recommendation to the shareholders for approval;

(iii) To conduct periodic reviews of the involvements of our Board in the companies outside of our Group, in which they have executive functions to ensure that it does not affect their role and responsibilities within our Group;

(iv) To do the following, in relation to the internal audit function:

(a) to consider and approve the appointment of the internal auditors, the internal audit fee and any question of resignation or dismissal;

(b) to review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

(c) to review the internal audit plan and results of the internal audit assessments and investigation undertaken and ensure that appropriate action is taken on the recommendations of the internal auditors;

(d) to consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by the management in response to audit findings;

(e) to review and decide on the budget allocated to the internal audit function;

(f) to appraise or assess the performance of members of the internal audit function; and

(g) to monitor the overall performance of our Company's internal audit function;

(v) To review and recommend the quarterly and annual financial statements before the approval by our Board, focusing in particular on the following:

(a) any changes in or implementation of major accounting policies and practices;

(b) significant matters highlighted, including financial reporting issues, significant judgements made by the management, significant and unusual events or transactions, and how these matters are addressed;

(c) significant adjustments arising from the audit;

(d) going concern assumption; and

(e) compliance with accounting standards and other regulatory or legal requirements;

(vi) To review and monitor any related party transactions/business dealings entered into by our Group and any conflict-of-interest situation that may arise within our Group to ensure that they are conducted on arms' length basis and based on terms that are fair to our Group, and report the same to our Board;

(vii) To consider the major findings of internal investigations and the management's response;

(viii) To verify, review and recommend any proposed declaration of dividend to our Board for approval and/or onwards shareholders' approval;

(ix) To review and assess the impairment of investments;

(x) To review any banking facilities and/or any business transactions in accordance with the defined thresholds or limits of authority which require Audit Committee's recommendation to our Board for approval;

(xi) To assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

(xii) To monitor key risks relating to sustainability, ESG and sustainability disclosures and performance;

(xiii) To oversee the effectiveness of the company's whistleblowing procedures, ensuring proper handling of reported concerns; and

(xiv) To perform any such other functions as may be requested by our Board.

9.2.8 Risk Management Committee

Our Risk Management Committee was formed by our Board on 14 July 2025. Our Risk Management Committee currently comprises the following members, save for the Chairman of our Risk Management Committee, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Datuk Azman Bin Ismail	Chairman	Senior Independent Non-Executive Director
Cheah Sin Bi	Member	Non-Independent Executive Director
Lynette Yeow Su-Yin	Member	Independent Non-Executive Director
Nasmiza Binti Ismail	Member	Independent Non-Executive Director

In fulfilling its primary objectives, the Risk Management Committee undertakes, among others, the following responsibilities and duties as stated in the terms of reference:

(i) To engage in discussions on risk-related matters and propose actionable steps to address any identified risks or weaknesses in controls, ensuring effective outcomes.

(ii) To oversee the risk management framework and internal control policies by reviewing them with management, including the following:

(a) to assess whether the company's strategy is consistent with the agreed-upon risk appetite and tolerance levels for our Company or our Group;

(b) to maintain and establish a clear framework to hold management accountable for building and maintaining an effective risk appetite framework, and providing our Board with regular, periodic reports on our Company's residual risk status;

(c) to review the design of our Company's risk management functions, as well as the qualifications and backgrounds of senior risk personnel and the policies applicable to risk management and to evaluate whether they are appropriate given our Company's size and scope of operations;

(d) to review the results of Group-wide risk assessments, including the identification and reporting of critical risks;

(e) to review the categories of risk our Company or our Group faces, including any risk concentrations and risk interrelationships, as well as the likelihood of occurrence, potential impact, mitigating measures, and action plans to be employed if a given risk materialises;

(f) to review the policies and procedures in place to hedge against or mitigate risks, along with the actions to be taken if risk limits are exceeded;

(g) to ensure the assumptions and analyses underpinning the determination of our Company's principal risks, and whether adequate procedures are in place;

(h) to ensure that new or materially changed risks are properly and promptly identified;

(i) to implement risk policies and procedures to assess whether they are being followed and are effective;

(j) to ensure policies and framework that govern the management of risks, including risk governance matters that have been delegated by our Board;

(k) to review the risk appetite level of the company/group and ensure it aligns with our Board's approvals;

(l) to monitor technology, information, and cyber risks against appetite as part of overall risk oversight;

(m) to review and monitor all risks and risk management practices, including internal control and compliance processes and systems;

(n) to approve the appointment and review the committee structure and composition, and define the roles and duties of the management-level risk management committee/working group;

(o) to consult and exchange views with the Audit Committee to assess whether the risk management policies and strategies cover all existing and new types of financial risks and evaluate the effectiveness and efficiency of their implementation; and

(p) to perform other duties as delegated by our Board or required by regulatory obligations.

9.2.9 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was formed by our Board on 14 July 2025. Our Nomination and Remuneration Committee currently comprises the following members, all of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Lynette Yeow Su-Yin	Chairman	Independent Non-Executive Director
Aliff Omar Bin Mohamad Omar	Member	Non-Independent Non-Executive Director
Zuhaida Binti Zulkifli	Member	Independent Non-Executive Director

In fulfilling its primary objectives, the Nomination and Remuneration Committee undertakes, among others, the following pertinent responsibilities for recommending to our Board as stated in the terms of reference:

(i) To identify, assess, propose, consider and recommend new nominees for the directorships of our Company by considering the fit and proper criteria;

(ii) To review the composition of the committee of our Board and make recommendations to our Board for the appointment of additional committee members or the removal/resignation of the committee members;

(iii) To assess the composition and effectiveness of our Board as a whole, the committees of our Board and the performance and contribution of each individual Director, as well as the key senior management, including their performance in addressing our Company's material sustainability risk and opportunities vide a formula and objective assessment;

(iv) To develop succession planning policy for Directors and ensure that the policy is reviewed periodically;

(v) To identify suitable training programmes for the Directors, as well as overseeing the identification of suitable training programmes for the key senior management;

(vi) To review and recommend to our Board in respect of remuneration policies and framework of the executive directors and key senior management of our Group;

(vii) To review and recommend the remuneration of the non-executive directors; and

(viii) To develop and adopt a formal and transparent procedure and policies on remuneration packages for the Directors and the key senior management, which takes into account the demands, complexities of the roles and performance of the Company as well as skills and experience required.

9.3 KEY SENIOR MANAGEMENT

Our Key Senior Management set out below is responsible for the day-to-day management and operations of our Group. The members of our Key Senior Management as at the date of this Prospectus are as follows:

Name	**Age**	**Designation**
Cheah Sin Bi	45	CEO
Tahirah Binti Mohd.Nor	47	CFO
Wong Kooi Vee	55	Financial Controller
Mohamad Zahid Bin Ahmad Amir	57	Head of Marine Operations
Khoo Jyh Herng	37	General Manager, Chartering
Leong Weng Keong	55	General Manager, Technical
Nor Azni Binti Abdul Latiff	44	General Manager, Human Resources (Sea & Shore)
Rahimee Bin Md Haza	54	Assistant General Manager, Commercial

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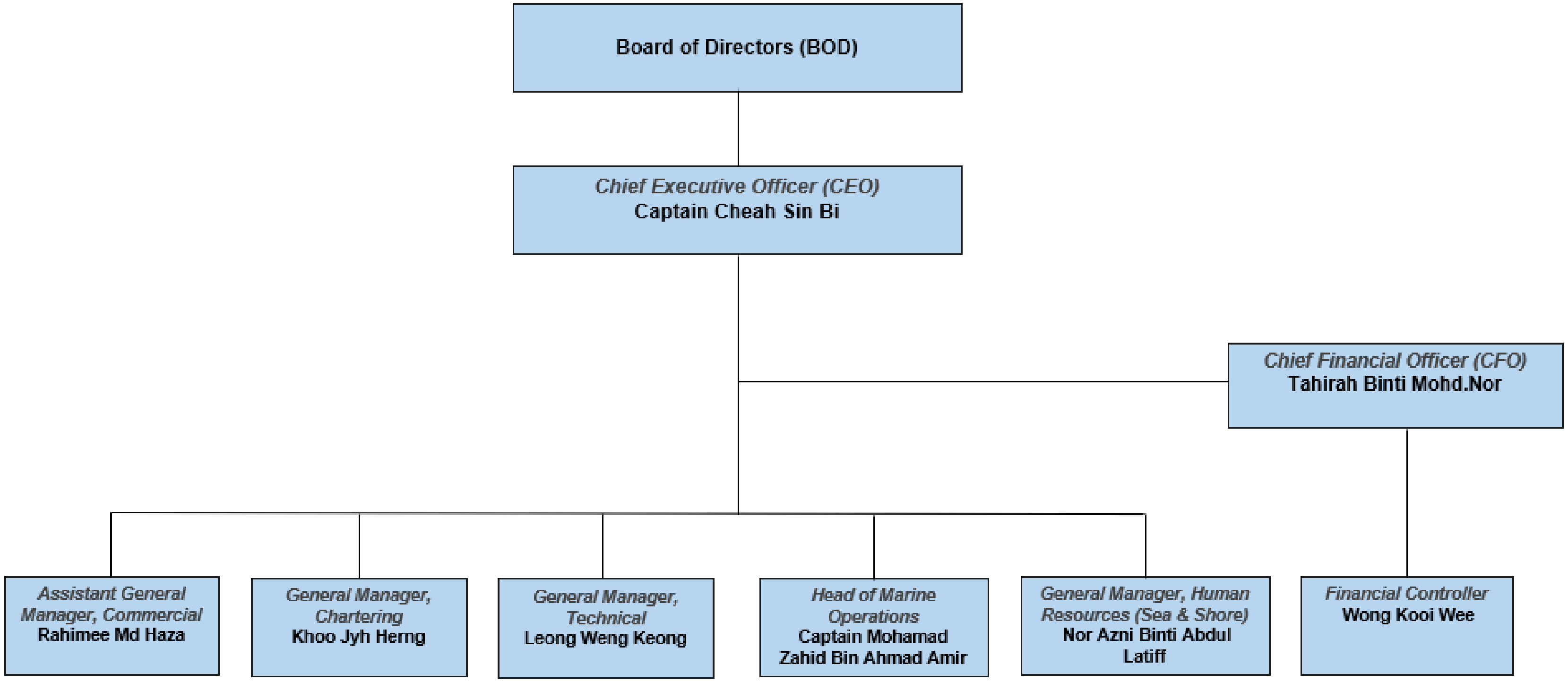
9.3.1 Management reporting structure

Our management reporting structure as at the LPD is as follows:



9.3.2 Profiles of our Key Senior Management

The profile of our CEO, Cheah Sin Bi, who is also a member of our Board is set out in Section 9.2.2 of this Prospectus. The profiles of our other Key Senior Management are as follows:

(i) Tahirah Binti Mohd.Nor

Tahirah Binti Mohd.Nor, a Malaysian aged 47, is our CFO since 1 April 2025. She obtained a Bachelor of Accounting from the University of Malaya in September 2002. She has been a member of the Malaysian Institute of Certified Public Accountants since January 2007 and admitted as a Chartered Accountant of the MIA since December 2015.

Tahirah began her career in May 2002 as an Associate in the Assurance and Advisory Business Services Department at Athur Andersen Malaysia (which has since merged with Ernst & Young PLT and is now known as Ernst & Young PLT). Following the merger between Arthur Andersen Malaysia and EY, she was offered to continue her employment with EY and was later promoted to the positions of Assistant Manager in September 2006 and Manager in September 2007, where she led a team of auditors to conduct audit and financial due diligence. Throughout her tenure in EY, she was primarily involved in statutory audits of companies in multiple industries including the oil and gas, plantations, education and property development sectors. She was also involved in special audits for corporate exercises, including initial public offerings and private debt securities offerings. She left EY in July 2009.

In August 2009, Tahirah joined Pengurusan Aset Air Berhad as Manager of the Lease Management Department, where she was one of the key team members in the working committee responsible for negotiating financial terms for states' water asset acquisitions, preparing financial models, reviewing financial statements and business plans as well as ensuring regulatory compliance until her departure in October 2010.

Tahirah joined SK TL Offshore Sdn Bhd (currently known as Sapura Offshore Sdn Bhd) ("**SKTL**"), a wholly owned subsidiary of SapuraCrest Petroleum Berhad (*now known as Sapura Energy Berhad*) as Senior Manager in November 2010 where she led the group consolidation team to prepare the group's monthly, quarterly and annual audited financial statements. She was also involved in preparing the annual business plan and budget of the group. She left SKTL in June 2011.

In July 2011, Tahirah joined Petra Energy Berhad as Group Accountant, where the role she assumed was similar to the role that she had performed in SKTL until her departure in August 2012.

In September 2012, Tahirah rejoined SKTL as Deputy General Manager, where she served as the Head of Financial Reporting and Compliance. During her tenure with SKTL, she was primarily responsible for the financial oversight of the Engineering & Construction Division, in which she oversaw and managed the financial reporting within the division, including preparation of the division's monthly, quarterly, and annual financial results. She left SKTL in April 2017.

Subsequently in April 2017, Tahirah joined UEM Sunrise Berhad ("**UEMS**") as General Manager, Finance, where she oversaw and managed the UEMS's group treasury function, funding requirements, cash flow management and accounts receivables management. She left UEMS in July 2019.

Tahirah served as Director of Finance and Planning for the Offshore Business Unit ("**OBU**") at MISC Berhad from July 2019 to July 2021, where she was responsible for the OBU's statutory financial reporting, treasury management, formulation of business plans, risk management, tax planning and regulatory compliance. In addition, she worked closely with the Business Development Department on offshore business development activities, including participation in bids for the leasing of the Floating Production Storage Offloading (FPSO) units.

In August 2021, Tahirah joined our Company as the CFO, where she oversaw our Company's overall financial management and was responsible for monthly management and financial reporting to our Board, as well as the preparation of annual business plans and budgets, tax compliance and treasury management. In addition, she led and managed our Procurement Department and worked closely with our key departments, including our Commercial Department and our Operations Department to support our Group's business until her departure in May 2022.

Subsequently in May 2022, Tahirah joined Malaysia Airports Holding Berhad ("**MAHB**") as the CFO of MAHB's subsidiaries in Türkiye, namely (i) İstanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım Ve İşletme A.Ş. ("**ISG**") and (ii) SGC Havalimanı İsletmeleri Ticaret Ve Turizm A.Ş ("**SGC**"), which operate Istanbul Sabiha Gökçen International Airport (being the second largest airport in Türkiye). As the CFO, she was overseeing finance, risk management, strategy and planning, treasury, compliance and strategic tax, company secretarial and compliance matters for ISG and SGC. She was also in charge of assessing investment needs for the new terminal expansion and handling the end-to-end procurement process. She has served on the Management Committees, Executive Committees, Management Procurement Committees and the Internal Audit Management Committees of both ISG and SGC. She left MAHB in March 2025.

Tahirah rejoined our Company in April 2025 as our CFO, where she is primarily responsible for overseeing and managing our Group's finance and accounting functions, financial performance, treasury management and regulatory compliance to ensure that our Group meets its business objectives in terms of returns, profitability and cash flow.

(ii) Wong Kooi Vee

Wong Kooi Vee, a Malaysian aged 54, is our Financial Controller and has been with our Group since May 2009. He obtained the ACCA qualification in December 1996 and has been a fellow of the ACCA since January 2005. He is also a member of the Malaysian Institute of Accountants since July 2000.

Wong Kooi Vee began his career as an Audit Executive at Mohamed Yeng & Co in December 1996 and was progressed through the positions of Audit Senior and Audit Supervisor. As Audit Supervisor, he led a team of auditors to conduct financial audit for private limited companies and public listed companies in various sectors. In Mohamed Yeng & Co, he was involved in preparing corporate tax and deferred taxation computations, preparing consolidated accounts for group companies and conducting special audit, including fraud investigations and financial due diligence for various corporate exercises until he left the firm in August 2000.

Wong Kooi Vee then joined Global Carriers Berhad ("**GCB**") as Corporate Finance Manager in August 2000 and was subsequently promoted to the position of Senior Corporate Finance Manager in January 2004. He was responsible for overseeing corporate planning, financial restructuring, investment strategies and treasury activities, including securing funding and managing credit facilities for GCB and its group of companies. During his tenure with GCB, he was involved in GCB's restructuring exercise from 1998 to 2002 and various fund raising and corporate exercises undertaken by GCB. Additionally, he was involved in due diligence exercises and feasibility studies undertaken by GCB for acquisitions and investment opportunities and preparation of financial reports. He also managed GCB's corporate tax planning, and treasury functions, including cash flow management, fund placements, and securing competitive interest rates for the financing obtained by GCB or its group of companies. He left GCB in April 2009.

In April 2009, Wong Kooi Vee joined OSMSB, our wholly-owned subsidiary, as the Head of Administration and Finance and was subsequently redesignated to the positions of Senior Manager, Finance in January 2017 and the Head of Finance (Operations) in July 2020, leading our finance department. In April 2023, he was promoted to the position of the Financial Controller, where he oversees our Group's financial strategy, accounting matters, corporate finance, banking, and corporate planning, including restructuring, investments, and treasury activities. He plays a key role in securing financings for new ship construction and vessel acquisitions and ensuring compliance with financial regulations.

In addition, Wong Kooi Vee is responsible for overseeing and managing the preparation of cash flow projections, yearly budgets, rolling budgets, and financial projections for our Group. He is also involved in the preparation of our Group's financial statements and corporate tax planning.

(iii) Mohamad Zahid bin Ahmad Amir

Mohamad Zahid bin Ahmad Amir, a Malaysian aged 56, is our Head of Marine Operations and has been with our Group since August 2013. He obtained a Class 1 Certificate of Competency as Master (Unlimited Voyage) from the Marine Department of Malaysia in March 2000.

Captain Zahid began his career at MISC Berhad ("**MISC**") as a Deck Cadet in February 1988. From February 1988 to October 2000, he progressed through various onboard roles as Deck Cadet, Third Officer, Second Officer and Chief Officer, where he was primarily responsible for overseeing and managing the day-to-day operations of chemical tankers and ensuring safety and compliance with international maritime regulations.

In February 2001, Captain Zahid joined Sutrajaya Shipping Sdn Bhd as a Chief Officer and he was subsequently promoted to the position as the Master served on board of chemical tankers, where he led the operations of chemical tankers, including navigation, crew management, safety and compliance with international maritime regulations until September 2006.

Captain Zahid joined Global TS Sdn Bhd as Master of Oil Tankers in November 2006 where the role he assumed was similar to the role he had performed in Sutrajaya Shipping Sdn Bhd and left the company in June 2010. In July 2010, Captain Zahid transitioned to a shore-based role as Manager of Operations, where he oversaw and managed vessel operations, including safety and risk management, regulatory compliance, emergency response and crisis management. He left Global TS Sdn Bhd in July 2013.

In August 2013, Captain Zahid joined OSMSB, our wholly-owned subsidiary, as Manager of Operations and was subsequently promoted to the position of Senior Manager of Operations in January 2018 and redesignated as the Head of Commercial of Operations in July 2020, leading our Operations Department. In January 2025, he was promoted to the position of Head of Marine Operations, where his main responsibilities include overseeing our Group's vessel operations, managing vessel and system operations in accordance with terminal, port and charterer requirements, ensuring safety and regulatory compliance and risk management. In addition, he was appointed as our Group's Company Security Officer (CSO) in June 2016, where he is responsible for the implementation of security protocols and risk management strategies of our Group.

With over 25 years of extensive experience in the maritime and shipping industry, of which 12 years has been with our Group, Captain Zahid has played a significant role in maintaining and improving our Group's operational reliability, vessel safety as well as compliance with the applicable international maritime standards and regulations.

(iv) Khoo Jyh Herng

Khoo Jyh Herng, a Malaysian aged 37, is our General Manager, Chartering. He obtained a Bachelor of Information Technology (Honours) in Data Communications & Networking from the Multimedia University in January 2010.

In October 2019, Khoo Jyh Herng began his career as a Sales Supporting Specialist in the Solutions and Sales Effect Department of Dell Technologies' Asia Pacific & Japan through an employment agency. As a Sales Supporting Specialist, he was primarily responsible for providing technical and sales support to customers, troubleshooting product-related issues and coordinating with internal sales teams for order fulfilment.

In February 2010, Khoo Jyh Herng joined OSMSB, our wholly-owned subsidiary, as System Administrator Assistant and was promoted to the position of Assistant Manager of System Administrator in February 2011 and the position of Manager of System Administrator in September 2013, where he undertook the setup, maintenance and upgrading of our Group's IT infrastructure, including the IT and communication systems for our vessels. He led the transition of our Group's satellite communication systems to satellite broadband systems in 2011, which has significantly reduced our Group's communication costs.

In February 2017, Khoo Jyh Herng was rotated to our Technical Department as Manager of Services, where he managed procurement, logistics and IT services for our vessels, established bulk purchase agreements and expanded our Group's vendor portfolios. He was subsequently rotated to our Commercial Department as Manager of Commercial in November 2017 and was subsequently redesignated to the position of Manager of Business in January 2019, where he handled the commercial operations of ship management, managed claims and client negotiations, as well as developed strategies to optimise revenue streams.

In January 2021, Khoo Jyh Herng was redesignated as Manager of Chartering and Business Development and was subsequently promoted to the position of the Head of Chartering in July 2022, where he focused on contract negotiations for the chartering out of our Group's vessels.

Subsequently, he was promoted to the position of Assistant General Manager of Chartering in January 2024 and elevated as General Manager of Chartering in January 2025, leading our Chartering Department. As General Manager of Chartering, his main responsibilities include developing and executing our Group's chartering strategy, performing market trends analysis, negotiating charter agreements, expanding our Group's client portfolio and ensuring optimal fleet utilisation and profitability. Under Khoo Jyh Herng's leadership, we have expanded our client list since 2022 to include Petron Malaysia and also secured 2 long-term Consecutive Voyage Charter Contracts in 2024 with one of our major customers.

With over 15 years of diverse experience across multiple departments including Information Technology, Technical and Commercial departments within our Group, he has played a significant role in maintaining and improving our Group's business operations and managing and maintaining good business relationships with our charterers, stakeholders and industry partners to improve and strengthen our Group's reputation in the maritime industry.

(v) Leong Weng Keong

Leong Weng Keong, a Malaysian aged 54, is our General Manager of Technical and he has been with our Group since October 2010. Leong Weng Keong obtained a Diploma in Marine Engineering from Politeknik Ungku Omar in July 1993 and a Class 1 Certificate of Competency as Chief Engineer (Unlimited Voyage) from the Marine Department of Malaysia in September 2002.

Leong Weng Keong began his career in May 1991 with MISC under the company's cadet sponsorship programme. From May 1991 to July 1999, he progressed through various onboard roles as Engine Cadet, Fourth Engineer, Third Engineer and Second Engineer, where he was primarily responsible for overseeing the day-to-day activities in the engine room of vessels, managing the proper functioning of the engine room machinery systems and the maintenance of engine and equipment.

From August 1999 and February 2000, he attended a course at the Malaysian Maritime Academy to obtain his Class 1 Certificate of Competency as Chief Engineer (Unlimited Voyage).

In March 2000, Leong Weng Keong joined Maritime Consortium Management Sdn Bhd (currently known as Global TS Sdn Bhd) ("**MCM**"), a wholly owned subsidiary of Global Carrier Berhad, as Technical Superintendent, where he was responsible for monitoring vessel performance, managing the technical and operational condition of vessels, ensuring compliance with international maritime requirements and classification society regulations. He left MCM in March 2006.

Subsequently in March 2006, Leong Weng Keong joined the American Nautical Systems LLC ("**ABS Nautical**") as Senior Product Consultant, where he was primarily involved in implementing, configuring and supporting ABS Nautical's NS5 system, a fleet management software solution for managing day-to-day functions, including vessel maintenance and fleet management. He left ABS in April 2007.

In April 2007, Leong Weng Keong joined GP Marine Sdn Bhd ("**GP Marine**") as a supervisor for new shipbuilding projects. During his tenure with GP Marine, he was primarily involved in supervising and managing the shipbuilding projects of our Group based in China, overseeing the construction of our vessels, including Orkim Fortune, Orkim Harmony, Orkim Power, Orkim Leader, Orkim Express, Orkim Challenger and Orkim Discovery. He left GP Marine in October 2010.

In October 2010, Leong Weng Keong joined OSMSB, our wholly-owned subsidiary, as Technical Manager. He was subsequently promoted and redesignated to various positions, including Senior Manager of New Buildings and Projects in June 2015, Head of Technical in April 2023 and Assistant General Manager of Technical in April 2024, where he was responsible for overseeing the day-to-day technical operations of our fleet, managing maintenance and repair activities and ensuring compliance with safety and regulatory standards.

In April 2024, he was further elevated to his current position of the General Manager of Technical, leading our Group's Technical Department. As the General Manager of Technical, Leong Weng Keong is responsible for overseeing the technical management of the fleet, implementing strategies for fleet optimisation, enhancing technological capabilities, improving asset management to ensure the fleet's long-term value. In addition, he was appointed as our Company Environmental Representative (CER) in July 2020 to manage and oversee our Group's compliance with the applicable environmental laws and regulations, implementation of the environmental risks management and sustainable practices and compliance with the relevant regulations such as the Environmental Ship Index, ballast water treatment protocols, continuous monitoring of exhaust system and continuous collection and analysis of environmental data from all vessels.

With 30 years of experience in the maritime and shipping industry, of which 15 years has been with our Group, Leong Weng Keong has played a significant role in maintaining and improving our vessels' operations and maintenance as well as compliance with the environmental laws and regulations.

(vi) Nor Azni Binti Abdul Latiff

Nor Azni Binti Abdul Latiff, a Malaysian aged 43, is our General Manager of Human Resources (Sea & Shore) and has been with our Group since April 2020. She obtained a Bachelor of Science Bioindustry from Universiti Putra Malaysia in October 2003.

Azni began her career in July 2005 as an Executive in the Human Resources Department at Total Logistic Services (M) Sdn Bhd, where she was involved in a broad range of human resource functions, including managing employee relations, handling grievances and disciplinary matters, reviewing and drafting human resource policies and ensuring consistent application of procedures across the company. She also supported internal employee committees, conducted safety audits and contributed to the alignment of the company's remuneration strategy with its business objectives. She left the company in August 2007.

In September 2007, Azni joined Utmost Distinction Sdn Bhd as a Senior Executive in the Human Resources Department, where she carried out responsibilities similar to those in her previous role at Total Logistic Services (M) Sdn Bhd. She remained with the company until March 2011.

Subsequently in the same month, Azni joined Aluminium Company of Malaysia Berhad (currently known as ALCOM Group Berhad), as Assistant Manager of Employee Relations. In this role, she was responsible for the organisation's core human resource functions and also oversaw human resources-related matters for its subsidiary, Alcom Nikkei Specialty Coatings Sdn Bhd. She led key initiatives in various employee relations matters, including industrial relations, legal compliance, and union engagement and provided advisory support on immigration and international staffing matters. She left the company in January 2012.

Between February 2012 to November 2014, Azni took time to focus on family commitments. In December 2014, Azni joined Nando's Chickenland Malaysia Sdn Bhd as Manager of Human Resource Services, where she was primarily responsible for overseeing general human resource functions. She was redesignated to the position of Manager, Business Partner in April 2017, where she oversaw staffing, training and providing back-end human resource support for the company's outlets across the southern and central regions. She was also involved in the management of the company's industrial relations, ensuring compliance with employment legislations, the development of the company's human resource strategy and spearheaded the company's succession planning initiatives.

In April 2020, Azni joined OSMSB, our wholly-owned subsidiary, as Manager of the Human Resources and Administrations Department. She was subsequently promoted to the position of Senior Manager in January 2022, where she was primarily responsible for managing and overseeing a broad range of human resources functions for shore-based employees.

In January 2014, she was promoted to the position of Assistant General Manager, Human Resources (Sea & Shore) and subsequently assumed her current position of General Manager of the Human Resources Department in January 2025. In her current role, she leads our Group's human resources functions for both sea and shore operations. Her core responsibilities include driving strategic workforce planning, overseeing crewing recruitment, implementing retention and succession planning initiatives, establishing human resource policy frameworks in compliance with applicable employment laws. Azni plays a significant role in aligning our Group's human resource policies and practices with its business objectives.

(vii) Rahimee Bin Md Haza

Rahimee Bin Md Haza, a Malaysian aged 54, is our Assistant General Manager of Commercial, and has been with our Group since October 2005. He completed the 3rd Mate Preparatory Course at Maritime Academy Malaysia in January 1995.

Rahimee began his career as a Deck Cadet at Pacific Ship-Managers Sdn Bhd in May 1991 under the company's cadet sponsorship programme, where he gained hands-on experience in ship operations, safety procedures and cargo handling. During his tenure as a Deck Cadet, he pursued and completed the 3rd Mate Preparatory Course in January 1995 and continued to serve as a Deck Cadet until his departure in March 1995.

In September 1995, Rahimee joined MCM, a wholly owned subsidiary of GCB, as a Marine Third Officer, where he served onboard GCB's dry-bulk carriers. He was primarily involved in supporting vessel safety management, including watchkeeping, chart plotting, ensuring compliance with international maritime regulations and supporting deck operations until his departure in October 1996.

In November 1996, Rahimee transitioned into a shore-based role and joined the sister company of MCM, namely Budisukma Shipping (Thailand) Co. Ltd, a shipping company and freight agent based in Bangkok, Thailand as Operations Manager, where he led a team of 6 personnel to manage port agency operations and oversaw vessel port calls for both loading and discharging of bulk cargoes across multiple ports in Thailand. He also served as MCM's representative in Thailand who was responsible for supervising all the vessels owned by GCB calling at ports in Thailand and ensuring smooth coordination with local authorities and port service providers. He left the company in August 2000.

Rahimee returned to Malaysia and rejoined MCM as Admin Assistant under the Crewing Department in December 2000, where he was involved in crew recruitment, training, ensuring compliance with crew certification requirements and maritime labor standards for container vessels. During his tenure with MCM, he was primarily involved in the crew recruitment of Malaysian seafarers for MCM's container fleet until June 2003.

In July 2003, Rahimee joined Inai Kiara Sdn Bhd as Manning Executive in the Fleet Management Division, where he assumed similar responsibilities to the role that he had performed in MCM but focused on the crew recruitment of Malaysian seafarers for dredger vessels and the development of crew training programme. He left the company in August 2005.

In October 2005, Rahimee joined OSMSB, our wholly-owned subsidiary, as Operations Superintendent, where he served as a Time Charter Operator and was primarily responsible for the appointment of port agents, cargo surveyors, bunker suppliers and port authorities. He was also involved as one of the core team members in securing our Group's first long-term charter contract with the PETRONAS Group. He was subsequently promoted to the position of Assistant Manager of Commercial Operations in January 2009 in preparation of the delivery of our Group's first newly built vessels, namely Orkim Power. He was further promoted as the Head of Commercial Operations in April 2013, where his responsibilities were expanded to include our Group's commercial operations, charter contract negotiations, claim negotiations, client relationship management, preparation of commercial proposals, bunker purchases and vessel insurance renewals.

Rahimee was subsequently promoted to the position of Senior Manager of Business in June 2015 and redesignated to the position of the Head of Commercial in January 2021, where he was overseeing our Group's chartering and commercial department. In April 2023, he was promoted to his current position of Assistant General Manager of Commercial, where his main responsibilities include overseeing our Group's commercial operations, optimising revenue generation through effective vessel deployment, managing client relationship, venturing and developing new business opportunities and improving operational efficiency for our Group.

With a span of over 30 years of experience in the maritime and shipping industry, of which 20 years have been with our Group, Rahimee has played a significant role in monitoring and managing the overall performance of our vessels to ensure smooth and effective operations.

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9.3.3 Shareholdings of our Key Senior Management

The shareholdings of our Key Senior Management (other than our CEO who is also our Director as disclosed in Section 9.2.3 of this Prospectus) before and after our IPO, assuming full subscription by our Key Senior Management for their respective entitlements to the Pink Form Shares, are set out below:

		Before our IPO				After our IPO							
						Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	**Nationality**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**	**No. of Shares**	**(%)**
Tahirah Binti Mohd.Nor	Malaysian	-	-	-	-	250,000(1)	*	-	-	250,000(1)	*	-	-
Wong Kooi Vee	Malaysian	-	-	-	-	200,000(1)	*	-	-	200,000(1)	*	-	-
Mohamad Zahid Bin Ahmad Amir	Malaysian	-	-	-	-	200,000(1)	*	-	-	200,000(1)	*	-	-
Khoo Jyh Herng	Malaysian	-	-	-	-	225,000(1)	*	-	-	225,000(1)	*	-	-
Leong Weng Keong	Malaysian	-	-	-	-	225,000(1)	*	-	-	225,000(1)	*	-	-
Nor Azni Binti Abdul Latiff	Malaysian	-	-	-	-	225,000(1)	*	-	-	225,000(1)	*	-	-
Rahimee Bin Md Haza	Malaysian	-	-	-	-	200,000(1)	*	-	-	200,000(1)	*	-	-

Notes:

* *Negligible.*

(1) *Assuming full subscription by our Key Senior Management for their respective entitlements to the Pink Form Shares.*

9.3.4 Involvement of our Key Senior Management in other principal business activities

Save as disclosed below, none of our Key Senior Management is involved in any other principal business activities outside our Group as at the LPD or hold directorships in other companies outside our Group as at the LPD and in the past 5 years preceding the LPD:

(i) Leong Weng Keong

Name of company / entity	Principal activities	Involvement in business activities	Date of appointment	Date of resignation
Present Involvement				
Golden Oil Carrier Sdn Bhd	Transport of passenger via rivers, canals, lakes and other inland waterways, including inside harbours and ports, other service activities incidental to water transportation not elsewhere classified, renting and operational leasing of water-transport equipment without operator	Substantial shareholder (direct)	-	-
Past Involvement				
Nil				

The involvement of our Key Senior Management in those business activities outside our Group will not affect their contribution to our Group. The involvement of our Key Senior Management in those business activities outside our Group is not expected to require a significant amount of their time or attention or adversely affect the operations of our Group.

9.3.5 Service contracts with our Key Senior Management

As at the date of this Prospectus, there are no existing or proposed service contracts between our Key Senior Management and our Company which provide for benefits upon termination of employment.

9.3.6 Key Senior Management's remuneration and benefits

The remuneration and material benefits-in-kind of our CEO is set out in Section 9.2.6 of this Prospectus.

The aggregate remuneration and material benefits-in-kind paid (including contingent or deferred remuneration) and proposed to be paid to our Key Senior Management for services rendered in all capacities to our Group for the FYE 2024 and proposed to be paid for FYE 2025 are as follows:

	Remuneration band	
	FYE 2024 (Paid)	**FYE 2025 (Proposed)(1)**
	(RM'000)	(RM'000)
Tahirah Binti Mohd.Nor(1)	-	800 to 850(2)
Wong Kooi Vee	400 to 450	450 to 500
Mohamad Zahid Bin Ahmad Amir	400 to 450	450 to 500
Khoo Jyh Herng	400 to 450	450 to 500
Leong Weng Keong	500 to 550	500 to 550
Nor Azni Binti Abdul Latiff	350 to 400	400 to 450
Rahimee Bin Md Haza	400 to 450	450 to 500

Notes:

(1) Tahirah Binti Mohd. Nor joined our Group on 1 April 2025.
(2) The total proposed remuneration band of Tahirah Binti Mohd.Nor for the FYE 2025 will be prorated based on her date of joining our Group.

The above remuneration of our Key Senior Management, which includes salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board.

9.4 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and Key Senior Management has been involved in any of the following (whether in or outside Malaysia):

(i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed *(and not struck out)* against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of key senior management;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) in the last 10 years, was charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgement was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on such person's part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) in the last 10 years, such person was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on such person's part that relates to the capital market;

(vi) the subject of any order, judgement or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;

(vii) in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or

(viii) there is any unsatisfied judgement against such person.

9.5 ASSOCIATION OR FAMILY RELATIONSHIP BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there is no other family relationship and/or association between any of our Promoters, Substantial Shareholders, Directors and Key Senior Management as at the LPD:

(i) Dato' Abdul Hamid Bin Sh Mohamed, who is our Non-Independent Non-Executive Chairman, is appointed by Ekuiti Nasional Berhad. Following the completion of the Shareholders' Restructuring, Dato' Abdul Hamid Bin Sh Mohamed will be acting as our Non-Independent Non-Executive Chairman nominated by PNB.

(ii) Aliff Omar Bin Mohamad Omar, who is our Non-Independent Non-Executive Director, is a nominee of ECSB. Aliff Omar Bin Mohamad Omar is also a director of TKSB, ECSB and E-Cap 2. Following the completion of the Shareholders' Restructuring, Aliff Omar Bin Mohamad Omar will be acting as our Non-Independent Non-Executive Director nominated by PNB.

9.6 OTHER MATTERS

(i) No other amount has been paid or benefit given within the 2 years preceding the date of this Prospectus, nor is it intended to be paid or given, to our Promoters and Substantial Shareholders except for the dividends paid to our shareholder.

(ii) Save for the Transfer of Orkim Shares as detailed in Section 6.1.3(ii) of this Prospectus which PNB will become our controlling shareholder, there is no arrangement which operation may result in the change in control of our Company at a date subsequent to our IPO and our Listing.

(iii) Our Promoters and Substantial Shareholders have no different voting rights from our other shareholders.

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions

There are no material related party transactions entered or to be entered into by our Group which involves the interests, direct or indirect, of our Directors, major shareholders and/or persons connected with them, during the Financial Years under Review and up to the LPD.

Please refer to Section 11.1.2 for non-material related party transactions entered into by our Group during the Financial Years under Review and up to the LPD, involving entities which are our suppliers.

Our Directors confirm that there are no material related party transactions that have been entered by our Group that involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, among others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. Where necessary, our Board would make appropriate disclosure in our annual report with regard to any related party transaction entered into by us.

10.1.2 Related party transactions entered into that are unusual in their nature or conditions

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party for the Financial Years under Review and up to the LPD.

10.1.3 Outstanding loans and/or financial assistance (including guarantees of any kind) made to or for the benefit of related parties

Our Group has not granted any loans or financial assistance (including guarantees of any kind) to or for the benefit of our related parties in respect of the Financial Years under Review and up to the LPD.

Nonetheless, there were outstanding shareholders' advances from TKSB during the Financial Years under Review as follows:

10. RELATED PARTY TRANSACTIONS (*Cont'd*)

Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
• Orkim • TKSB	TKSB is our Promoter and sole shareholder as at the LPD	Receipt of shareholder's advances	57,651 (Represents 15.2% of the Group's NA as at 31 December 2022)	-	-

The shareholder's advances carried interest rates ranging from 8% to 15% per annum, benchmarked against TKSB's internal rate of return. These rates reflected the unsecured nature of the advances and the absence of fixed repayment terms. TKSB and Orkim deemed the terms reasonable, taking into account the ad-hoc and short-term nature of the advances, as well as the intention to incentivise early repayment. Accordingly, the advances were considered to be on an arm's length basis. The outstanding amount was fully repaid in 2023.

In addition, ECSB has provided letters of undertaking ("**Undertakings**") to Bank Pembangunan Malaysia Berhad ("**BPMB**") in relation to our wholly-owned subsidiary, OENE. No consideration was paid to ECSB, as it is our indirect major shareholder. Under the terms of the Undertakings, ECSB's obligations will cease upon: (i) its effective shareholding in our Company falling below 51.0%; and (ii) BPMB receiving written notice of such change from us, ECSB, or OENE.

Following the Listing, we do not intend to enter into similar transactions with our related parties.

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.2.1 Audit Committee review

Our Audit Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or Group. The Audit Committee reviews the procedures set by our Company to monitor related party transactions to ensure the integrity of these transactions, procedures or course of conducts. In reviewing the related party transactions, the following, among other things, will be considered:

(i) the rationale and the cost/benefit to our Company is first considered;

(ii) where possible, comparative quotes will be taken into consideration;

(iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and

(iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by the Audit Committee shall be reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interests between our Group and the related parties with whom our Group has entered into such transactions. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing at arm's length with our Group and are not detrimental to our non-interested shareholders.

In addition, we will maintain a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situation and intend for the framework to be guided by the Listing Requirements and MCCG upon our Listing. The procedures which form part of the framework include, among other things, the following:

(i) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and

(ii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to the Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

11.1.1 Involvement of our Directors and Substantial Shareholders in entities which carry on a similar trade as our Group

As at the LPD, our Directors and Substantial Shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as our Group.

11.1.2 Involvement of our Directors and Substantial Shareholders in entities which are our customers and/or suppliers

Save as disclosed below, as at the LPD, our Directors and Substantial Shareholders do not have any interest, direct or indirect, in any entities which are the customers and/or suppliers of our Group:

Name of company	Principal activity	Director and substantial shareholder	Nature of Transaction	Nature of interest
ENSB	ENSB is principally involved in providing services for website and domain hosting, networking, appliances and server management services.	**Substantial shareholder** ECSB **Director** Aliff Omar Bin Mohamad Omar	Provision of computer software and related IT support services to our Group	• ENSB is a subsidiary of Exabytes Capital Group Sdn Bhd, which is an associated company of ECSB via its interest held in E-Cap (Internal) Three Sdn Bhd and Premier Connexion Sdn Bhd • ECSB is our Promoter and Substantial Shareholder • Aliff Omar Bin Mohamad Omar, our Non-Independent Non-Executive Director, is also a director of ENSB and Exabytes Capital Group Sdn Bhd
International Paint Sdn Bhd ("**IPSB**")	IPSB is principally involved in sales of marine and protective paints and coatings	**Substantial Shareholder** PNB	Provision of dry-docking paint to our Group	• IPSB is a wholly-owned subsidiary of Akzo Nobel Paints (M) Sdn Bhd, which is an associate company of PNB • PNB will become our Substantial Shareholder following the completion of the Shareholders' Restructuring
UMW Industrial Power Services Sdn Bhd ("**UMW Industrial**")	UMW Industrial is principally involved in providing total power solutions	**Substantial Shareholder** PNB	Provision of vessels' spare parts to our Group	• UMW Industrial is a subsidiary of Sime Darby Berhad, of which PNB and the UTFs are collectively holding a 44.43% interest (PNB's direct interest in the company is 4.46%) • PNB will become our Substantial Shareholder following the completion of the Shareholders' Restructuring

Our Board is of the view that any potential conflict of interest situation that may arise as a result of the interests of ECSB and PNB in ENSB, IPSB and UMW Industrial (collectively, the "**Related Suppliers**") respectively, which were our Group's suppliers during the Financial Years Under Review, has been mitigated or eliminated as the transactions with the Related Suppliers are transacted on an arm's length basis and on normal commercial terms which are not more favourable to them than those generally available to third parties.

In addition, our Group is not dependent on the Related Supplier as there are other suppliers of the same services, and the total amount transacted with the Related Supplier during the Financial Years Under Review and up to the LPD is not material.

As set out in Section 10.2.1 of this Prospectus, our Audit Committee will review any conflict of interest situation that may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions on management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts to ensure that any such transactions are carried out on terms that are not detrimental to our Group and is in the best interest of our Group. Any future dealings with parties in which the Directors and the Substantial Shareholders have interest, direct or indirect, will be based on established procedures for related party transactions to ensure that they are carried out on an arm's length basis and in accordance with the Listing Requirements in respect of related party transactions.

Notwithstanding, the interests that are held by our Directors and Substantial Shareholders and the interests that may be held by our Directors and Substantial Shareholders in the future in other businesses or corporations which are carrying on a similar trade as our Group and/or our customers or suppliers may give rise to a conflict of interest situation with our business. Although such interests may give rise to a conflict of interest situation, our Directors and Substantial Shareholders and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions will be carried out on arm's length basis and on normal commercial terms.

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Declaration by CIMB

CIMB, being the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries, related and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus.
In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other clients in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of our Group.

Notwithstanding the above, CIMB is of the view that there is no conflict of interest in respect of its capacity as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO due to the following:

(i) CIMB is a licensed investment bank and its appointment as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO is in the ordinary course of its business and CIMB does not receive or derive any financial interest or benefits, save for the professional fees received in relation to the aforementioned appointment for our Listing and our IPO;

(ii) the conduct of the CIMB Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013, the CMSA and the CIMB Group's own internal controls and checks; and

(iii) CIMB is required under its investment banking license to comply with applicable laws, regulations and guidelines issued by the relevant authorities governing its business, which require, among others, clear segregation between dealing and advisory activities, implementation of the "Chinese Wall" policies between different business divisions and the formation of an independent committee to review its business operations.

As at the LPD, CIMB is not aware of any existing or potential conflict of interest or any circumstance which would give rise to a conflict of interest in respect of its capacity as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO.

Accordingly, CIMB confirms that there is no conflict of interest situation in its capacity as the Principal Adviser for our Listing and the Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO.

11.2.2 Declaration by RHB IB

RHB IB confirms that there is no existing or potential conflict of interest in its capacity as the Joint Bookrunner and Joint Underwriter to our Company for our IPO.

RHB IB, our Joint Bookrunner and Joint Underwriter, and its related companies ("**RHB Banking Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the RHB Banking Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our Directors, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other, and accordingly, there may be situations where parts of the RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the RHB Banking Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions. The related companies of RHB IB may also subscribe for our IPO Shares to be offered under the Institutional Offering.

Notwithstanding the above, RHB IB is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Joint Bookrunner and Joint Underwriter for our IPO due to the following reasons:

(i) RHB IB is a licensed investment bank and its appointment as the Joint Bookrunner and Joint Underwriter is in the ordinary course of its business. RHB IB does not receive or derive any financial interest or benefit save for the professional fees received in relation to the aforesaid appointment; and

(ii) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act, 2013, Islamic Financial Services Act, 2013, CMSA and the RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

RHB IB confirms that there is no existing and potential conflict of interest in its capacity as the Joint Bookrunner and Joint Underwriter for our IPO.

11.2.3 Declaration by EY

EY confirms that there is no existing or potential conflict of interest situation in its capacity as the Auditors and Reporting Accountants to our Company for our IPO.

11.2.4 Declaration by Mah-Kamariyah & Philip Koh

Mah-Kamariyah & Philip Koh confirms that there is no existing or potential conflict of interest situation in its capacity as the legal adviser to our Company for our IPO.

11.2.5 Declaration by Christopher & Lee Ong

Christopher & Lee Ong confirms that there is no existing or potential conflict of interest situation in its capacity as the legal adviser to the Joint Bookrunners, Managing Underwriter and Joint Underwriters for our IPO.

11.2.6 Declaration by Vital Factor

Vital Factor confirms that there is no existing or potential conflict of interest situation in its capacity as the IMR for our IPO.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The historical consolidated financial information for the FYE 2022, 2023 and 2024 presented below have been derived from the Accountants' Report included in Section 13 of this Prospectus ("**Consolidated Financial Statements**").

The historical results for any prior financial years are not necessarily indicative of results to be expected for a full financial year or any future financial years.

The following historical consolidated financial information should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" set out in Section 12.2 of this Prospectus and the Accountants' Report set out in Section 13 of this Prospectus.

Selected consolidated statements of profit or loss and other comprehensive income data

	FYE		
	Audited		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Revenue	315,577	302,579	316,589
Cost of sales	(221,336)	(188,476)	(201,810)
GP	**94,241**	**114,103**	**114,779**
Other income	3,158	298	1,456
Administrative expenses	(8,445)	(9,333)	(9,528)
Gain/(loss) on disposal of PPE	(32,345)	-	4,481
Results from operating activities	56,609	105,068	111,188
Finance costs	(28,353)	(24,329)	(18,203)
Finance income	353	1,139	1,027
PBT	**28,609**	**81,878**	**94,012**
Income tax	(668)	(831)	(1,106)
PAT(1)	**27,941**	**81,047**	**92,906**

<u>Other selected financial data</u>

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
GP margin (%)(2)	29.9%	37.7%	36.3%
EBITDA(3)	106,523	155,882	170,085
Adjusted EBITDA(3)	138,868	155,882	165,604
EBITDA Margin (%)(4)	33.8%	51.5%	53.7%
Adjusted EBITDA Margin (%)(5)	44.0%	51.5%	52.3%
PBT margin (%)(6)	9.1%	27.1%	29.7%
PAT margin (%)(7)	8.9%	26.8%	29.3%
Adjusted PBT margin (%)(8)	19.3%	27.1%	28.3%
Adjusted PAT margin (%)(9)	19.1%	26.8%	27.9%
Basic and diluted EPS (sen)(10)	2.79	8.10	9.29

Notes:

(1) The PAT of our Group is wholly attributable to owners of our Company as there is no non-controlling interest.
(2) Computed based on GP divided by revenue.
(3) EBITDA is calculated as PBT plus finance costs and depreciation and amortisation, less finance income. Adjusted EBITDA is calculated as EBITDA plus loss on disposal of PPE, less gain on disposal of PPE. See below for details of computation as well as information regarding the use of non-MFRS measures.
(4) Computed based on EBITDA divided by revenue.
(5) Computed based on Adjusted EBITDA divided by revenue.
(6) Computed based on PBT divided by revenue.
(7) Computed based on PAT divided by revenue.
(8) Computed based on Adjusted PBT divided by revenue. See below for details of computation of Adjusted PBT.
(9) Computed based on Adjusted PAT divided by revenue. See below for details of computation of Adjusted PAT.
(10) Computed based on PAT divided by our enlarged issued Shares of 1,000,000,000 upon our Listing.

EBITDA, Adjusted EBITDA, EBITDA margin and Adjusted EBITDA margin are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the MFRS or IFRS. EBITDA, Adjusted EBITDA, EBITDA margin and Adjusted EBITDA margin are not measures of our financial performance or liquidity under the MFRS or IFRS and should not be considered as alternatives to PAT or any other performance measures derived in accordance with the MFRS or IFRS or as alternatives to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA, Adjusted EBITDA, EBITDA margin and Adjusted EBITDA margin are not standardised terms, and hence, a direct comparison of similarly titled measures between companies may not be possible. Other companies may calculate EBITDA, Adjusted EBITDA, EBITDA margin and Adjusted EBITDA margin differently from us, limiting its usefulness as a comparative measure.

The following table reconciles the PBT to EBITDA and Adjusted EBITDA for the Financial Years Under Review:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
PBT	28,609	81,878	94,012
Add/(Less):			
Finance costs	28,353	24,329	18,203
Depreciation and amortisation	49,914	50,814	58,897
Finance income	(353)	(1,139)	(1,027)
EBITDA	**106,523**	**155,882**	**170,085**
Add/(Less):			
Loss/(Gain) on disposal of PPE	32,345	-	(4,481)
Adjusted EBITDA	**138,868**	**155,882**	**165,604**

For illustrative purposes only, assuming the gain/loss on disposal of PPE which is one-off in nature is excluded from the respective financial years, our adjusted PBT and PAT and for the Financial Years Under Review would be as follows:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
PBT	28,609	81,878	94,012
Add/(Less):			
Loss/(Gain) on disposal of PPE	32,345	-	(4,481)
Adjusted PBT	**60,954**	**81,878**	**89,531**
Income tax	(668)	(831)	(1,106)
Adjusted PAT	**60,286**	**81,047**	**88,425**

Selected consolidated statements of financial position data

	As at 31 December		
	Audited		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Total non-current assets	790,807	773,914	769,825
Total current assets	120,754	93,947	123,191
Total assets	911,561	867,861	893,016
Total non-current liabilities	363,076	314,079	257,360
Total current liabilities	168,432	92,682	91,650
Total liabilities	531,508	406,761	349,010
Net assets	380,053	461,100	544,006
Net current assets	(47,678)	1,265	31,541
Equity			
Share capital	44,335	44,335	44,335
Retained earnings	335,718	416,765	499,671
Total equity	380,053	461,100	544,006
Other selected financial data			
Total borrowings	432,453	364,434	310,779
Gearing ratio (times)[(1)]	1.1	0.8	0.6

Note:

(1) Computed based on total borrowings over total equity as at the end of the financial year.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

12.2.1 Overview of our business

We own and operate marine vessels, namely product tankers and LPG tankers, providing marine transportation services for CPP and LPG.

Please refer to Section 7 of this Prospectus for further information on our business operations.

12.2.2 Significant factors affecting our financial condition and results of operations

Significant factors that had affected and are expected to continue to affect our financial condition and results of operations are as follows:

(i) Our ability to generate revenue is dependent on securing contracts, vessel utilisation, charter rates and prevailing market conditions

Our business performance is dependent on our ability to secure new chartering contracts and renew existing ones. We provide marine transportation services primarily based on chartering contracts secured. We enter into various types of chartering contracts with customers, including Time Charters, CVC, COA, and spot charters.

The contract types, duration, and pricing mechanisms influence the variability of our earnings. Time Charters, CVC and COA contracts generally offer a more stable and recurring income base, while spot charters are more sensitive to short-term market fluctuations. Although spot charters are exposed to higher volatility, they also allow us to capture higher freight rates during periods of favourable market conditions.

Our ability to secure contracts is dependent on several factors, including our track record, the reliability and availability of our fleet, market demand for petroleum product transportation services, and prevailing charter rates. These factors may be affected by broader economic conditions, fluctuations in domestic oil demand, customer requirements, and new regulatory developments impacting our industry.

To remain competitive, we must maintain a high fleet availability and minimise downtime through continuous investment in vessel maintenance while ensuring compliance with operational standards. Our average vessel utilisation rate was 88.3%, 91.4% and 92.0% in FYE 2022, FYE 2023 and FYE 2024 respectively, reflecting our operational efficiency and ability to meet customer requirements. Sustaining high vessel utilisation is critical to optimising earnings from our fleet. Failure to meet contractual performance requirements may result in penalties, non-renewal of existing contracts, or loss of future business opportunities. Our order book includes recurring business from long-standing customers including oil majors. Nevertheless, future contract awards may be subject to competitive tender processes and negotiations with customers, as well as the fleet expansion plans of our Group.

(ii) The significant capital expenditure required for acquiring new vessels to expand our business presents a financial risk, potentially impacting our cash flow and increasing our debt burden

Our business requires substantial capital investments and ongoing operating expenses to ensure the continued viability and performance of our fixed assets, which are mainly marine vessels, to fulfil our contracted services. We have cumulatively invested approximately RM1.0 billion in our existing fleet of 17 marine vessels as at 31 December 2024. Our vessels are required to undergo mandatory dry docking to ensure our vessels comply with relevant regulatory requirements as well as for operational efficiency and safety. This is reflected in our cumulative investment in dry docking of approximately RM203.5 million as of 31 December 2024.

Moving forward, expansion of our fleet forms a key part of our business growth strategy, which will, in turn, increase our dry-docking expenses. If we fail to obtain sufficient funding for the purchase of vessels and the associated operational expenses, including safety and maintenance obligations, our business expansion and financial performance may be adversely affected.

(iii) Fluctuations in bunker prices

For our marine transportation operations, we enter into various types of chartering contracts with customers, including Time Charters, CVC, COA, and spot charters. The cost structure and risk exposure under each contract differ, particularly in relation to bunker costs, which constitute a significant component of our operating expenditures.

Bunker costs have historically represented a material portion of our total voyage and vessel operating costs. The table below sets out the bunker fuel costs incurred by our Group as a percentage of our total cost of sales for the Financial Years Under Review:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Bunker fuel costs	62,227	38,761	40,155
Total cost of sales	221,336	188,476	201,810
% of our total cost of sales	28.1	20.6	19.9

Bunker prices are influenced by a multitude of factors including global supply-demand dynamics, geopolitical events, regulatory changes, currency fluctuations, and macroeconomic conditions. Any significant or prolonged increase in bunker prices may adversely affect our operating costs, particularly under contracts where we bear the fuel cost. The table below sets out our average cost of bunker fuel per metric tonne which are the types of fuel we primarily purchase and consume for our vessel operations for the Financial Years Under Review:

	FYE		
	2022	**2023**	**2024**
	RM	**RM**	**RM**
Average purchase cost of bunker fuel per metric tonne	4,077	3,218	2,936

Under Time Charter contracts, bunker costs are borne entirely by the charterers, and we are only responsible for vessel operation and maintenance. For CVC and COA contracts, we bear the bunker cost; however, these contracts include a bunker adjustment mechanism that allows us to pass through most of the fuel price variations to customers. Under spot charter contracts, we are fully responsible for all bunker costs incurred during the voyage, and charges to customers are quoted on an all-in basis. As such, we are exposed to fluctuations in bunker prices between the time of rate quotation and actual voyage execution, and a significant or sustained increase in bunker prices beyond our budgeted levels may impact our profit margins.

(iv) Our reliance on debt financing exposes us to potential increases in interest rates, which could significantly impact our profitability and cash flow

We rely on borrowings primarily to fund vessel acquisitions. All of our borrowings are interest-bearing, and our finance costs mainly comprise interest charges or profit rate payments on credit facilities. During the Financial Years Under Review, our finance costs also include interest expenses incurred from advances from corporate shareholder, which has been fully repaid.

As at 31 December 2024, our total bank borrowings amounted to RM310.8 million, comprising RM259.2 million in floating rate facilities and RM51.6 million in fixed rate facilities. Our finance costs have declined over the Financial Years Under Review, from RM28.4 million in FYE 2022 to RM24.3 million in FYE 2023, and further to RM18.2 million in FYE 2024. This decrease was mainly due to the repayment of term loans and the full settlement of amounts owing to our corporate shareholder.

We have established a Sukuk programme of RM1.0 billion in nominal value in February 2025, pursuant to which we issued a RM300.0 million Sukuk in the same month. The issuance was carried out in 2 tranches; (i) RM200.0 million with a fixed coupon rate of 4.48% and a tenure of 7 years, and (ii) RM100.0 million with a fixed coupon rate of 4.32% and a tenure of 5 years.

Any future increase in borrowings, interest rates and/or profit rate payments may have a material impact on our finance costs and overall financial performance.

12.2.3 Critical accounting estimates and judgements

Our significant accounting policies are set out in Note 2 of the Accountants' Report in Section 13 of this Prospectus. Save as disclosed in Note 3, there are no other key assumptions regarding the future, nor other significant sources of estimation uncertainty for the Financial Years Under Review, that are expected to result in a material adjustment to the carrying amounts of our Group's assets and liabilities in the next financial year.

Furthermore, there were no critical judgments made by management in the process of applying the accounting policies of our Group that have a significant effect on the amounts recognised in the financial statements.

12.2.4 Accounting standards issued but not yet effective and not early adopted

We have not adopted any accounting standards issued but not yet effective and not early adopted.

12.2.5 Accounting policies which are peculiar to our Group

We have not adopted any accounting policies which are peculiar to our Group because of the nature of our business or the industry in which we operate.

12.2.6 Results of operations

Principal components of our consolidated statement of comprehensive income

Revenue

Our revenue is primarily derived from the provision of marine transportation services for CPP and LPG, which form the core of our business operations. These services are provided under 2 principal types of chartering contracts, Time Charters and voyage charters.

Under a Time Charter contract, our vessel is hired for a fixed period, and the charterer pays a daily rate for the use of the vessel, regardless of the number of voyages performed. The charterer bears voyage-related expenses such as bunker and port charges, while we remain responsible for the crewing and technical management of the vessel. In contrast, voyage charters involve the transportation of cargo from a specific loading port to a designated discharge port for a fixed fee.

The CPP marine transportation segment is our principal revenue driver, supported by a fleet of 15 CPP tankers as at the LPD. This segment operates under a mix of Time Charter and voyage charter contracts and has consistently contributed over 90% of our total revenue during the Financial Years Under Review. The LPG marine transportation segment, serviced by 2 LPG tankers under existing Time Charter contracts, provides a smaller but stable revenue stream and contributes to our service diversification.

In addition, we derive a small portion of revenue from shipbroking services, which involve arranging vessel charters between cargo owners and vessel operators. These services are ad-hoc in nature and do not represent a material segment of our business.

Our revenue is influenced by key operating metrics such as vessel utilisation rates and average daily charter rates. High utilisation reflects effective deployment and operational reliability of our fleet and is critical to maximising revenue generation. For the Financial Years Under Review, our average fleet utilisation rates were 88.3% in FYE 2022, 91.4% in FYE 2023, and 92.0% in FYE 2024, reflecting high vessel availability and our ability to meet customer requirements.

The average daily charter rate, calculated based on revenue per vessel operating day, provides a benchmark of pricing performance across different charter types. Time Charters typically yield lower daily rates, while voyage charters may command higher rates due to their exposure to voyage-specific risks, and the inclusion of voyage-related expenses such as bunker and port charges, which are borne by us, being the vessel owner.

12. FINANCIAL INFORMATION *(Cont'd)*

The following table sets out the breakdown of our revenue for the Financial Years Under Review:

	FYE					
	Audited					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
CPP marine transportation						
Voyage charter(1)	184,561	58.4	146,988	48.6	170,275	53.8
Time Charter	107,160	34.0	131,416	43.4	121,131	38.2
LPG marine transportation(2)	22,958	7.3	22,753	7.5	24,607	7.8
Total marine transportation	**314,679**	**99.7**	**301,157**	**99.5**	**316,013**	**99.8**
Shipbroking services	**898**	**0.3**	**1,422**	**0.5**	**576**	**0.2**
Total revenue	**315,577**	**100.0**	**302,579**	**100.0**	**316,589**	**100.0**

Notes:

(1) Includes CVC, COA, and spot charters.
(2) Primarily operating under Time Charter contracts.

The following table sets out the average vessel utilisation and daily charter rate for the Financial Years Under Review:

	FYE		
	2022	2023	2024
Number of operating vessels	**22**	**18**	**18**
CPP tankers	20(1)	16	16(1)
LPG tankers	2	2	2
Total operating days of all vessels (days)	6,193	6,007	5,867
Total available days of all vessels (days)	7,011	6,570	6,374
Average vessel utilisation(2)	**88.3%**	**91.4%**	**92.0%**
Average daily charter rate (RM)(3)	**50,812**	**50,134**	**53,863**

Notes:

(1) Including 4 CPP tankers that were disposed during FYE 2022, and 1 CPP tanker that was disposed during FYE 2024.
(2) Computed based on the total number of operating days divided by the total number of available days of the vessels for the respective financial years.
(3) Computed based on revenue divided by the total number of operating days.

Cost of sales

Our cost of sales consists of 2 primary components: (i) vessel operating costs, and (ii) voyage costs. Vessel operating costs are incurred across all types of charters and represent the ongoing expenses required to keep our vessels operational, seaworthy, and in compliance with regulatory requirements. These include depreciation and amortisation, crew wages and benefits, spare parts and maintenance, insurance, and other supporting expenses such as inspections, safety management, and vessel communication systems. These costs are relatively fixed in nature and do not vary significantly with voyage activity levels.

In contrast, voyage costs are incurred when our vessels are operating under voyage charters, where we as the vessel owner, are responsible for voyage-related expenses. These include bunker costs, port charges (such as pilotage, port dues and custom clearance fees), and other voyage-specific items. Voyage costs are typically not incurred under Time Charters, where the charterer is responsible for bunker and port-related expenses. As such, the composition and magnitude of our cost of sales are influenced by our charter mix. A higher proportion of voyage charters generally results in higher voyage costs and greater variability in total cost of sales.

The following table sets out the major components of our cost of sales as a percentage of our total cost of sales for the Financial Years Under Review:

	FYE					
	Audited					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Vessel operating costs						
Depreciation and amortisation	49,248	22.3	49,861	26.5	58,108	28.8
Crew costs	60,374	27.3	53,807	28.5	53,962	26.7
Spare parts, repairs and maintenance(1)	14,261	6.4	17,705	9.4	18,286	9.1
Insurance	8,777	4.0	8,038	4.2	7,851	3.9
Others(2)	6,065	2.7	6,364	3.4	6,056	3.0
Total vessel operating costs	**138,725**	**62.7**	**135,775**	**72.0**	**144,263**	**71.5**
Voyage costs						
Bunker	62,227	28.1	38,761	20.6	40,155	19.9
Port charges(3)	18,798	8.5	12,185	6.5	16,020	7.9
Other voyage costs(4)	1,586	0.7	1,755	0.9	1,372	0.7
Total voyage costs	**82,611**	**37.3**	**52,701**	**28.0**	**57,547**	**28.5**
Total cost of sales	**221,336**	**100.0**	**188,476**	**100.0**	**201,810**	**100.0**

Notes:

(1) Includes consumables such as lubricants, cleaning materials, and general supplies used in vessel operations and maintenance.

(2) Includes expenses related to surveys and inspections, vessel safety and quality management, as well as IT-related services.

(3) Includes charges imposed by port authorities and terminal operators such as pilotage, port dues and custom clearance fees.

(4) Includes survey costs, fresh water costs, cargo and bunker testing costs, and tank cleaning expenses.

GP and GP margin

The following table sets out the breakdown of our GP and GP margin for the Financial Years Under Review:

	FYE					
	Audited					
	2022		2023		2024	
	RM'000	GP margin %	RM'000	GP margin %	RM'000	GP margin %
CPP marine transportation[(1)]	86,346	29.6	104,881	37.7	106,298	36.5
LPG marine transportation[(2)]	6,997	30.5	7,800	34.3	7,905	32.1
Total marine transportation	**93,343**	**29.7**	**112,681**	**37.4**	**114,203**	**36.1**
Shipbroking services	**898**	**100.0**	**1,422**	**100.0**	**576**	**100.0**
Total	**94,241**	**29.9**	**114,103**	**37.7**	**114,779**	**36.3**

Notes:

(1) Includes Time Charter, CVC, COA, and spot charters.
(2) Primarily operating under Time Charter contracts.

Other income

Other income mainly includes gains on foreign exchange, as well as insurance claims. These income are generally incidental to our core business operations and may fluctuate depending on external factors such as exchange rate movements and the timing of insurance claim recoveries.

The following table sets out the breakdown of our other income for the Financial Years Under Review:

	FYE					
	Audited					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Gain on foreign exchange	-	-	155	52.0	729	50.1
Insurance claims[(1)]	2,227	70.5	137	46.0	725	49.8
Others[(2)]	931	29.5	6	2.0	2	0.1
Total	**3,158**	**100.0**	**298**	**100.0**	**1,456**	**100.0**

Notes:

(1) For FYE 2022 and FYE 2024, insurance claims mainly under loss of hire claims relating to vessel maintenance. For FYE 2023, insurance claims mainly under protection and indemnity, relating to crew claims.
(2) Mainly includes refund of insurance premium paid from vessel disposed.

Administrative expenses

Administrative expenses comprise of overhead costs associated with our corporate and support functions. These include professional fees, staff costs, utilities, office and rental expenses, travel, and other general administrative expenditures incurred in the course of managing and supporting our operations. Staff costs under administrative expenses relate primarily to personnel based at our headquarters and do not include crew costs for our vessels, which are accounted for separately under cost of sales.

The following table sets out the breakdown of our administrative expenses for the Financial Years Under Review:

	FYE					
	Audited					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Professional fees	2,499	29.6	3,431	36.8	3,703	38.9
Staff costs	221(1)	2.6	2,000	21.4	2,219	23.3
Utilities and upkeep of facilities	685	8.1	916	9.8	928	9.7
Depreciation(2)	666	7.9	953	10.2	789	8.3
Travelling expenses	-	-	461	4.9	640	6.7
Bank charges	907	10.7	565	6.1	346	3.6
Loss on foreign exchange	2,789	33.0	157	1.7	-	-
Others(3)	678	8.1	850	9.1	903	9.5
Total	**8,445**	**100.0**	**9,333**	**100.0**	**9,528**	**100.0**

Notes:

(1) Due to the reversal of overprovision on the bonus.
(2) Comprises depreciation of plant and equipment, as well as right-of-use assets.
(3) Mainly includes insurance expenses, pre-acquisition assessment costs for vessels, office expenses, and rental expenses.

Gain/(loss) on disposal of PPE

Gain/(loss) on disposal of PPE primarily relates to the disposal of vessels. In FYE 2022, we recognised a loss of RM32.3 million arising from the disposal of 4 CPP tankers. In contrast, a gain of RM4.5 million was recorded in FYE 2024 from the disposal of 1 CPP tanker. There was no disposal activity in FYE 2023.

Finance costs

Finance costs represent interest expenses incurred on borrowings and lease liabilities. These include term loans obtained mainly for vessel acquisitions, as well as advances from corporate shareholder in FYE 2022 and FYE 2023. Lease liabilities relate to lease arrangements for our office headquarters. The decline in finance costs over the years is primarily due to the full settlement of advances from corporate shareholder and the progressive repayment of bank borrowings.

The following table sets out the breakdown of our finance costs for the Financial Years Under Review:

	FYE					
	Audited					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on:						
Borrowings and advances from corporate shareholder	28,339	99.9	24,299	99.9	18,153	99.7
Lease liabilities	14	0.1	30	0.1	50	0.3
Total	**28,353**	**100.0**	**24,329**	**100.0**	**18,203**	**100.0**

Finance Income

Finance income primarily comprises of interest earned from deposits and other cash balances. The amount of finance income may vary from year to year depending on the level of cash reserves and prevailing interest rates.

Income tax expense

Our tax expense includes both current and deferred tax. Current tax relates to tax payable on taxable income for the year, while deferred tax arises from temporary differences between the accounting and tax treatments of certain assets and liabilities.

During the Financial Years Under Review, our Group incurred minimal tax expense as the majority of our profits were derived from the operation of Malaysian-registered vessels, which are exempted from income tax under Section 54A of the ITA. Accordingly, most of our marine transportation income is not subject to tax. Further details on the tax exemptions are provided in Note 20 of Section 13 of this Prospectus. The current exemption is effective up to year of assessment 2026, pursuant to the Income Tax (Exemption for Malaysian Ship) Order 2024 [P.U.(A)184/2024], subject to meeting the minimum substance requirements relating to local operating expenditure and employment.

Our tax expense primarily relates to non-exempt income sources such as shipbroking services and interest income, which are taxed at the domestic statutory tax rate of 24% on the estimated assessable profit for the year. The following table sets out our current and deferred tax expense for the Financial Years Under Review:

	FYE		
	Audited		
	2022	2023	2024
	RM'000	RM'000	RM'000
Current tax expense	637	1,224	882
Deferred tax (benefit)/expense	31	(393)	224
Total tax expense	**668**	**831**	**1,106**
Profit before tax	28,609	81,878	94,012
Effective tax rate(1) (%)	2.3	1.0	1.2

Note:

(1) Computed as total tax expense divided by profit before tax.

12.2.7 Review of the performance for the FYE 2023 compared to FYE 2022

The following table presents selected financial information from our consolidated statement of comprehensive income for the Financial Years Under Review:

	FYE				
	2022		**2023**		**%**
	RM'000	**%**	**RM'000**	**%**	**change**
Revenue	315,577	100.0	302,579	100.0	(4.1)
Cost of sales	(221,336)	(70.1)	(188,476)	(62.3)	(14.8)
GP	**94,241**	**29.9**	**114,103**	**37.7**	**21.1**
Finance and other income	3,511	1.1	1,437	0.5	(59.1)
Administrative expenses	(8,445)	(2.7)	(9,333)	(3.1)	10.5
Gain/(loss) on disposal of PPE	(32,345)	(10.2)	-	-	
Finance costs	(28,353)	(9.0)	(24,329)	(8.0)	(14.2)
PBT	**28,609**	**9.1**	**81,878**	**27.1**	**186.2**
Income tax expense	(668)	(0.2)	(831)	(0.3)	24.4
PAT	**27,941**	**8.9**	**81,047**	**26.8**	**190.1**

Revenue

Our revenue decreased by RM13.0 million or 4.1% to RM302.6 million in FYE 2023 (FYE 2022: RM315.6 million). This was mainly due to the decrease in revenue from CPP marine transportation operations which decreased by RM13.3 million following the staggered disposal of 4 CPP tankers during FYE 2022. The reduction in fleet size led to a decrease in total operating days from 6,193 in FYE 2022 to 6,007 in FYE 2023, a reduction of 186 days or approximately 3.0%. These vessels, built between 2005 and 2008, were disposed as part of our fleet rejuvenation efforts. The disposals followed the earlier delivery of 5 new vessels in FYE 2021 and formed part of our Group's ongoing strategy to modernise and enhance the efficiency of its fleet.

The decrease in revenue was partially offset by an improvement in overall utilisation, with our Group's vessel utilisation rate increasing from 88.3% to 91.4%. The higher utilisation was contributed by a change in chartering mix, with a higher proportion of vessels employed under long-term CVC charters in FYE 2023, compared to spot charters, which provided greater operational stability and vessel utilisation. In addition, the number of dry-docking days for the newer vessels delivered in FYE 2021 was lower compared to the ageing vessels disposed, resulting in a higher overall number of operating days for our Group's vessels.

Revenue from the provision of shipbroking services increased by RM0.5 million or 58.4% to RM1.4 million in FYE 2023 (FYE 2022: RM0.9 million), arising from higher services rendered as requested by a customer.

Cost of sales

For FYE 2023, our cost of sales decreased by RM32.9 million or 14.8% to RM188.5 million (FYE 2022: RM221.3 million). The decrease in cost of sales was contributed by a decrease in voyage costs by RM29.9 million or 36.2% to RM52.7 million in FYE 2023 (FYE 2022: RM82.6 million), mainly due to lower bunker costs resulting from the following:

(i) the reduction in fleet size in FYE 2023 following the disposal of 4 CPP tankers in FYE 2022;

(ii) a decrease in spot charter contracts, where we bear the bunker costs; and

(iii) lower global oil prices in FYE 2023.

These factors contributed to the decrease in bunker costs by RM23.5 million or 37.7% to RM38.8 million in FYE 2023 (FYE 2022: RM62.2 million).

In addition, vessel operating costs decreased by RM3.0 million or 2.1% to RM135.8 million in FYE 2023 (FYE 2022: RM138.7 million), mainly due to lower crew cost following the staggered disposal of 4 CPP tankers. This was reflected in a decrease in average number of crews from 382 crews in FYE 2022 to 355 crews in FYE 2023.

The decrease in the vessel operating costs was partially offset by higher expenditure on spare parts for repair and maintenance, in line with the upkeep requirements for the remaining fleet during FYE 2023.

GP and GP margin

Our GP increased by RM19.9 million or 21.1% to RM114.1 million in FYE 2023 (FYE 2022: RM94.2 million), mainly driven by the higher GP contribution from our CPP marine transportation operations. This was driven by lower voyage costs, particularly bunker costs following the disposal of the 4 CPP tankers and a decrease in spot charter contracts, resulting in lower bunker costs incurred. Furthermore, the decline in global oil prices also contributed to lower bunker costs.

Our GP margin improved from 29.9% in FYE 2022 to 37.7% in FYE 2023, mainly due to lower voyage costs as described above. In addition, the GP margin improvement was also partly attributed to the improvement in vessel utilisation, which increased from 88.3% in FYE 2022 to 91.4% in FYE 2023, resulting in more efficient revenue generation across the fleet.

Finance and other income

Our finance and other income decreased by RM2.1 million or 59.1% to RM1.4 million in FYE 2023 (FYE 2022: RM3.5 million). This was mainly due to a decrease in insurance claims by RM2.1 million in FYE 2023 and a refund of insurance premium paid from vessel disposed in FYE 2022.

This was partially offset by an increase in finance income of RM0.8 million, attributable to higher interest income earned from the proceeds arising from the disposal of vessels.

Administrative expenses

Our administrative expenses increased by RM0.9 million or 10.5% to RM9.3 million in FYE 2023 (FYE 2022: RM8.4 million) mainly attributable to an increase in staff costs by RM1.8 million, which was due to low staff costs in FYE 2022 arising from the reversal of overprovision on the bonus. In addition, the increase in administrative expenses was also attributed to an increase in professional fees by RM0.9 million, and travelling expenses of RM0.5 million incurred in FYE 2023. This was partially offset by a decrease in foreign exchange losses by RM2.6 million.

Gain/(loss) on disposal of PPE

In FYE 2022, we recorded a loss on disposal of PPE of RM32.3 million, relating to the disposal of 4 CPP tankers as part of our fleet rejuvenation plan.

Finance costs

Our finance costs decreased by RM4.0 million or 14.2% to RM24.3 million in FYE 2023 (FYE 2022: RM28.4 million), mainly due to a RM3.5 million reduction in interest expense on term loans attributable to the lower outstanding loan balances in FYE 2023.

PBT, PAT and effective tax rate

Our PBT increased by RM53.3 million or 186.2% to RM81.9 million in FYE 2023 (FYE 2022: RM28.6 million), while the PBT margin improved from 9.1% in FYE 2022 to 27.1% in FYE 2023. Similarly, our PAT increased by RM53.1 million or 190.1% to RM81.0 million in FYE 2023 (FYE 2022: RM27.9 million), while PAT margin improved from 8.9% in FYE 2022 to 26.8% in FYE 2023.

The improvements in PBT and PAT were mainly due to higher GP and finance income, as well as lower finance costs in FYE 2023. In addition, the absence of a loss on disposal of PPE in FYE 2023 also contributed to the increase in PBT and PAT (FYE 2022: loss of RM32.3 million arising from the disposal of the 4 CPP tankers).

For FYE 2022 and FYE 2023, our effective tax rate was 2.3% and 1.0% respectively, which were both lower than the statutory tax rate of 24.0%, as profits derived from our Malaysian-registered vessel operations are exempted from income tax under Section 54A of the ITA. Please refer to Note 20 of Section 13 of this Prospectus for further details.

12.2.8 Review of the performance for the FYE 2024 compared to FYE 2023

The following table presents selected financial information from our consolidated statement of comprehensive income for the Financial Years Under Review:

	FYE				
	2023		**2024**		**%**
	RM'000	**%**	**RM'000**	**%**	**change**
Revenue	302,579	100.0	316,589	100.0	4.6
Cost of sales	(188,476)	(62.3)	(201,810)	(63.7)	7.1
GP	**114,103**	**37.7**	**114,779**	**36.3**	0.6
Finance and other income	1,437	0.5	2,483	0.8	72.8
Administrative expenses	(9,333)	(3.1)	(9,528)	(3.0)	2.1
Gain/(loss) on disposal of PPE	-	-	4,481	1.4	
Finance costs	(24,329)	(8.0)	(18,203)	(5.7)	(25.2)
PBT	**81,878**	**27.1**	**94,012**	**29.7**	**14.8**
Income tax expense	(831)	(0.3)	(1,106)	(0.3)	33.1
PAT	**81,047**	**26.8**	**92,906**	**29.3**	**14.6**

Revenue

Our revenue increased by RM14.0 million or 4.6% to RM316.6 million in FYE 2024 (FYE 2023: RM302.6 million), mainly driven by higher revenue from our CPP marine transportation operations. The revenue from CPP marine transportation operations increased by RM13.0 million, supported by an increase in the overall average DCR which increased by 7.7% to about RM53,900 per day in FYE 2024 (FYE 2023: RM50,100 per day). The higher average DCR was mainly attributed to a greater share of marine transportation activities undertaken under CVC contracts, which generally command higher rates compared to Time Charter contracts. This was reflected in the increase in revenue of voyage charter by RM23.3 million or 15.8% to RM170.3 million in FYE 2024 (FYE 2023: RM147.0 million).

The increase in our revenue was also contributed by higher revenue from the LPG marine transportation segment, which increased by RM1.9 million or 8.1% to RM24.6 million in FYE 2024 (FYE 2023: RM22.8 million). This was derived from additional spot charter contracts secured for LPG marine transportation prior to the commencement of a new long-term Time Charter contract. These contracts were secured with higher rates, contributing to the overall increase in revenue.

Cost of sales

For the FYE 2024, our cost of sales increased by RM13.3 million or 7.1% to RM201.8 million (FYE 2023: RM188.5 million), contributed by the following:

(i) increase in vessel operating costs by RM8.5 million or 6.3% to RM144.3 million in FYE 2024 (FYE 2023: RM135.8 million), mainly attributed to higher depreciation and amortisation costs. This increase reflects the higher capitalisation of dry-docking costs in FYE 2023 and FYE 2024, in line with our ongoing fleet maintenance and rejuvenation programme to ensure operational efficiency. Dry-docking costs are capitalised as they extend the useful life of the vessels or enhance their functionality and are subsequently depreciated over time. The resulting depreciation is recognised as part of cost of sales, as the vessels are directly used in the provision of marine transportation services.

(ii) increase in voyage costs by RM4.8 million or 9.2% to RM57.5 million in FYE 2024 (FYE 2023: RM52.7 million), mainly attributed to higher port charges and bunker costs. This was driven by an increase in CPP marine transportation services under CVC contracts, where we are responsible for the voyage-related costs. This is also reflected in the revenue growth of 15.8% from the voyage charter for our CPP marine transportation operations in FYE 2024.

GP and GP margin

Despite our revenue increasing by 4.6% in FYE 2024, our GP remained relatively stable with a slight increase of RM0.7 million or 0.6% to RM114.8 million in FYE 2024 (FYE 2023: RM114.1 million) as a result of a higher cost of sales as detailed above. This also resulted in a marginal decline in GP margin from 37.7% in FYE 2023 to 36.3% in FYE 2024.

Finance and other income

Our finance and other income increased by RM1.0 million or 72.8% to RM2.5 million in FYE 2024 (FYE 2023: RM1.4 million). This was mainly due to the higher insurance claims of RM0.7 million during FYE 2024 (FYE 2023: RM0.1 million).

In addition, there was a RM0.6 million increase in foreign exchange gains in FYE 2024 arising from favourable currency movement on the settlement of foreign currency-denominated purchases of spare parts and bunker fuels.

Administrative expenses

Our administrative expenses increased by RM0.2 million or 2.1% to RM9.5 million in FYE 2024 (FYE 2023: RM9.3 million) mainly attributable to an increase in professional fees by RM0.3 million and increase in staff costs by RM0.2 million. This was partially offset by a decrease in bank charges of RM0.2 million.

Gain/(loss) on disposal of PPE

In FYE 2024, we recorded a gain on disposal of PPE of RM4.5 million, relating to the disposal of 1 CPP tanker as part of our fleet rejuvenation plan.

Finance costs

Our finance costs decreased by RM6.1 million or 25.2% to RM18.2 million in FYE 2024 (FYE 2023: RM24.3 million). This was mainly attributable to lower interest expense on borrowings following the full settlement of amount owing to corporate shareholder, as well as repayment of term loans.

PBT, PAT and effective tax rate

Our PBT increased by RM12.1 million or 14.8% to RM94.0 million in FYE 2024 (FYE 2023: RM81.9 million), while PBT margin improved from 27.1% in FYE 2023 to 29.7% in FYE 2024. Similarly, our PAT increased by RM11.9 million or 14.6% to RM92.9 million in FYE 2024 (FYE 2023: RM81.0 million), while PAT margin improved from 26.8% in FYE 2023 to 29.3% in FYE 2024.

The improvements in PBT and PAT were mainly attributable to lower finance costs, as well as a one-off gain of RM4.5 million arising from the disposal of a CPP tanker in FYE 2024.

For FYE 2024, our effective tax rate was 1.2%, which was lower than the statutory tax rate of 24.0%, as profits derived from our Malaysian-registered vessel operations are exempted from income tax under Section 54A of the ITA. The current exemption is effective up to the year of assessment 2026, pursuant to the Income Tax (Exemption for Malaysian Ship) Order 2024 (P.U. (A) 184), subject to meeting certain minimum requirements. Please refer to Note 20 of Section 13 of this Prospectus for further details.

12.2.9 Liquidity and capital resources

(i) Working capital

Our business is funded through a combination of internal and external sources of funds. Internal sources comprise shareholders' equity and cash generated from our operations, while external sources are mainly banking facilities from financial institutions and our Sukuk.

As at 31 December 2024, our cash and bank balances were RM57.8 million and our total borrowings were RM310.8 million. We have also established a Sukuk programme of RM1.0 billion in nominal value in February 2025, pursuant to which we issued a RM300.0 million Sukuk in the same month. As at the LPD, save for the term loans to fund the construction of Orkim Jade and Orkim Ruby, we do not have any other unutilised borrowing facilities.

As at 31 December 2024, our working capital, calculated as current assets of RM123.2 million minus current liabilities of RM91.7 million, was RM31.5 million.

Based on the above and taking into consideration our funding requirements for our committed capital expenditure, the planned acquisitions of 3 vessels as set out in Section 4.6.1 of this Prospectus, contractual obligations, expected cash flows from operations, cash and bank balances, borrowings, together with the estimated proceeds that we expect to receive from our IPO, our Board believes that we will have sufficient working capital for a period of 12 months from the date of this Prospectus.

(ii) Cash flows

The following is a summary of our consolidated statements of cash flows for the Financial Years Under Review:

	FYE		
	Audited		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Net cash generated from operating activities	130,244	151,089	160,768
Net cash generated from/(used in) investing activities	35,268	(32,183)	(71,104)
Net cash used in financing activities	(105,431)	(148,894)	(82,320)
Net increase/(decrease) in cash and cash equivalents	60,081	(29,988)	7,344
Cash and cash equivalents at the beginning of the financial year	20,398	80,479	50,491
Cash and cash equivalents at the end of the financial year	**80,479**	**50,491**	**57,835**

Our cash and cash equivalents are mainly held in RM. As at the LPD, there are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in cash dividends, loans or advances, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenants.

Net cash generated from operating activities

FYE 2022

For FYE 2022, our net cash generated from operating activities was RM130.2 million. This was based on PBT of RM28.6 million, which was then adjusted for non-cash and other items of RM110.3 million, mainly comprising depreciation of PPE, loss on disposal of CPP tankers, and interest expense on borrowings, as well as working capital changes of RM8.2 million which mainly comprised the following:

(a) decrease in payables of RM13.1 million, which was mainly attributed to lower outstanding balance of trade payables as at 31 December 2022 arising from timely payments and lower maintenance activities required during the FYE 2022; and

(b) increase in inventories of RM0.9 million, which was mainly attributed to the procurement of spare parts for our vessels,

which was partially offset by a decrease in receivables of RM5.8 million, which was mainly attributed to lower outstanding balance of trade receivables as at 31 December 2022 due to improvement in collections.

Our Group also received interest income of RM0.4 million and made tax payment of RM0.8 million.

FYE 2023

For FYE 2023, our net cash generated from operating activities was RM151.1 million. This was based on PBT of RM81.9 million, which was then adjusted for non-cash and other items of RM74.2 million, mainly comprising depreciation of PPE and interest expense on borrowings, as well as working capital changes of RM5.4 million.

The working capital changes mainly comprised an increase in receivables of RM6.5 million, which was mainly due to higher billing recorded in the last quarter of FYE 2023. This was offset by a decrease in inventories of RM1.1 million, which was mainly attributed to the utilisation of spare parts for vessel repair and maintenance during FYE 2023 in line with the increase in spare parts, repairs and maintenance cost by 24.1% to RM17.7 million in FYE 2023 (FYE 2022: RM14.3 million).

Our Group also received interest income of RM1.1 million and made tax payment of RM0.7 million.

FYE 2024

For FYE 2024, our net cash generated from operating activities was RM160.8 million. This was based on PBT of RM94.0 million, which was then adjusted for non-cash and other items of RM71.6 million, mainly comprising depreciation of PPE and interest expense on borrowings, as well as working capital changes of RM3.8 million which mainly comprised the following:

(a) decrease in payables of RM3.1 million, mainly attributed to lower outstanding balance of trade payables as at 31 December 2024 attributed to timely payments driven by reduced maintenance activities; and

(b) increase in receivables of RM0.9 million, mainly attributed to the increase in other receivables arising from insurance claims submitted in FYE 2024,

which was partially offset by a decrease in inventories of RM0.2 million, mainly attributed to a lower inventory of consumables as they were used for our vessel maintenance activities.

Our Group also received interest income of RM1.1 million and made tax payments amounting to RM2.0 million in FYE 2024.

Net cash generated from/(used in) investing activities

FYE 2022

For FYE 2022, our net cash generated from investing activities was RM35.3 million, mainly attributed to the proceeds of RM53.0 million from the disposal of 4 CPP tankers during FYE 2022.

This was partially offset by RM17.7 million attributed to capital expenditures arising from dry-docking activities.

FYE 2023

For FYE 2023, our net cash used in investing activities was RM32.2 million, mainly attributed to the capital expenditure arising from the dry-docking activities.

FYE 2024

For FYE 2024, our net cash used in investing activities was RM71.1 million, mainly attributed to the following:

(a) RM80.0 million used to fund the purchase of PPE. This included the upfront payments of RM43.7 million made for the purchase for new vessels that are under construction, and RM34.3 million for the capital expenditures arising from the dry-docking activities; and

(b) RM20.0 million investment in fixed income unit trust funds.

This was partially offset by proceeds of RM28.5 million from the disposal a CPP tanker during FYE 2024.

Net cash used in financing activities

FYE 2022

For FYE 2022, our net cash used in financing activities was RM105.4 million, mainly attributed to the following:

(a) RM87.1 million used for repayment of borrowings, mainly for the repayment of term loans;

(b) RM28.3 million used for interest paid on borrowings, comprising term loans and advances from a corporate shareholder;

(c) RM5.8 million used for repayment of amount due to a corporate shareholder;

(d) RM1.5 million used for placement of deposit pledged with licensed banks relating to borrowing facilities utilised; and

(e) RM0.3 million used for repayment of lease liability for our office building.

This was partially offset by RM17.6 million in drawdown of term loans mainly used to finance our working capital.

FYE 2023

For FYE 2023, our net cash used in financing activities was RM148.9 million, mainly attributed to the following:

(a) RM85.8 million used for repayment of borrowings, mainly for the repayment of term loans;

(b) RM57.6 million used for the full settlement of amount owing to a corporate shareholder;

(c) RM24.3 million used for interest paid on borrowings, comprising term loans and advances from a corporate shareholder; and

(d) RM0.4 million used for repayment of lease liability for our office building.

This was partially offset by RM17.8 million in drawdown of term loans, mainly used to refinance the earlier acquisition of a CPP tanker, as well as RM1.5 million from the withdrawal of deposits pledged with licensed banks.

FYE 2024

For FYE 2024, our net cash used in financing activities was RM82.3 million, mainly attributed to the following:

(a) RM53.7 million used for repayment of borrowings, mainly for the repayment of term loans;

(b) RM18.2 million used for interest paid on our term loans;

(c) RM10.0 million of dividend paid to our shareholders; and

(d) RM0.5 million used for repayment of lease liability for our office building.

(iii) Borrowings

As at 31 December 2024, our Group's total borrowings amounted to RM310.8 million, as set out below:

Non-current	**Average effective interest rate (%)**	**RM'000**
Term loans(1)	4.5% - 6.2%	257,088
Hire purchase(2)	4.2%	61
Total non-current borrowings		**257,149**
Current		
Term loans(1)	4.5% - 6.2%	53,614
Hire purchase(2)	4.2%	16
Total current		**53,630**
Total borrowings		**310,779**

Notes:

(1) Term loans were utilised to finance vessel construction, refinance vessel acquisition, as well as for working capital purposes. Our term loans are secured by legal charges over the respective vessels.

(2) Hire purchase to finance the purchase of a vehicle

As at 31 December 2024, all our borrowings are denominated in RM, and our Group's floating and fixed rate borrowings are set out below:

	RM'000
Floating rate borrowings (term loans)	259,175
Fixed rate borrowings (term loans and hire purchase)	51,604
Total	**310,779**

The maturity profile and average interest rates of our borrowings as at 31 December 2024 are set out below:

	Within 1 year	**1 -5 years**	**Over 5 years**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Term loans	53,614	194,035	63,053	310,702
Hire purchase	16	61	-	77
Total	**53,630**	**194,096**	**63,053**	**310,779**

We have established a Sukuk programme of RM1.0 billion in nominal value in February 2025, pursuant to which we issued a RM300.0 million Sukuk in the same month. The issuance was carried out in 2 tranches; (i) RM200.0 million with a fixed coupon rate of 4.48% and a tenure of 7 years, and (ii) RM100.0 million with a fixed coupon rate of 4.32% and a tenure of 5 years.

Our Sukuk is subject to the covenant where the consolidated finance to equity ratio of our Group shall not exceed 1.5 times throughout the tenure of the Sukuk so long as any of the Sukuk remain outstanding.

The consolidated finance to equity ratio refers to the ratio of consolidated indebtedness of our Group represented by:

(a) the aggregate outstanding nominal value of the Sukuk; and

(b) (i) all other outstanding indebtedness for Islamic financing and/or borrowed moneys; (ii) fair value of financial derivatives in connection with Islamic financing and/or borrowed moneys; and (iii) any guarantees or contingent liabilities;

to consolidated total equity of our Group.

We have not defaulted on interest or profit rate payments or principal amounts on any of our borrowings during the Financial Years Under Review and up to the LPD. As at the LPD, we are not in breach of any terms and conditions or covenants associated with our borrowings, which could materially affect our financial position and results of operations or the investments in our Shares.

12.2.10 Key financial ratios

Our key financial ratios for the Financial Years Under Review are as follows:

	FYE		
	2022	**2023**	**2024**
Average trade receivable turnover period (days)(1)	30	42	39
Average trade payable turnover period (days)(2)	68	30	23
Average inventory turnover period (days)(3)	101	144	133
Current ratio (times)(4)	0.7	1.0	1.3
Gearing ratio (times)(5)	1.1	0.8	0.6

***Notes**:*

(1) Computed based on the average trade receivables at the beginning and end of the financial year, divided by total revenue excluding revenue from Time Charter (which is paid in advance), multiplied by 365 days.
(2) Computed based on the average trade payables at the beginning and end of the financial year, divided by voyage and vessel operating costs (excluding depreciation and crew-related costs), multiplied by 365 days.
(3) Computed based on the average inventories at the beginning and end of the financial year, divided by costs of inventories recognised as an expense, multiplied by 365 days.
(4) Computed based on current assets over current liabilities as at the end of the financial year.
(5) Computed based on total borrowings over total equity as at the end of the financial year.

(i) Trade receivables

Save for Time Charter contracts which are paid in advance, we deal with our customers on credit terms. The credit period that we generally grant to our customers is 30 days from the invoice date.

Our average trade receivables turnover period was 30 days as at 31 December 2022, 42 days as at 31 December 2023, and 39 days as at 31 December 2024.

For FYE 2022, the average trade receivable turnover period was within the credit terms. For FYE 2023 and FYE 2024, the higher turnover days relative to our standard credit terms were due to minor payment delays as the payments are often subject to validation of voyage-related documentation.

In FYE 2023, our trade receivables turnover period increased from 30 days as at 31 December 2022 to 42 days as at 31 December 2023, mainly due to slow payment primarily from petroleum product distribution and trading companies, who are our major customers in Malaysia as reflected in the higher proportion of outstanding trade receivables on the back of lower revenue excluding Time Charter, which decreased by 20.0% in FYE 2023.

In FYE 2024, our trade receivables turnover period decreased from 42 days as at 31 December 2023 to 39 days as at 31 December 2024, mainly due to timely collection from customers as reflected in the lower outstanding trade receivables on the back of higher revenue excluding Time Charter, which increased by 16.6% in FYE 2024.

The following table sets out the ageing analysis for our trade receivables as at 31 December 2024:

		Past due			
As at 31 December 2024	**Current**	**1-30 days**	**31-60 days**	**More than 90 days**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trade receivables	-	14,373	1,617	1,032	17,022
% of total trade receivables	-	84.4	9.5	6.1	100.0
As at the LPD:					
Trade receivables collected	-	14,373	1,617	1,032	17,022
Trade receivables collected (% of total trade receivables)	-	84.4	9.5	6.1	100.0
Trade receivables outstanding	-	-	-	-	-

(ii) Trade payables

Generally, the normal credit terms granted by our suppliers ranged from 30 to 90 days, with the exception of some suppliers which require payment in advance and the current turnover days remain within this range.

Our average trade payables turnover period was 68 days as at 31 December 2022, 30 days as at 31 December 2023, and 23 days as at 31 December 2024, which were within the credit terms granted by our suppliers.

In FYE 2023, our average trade payables turnover period decreased from 68 days as at 31 December 2022 to 30 days as at 31 December 2023, mainly due to timely payment to our suppliers. The higher turnover days as at 31 December 2022 were mainly due to a delay in payment to certain service providers as a result of delayed collections from a customer for services provided, as well as a delay in payment to bunker suppliers. The past due trade payables have been subsequently settled.

In FYE 2024, our average trade payables turnover period improved from 30 days as at 31 December 2023 to 23 days as at 31 December 2024, mainly due to timely payment to our suppliers.

The following table sets out the ageing analysis for our trade payables as at 31 December 2024:

		Past due			
As at 31 December 2024	**Current**	**1-30 days**	**31-60 days**	**More than 90 days**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trade payables	957	3,077	363	887	5,284
% of total trade payables	18.1	58.2	6.9	16.8	100.0
As at the LPD:					
Trade payables settled	933	3,077	363	887	5,260
Trade payables settled (% of total trade payables)	17.7	58.2	6.9	16.8	99.5
Trade payables outstanding	24	-	-	-	24

We endeavour to pay our suppliers within the credit period granted to us to ensure our supplies are not disrupted. As at the LPD, we do not have any material disputes or legal proceedings for outstanding payment that have been initiated by our suppliers against us.

(iii) Inventories

A summary of our inventories for the Financial Years Under Review is set out below:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Opening inventories	17,802	18,685	17,565
Closing inventories	18,685	17,565	17,354
Average inventories	18,244	18,125	17,460
Costs of inventories	66,163	46,002	47,902
Average inventory turnover period (days)[(1)]	101	144	133

Note:

(1) Computed based on the average inventories at the beginning and end of the financial year, divided by the costs of inventories recognised as an expense under cost of sales, and multiplied by 365 days.

Our inventory mainly comprises consumables and bunkers for our vessel maintenance and operations. We typically maintain a relatively higher level of inventory as vessels are required to carry critical spare parts to ensure uninterrupted operations.

Our average inventory turnover period increased from 101 days as at 31 December 2022 to 144 days as at 31 December 2023, mainly due to lower cost of inventories, driven by lower bunker costs resulting from the reduced fleet in FYE 2023.

Our average inventory turnover period decreased from 144 days as at 31 December 2023 to 133 days as at 31 December 2024, mainly due to higher cost of inventories attributed to an increase in bunker and consumable costs following higher marine transportation services under the CVC charter.

(iv) Current ratio

A summary of our current ratio for the Financial Years Under Review is set out below:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Current assets	120,754	93,947	123,191
Current liabilities	168,432	92,682	91,650
Current ratio (times)(1)	**0.7**	**1.0**	**1.3**

Note:

(1) Computed based on current assets over current liabilities as at the end of the financial year

Our current ratio increased from 0.7 times as at 31 December 2022 to 1.0 times as at 31 December 2023. This was mainly due to the decrease in current liabilities, arising from the full settlement of amount owing to our corporate shareholder, coupled with an increase in the net cash flow generated from operating activities in FYE 2023.

Our current ratio increased from 1.0 times as at 31 December 2023 to 1.3 times as at 31 December 2024. This was mainly due to the increase in current assets, mainly from investment in unit trust made using surplus funds partly derived from the disposal of a vessel in FYE 2024. The increase of our current ratio was also partly attributed to the decrease in current liabilities, due to a decrease in deferred income following the services rendered pertaining to the upfront payments under Time Charter contracts.

(v) Gearing ratio

A summary of our gearing ratio for the Financial Years Under Review is set out below:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Term loans	432,340	364,341	310,702
Hire purchase	113	93	77
Total bank borrowings	**432,453**	**364,434**	**310,779**
Total equity	380,053	461,100	544,006
Gearing ratio (times)(1)	1.1	0.8	0.6

Note:

(1) Computed based on total borrowings over total equity as at the end of the financial year.

Our gearing ratio decreased from 1.1 times as at 31 December 2022 to 0.8 times as at 31 December 2023, and further decreased to 0.6 times as at 31 December 2024.

This was attributed to the decrease in outstanding balance of term loans due to repayments made and increase in our retained earnings arising from the profitability of our Group, throughout the Financial Years Under Review.

12.2.11 Capital expenditures and material investments and divestitures

Capital expenditures

Our capital expenditures for the Financial Years Under Review and up to the LPD are set out below:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Vessels under construction	-	-	43,708
Dry docking	16,007	31,383	34,288
Vessels	1,589	106	1,347
Computer equipment	87	24	242
Office equipment	-	-	5
Furniture and fittings	2	124	1
Renovation	-	546	-
Motor vehicles	151	-	-
Total	**17,836**	**32,183**	**79,591**

Our capital expenditures were primarily funded via a combination of bank borrowings and internally generated funds.

Our capital expenditure increased by 80.4% from RM17.8 million for the FYE 2022 to RM32.2 million for the FYE 2023, mainly due to higher dry-docking costs to maintain our vessels.

Our capital expenditure increased by 147.3% from RM32.2 million for the FYE 2023 to RM79.6 million for the FYE 2024, mainly due to the vessel construction cost for Orkim Jade and Orkim Ruby of RM43.7 million.

From 1 January 2025 and up to the LPD, our capital expenditure amounted to RM11.9 million, mainly due to upgrading works for the installation of Ballast Water Management System on our vessels, as well as dry-docking costs to maintain our vessels.

Material investments and divestitures

Saved for the disposal of 4 CPP tankers in FYE 2022 and 1 CPP tanker in FYE 2024, the RM20.0 million investment in fixed income unit trust funds in FYE 2024, and the investments set out above, we have not undertaken any material divestitures or investments for the Financial Years Under Review and up to the LPD.

12.2.12 Material commitment for capital expenditures

As at the LPD, our Group's material commitments for capital expenditure are set out below:

	As at 31 December 2024	As at the LPD
	RM'000	RM'000
Approved and contracted for:	167,267	167,267

Our approved and contracted for capital commitments as at the LPD comprise 2 newbuild CPP tankers with a DWT of 14,500 each, pursuant to 2 shipbuilding contracts entered into on 27 March 2024. The estimated construction cost for the 2 newbuild CPP tankers was RM211.0 million, of which RM43.7 million has been paid whilst the remaining RM167.3 million will be funded through bank borrowings.

Save as disclosed above, as at the LPD, there are no material capital commitments incurred or known to be incurred by us that may have a material adverse effect on our results of operations or financial position.

12.2.13 Contingent liabilities

As at the LPD, we do not have any contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

12.2.14 Off-balance sheet arrangements

During the Financial Years Under Review, we do not have any off-balance sheet arrangements that are reasonably likely to have a material effect on our business, financial performance and financial position.

12.2.15 Financial risk management

We are exposed to market risks arising from our operations and use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and fair values. Our overall financial risk management focuses on the unpredictability of markets and seek to minimise potential adverse effects on our financial performance.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Our exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), we minimise credit risk by dealing exclusively with high credit rating counterparties.

Our objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. We trade only with recognised and creditworthy third parties and it is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that our exposure to bad debts is not significant.

For the Financial Years Under Review, our outstanding trade receivables comprise mainly of petroleum product distribution and trading companies who are our major customers. Please refer to Section 7.9 for further details on our major customers, and Section 12.2.10 (i) for further analysis on our trade receivables turnover days.

(ii) Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Our objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

(iii) Interest rate risk

All of our borrowings are interest-bearing obligations. Any hike in interest rates would affect our financial performance. Our finance costs mainly comprise of interest charges on borrowings which include banking facilities granted by bank and financial institutions. As at 31 December 2024, our total borrowings were RM310.8 million, comprising of RM259.2 million in floating rate facilities and the remaining RM51.6 million in fixed rate facilities. For the Financial Years Under Review, our finance costs have been reducing from RM28.4 million in FYE 2022 to RM24.3 million in FYE 2023 and RM18.2 million in FYE 2024. This was mainly attributed to repayment of term loans and the full settlement of amount owing to corporate shareholder.

Interest coverage ratio indicates the number of times a company's earnings before interest and taxes ("**EBIT**") can cover its interest payments. For the Financial Years Under Review, the interest coverage ratio are as follows:

	FYE		
	2022	**2023**	**2024**
EBIT(1) (RM'000)	56,609	105,068	111,188
Adjusted EBIT(2) (RM'000)	88,954	105,068	106,707
Finance costs (RM'000)	28,353	24,329	18,203
Interest coverage ratio (times)(3)	2.0	4.3	6.1
Adjusted interest coverage ratio (times)(4)	3.1	4.3	5.9

***Notes**:*

(1) EBIT is calculated as PBT plus (i) finance costs; less (ii) finance income.
(2) Adjusted EBIT is calculated as EBIT plus (i) loss on disposal of PPE; less (ii) gain on disposal of PPE.
(3) Computed based on EBIT divided by finance costs for the corresponding financial year.
(4) Computed based on Adjusted EBIT divided by finance costs for the corresponding financial year.

With an interest coverage ranged between 2.0 times and 6.1 times, while the adjusted interest coverage ratio ranged between 3.1 times and 5.9 times for the Financial Years Under Review, this indicates that our Group has been able to generate sufficient EBIT to meet our interest payment obligations.

Subsequent to FYE 2024, we have completed the issuance of a Rated Sukuk of RM300.0 million in nominal value (Sukuk Wakalah) in February 2025, pursuant to the Sukuk Programme of up to RM1.0 billion in nominal value based on the Shariah principal of Wakalah Bi Al-Istithmar. The Sukuk Wakalah issuances were completed in 2 tranches in February 2025:

(a) first tranche of RM200 million issued with a fixed coupon rate of 4.48% and tenure of 7 years; and

(b) second tranche of RM100 million issued with a fixed coupon rate of 4.32% and tenure of 5 years.

Any additional drawdown of borrowings or issuance of Sukuk, as well as fluctuations in profit/interest rates, may impact our financial performance. For the Financial Years Under Review and up to the LPD, we have not defaulted on any payments of either principal sums and/or interests in relation to our borrowings.

(iv) Foreign currency risk

During the Financial Years Under Review, we primarily served customers from Malaysia to carry out marine transportation between domestic ports along coastal routes within Malaysia and across some Asian countries. In addition, we also facilitate marine transportation for some foreign customers within Malaysia's coastal areas and across some of the Asian routes.

Our revenue derived from marine transportation operations are transacted in RM and USD. Our business is exposed to the risk of foreign exchange fluctuations, where 18.5%, 20.1%, and 16.7% of our total revenue for the FYE 2022, FYE 2023, and FYE 2024, respectively, were transacted in USD. A portion of our voyage and vessel operating costs (excluding depreciation and crew-related costs) were transacted in foreign currencies, which was mainly USD and SGD, accounted for 61.1%, 65.4% and 68.0% of our total voyage and vessel operating costs for the FYE 2022, FYE 2023, and FYE 2024 respectively. The remaining 38.9%, 34.6%, and 32.0% of our total voyage and vessel operating costs for FYE 2022, FYE 2023, and FYE 2024 were denominated in RM, mainly comprises spare parts, repairs and maintenance. Any adverse changes in exchange rates between RM, USD and SGD would have an adverse effect on our financial performance.

The table below demonstrates the sensitivity of our PAT to a 10% strengthening of Malaysian Ringgit against the USD and SGD as at the end of the reporting year, with all other variables, in particular interest rates, held constant:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Effects on PAT			
USD	207	(232)	118
SGD	27	(7)	2

Details of our foreign currency exchange gains and losses during the Financial Years Under Review are as follows:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Realised gain/(loss) on foreign exchange	(2,757)	225	687
- *Realised gain*	*272*	*632*	*952*
- *Realised loss*	*(3,029)*	*(407)*	*(265)*
Unrealised gain/(loss) on foreign exchange	(31)	(227)	42
- *Unrealised gain*	-	*392*	*53*
- *Unrealised loss*	*(31)*	*(619)*	*(11)*
Net gain/(loss)	**(2,788)**	**(2)**	**729**

Our business is subject to risk relating to any unfavourable foreign currency exchange rate fluctuations which could materially affect our financial performance. As at the LPD, we did not utilise any financial instruments for hedging purposes. Nevertheless, there is no assurance that we may not experience adverse financial impact arising from foreign exchange rate fluctuations.

(v) Fair values

We measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measure is unobservable.

Please refer to Section 13 of this Prospectus for further information on our financial risk management objectives and policies.

12.2.16 Seasonality

We do not experience any material seasonality in our business as our business operations are mainly based on contractual arrangements as disclosed in Section 7.14 of this Prospectus.

12.2.17 Impact of inflation

Our cost of sales primarily comprises bunker costs and other voyage and vessel operating expenses, including port charges, crew costs, insurance, and the purchase of spare parts, repairs and maintenance. These costs are influenced by various operating conditions, such as inflation, fluctuations in global crude oil prices (which directly impact bunker costs), supply and demand dynamics, and governmental and environmental regulations, all of which can affect our marine transportation operations.

While inflation did not materially impact our financial performance during the Financial Years Under Review, there can be no assurance that future inflationary pressures will not adversely affect our business and financial performance.

12.2.18 Estimated contract value

As at the LPD, we have 17 vessels operating under various charter contracts as follows:

	Time Charters	**CVC**	**COA**	**Total**
Number of vessels as at LPD	8	5	4	17
% of total number of vessels	*47%*	*29%*	*24%*	*100%*

Under a Time Charter contract, we charge the charterer an agreed fixed DCR over the contract period. As at the LPD, 47% of our vessels are operating under Time Charters contracts. The estimated contract value of the Time Charters contracts, comprising both firm periods and extension options, is up to RM656 million and the details of which are set out below:

	Contract end date	Remaining estimated contract value as at the LPD RM'million
Firm period contract value	Up to July 2027	180
Potential contract value assuming extension options are exercised	Up to July 2032	476
Total estimated contract value		**656**

The above total estimated contract value assumes full utilisation of the remaining contracted charter period and extension options for the respective contracts are fully exercised by our customers. Excluding the period under extension options, the estimated firm period contract value amounts to RM180 million. The actual revenue to be recognised under these contracts may vary depending on the number of off-hire days during the contract period, and as such, the actual revenue derived may differ from the estimated contract value above. There can also be no assurance that renewal options will be exercised by our customers.

In addition to Time Charters, we have also entered into CVC and COA contracts. These contract types generally do not specify fixed routes or volumes in advance, as they are contingent upon the customer's scheduling requirements, designated routes, and cargo needs at the time of execution. As such, we are unable to accurately quantify the order book value for these types of contracts. Nevertheless, these arrangements remain an important component of our revenue mix and contribute to our fleet utilisation and earnings. As at the LPD, 53% of our vessels are operating under CVC and COA contracts.

For FYE 2024, revenue contributed by voyage charter contracts (including CVC, COA, and spot contracts) amounted to RM172.5 million, which accounted for 54.5% of our total revenue, while revenue from Time Charter contracts amounted to RM143.5 million, which accounted for 45.3% of our total revenue.

12.2.19 Trends information

Save as disclosed in this section and in Sections 5, 7, and 8 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events and factors that are reasonably likely to have a material effect on our business, financial condition and results of operations.

12.2.20 Significant changes/events

Saved as disclosed elsewhere in this Prospectus, no significant changes have occurred which may have a material effect on our financial position and results of operations since 31 December 2024.

12.2.21 Material litigation

Neither we nor our subsidiaries are engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

12.2.22 Types of financial instruments used, treasury policies and objectives

As at the LPD, save for the Sukuk, our Group does not utilise any other financial instruments.

Our main treasury policy is to maintain sufficient working capital to finance our operations and coupled with adequate credit facilities to meet our operational expenditures and financial liabilities. Our Group's operations are mainly funded through cash generated from our operations and external sources of capital such as issuance of share capital, credit facilities (comprising term loans from financial institutions and the Sukuk), and credit terms extended by our trade suppliers. The normal credit term granted by our suppliers ranges from 30 days to 90 days for the FYE 2024, with the exception of some suppliers which require payment in advance and the current turnover days remain within this range. We review and manage our capital structure to maintain our gearing ratio at an optimal level based on our business requirements and prevailing economic conditions.

12.2.23 Government / economic / fiscal / monetary policies

Our Group is subject to the risks of government, economic, fiscal, or monetary policies, where any unfavourable change may materially affect our business operations, financial performance and prospects.

For the Financial Years Under Review and up to the LPD, our results were not materially adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies.

For information on government, economic, fiscal or monetary policies or factors which could materially affect our Group's operations, see Section 5 of this Prospectus.

12.3 CAPITALISATION AND INDEBTEDNESS

The table below presents our capitalisation and indebtedness as at 31 May 2025 and on the assumption that our IPO, our Listing and the use of proceeds from our Public Issue as set out in Section 4 of this Prospectus had occurred on 31 May 2025.

The pro forma financial information below does not represent our actual capitalisation and indebtedness as at the 31 May 2025 and is provided for illustrative purposes only.

	As at 31 May 2025		**After our IPO, Listing and Use of Proceeds**
	Unaudited	**Adjustments[(1)]**	**Pro forma**
	RM'000	**RM'000**	**RM'000**
Indebtedness			
Current			
Secured and guaranteed			
Borrowing	17,476	-	17,476
Unsecured and unguaranteed			
Lease liabilities	487	-	487
Non-current			
Secured and guaranteed			
Borrowing[(2)]	359,625	-	359,625
Unsecured and unguaranteed			
Lease liabilities	11	-	11
Total indebtedness	**377,599**	**-**	**377,599**
Total equity / capitalisation	**528,412**	**[•]**	**[•]**[(1)]
Total capitalisation and indebtedness	**906,011**	**[•]**	**[•]**

Note:

(1) Calculated after taking into account, amongst others, the proceeds raised from our Public Issue based on the Retail Price and the estimated listing expenses of approximately RM[•] million as at 31 May 2025.

(2) After netting off the unamortised transaction cost of approximately RM1.6 million.

12.4 DIVIDEND POLICY

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, our Group does not have any formal dividend policy.

The dividend that our Board may recommend or declare in any particular financial year will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors, including:

(i) our level of cash, gearing and return on equity and retained earnings;

(ii) our expected financial performance;

(iii) our projected levels of capital expenditure and other investment plans;

(iv) our working capital requirements; and

(v) any contractual restrictions and/or commitments.

We target a payout ratio ranging from 40% to 70% of our PAT attributable to owners of our Company of each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our cash requirements or any plans approved by our Board.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements regarding our future dividends subject to modifications (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. See Section 5 of this Prospectus for factors which may affect or restrict our ability to pay dividends.

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, we or our subsidiary are not subject to dividend restrictions.

The following table sets out the dividends declared and paid for the Financial Years Under Review, and the corresponding dividend payout ratio:

	FYE		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Dividends declared	-	-	10,000[(1)]
Dividends paid	-	-	10,000[(1)]
PAT	27,941	81,047	92,906
Dividend payout ratio [(2)]	-	-	10.8%

***Notes**:*

(1) Dividend declared on 19 March 2024 in respect of FYE 2023 and paid in FYE 2024.
(2) Computed based on dividends paid divided by PAT.

In addition to the above, our Group has declared a dividend of RM50.0 million on 25 March 2025 for the FYE 2024, with the dividend payment made on 15 April 2025. Based on the PAT of RM92.9 million for FYE 2024, this represents a dividend payout ratio of approximately 53.8%.

For the Financial Years Under Review and up to the LPD, the dividend paid was funded through internally generated funds from operations and is not expected to have any impact on the execution and implementation of our Group's future plans or strategies. As at the LPD, our Group's cash and bank balances is RM117.1 million.

Our Group is also expected to declare and pay additional interim dividends in respect of its financial performance for FYE 2025, prior to the Listing ("**Pre-IPO Dividends**"). The quantum of the Pre-IPO Dividends has not been determined at this juncture, but the payout ratio is not expected to exceed that of the preceding financial year i.e. approximately 53.8%. The Pre-IPO Dividends will be funded from internally generated funds and is not expected to have any impact on the execution and implementation of our Group's future plans or strategies.

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12.5 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

DRAFT FOR PURPOSE OF INCLUSION IN THE PROSPECTUS EXPOSURE

The Board of Directors
Orkim Berhad
Level 15, Menara TSR,
No.12, Jalan PJU 7/3.
Mutiara Damansara, Petaling Jaya,
47810 Selangor.

Dear Sirs

Orkim Berhad ("Orkim" or "The Company")

Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of the Company and its subsidiaries (collectively known as the "Group") prepared by the Directors. The pro forma financial information consists of the pro forma consolidated statement of financial position as at 31 December 2024 and the related notes as set out in Appendix A, of the Prospectus issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia and described in Note 2 in Appendix A of the pro forma financial information.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the event or transaction set out in Notes 2.1 and 2.2 in Appendix A of the pro forma financial information on the Group's financial position as at 31 December 2024. As part of this process, information about the consolidated statement of financial position has been extracted by the Directors from the relevant financial statements for the year ended 31 December 2024, on which audit reports have been published.

The Directors' Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

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Our Independence and Quality Management

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

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

Our Responsibilities

Our responsibility is to express an opinion, as required by the Securities Commission Malaysia, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements and International Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants and International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted consolidated financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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Our Responsibilities (Cont'd.)

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company and its subsidiaries, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria as set out in Note 2 in Appendix A.

Other Matters

This letter is issued for the sole purpose of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia in connection with the Listing. Our work had been carried out in accordance with Malaysian Approved Standard on Assurance Engagements and International Standard on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Listing described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Listing.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Kim Ling
No. 03236/04/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
[ ]

APPENDIX A

ORKIM BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Audited As at 31 December 2024 RM'000	Subsequent Events RM'000	Pro Forma I RM'000	IPO and related Listing expenses RM'000	Pro Forma II RM'000
Assets						
Non-current assets						
Plant and equipment		768,275		768,275		768,275
Goodwill		518		518		518
Right-of-use asset		630		630		630
Deferred tax asset		402		402		402
		769,825		769,825		769,825
Current assets						
Inventories		17,354		17,354		17,354
Receivables		20,629		20,629		20,629
Contract assets		6,093		6,093		6,093
Tax recoverable		1,280		1,280		1,280
Investment		20,000		20,000		20,000
Cash and bank balances	4.1	57,835	19,791	77,626	[•]	[•]
		123,191		142,982		[•]
Total assets		893,016		912,807		[•]
Equity and Liabilities						
Equity						
Share capital	4.2	44,335		44,335	[•]	[•]
Retained earnings	4.3	499,671	(50,000)	449,671	[•]	[•]
Total equity		544,006		494,006		[•]

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APPENDIX A

ORKIM BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D.)

	Note	Audited As at 31 December 2024 RM'000	Subsequent Events RM'000	Pro Forma I RM'000	IPO and related Listing expenses RM'000	Pro Forma II RM'000
Equity and Liabilities (cont'd.)						
Liabilities						
Non-current liabilities						
Borrowings	4.4	257,149	114,621	371,770		371,770
Lease liability		211		211		211
		257,360		371,981		371,981
Current liabilities						
Borrowings	4.4	53,630	(44,830)	8,800		8,800
Lease liability		487		487		487
Deferred income		3,775		3,775		3,775
Payables		33,758		33,758		33,758
		91,650		46,820		46,820
Total liabilities		349,010		418,801		418,801
Total equity and liabilities		893,016		912,807		[•]
No. of share in issue ('000)		38,835		38,835	961,165	1,000,000
Net assets (RM'000)		544,006		494,006		[•]
Net assets per share (RM)		14.01		12.72		[•]

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APPENDIX A

ORKIM BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

1. INTRODUCTION

The pro forma consolidated statements of financial position as at 31 December 2024 have been prepared for inclusion in the prospectus in connection with the initial public offering of ordinary shares in the Company and the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing") and should not be relied upon for any other purposes.

The pro forma consolidated statements of financial position as at 31 December 2024 have been prepared for illustrative purposes only to show the effects of the transactions as set out in notes 2.1 and 2.2 had the transactions been effected on 31 December 2024. The pro forma consolidated statements of financial position may not, because of their nature, give a true picture of the Group's actual financial position. Further, such financial information does not purport to predict the future financial position of the Group.

2. BASIS OF PREPARATION

The pro forma consolidated statements of financial position as at 31 December 2024 have been compiled based on the audited financial statements of the Group as at 31 December 2024 and in a manner consistent with the format of the audited consolidated financial statements and the accounting policies adopted by the Group as set out in the Accountants' Report. The audited consolidated financial statements of the Group as at 31 December 2024 were prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

2.1 Subsequent Events

Subsequent to 31 December 2024, the Company had completed the issuance of RM300.0 million nominal value Rated Sukuk ("Sukuk Wakalah"), repayment of borrowings of RM228,597,000 and declaration and payment of dividend of RM50,000,000.

2.2 IPO and Listing

2.2.1 The Subdivision

The subdivision of all existing Ordinary shares in the company ("Shares") in issue of 38,835,000 Shares into 900,000,000 Shares. It involves the subdivision of every 1 existing Share into approximately 23.17 Shares in the Company.

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APPENDIX A

ORKIM BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

2. BASIS OF PREPARATION (CONT'D)

2.2 IPO and Listing (cont'd.)

2.2.2 IPO and Listing

The IPO and Listing will involve the following:

(a) The public issue of 100,000,000 new ordinary shares in the Company ("Issue Shares") representing approximately 10.0% of the enlarged issued Shares of the Company, at an issue price of [•] per Issue Share.

(b) Listing of and quotation for the enlarged issued share capital of the Company, comprising 1,000,000,000 shares, on the Main Market of Bursa Malaysia Securities Berhad.

3. PRO FORMA ADJUSTMENTS

The pro forma consolidated statements of financial position as at 31 December 2024 have been prepared solely for illustrative purposes only to show the effects of the following transactions based on the assumptions that they have been effected on 31 December 2024:

3.1 Pro Forma I

After incorporating the effects of the subsequent events as set out in note 2.1 above. The details are as follows:

3.1.1 Repayment of borrowing

Subsequent to year end, the Group fully settled borrowings amounting to RM219,921,000, which have initial contractual repayment terms of more than 12 months from the date of settlement. In addition to that, the Group repaid existing borrowings in accordance to the repayment terms amounting to RM8,676,000.

3.1.2 Issuance of Sukuk

On 28 February 2025, the Company completed the issuance of Sukuk Wakalah under its Sukuk Wakalah Programme of up to RM1.0 billion, based on the Shariah principle of Wakalah Bi Al-Istithmar. The issuance of Sukuk Wakalah of RM300.0 million has been drawndown and debt issuance cost amounting to RM1,612,000 relating to the issuance of Sukuk Wakalah.

APPENDIX A

ORKIM BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

3. PRO FORMA ADJUSTMENTS (CONT'D.)

3.1 Pro Forma I (cont'd.)

3.1.3 Declaration and payment of Dividend

On 25 March 2025, the Directors have declared and paid an interim single tier dividend of RM1.29 on 38,835,000 ordinary shares amounting to RM50,000,000.

3.2 Pro Forma II

After incorporated the cumulative effects of Pro Forma I and IPO and Listing as set out in note 2.2 above.

The estimated expenses totalling [•] comprise professional fees, fees to authorities, underwriting, placement and brokerage fees and miscellaneous expenses. From the estimated expenses of [•], [•] is assumed to be directly attributable to the issuance of new shares and will be set-off against equity. The remaining [•] is assumed to be attributable to the Listing and will be charged out to profit or loss.

The proceeds from the IPO as stated in the prospectus in relation to the IPO, will be utilised as follows:

No	Details of use of proceeds	Estimated timeframe for utilisation upon Listing	RM'000	%
1.	Purchase of vessels	Within 24 months	[•]	[•]
2.	Working capital	Within 12 months	[•]	[•]
3.	Estimated listing expenses	Within 3 months	[•]	[•]
	Total		[•]	[•]

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APPENDIX A

ORKIM BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

4. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

4.1 Cash and cash equivalents

	Note	RM'000
As at 31 December 2024		57,835
Add: Net proceed from Sukuk issuance	3.1.2	298,388
Less: Repayment of borrowing	3.1.1	(228,597)
Less: Declaration and payment of dividend	3.1.3	(50,000)
As per Pro Forma I		77,626
Add: Proceeds from Public Issuance	2.2.2 (a)	[•]
Less: Utilisation of proceeds:		
- estimated transaction cost to share issuance	3.2	[•]
- estimated listing Expenses	3.2	[•]
As per Pro Forma II		[•]

4.2 Share Capital

	Note	Number of Ordinary Shares ('000)	RM'000
As at 31 December 2024/ As per Pro Forma I		38,835	44,335
Add: The subdivision	2.2.1	861,165	-
Add: Shares issued under the Public Issue	2.2.2 (a)	100,000	[•]
Less: Estimated transaction cost to share issuance	3.2	-	[•]
As per Pro Forma II		1,000,000	[•]

APPENDIX A

ORKIM BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

4. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

4.3 Retained profits

	Note	RM'000
As at 31 December 2024		499,671
Less: Declaration of dividend	3.1.3	(50,000)
As per Pro Forma I		449,671
Less: Item expensed off to the statement of profit or loss and other comprehensive income:		
- estimated listing Expenses	3.2	[•]
As per Pro Forma II		[•]

4.4 Term Loans

	Note	Non-Current Liabilities RM'000	Current Liabilities RM'000	Total RM'000
As at 31 December 2024		257,149	53,630	310,779
Add: Issuance of Sukuk Wakalah	3.1.2	298,388	-	298,388
Less: Repayment of borrowings	3.1.1	(183,767)	(44,830)	(228,597)
As per Pro Forma I/ As per Pro Forma II		371,770	8,800	380,570

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ORKIM BERHAD

200701009090 (767092-X)

(Incorporated in Malaysia)

Consolidated Financial Statements for 31 December 2022, 31 December 2023 and 31 December 2024

Orkim Berhad
(Incorporated in Malaysia)

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Reporting Accountants' Opinion on the Consolidated Financial Statements Contained in the Accountants' Report of Orkim Berhad

Opinion

We have audited the consolidated financial statements of Orkim ("the Company") and its subsidiaries (collectively referred to as "Orkim Group" or "the Group") which comprises consolidated statements of financial position as at 31 December 2022, 31 December 2023 and 31 December 2024, consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flow for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024, and material accounting policy information and other explanatory notes as set out in pages 5 to 57. This historical consolidated financial statements has been prepared for inclusion in the prospectus in connection with the initial public offering ("IPO") and the listing of the Company. on the Main Market of Bursa Malaysia Securities Berhad (the "Listing") for the Company.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 31 December 2023, and 31 December 2024 and of its financial performance and its cash flows for each of the financial years ended 31 December 2022, 31 December 2023, and 31 December 2024 in accordance with the MFRS Accounting Standards and IFRS Accounting Standards.

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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 audit opinion.

Independence and Other Ethical Responsibilities

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

Directors' Responsibilities for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

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

Reporting Accountants' Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group 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 consolidated financial statements.

Shape the future
with confidence

Reporting Accountants' Responsibilities for the Audit of Consolidated 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:

- Identify and assess the risks of material misstatement of the consolidated financial statements of the Group, 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements of the Group 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements of the Group, including the disclosures, and whether the consolidated financial statements of the Group 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.

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Other matters

We report that the significant subsequent events identified by the Group since 31 December 2024, the reporting date of the most recent audited consolidated financial statements to the date of this report, are as disclosed in Note 30 to the consolidated financial statements.

Restriction on distribution and use

This report is made solely for inclusion in the prospectus of the Company in connection with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Kim Ling
No. 03236/04/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
18 July 2025

Orkim Berhad
(Incorporated in Malaysia)

Consolidated statements of financial position
As at 31 December 2024, 31 December 2023 and 31 December 2022

	Note	2024 RM'000	2023 RM'000	2022 RM'000
Assets				
Non-current assets				
Plant and equipment	4	768,275	771,685	789,855
Goodwill	5	518	518	518
Right-of-use asset	10	630	1,085	201
Deferred tax asset	13	402	626	233
		769,825	773,914	790,807
Current assets				
Inventories	7	17,354	17,565	18,685
Receivables	6	20,629	22,071	17,183
Contract assets	16	6,093	3,704	2,303
Tax recoverable		1,280	116	604
Investment	8	20,000	-	-
Cash and bank balances	9	57,835	50,491	81,979
		123,191	93,947	120,754
Total assets		893,016	867,861	911,561

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants, Kuala Lumpur.
For identification purpose only.

Orkim Berhad
(Incorporated in Malaysia)

Consolidated statements of financial position
As at 31 December 2024, 31 December 2023 and 31 December 2022 (cont'd.)

	Note	2024 RM'000	2023 RM'000	2022 RM'000
Equity attributable to owners of the parent				
Share capital	11	44,335	44,335	44,335
Retained earnings		499,671	416,765	335,718
Total equity		544,006	461,100	380,053
Liabilities				
Non-current liabilities				
Borrowings	12	257,149	313,381	363,076
Lease liability	15	211	698	-
		257,360	314,079	363,076
Current liabilities				
Borrowings	12	53,630	51,053	69,377
Lease liability	15	487	462	210
Deferred income	16	3,775	10,507	10,006
Payables	14	33,758	30,660	88,839
		91,650	92,682	168,432
Total liabilities		349,010	406,761	531,508
Total equity and liabilities		893,016	867,861	911,561

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

Orkim Berhad
(Incorporated in Malaysia)

Consolidated statements of comprehensive income
For the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022

	Note	2024 RM'000	2023 RM'000	2022 RM'000
Revenue	17	316,589	302,579	315,577
Cost of sales	17	(201,810)	(188,476)	(221,336)
Gross profit		114,779	114,103	94,241
Other income		1,456	298	3,158
Administrative expenses		(9,528)	(9,333)	(8,445)
Gain/(loss) on disposal of plant and equipment		4,481	-	(32,345)
Results from operating activities		111,188	105,068	56,609
Finance costs		(18,203)	(24,329)	(28,353)
Finance income		1,027	1,139	353
Profit before tax	18	94,012	81,878	28,609
Income tax expense	20	(1,106)	(831)	(668)
Profit net of tax, representing total comprehensive income for the year		92,906	81,047	27,941
Total comprehensive income attributable to:				
Owners of the Company		92,906	81,047	27,941
Earnings per share attributable to owners of the Company (RM)				
Basic	21	2.39	2.09	0.72

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

Orkim Berhad
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Consolidated statements of changes in equity
For the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022

	|--------- Attributable --------- | to owners of the Company		
	Share capital (Note 11) RM'000	**Distributable retained earnings RM'000**	**Total equity RM'000**
At 1 January 2022	44,335	307,777	352,112
Total comprehensive income for the year	-	27,941	27,941
At 31 December 2022/at 1 January 2023	44,335	335,718	380,053
Total comprehensive income for the year	-	81,047	81,047
At 31 December 2023/at 1 January 2024	44,335	416,765	461,100
Total comprehensive income for the year	-	92,906	92,906
Transaction with owners:			
Dividend paid (Note 22)	-	(10,000)	(10,000)
At 31 December 2024	44,335	499,671	544,006

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

Orkim Berhad
(Incorporated in Malaysia)

Consolidated statements of cash flows
For the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022

	2024 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities			
Profit before tax	94,012	81,878	28,609
Adjustments for:			
Depreciation of plant and equipment	58,442	50,353	49,647
Depreciation of right-of-use asset	455	461	267
Finance income	(1,027)	(1,139)	(353)
Interest expense on leases	50	30	14
Interest expense on borrowings	18,153	24,299	28,339
Unrealised exchange (gain)/loss	(42)	227	31
(Gain)/loss on disposal of plant and equipment	(4,481)	-	32,345
Operating profit before changes in working capital	165,562	156,109	138,899
Changes in working capital:			
Inventories	211	1,120	(883)
Receivables	(905)	(6,516)	5,754
Payables	(3,081)	(27)	(13,057)
Cash generated from operations	161,787	150,686	130,713
Interest received	1,027	1,139	353
Income tax paid	(2,046)	(736)	(822)
Net cash generated from operating activities	160,768	151,089	130,244
Cash flows from investing activities			
Purchase of plant and equipment	(79,591)	(32,183)	(17,710)
Proceeds from disposal of plant and equipment	28,487	-	52,978
Placement of investment	(20,000)	-	-
Net cash flows (used in)/generated from investing activities	(71,104)	(32,183)	35,268
Cash flows from financing activities			
Withdrawal/(placement) of deposits pledged with licensed banks	-	1,500	(1,500)
Drawdown of borrowings	-	17,758	17,632
Repayment of borrowings	(53,655)	(85,777)	(87,120)
Repayment of amount due to corporate shareholder	-	(57,651)	(5,822)
Repayment of lease liability	(512)	(425)	(282)
Interest paid	(18,153)	(24,299)	(28,339)
Dividend paid	(10,000)	-	-
Net cash used in financing activities	(82,320)	(148,894)	(105,431)

Orkim Berhad
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Consolidated statements of cash flows
For the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022 (cont'd.)

	2024 RM'000	2023 RM'000	2022 RM'000
Net increase/(decrease) in cash and cash equivalents	7,344	(29,988)	60,081
Cash and cash equivalents at 1 January	50,491	80,479	20,398
Cash and cash equivalents at 31 December (Note 9)	57,835	50,491	80,479

(i) Reconciliation of liabilities arising from financing activities:

	2024 RM'000	2023 RM'000	2022 RM'000
Borrowings:			
As at 1 January	364,434	432,453	501,815
Cash movement:			
Repayment of borrowings	(53,655)	(85,777)	(87,120)
Finance cost	18,153	24,299	28,339
Finance cost paid	(18,153)	(24,299)	(28,339)
Drawdown of borrowings	-	17,758	17,632
Purchase of plant and equipment (Note (ii))	-	-	126
As at 31 December (Note 12)	310,779	364,434	432,453

(ii) Purchase of plant and equipment during the year were by way of:

	2024 RM'000	2023 RM'000	2022 RM'000
Cash	79,591	32,183	17,710
Hire purchase	-	-	126
	79,591	32,183	17,836

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

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Notes to the consolidated financial statements
For the financial years ended 31 December 2024, 31 December 2023 and 31 December 202

1. Corporate information

The Company had converted from a private limited liability company to a public limited liability company and changed its name from Orkim Sdn. Bhd. to Orkim Berhad with effect from 17 July 2025 following the Notice of Conversion from a Private Company to a Public Company issued by the Companies Commission of Malaysia on 17 July 2025, pursuant to Section 41 of the Companies Act 2016. The Company is incorporated and domiciled in Malaysia. The Company is principally engaged in investment holding. There have been no significant changes in the nature of these activities during the financial year.

This Accountants' Report comprises the consolidated financial information of Orkim Berhad ("the Company") and its subsidiaries (collectively referred to as "Orkim Group" or "the Group") which includes the consolidated statements of financial position as at 31 December 2024, 31 December 2023 and 31 December 2022, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022 and material accounting policies and other explanatory notes.

Details of the subsidiaries which the principle place of business and incorporated in Malaysia are as follows:

Name of subsidiary	Principal activities	Effective interest (%) 2024	2023	2022
Orkim Merit Sdn. Bhd. ("OMER")	Ship owners	100	100	100
Orkim Express Sdn. Bhd. ("OEXP")	Ship owners	100	100	100
Orkim Energy Sdn. Bhd. ("OENE")	Ship owners	100	100	100
Orkim Marine Sdn. Bhd. ("OMSB")	Shipping brokers, shipping and freight management	100	100	100
Orkim Ship Management Sdn. Bhd. ("OSMSB")	Shipping brokers, shipping and freight management	100	100	100

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1. Corporate information (cont'd.)

Details of the subsidiaries which the principle place of business and incorporated in Malaysia are as follows: (cont'd.)

Name of subsidiary	Principal activities	Effective interest (%) 2024	2023	2022
Delmar Marine Venture Sdn. Bhd. ("DMVSB")	Ship owners	100	100	100
Orkim Leader Sdn. Bhd. ("OLSB")	Ship owners	100	100	100
Orkim Power Sdn. Bhd. ("OPOW")	Ship owners	100	100	100
Orkim Challenger Sdn. Bhd. ("OCSB")	Ship owners	100	100	100
Orkim Discovery Sdn. Bhd. ("ODIS")	Ship owners	100	100	100
Orkim Reliance Sdn. Bhd. ("ORSB")	Ship owners	100	100	100
Magna Meridian Sdn. Bhd. ("MMSB")	Ship owners	100	100	100
Matlamat Emas Sdn. Bhd. ("MESB")	Ship owners	100	100	100
Orkim Ambition Sdn. Bhd. ("OASB")	Ship owners, presently dormant	100	100	100
Orkim Triumph Sdn. Bhd. ("OTRI")	Ship owners, presently dormant	100	100	100
Orkim Inspiration Sdn. Bhd. ("OISB")	Ship owners, presently dormant	100	100	100
Orkim Wisdom Sdn. Bhd. ("OWSB")	Ship owners, presently dormant	100	100	100
Orkim Sapphire Sdn. Bhd. ("OSSB")	Ship owners	100	100	100
Orkim Topaz Sdn. Bhd. ("OTOP")	Ship owners	100	100	100

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1. Corporate information (cont'd.)

Details of the subsidiaries which the principle place of business and incorporated in Malaysia are as follows: (cont'd.)

Name of subsidiary	Principal activities	Effective interest (%) 2024	2023	2022
Orkim Emerald Sdn. Bhd. ("OEME")	Ship owners	100	100	100
Orkim Diamond Sdn. Bhd. ("ODIA")	Ship owners	100	100	100
Orkim Pearl Sdn. Bhd. ("OPEA")	Ship owners	100	100	100
Orkim Ruby Sdn. Bhd. ("ORUB")	Ship owners	100	-	-
Orkim Jade Sdn. Bhd. ("OJSB")	Ship owners	100	-	-

The principal place of business is located at Level 15, Menara TSR, No.12, Jalan PJU 7/3, Mutiara Damansara, Petaling Jaya, 47810 Selangor. The address of registered office of the Company is 43-2, Plaza Damansara, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur.

The ultimate and immediate holding companies are E-Cap (Internal) Two Sdn. Bhd. and Tetap Kuasa Sdn. Bhd. respectively, which are incorporated and domiciled in Malaysia.

The consolidated financial statements for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 July 2025.

2. Material accounting policy information

2.1 Basis of preparation

The Group's consolidated financial statements for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022 have been prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

The consolidated financial statements have also been prepared on historical cost basis except otherwise indicated in the accounting policy section and are presented in Ringgit Malaysia (RM). All values are rounded to the nearest thousand (RM'000 or '000), except when otherwise indicated.

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2. Material accounting policy information (cont'd.)

2.2 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)	1 January 2025
Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosure)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosure)	1 January 2026
Hedge Accounting by First Time Adopter under Exceptions to the Retrospective Application of Other MFRSs (Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards)	1 January 2026
Fair Value Measurements for Gain or Loss on Derecognition included Significant Unobservable Inputs (Amendments to MFRS 7 Financial Instruments: Disclosure)	1 January 2026
Derecognition Requirements of Lease Liabilities and Initial Measurements of Trade Receivables (Amendments to MFRS 9 Financial Instruments)	1 January 2026
Determination of De' Facto Agent when Assessing Control (Amendments to MFRS 10 Consolidated Financial Statements)	1 January 2026
Equity Method or at Cost (Amendments to MFRS 107 Statement of Cash Flows)	1 January 2026
New Presentation and Disclosure Standard (MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
Reduced Disclosures Standards for Eligible Subsidiaries within the Group (MFRS 19 Subsidiaries without Public Accountability: Disclosures)	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures)	Deferred

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2 Material accounting policy information (cont'd.)

2.2 Standards issued but not yet effective (cont'd.)

The new MFRSs and Amendments to MFRSs above are expected to have no significant impact on the consolidated financial statements of the Group upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these Amendments to MFRSs as discussed below:

MFRS 18 Presentation and Disclosure in Financial Statement

MFRS 18 will replace MFRS 101 Presentation of Financial Statements. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income
MFRS18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows
The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature
Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)
The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation
MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

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2 Material accounting policy information

2.2 Standards issued but not yet effective (cont'd.)

MFRS 18 additional requirements are as follows: (cont'd.)

The Group is currently assessing the impact of MFRS 18, particularly with respect to the structure of the consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

2.3 Business combination and goodwill

Business combinations are accounted for using the acquisition method. Goodwill arising from business combination is measured at cost less accumulated impairment loss.

2.4 Functional currency

The consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM).

2.5 Plant and equipment

Construction in progress, and plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Dry docking costs which enhance the useful lives of the vessels are capitalised in the year in which they are incurred and amortised over the periods until the next dry docking.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Depreciation of vessels commences from the date of the vessel is ready for intended use, and is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. The estimated useful lives for the current and comparative periods are as follows:

Furniture and fittings	10 years
Office equipment	5 years
Computer equipment	5 years
Renovation	3 years
Vessels	25 years
Motor vehicles	5 years
Dry docking	2.5 years

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2. Material accounting policy information

2.6 Goodwill

Goodwill is tested for impairment annually as at 31 December and also when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or groups of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.7 Financial assets

The Group has financial assets measured at amortised cost, which are receivables and cash and bank balances.

The Group also has financial assets measured at financial assets at fair value through profit or loss, which is unit trust fund.

2.8 Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Financial liabilities

The Group only has financial liabilities measured at amortised cost, which are payables and borrowings.

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2. Material accounting policy information

2.10 Inventories

Inventories consist of spare parts and bunkers on board for own consumption and are stated at the lower of cost or net realisable value. The costs of spare parts and bunkers are based on first-in-first-out method and include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits placed with licensed banks. For the purpose of the consolidated statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.13 Revenue recognition

The Group recognises revenue over time for freight and demurrage charged under consecutive voyage contract and spot shipment. Revenue is recognised on percentage of completion basis, calculated on a voyage loading-to-discharge basis. The revenue is recognised evenly over the period from a ship's departure from its cargo loading point to its next discharge point, at time when the revenue is determinable for the specified load and discharge point and collectability is reasonably assured. In addition, brokerage fee will be recognised at point in time while management fee is recognised over time when the services are rendered.

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 is set out below:

(a) Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included as other income in profit or loss.

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2. Material accounting policy information (cont'd.)

2.13 Revenue recognition (cont'd.)

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 is set out below: (cont'd)

(b) Charter income

Time charter is accounted for as a lease income on a straight-line basis over the firm period of the contract, as service is performed.

Non-lease component of the time charter income is not separately disclosed as the pattern of revenue recognition for lease and non-lease components are the same and the lease and non-lease components are treated as a combined unit of account, classified as an operating lease.

2.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer ("CEO"). The CEO, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Group's Board of Directors that make strategic decisions.

2.15 Leases

Group as a lessee

(i) Right-of-use assets

The Group applies the practical expedient not to separate out non-lease components from lease components and instead account for the lease and non-lease component as a single component.

ROU assets are depreciated on a straight-line basis over the lease contract term according as follows:

Office buildings	3 years

(ii) Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

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2. Material accounting policy information (cont'd.)

2.15 Leases (cont'd)

Group as a lessee (cont'd)

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3. Significant accounting judgements and estimates

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 amounts of assets and liabilities within the next financial year are discussed below:

(a) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Useful life of vessels

Vessels are depreciated on a straight-line basis over the assets' useful life. Management estimates the useful lives of the Group's vessels to be 25 years. These are common life expectancies applied in the shipping industry. Changes in the expected level of usage could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of vessels are disclosed in Note 4.

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4. Plant and equipment

	Furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Renovation RM'000	Vessels RM'000	Dry docking RM'000	Vessels under construction RM'000	Motor vehicle RM'000	Total RM'000
Cost									
At 1 January 2022	211	352	2,405	330	1,147,269	160,419	-	-	1,310,986
Additions	2	-	87	-	1,589	16,007	-	151	17,836
Disposal	-	(50)	(6)	-	(101,637)	(18,880)	-	-	(120,573)
At 31 December 2022/ at 1 January 2023	213	302	2,486	330	1,047,221	157,546	-	151	1,208,249
Additions	124	-	24	546	106	31,383	-	-	32,183
At 31 December 2023/ at 1 January 2024	337	302	2,510	876	1,047,327	188,929	-	151	1,240,432
Additions	1	5	242	-	1,347	34,288	43,708	-	79,591
Adjustments	-	-	-	(10)	-	(543)	-	-	(553)
Disposal	-	-	(18)	-	(53,305)	(19,160)	-	-	(72,483)
At 31 December 2024	338	307	2,734	866	995,369	203,514	43,708	151	1,246,987

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4. Plant and equipment (cont'd.)

	Furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Renovation RM'000	Vessels RM'000	Dry docking RM'000	Vessels under construction RM'000	Motor vehicle RM'000	Total RM'000
Accumulated depreciation									
At 1 January 2022	169	239	1,642	255	213,112	137,080	-	-	352,497
Depreciation for the year	19	29	356	22	31,522	17,674	-	25	49,647
Disposal	-	(18)	(2)	-	(19,284)	(15,946)	-	-	(35,250)
At 31 December 2022/ at 1 January 2023	188	250	1,996	277	225,350	138,808	-	25	366,894
Depreciation for the year	22	24	334	129	33,784	16,025	-	35	50,353
At 31 December 2023/ at 1 January 2024	210	274	2,330	406	259,134	154,833	-	60	417,247
Depreciation for the year	32	11	114	177	33,709	24,370	-	29	58,442
Disposal	-	-	(17)	-	(21,145)	(16,215)	-	-	(37,377)
At 31 December 2024	242	285	2,427	583	271,698	162,988	-	89	438,312
Accumulated impairment									
At 1 January 2022/at 31 December 2022/at 31 December 2023/at 1 January 2024	-	-	-	-	51,500	-	-	-	51,500
Disposal	-	-	-	-	(11,100)	-	-	-	(11,100)
At 31 December 2024	-	-	-	-	40,400	-	-	-	40,400

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4. Plant and equipment (cont'd.)

	Furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Renovation RM'000	Vessels RM'000	Dry docking RM'000	Vessels under construction RM'000	Motor vehicle RM'000	Total RM'000
Net carrying amount									
At 31 December 2022	25	52	490	53	770,371	18,738	-	126	789,855
At 31 December 2023	127	28	180	470	736,693	34,096	-	91	771,685
At 31 December 2024	96	22	307	283	683,271	40,526	43,708	62	768,275

Vessel of the Group with carrying amount of RM460,088,000 (2023: RM551,844,000; 2022: RM770,371,000) has been pledged as security for borrowings granted to the Group as disclosed in Note 12.

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5. Goodwill

	2024 RM'000	2023 RM'000	2022 RM'000
At cost:			
At 1 January/31 December	518	518	518

6. Receivables

	2024 RM'000	2023 RM'000	2022 RM'000
Current			
Trade			
Trade receivables	17,022	19,620	14,419
Non-trade			
Other receivables	1,899	156	772
Deposits	186	253	53
Prepayments	1,522	2,042	1,939
	3,607	2,451	2,764
Total trade and other receivables	20,629	22,071	17,183
Add: Cash and bank balances (Note 9)	57,835	50,491	81,979
Less: Prepayments	(1,522)	(2,042)	(1,939)
Total financial assets at amortised cost	76,942	70,520	97,223

Trade receivables

Trade receivables related to amounts due from charterers. The Group's normal trade credit term is 30 days (2023: 30 days; 2022: 30 days).

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6. Receivables (cont'd.)

Trade receivables (cont'd.)

Ageing analysis of trade receivables

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

	2024 RM'000	2023 RM'000	2022 RM'000
Neither past due nor impaired	-	770	499
1 to 30 days past due not impaired	14,373	14,589	9,634
31 to 90 days past due not impaired	1,617	3,955	3,180
More than 91 days past due not impaired	1,032	306	1,106
Past due but not impaired	17,022	18,850	13,920
	17,022	19,620	14,419

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are charterers with good payment record with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM17,022,000 (2023: RM18,850,000; 2022: RM13,920,000) that are past due at the reporting date but not impaired and are unsecured in nature. These amounts are deemed as collectible as they are customers still in active trade with the Group.

None of the Group's trade receivables that are past due not impaired have been renegotiated during the financial year.

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7. Inventories

	2024 RM'000	2023 RM'000	2022 RM'000
At cost:			
Spare parts and lubricants	13,023	13,445	14,615
Bunkers	4,331	4,120	4,070
	17,354	17,565	18,685

The Group's cost of inventories recognised as an expense in cost of sales during the financial year amounted to RM47,902,000 (2023: RM46,002,000; 2022: RM66,163,000).

8. Investment

	2024 RM'000	2023 RM'000	2022 RM'000
Unit trust funds			
Financial assets at fair value through profit or loss	20,000	-	-

9. Cash and bank balances

	2024 RM'000	2023 RM'000	2022 RM'000
Deposits placed with licensed banks	10,000	-	17,565
Cash in hand and at bank	47,835	50,491	64,414
Cash and bank balances	57,835	50,491	81,979
Less: Pledged deposits	-	-	(1,500)
Cash and cash equivalents	57,835	50,491	80,479

Deposits placed with licensed banks are made for varying periods of between 1 day to 90 days (2022: 1 day to 90 days) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The range of interest rates as at 31 December 2024 was 3.6% to 3.85% (2022: 2.45% to 2.7%) per annum.

Included in the pledged deposits placed with licensed banks is RM1,500,000 pledged for Orkim Marine Sdn Bhd to entitle RM3,000,000 credit limit from charterers in order to purchase petroleum products.

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10. Right-of-use asset

	2024 RM'000	2023 RM'000	2022 RM'000
Building			
Cost			
At 1 January	1,345	803	803
Addition	-	1,345	-
Expiration of lease contract	-	(803)	-
At 31 December	1,345	1,345	803
Accumulated depreciation			
At 1 January	260	602	335
Charge for the year	455	461	267
Expiration of lease contract	-	(803)	-
At 31 December	715	260	602
Net book value	630	1,085	201

The Group has entered into a single lease contract for a building to be used as office premises. The lease has a fixed term of three years.

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11. Share capital

	Number of shares			Amount		
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
	'000	**'000**	**'000**	**RM'000**	**RM'000**	**RM'000**
Issued and fully paid, at no par value:						
Ordinary shares						
At 1 January/31 December	38,835	38,835	38,835	44,335	44,335	44,335

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

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12. Borrowings

	2024 RM'000	2023 RM'000	2022 RM'000
Non-current			
Secured:			
Term loan I	414	2,414	1,716
Term loan II	4,735	7,894	11,052
Term loan III	44,656	51,537	58,987
Term loan at COF + 1.4% p.a. VII	182,619	217,195	246,603
Term loan at COF + 1.5% p.a. VIII	24,664	34,264	-
Term loan X at 10.15% fixed rate	-	-	2,789
Term loan XI at 5.75% fixed rate	-	-	41,832
Hire purchase	61	77	97
	257,149	313,381	363,076
Current			
Secured:			
Term loan I	2,000	2,000	2,317
Term loan II	3,158	3,158	3,158
Term loan III	6,871	6,871	7,187
Term loan at COF + 1.5% p.a. III	-	-	1,245
Term loan at COF + 1.4% p.a. VII	31,985	29,408	31,998
Term loan at COF + 1.5% p.a. VIII	9,600	9,600	-
Term loan IX at 8% fixed rate	-	-	15,440
Term loan X at 10.15% fixed rate	-	-	426
Term loan XI at 5.75% fixed rate	-	-	7,590
Hire purchase	16	16	16
	53,630	51,053	69,377
Total	310,779	364,434	432,453

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12. Borrowings (cont'd.)

Terms and debt repayment schedule

	Secured borrowings		
	2024	2023	2022
	RM'000	RM'000	RM'000
Within 1 year	53,630	51,053	69,377
1-5 years	194,096	208,910	210,376
Over 5 years	63,053	104,471	152,700
	310,779	364,434	432,453
Years of maturity	2025 to 2030	2024 to 2030	2023 to 2030

Term loan

Term loan I of the Group was granted to its subsidiaries in prior years, to part finance the construction of the vessels which bears interest at the rate ranging from 5.25% to 5.54% (2023: 4.72% to 5.14%; 2022: 3.93% to 4.27%) per annum, is repayable monthly and is secured by the following:

(i) First statutory mortgage on the vessels;

(ii) Debenture by way of legal charge over the vessels;

(iii) A proportionate corporate guarantee from the Company; and

(iv) Deed of assignment on future contract proceeds.

Term loan II was obtained by the Company, to finance its general working capital which bears interest at the rate ranging from 5.09% to 5.54% (2023: 5.13% to 5.19%; 2022: 4.07% to 4.49%) per annum, is repayable monthly and is secured by the following:

(i) Facility agreement;

(ii) First statutory mortgage over MT Orkim Express;

(iii) Specific debenture over the MT Orkim Express;

(iv) Legal assignment over DCA;

(v) Legal assignment of insurances;

(vi) Supplemental assignments of contract proceeds from all vessels charged to the bank.

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12. Borrowings (cont'd.)

Term loan III was granted to OENE during the financial year, to part finance the construction of the vessels which bears interest at fixed rate of 4.5%, is repayable monthly and is secured by the following:

(i) Facilities agreement;

(ii) First statutory mortgage on the vessels;

(iii) Specific debenture over the vessels;

(iv) Assignment of shipbuilding contract;

(v) Assignment of irrevocable advance payment bank guarantee;

(vi) Assignment of proceeds account;

(vii) Assignment on contract proceeds;

(viii) Assignment of insurance policies; and

(ix) Corporate guarantee by the Company.

Term loan at COF + 1.5% p.a. III is relating to the facility granted to OMSB, to part finance the construction of its vessel which bears interest at the rate ranging from (2023 :2.36% to 3.43%; 2022: 3.66% to 3.96%) per annum, is repayable monthly and is secured by the following:

(i) All monies under Master Security Agreement comprising:

- An assignment and a fixed charge over receivables;
- A fixed charge over the designated collection account;
- A charge over goods (as defined in the Master Security Agreement) for all monies owing or payable under the facilities;

(ii) Corporate guarantee by the Company;

(iii) A specific debenture incorporating fixed and floating charge for all monies owing or payable under the facilities; and

(iv) Assignment of insurance policies.

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12. Borrowings (cont'd.)

Term loan at COF + 1.4% p.a. VII is a joint term loan and revolving credit between Affin and RHB taken in the prior years. It relates to the facility granted to OPEA, OSSB, OEME, ODIA and OTOP to refinance 85% of the construction of respective vessel. Full drawdown had been done during the year and only interest is charged at a rate ranging from 4.67% to 6.15% (2023: 4.77% to 5.72%; 2022: 3.41% to 5.58%) per annum, is repayable monthly and is secured by the following:

(i) Facilities agreement;

(ii) Letter of undertaking for loan shortfall;

(iii) Specific debenture over the Vessel;

(iv) Legal assignment of contract proceeds into Designated Collection Account (DCA);

(v) Legal assignment over DCA;

(vi) Legal assignment of insurances;

(vii) Corporate guarantee by the Company;

(viii) Security Sharing Agreement and Coordinating Agent Agreement between Bank and Company

Term loan at COF + 1.5% p.a VIII relates to term loan facility granted to DMVSB for the purpose of refinancing the acquisition of the "MR2 Tanker" (Orkim Fortitude) from Affin. Full drawdown had been done during the year, is repayable monthly and is secured by the following:

(i) Facilities agreement;

(ii) Specific debenture over the Vessel;

(iii) Legal assignment of contract proceeds into Designated Collection Account (DCA);

(iv) Legal assignment over DCA;

(v) Legal assignment of insurances;

(vi) Letter of undertaking for loan shortfall; and

(vii) Corporate guarantee by the Company;

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12. Borrowings (cont'd.)

Term loan IX at a fixed rate of 8% relates to facility granted to OMER or the purpose of financing 10% of the construction of OPEA, OSSB, OEME, ODIA, OTOP and is secured by the following:

(i) A 3rd party 2nd preferred ship mortgage in favour of the Bank on the vessels bearing the following name ("Mortgaged CPP Tankers")

a) MT Orkim Challenger

b) MT Orkim Discovery

c) MT Orkim Reliance

ii) A charge by way of an assignment in favour of the Bank on a deposit account to be opened by Orkim with the Bank

Term loan X at a fixed rate of 10.15% relates to facility of RM11,424,000 granted to OMER for the purpose of financing 80% of the partial total cost of RM14,280,000 for the acquisition of a "MR2 Tanker" known as Orkim Fortitude by its subsidiary, DMVSB and is secured by the following:

(i) Facilities agreement;

(ii) A 3rd party 1st preferred ship mortgage in favour of the Bank on the vessels bearing the following name ("Mortgaged CPP Tankers")

a) MT Orkim Merit

(iii) Legal charge over the shares of Delmar Marine Venture Sdn Bhd;

(iv) Legal assignment over all the First Party DCA;

(v) Legal assignment of contract proceeds into Designated Collection Account (DCA);

(vi) Legal assignment over DCA; and

(vii) Legal assignment of insurance policies for the vessel.

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12. Borrowings (cont'd.)

Term loan XI at a fixed rate of 5.75% relates to facility granted to DMVSB or the purpose of financing the acquisition of "MR2 Tanker" known as Orkim Fortitude and is secured by the following:

(i) Facilities agreement;

(ii) First preferred mortgage on the proposed vessels finance by BPMB;

(iii) Third party legal charge over the shares of the Company

(iv) Debenture for fixed and floating, present and future assets;

(v) Assignment of proceeds account;

(vi) Specific debenture over the vessels;

(vii) Assignment of insurance policies;

(viii) Legal assignment over DCA;

(ix) Corporate guarantee by the Company; and

Hire purchase at term charges of 4.15% relates to facility granted to OSMSB to finance the purchase of a vehicle.

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13. Deferred tax asset/(liability)

	2024 RM'000	2023 RM'000	2022 RM'000
At 1 January	626	233	264
Recognised in profit or loss (Note 20)	(224)	393	(31)
At 31 December	402	626	233

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets:

	Payables RM '000
At 1 January 2022	309
Recognised in profit or loss	(25)
At 31 December 2022/at 1 January 2023	284
Recognised in profit or loss	416
At 31 December 2023/at 1 January 2024	700
Recognised in profit or loss	(234)
At 31 December 2024	466

Deferred tax liabilities:

	Accelerated capital allowance RM '000
At 1 January 2022	(45)
Recognised in profit or loss	(6)
At 31 December 2022/at 1 January 2023	(51)
Recognised in profit or loss	(23)
At 31 December 2023/at 1 January 2024	(74)
Recognised in profit or loss	10
At 31 December 2024	(64)
Net deferred tax assets as at 31 December 2022	233
Net deferred tax assets as at 31 December 2023	626
Net deferred tax assets as at 31 December 2024	402

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14. Payables

	2024 RM'000	2023 RM'000	2022 RM'000
Current			
Trade			
Third parties	5,284	5,887	8,182
Non-trade			
Other payables	842	312	172
Accrued expenses	27,632	24,461	22,834
Amount due to corporate shareholder [(a)]	-	-	57,651
	28,474	24,773	80,657
Total payables and accruals	33,758	30,660	88,839
Add: Borrowings (Note 12)	310,779	364,434	432,453
Add: Lease liability (Note 15)	698	1,160	210
Total financial liabilities at amortised cost	345,235	396,254	521,502

Trade and other payables are non-interest bearing and are normally settled on 30 to 90 (2023: 30 to 90; 2022: 30 to 90) days terms.

The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

(a) Amount due to corporate shareholder

Amount due to corporate shareholder is unsecured and bears interest at (2023:8%-15%; 2022: 8%-15%) per annum. It has been fully settled during financial year 2023.

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15. Lease liability

	2024 RM'000	2023 RM'000	2022 RM'000
Building			
At 1 January	1,160	210	478
Addition	-	1,345	-
Accretion of interest	50	30	14
Lease payments	(512)	(425)	(282)
At 31 December	698	1,160	210
Maturity Analysis:			
Within 1 year	487	462	210
Within 2 - 3 years	211	698	-
	698	1,160	210

The Group has entered into a single lease contract for a building to be used as office premises, with fixed lease payments throughout the lease term.

The Group's single lease contract includes an extension option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised. Set out below is the undiscounted potential future rental payments relating to periods following the exercise date of extension that is not included in the lease term:

	Within five years RM'000	Total RM'000
As at 31 December 2022		
Extension option expected not to be exercised	848	848
As at 31 December 2023		
Extension option expected not to be exercised	1,689	1,689
As at 31 December 2024		
Extension option expected not to be exercised	1,689	1,689

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16. Contract asset and deferred income

	2024 RM'000	2023 RM'000	2022 RM'000
Current			
Contract assets (a)	(6,093)	(3,704)	(2,303)
Deferred income (b)	3,775	10,507	10,006

(a) Contract assets

	2024 RM'000	2023 RM'000	2022 RM'000
At beginning of the year	(3,704)	(2,303)	(6,607)
Revenue recognised during the year	(172,534)	(146,989)	(184,561)
Progress billings raised during the year	170,145	145,588	188,865
At end of the year	(6,093)	(3,704)	(2,303)
Revenue recognised from performance obligations satisfied in the previous periods but billed in current year	3,704	2,303	6,607

The above contract assets are the excess of cumulative revenue earned over cumulative billings to-date. It mainly arises from demurrage charged to the voyages that had been completed in current year but yet to bill as at year end.

(b) Deferred income

Deferred income mainly relates to time charter income paid in advance by customers.

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17. Revenue and cost of sales

	2024 RM'000	2023 RM'000	2022 RM'000
Freight and Demurrage	316,013	301,157	314,679
Brokerage fee	576	1,422	898
Total Revenue	316,589	302,579	315,577
Revenue from contracts with customers	173,110	148,411	185,459
Revenue from other sources of income - charter income	143,479	154,168	130,118
	316,589	302,579	315,577

<u>Timing of revenue recognition:</u>

	2024 RM'000	2023 RM'000	2022 RM'000
Point in time	576	1,422	898
Over time	172,534	146,989	184,561
	173,110	148,411	185,459

Cost of sales consist of cost of services provided and the related direct cost and overheads.

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18. Profit before tax

The following amounts have been included in arriving at profit before tax:

	2024 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:			
- Statutory audit	609	609	464
Depreciation of plant and equipment	58,442	50,353	49,647
Depreciation of right of use of asset	455	461	267
Finance income	(1,027)	(1,139)	(353)
Finance costs:			
Interest expense on borrowings	18,153	24,299	28,339
Interest expense on lease	50	30	14
Personnel expenses (including key management personnel) (Note 19):			
Wages and salaries	47,260	44,046	49,438
Social security costs	167	235	355
Pension costs	2,207	1,856	1,993
Other benefits	6,398	8,011	8,347
Consultancy fees paid to directors	1,200	1,200	1,200
Unrealised exchange (gain)/loss	(42)	227	31
Realised exchange (gain)/loss	(687)	(225)	2,757
(Gain)/loss on disposal of plant and equipment	(4,481)	-	32,345

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19. Key management personnel compensation

The key management personnel compensation is as follows:

	2024 RM'000	2023 RM'000	2022 RM'000
Key management personnel:			
Salaries and other emoluments	964	820	596
Defined contribution plans	144	119	89
Insurance effected to indemnify directors	24	25	25
	1,132	964	710

	2024 RM'000	2023 RM'000	2022 RM'000
Non-executive directors:			
Consultancy fees	1,200	1,200	1,200

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

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20. Income tax expense

	2024 RM'000	2023 RM'000	2022 RM'000
Statements of comprehensive income:			
Current tax expense:			
Malaysian income tax	984	1,224	637
Overprovision in prior year	(102)	-	-
	882	1,224	637
Deferred tax (Note 13):			
Relating to origination and reversal of temporary differences	226	-	-
(Over)/Underprovision in prior years	(2)	(393)	31
	224	(393)	31
	1,106	831	668

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%; 2022: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	2024 RM'000	2023 RM'000	2022 RM'000
Profit before tax	94,012	81,878	28,609
Tax at Malaysian statutory tax rate of 24% (2023: 24%; 2022: 24%)	22,563	19,651	6,866
Non-deductible expenses	54,628	54,192	69,509
Income not subject to tax	(75,981)	(72,619)	(75,738)
Overprovision of income tax in prior year	(102)	-	-
(Over)/Underprovision of deferred tax in prior years	(2)	(393)	31
	1,106	831	668

Section 54A of the Malaysian Income Tax Act, 1967 was amended effective from Year of Assessment ("YA") 2012, in which the tax exemption on shipping profits was reduced from 100% to 70%. The implementation of the amended Section 54A, however, has previously been deferred up to YA2023 via several gazette orders issued by the Ministry of Finance ("MOF").

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20. Income tax expense (cont'd.)

On 5 July 2024, MOF issued another Gazette Order (i.e. Income Tax (Exemption for Malaysian Ship) Order 2024 (P.U. (A) 184) granting a further extension of the 100% shipping tax exemption from YA2024 to YA2026. The exemption is granted subject to the Malaysian shipping companies comply with the minimum substance requirements in terms of annual operating expenditure and minimum number of full-time Malaysian employees for each Malaysian ship for both shore employees and ship personnel.

Based on the Gazette Order, the Group would be able to continue to enjoy the 100% shipping tax exemption up to YA 2026 on the basis that the substance requirements as per Gazette Order are duly met.

The taxation charge in the accounts is attributable to tax in respect of other activities of the Group.

21. Earnings per share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the financial year. The Group does not have any financial instrument which may dilute its basic earnings per share.

	2024	2023	2022
Profit for the financial year attributable to owners of the Company (RM'000)	92,906	81,047	27,941
Weighted average number of ordinary shares in issue ('000)	38,835	38,835	38,835
Basic earnings per ordinary share (RM)	2.39	2.09	0.72

22. Dividends

	2024 RM'000	2023 RM'000	2022 RM'000
In respect of the financial year ended 31 December 2023:			
Dividends on 38,835,000 ordinary shares:			
- Tax exempt (single-tier) dividend of 25.75 sen per ordinary share	10,000	-	-

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23. Segment reporting

(i) Reportable segment

The Orkim Group's business model is mainly in the transportation of Clean Petroleum Product ("CPP") and Liquefied Petroleum Gas ("LPG") using marine vessels. It owns, manages and operates its marine vessels of 15 (2023: 16; 2022: 16) CPP tankers and 2 (2023: 2; 2022: 2) LPG carriers.

The Group's segment comprises:

(a) CPP segment - the CPP business model involves chartering and freighting with clients which are mainly oil majors or product owners. The CPP tankers can carry various CPP, such as, gasoline, naphtha, jet fuel, kerosene, diesel, pygas, base oil etc. This segment also includes the provision of ship broking services.

(b) LPG segment - LPG segment business model involves chartering and freighting with clients which are mainly oil majors or product owners. The vessels are pressurised gas carriers sized at 3 kilotons and can carry up to 3.5 kilo cubic metre of LPG, such as, Butadiene, Propane, Butane or C4 raffinate.

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23. Segment reporting (cont'd.)

(i) Reportable segment (cont'd.)

In making decisions about resource allocation and performance assessment, the CEO regularly review the financial result of the Group as a whole. Hence, the information that is regularly provided to the CEO is consistent with that presented in the financial statements.

	2024			2023			2022		
	CPP RM'000	**LPG RM'000**	**Group RM'000**	**CPP RM'000**	**LPG RM'000**	**Group RM'000**	**CPP RM'000**	**LPG RM'000**	**Group RM'000**
Revenue	291,982	24,607	316,589	279,826	22,753	302,579	292,619	22,958	315,577
Result									
Profit from operations	104,565	6,623	111,188	97,785	7,283	105,068	50,518	6,091	56,609
Finance income	997	30	1,027	1,117	22	1,139	325	28	353
Finance costs	(15,703)	(2,500)	(18,203)	(21,450)	(2,879)	(24,329)	(25,232)	(3,121)	(28,353)
Taxation	(1,099)	(7)	(1,106)	(815)	(16)	(831)	(652)	(16)	(668)
Segment profit	88,760	4,146	92,906	76,637	4,410	81,047	24,959	2,982	27,941
Other segment items									
Capital expenditures	(75,275)	(4,316)	(79,591)	(29,189)	(2,994)	(32,183)	(17,692)	(144)	(17,836)
Depreciation and amortisation	(53,638)	(5,259)	(58,897)	(46,498)	(4,316)	(50,814)	(44,994)	(4,920)	(49,914)
Gain/(loss) on disposal of plant and equipment	4,481	-	4,481	-	-	-	(32,345)	-	(32,345)

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants, Kuala Lumpur.
For identification purpose only.

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23. Segment reporting (cont'd.)

(i) Reportable segment (cont'd.)

	2024			2023			2022		
	CPP RM'000	**LPG RM'000**	**Group RM'000**	**CPP RM'000**	**LPG RM'000**	**Group RM'000**	**CPP RM'000**	**LPG RM'000**	**Group RM'000**
Segmental assets									
Plant and equipment	681,738	86,537	768,275	684,205	87,480	771,685	700,666	89,189	789,855
Other segment assets	119,815	4,926	124,741	93,422	2,754	96,176	119,690	2,016	121,706
Total	801,553	91,463	893,016	777,627	90,234	867,861	820,356	91,205	911,561
Segmental liabilities									
Borrowings	259,252	51,527	310,779	306,026	58,408	364,434	366,279	66,174	432,453
Other segment liabilities	36,687	1,544	38,231	39,635	2,692	42,327	97,599	1,456	99,055
	295,939	53,071	349,010	345,661	61,100	406,761	463,878	67,630	531,508

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23. Segment reporting (cont'd.)

(ii) Geographical information

The Group's vessels operate on an international platform with individual vessels calling at various ports across the globe. The Group does not consider the domicile of its customers as a relevant decision-making guideline, and hence does not consider it meaningful to allocate vessels and revenue to specific geographical locations. As of the reporting date, all vessels are registered in Malaysia.

(iii) Major customers

The Group has 2 customers (2023: 2 customers; 2022: 2 customers) which generated revenue amounting to 10% or more of the Group's total revenue. These two major customers collectively account for a substantial 81% (2023: 79%; 2022: 81%) of the Group's total revenue.

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24. Financial instruments

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Receivables	6
Cash and bank balances	9
Borrowings	12
Payables	14

The carrying amounts of these receivables, cash and bank balances, payables and borrowings are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

The fair values of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

25. Financial risk management objectives and policies

The Group is 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 of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group's key management personnel.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group'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 exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

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25. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

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. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. 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'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, with positive fair values.

Credit risk concentration profile

At the reporting date, approximately:

- 93% (2023: 94%; 2022: 70%) of the Group's trade receivables were due from 3 (2023: 3; 2022: 1) major customer.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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25. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 31 December 2024				
Payables	33,758	-	-	33,758
Lease liability	512	213	-	725
Borrowings	68,848	227,182	66,107	362,137
Total undiscounted financial liabilities	103,118	227,395	66,107	396,620
At 31 December 2023				
Payables	30,660	-	-	30,660
Lease liability	512	725	-	1,237
Borrowings	66,666	244,890	110,403	421,959
Total undiscounted financial liabilities	97,838	245,615	110,403	453,856
At 31 December 2022				
Payables	88,839	-	-	88,839
Lease liability	212	-	-	212
Borrowings	87,655	256,000	164,053	507,708
Total undiscounted financial liabilities	176,706	256,000	164,053	596,759

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25. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from their loans and borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM3,414,000 (2023: RM3,982,000; 2022: RM4,580,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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25. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, RM. The Group's policy is to minimise the exposure of foreign currency risk by monitoring and approving requisitions which involve foreign currencies.

The net unhedged financial liabilities/(assets) of the Group that are not denominated in its functional currency are as follows:

Functional currency of the Group	Net financial liabilities/(assets) held in non-functional currency Ringgit Malaysia RM'000
2024	
Singapore Dollar ("SGD")	17
United States Dollar ("USD")	1,182
Japanese Yen ("JPY")	(12)
	1,187
2023	
SGD	(69)
USD	(2,317)
Chinese Yuan ("CNY")	5
	(2,381)
2022	
SGD	270
USD	2,070
JPY	1,263
CNY	5
	3,608

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25. 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 for the year to a reasonably possible change in the RM exchange rates against the functional currency of the Group, with all other variables held constant.

		2024 RM'000 Profit for the year (decrease)/ increase	2023 RM'000 Profit for the year increase/ (decrease)	2022 RM'000 Profit for the year (decrease)/ increase
SGD/RM	- strengthened 10%	(2)	7	(27)
	- weakened 10%	2	(7)	27
USD/RM	- strengthened 10%	(118)	232	(207)
	- weakened 10%	118	(232)	207
JPY/RM	- strengthened 10%	1	-	(126)
	- weakened 10%	(1)	-	126
CNY/RM	- strengthened 10%	-	(1)	(1)
	- weakened 10%	-	1	1

(e) Fair values

The Group measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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25. Financial risk management objectives and policies (cont'd.)

(e) Fair values (cont'd.)

The table below analyses the financial instruments measured at fair value at the reporting date, according to the level in the fair value hierarchy:

	Group			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Financial assets				
Investment	20,000	-	-	20,000

26. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed with related parties.

Summary of related party transactions

	2024 RM'000	2023 RM'000	2022 RM'000
Repayment of advance from holding company	-	(57,651)	(5,822)
Interest on amount due to holding company	-	(3,560)	(4,633)

The directors of the Group is of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms that are no more favourable to the related parties than those arranged with independent third parties.

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26. Related party disclosures (cont'd.)

The outstanding balances arising from the above transactions have been disclosed in Notes 6 and 14.

The key management personnel compensation has been disclosed in Note 19.

27. Capital commitments

Capital expenditure as at the reporting date is as follows:

	2024 RM'000	2023 RM'000	2022 RM'000
Capital expenditure			
Approved and contracted for:			
Plant and equipment	167,267	-	-

The Group has entered into 2 shipbuilding contracts on 27 March 2024 to for 2 units of 14,500 MT vessels amounting to RM210,975,000.

The total of invoices received in current year are RM43,708,000 resulting the balance of capital expenditure as at 31 December 2024 are RM167,267,000.

28. Operating lease arrangements

The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its vessels. These leases have remaining non-cancellable lease term of 3 years.

The future lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	2024 RM'000	2023 RM'000	2022 RM'000
Not later than 1 year	127,000	143,276	27,651
Later than 1 year and not later than 3 years	98,216	218,445	53,383
	225,216	361,721	81,034

Charter hire revenue earned from chartering the Group's vessels are recognised as revenue during the financial year as disclosed in Note 17.

The above total estimated contract value assumes full utilisation of the remaining contracted charter period. The actual revenue to be recognised under these contracts may vary depending on the number of off-hire days during the contract period, and as such, the actual revenue derived may differ from the estimated contract value above.

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29. Capital management

The primary objective of the Group's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group manages their 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 years ended 31 December 2024, 31 December 2023 and 31 December 2022.

The Group monitors capital using gearing ratio, which is total loans and borrowings divided by total capital. Capital includes equity attributable to the owners of the parent.

	Note	2024 RM'000	2023 RM'000	2022 RM'000
Borrowings	12	310,779	364,434	432,453
Equity attributable to owners of the parent		544,006	461,100	380,053
Gearing ratio		57%	79%	114%

The gearing ratio is not governed by the MFRS Accounting Standards and its definition and calculation may vary from one group/company to another.

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30. Event subsequent to financial year end

The following are the significant events of the Group subsequent to the financial year ended 31 December 2024:

(a) On 28 February 2025, the Company completed the issuance of RM300.0 million nominal value Rated Sukuk ("Sukuk Wakalah") under its Sukuk Wakalah Programme of up to RM1.0 billion, based on the Shariah principle of Wakalah Bi Al-Istithmar. Part of the proceeds was used to fully redeem Term Loan I and Term Loan VII (COF + 1.4% p.a.).

Tranche	Issuance Date	Amount (RM'000)	Tenure	Profit Distribution Rate (per annum)
1	28 February 2025	100,000	5 Years	4.32%
2	28 February 2025	200,000	7 Years	4.48%
		300,000		

The principal amount will be repaid at the end of the tenure, while the related finance costs will be repaid on a semi-annual basis. The related secured assets have a carrying amount of RM356,578,000 as at 31 December 2024.

(b) On 25 March 2025, the Directors have declared an interim single tier dividend of RM1.29 on 38,835,000 ordinary shares amounting to RM50,000,000. This dividend will be accounted for in the financial year ending 31 December 2025.

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

(i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.

(ii) As at the LPD, we have only 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(iii) Save as disclosed in Section 6.1.4 of this Prospectus, no shares, stocks, or debentures of our Company have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the Financial Years Under Review and up to the LPD.

(iv) We have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.

(v) As at the date of this Prospectus, save for our Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.2.2 of this Prospectus, there is currently no other scheme involving our Directors and employees in the share capital of our Company or any of our Subsidiaries.

(vi) As at the date of this Prospectus, save for the RCCPS issued by OISB and OTRI as disclosed in Sections 6.3.11 and 6.3.23 of this Prospectus respectively, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.

(vii) Save as disclosed in Sections 2.2 and 12.4 of this Prospectus and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our Subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires:

Words		Meaning
Chairman	:	The chairman of the Board for the time being.
Deposited Security	:	A Security standing to the credit of a Securities Account and includes a Security in a Securities Account that is in suspense, subject to the provisions of the SICDA.
Listed Deposited Security	:	A Deposited Security quoted on the Official List.
Member	:	Any person for the time being holding shares in the Company and whose name appears in the Register of Members (with the exception of Bursa Depository or its nominee company in whose name the Deposited Security is registered) and shall include any depositor whose name appears in the Record of Depositors.

Official List	:	A list specifying all securities which have been admitted for listing and have not been removed from Bursa Securities.
Ordinary Resolution	:	A resolution passed by a simple majority of more than 50% of members or a class of members of the Company who are entitled to vote and do vote in person, or where proxies are allowed, by proxy at a meeting of members or who are entitled to vote on a written resolution.
Security/Securities	:	Shall have the meaning given in Section 2(1) of the CMSA.
Special Resolution	:	A resolution passed by a majority of not less than 75% of members or a class of members of the Company who are entitled to vote and do vote in person, or where proxies are allowed, by proxy at a meeting of members or who are entitled to vote on a written resolution.

14.2.1 Remuneration of directors

<u>Clause 106 – Remuneration</u>

"The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be determined by an Ordinary Resolution of the Company at a general meeting of the Members and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that:

(i) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(ii) salaries payable to executive Directors may not include a commission on or percentage of turnover;

(iii) fees of directors, and any benefits payable to Directors shall be subject to annual shareholder approval at a general meeting and not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

(iv) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

14.2.2 Voting and borrowing powers of Directors

<u>Clause 126 – Declaration of interest and restriction of voting</u>

"A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company, shall declare the nature of his interest in accordance with the provisions of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest and if he should do so, his vote should not be counted, but this prohibition shall not apply to:

(i) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or

(ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security."

Clause 127 – Directors restrained from voting in interested transactions

"Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company."

Clause 111 – Directors' borrowing powers

"(i) The Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to borrow money, raised funds and/or accept credit facilities and to mortgage or charge its undertakings, property (both present and future), and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party provided always that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

(ii) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.

(iii) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."

14.2.3 Changes to share capital

Clause 54 – Increase of share capital

"The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by Ordinary Resolution passed at the general meeting increase its share capital, such new capital to be of such amount and to be divided into shares of such rights to or be subject to such conditions or restriction in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs, and if no direction to be given, as the Directors shall determine and in particular, but without prejudice to the rights attached to any preference shares that may have been issued, such new shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the

Company and with a special or restricted or without any right of voting."

Clause 57 – Alteration of capital

"Subject to the provisions of the Act and the Listing Requirements, the Company may by Ordinary Resolution:

(i) consolidate and divide all or any of its share capital, such that the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(ii) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived. Any resolution whereby any share is subdivided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards distributions, including dividends, return of capital voting or otherwise over the other or others of such shares; and

(iii) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of shares into another class of shares.

The Company shall lodge with the Share Registrar the notice of any alteration referred to under this Clause 59 in the form and manner as may be determined by the Share Registrar within 14 days from the date of the alteration."

14.2.4 Transfer of securities

Clause 44 – Transfer of securities

"The transfer of any Listed Deposited Security or class of Listed Deposited Security of the Company, shall be by way of book entry by Bursa Depository in accordance with the Rules of Bursa Depository and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Deposited Security."

14.2.5 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any rights

Clause 7 – Authority of Directors to allot shares

"Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution, the Listing Requirements, the Act and the Central Depositories Act and the relevant Members' approval being obtained, the Directors may issue and allot shares in the Company (including rights or options over subscription of such shares) to any persons in such numbers and proportions with such preferred, deferred or other special rights or such restrictions (whether with regard to dividend, voting, return of capital or otherwise) and for such consideration as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:

(i) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members in a general meeting;

(ii) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution;

(iii) except in the case of an issue of shares or option on a pro-rata basis to all Members, every issue of shares or options to employees and/or Directors shall be approved by the Members in a general meeting and:

(a) such approval shall specifically detail the amount of shares or options to be issued to such employees and/or Directors; and

(b) a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a share option scheme;

(iv) the Company must ensure that all new issue of Securities for which listing is sought shall be made by way of crediting the Securities Accounts of the allottees or entitled persons in Bursa Depository with such securities save and except where the Company is specifically exempted from doing so. The Company shall notify Bursa Depository of the names of the allottees or the entitled persons together with all such particulars as may be required by Bursa Depository to enable it to make the appropriate entries in the Securities Accounts of such allottees or entitled persons. Notwithstanding this Constitution, the Company shall comply with the provisions of the Central Depositories Act and the Rules of Bursa Depository in all matters relating to the prescribed Securities; and

(v) the Company must allot and issue Securities, dispatch notices of allotment to the allottees and make an application for the listing of and quotation for such securities within such periods as may be prescribed by the Bursa Securities and deliver to Bursa Depository the appropriate certificates in such denominations as may be specified by the Depository registered in the name of Bursa Depository or its nominee company subject to the regulation of Bursa Depository."

Clause 17 – Alteration of class rights

"Subject to Sections 71 and 91 of the Act, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may subject to the provisions of this Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of 75% of the total voting rights of the holders of that class of shares, or with the sanction of any Special Resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons present at least holding or representing by proxy holding at least one-third of the number of issued shares of such class, excluding any shares of that class held as treasury shares (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. To every such Special Resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply."

Clause 151 – Payment of Dividends

"The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Company in a general meeting may declare dividends accordingly."

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his/her Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his/her Shares to the Minister of Finance and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a depositor by means of entries in the securities account of that depositor.

A depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

As at the LPD, we do not have any foreign subsidiary or associate and are not subject to governmental laws, decrees, regulations and/or other requirements which may affect the repatriation of capital and remittance of profits by or to our Group.

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Malaysian government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gain tax arising from the disposal of listed shares.

14.6 MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by our Group during the Financial Years Under Review and up to the date of this Prospectus:

14.6.1 Retail Underwriting Agreement dated [●]

[●]

14.6.2 Master Cornerstone Placement Agreement dated [●]

[●]

14.6.3 Lock-up Agreement dated [●] in relation to our IPO and Listing

[●]

14.7 MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

14.8 CONSENTS

The written consents of our Principal Adviser, Joint Bookrunners, Managing Underwriter, Joint Underwriters, Company Secretaries, Legal Advisers, Issuing House, and Share Registrar as listed in the Corporate Directory of this Prospectus, for the inclusion of their names and all references thereto in the form and context in which such names appear in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of EY for the inclusion of its name, Accountants' Report and Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

The written consent of Vital Factor for the inclusion of its name, the IMR Report, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) the IMR Report as set out in Section 8 of this Prospectus;

(iii) the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position as referred to in Section 12.5 of this Prospectus;

(iv) the Accountants' Report as referred to in Section 13 of this Prospectus;

(v) our material contracts as referred to Section 14.6 of this Prospectus;

(vi) the letters of consent as referred to in Section 14.8 of this Prospectus;

(vii) our audited consolidated financial statements for the Financial Years Under Review; and

(viii) audited financial statements of each of our subsidiaries for the Financial Years Under Review.

14.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and the Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, being the Principal Adviser, Joint Bookrunner for the Institutional Offering, and the Managing Underwriter and Joint Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, the Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

15. PROCEDURES FOR APPLICATION

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR ISSUE SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF THIS PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., [•]

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., [•]

In the event there is any changes to the dates or times stated above, we will advertise the notice of changes in widely circulated daily English and Bahasa Malaysia newspaper within Malaysia and make an announcement on the website of Bursa Securities.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATION

15.2.1 Application of our Issue Shares under the Retail Offering

All Applications must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application method
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	• White Application Form; • Electronic Share Application; or • Internet Share Application
(ii) Non-Individuals	White Application Form only

15.2.2 Application of our IPO Shares under the Institutional Offering

Malaysian institutional and selected investors being allocated our IPO Shares under the Institutional Offering (other than Bumiputera investors approved by the MITI) will be contacted directly by the respective Joint Bookrunners and will follow the instructions as communicated by the respective Joint Bookrunners.

Bumiputera investors approved by the MITI who have been allocated our Issue Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

Eligible persons, Malaysian institutional and selected investors and Bumiputera investors approved by the MITI may still apply for our Issue Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of this Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMISES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

15.3.2 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfil all of the following:

(i) you must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;

(ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) you must submit Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

15.3.3 Application by Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Human Resources or Finance Department.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM [•] for each Issue Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NO. [•]**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Human Resources or Finance Department.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

(ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5.00 p.m. on [•] or such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Forms to the Issuing House.

Please refer to the detailed procedures and terms and conditions of the Application Forms set out in the '**Detailed Procedures for Application and Acceptance**' accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for the Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the '**Detailed Procedures for Application and Acceptance**' accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institutions for further enquiries.

15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn. Bhd. *(formerly known as CGS-CIMB Securities Sdn Bhd)*, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn. Bhd., Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the '**Detailed Procedures for Application and Acceptance**' accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Internet Participating Financial Institutions or Participating Securities Firms for further enquiries.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

(i) reject Applications which:

(a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(b) are illegible, incomplete or inaccurate; or

(c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allotment of Shares and the balloting results in connection therewith will be furnished by the Issuing House to the SC, Bursa Securities, all major English and Bahasa Malaysia newspapers as well as posted on the Issuing House's website (www.mih.com.my) within one business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have at least 25% of our Company's issued share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon our Listing. We expect to achieve this at the point of our Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest of any share or revenue or benefit arising therefrom).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriters based on the terms of the Retail Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

15.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the fifth Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date.

The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) Our Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

(v) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to you without any interest thereon. The refund will be credited into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to your address maintained with Bursa Directory if you have not provided such bank account information to Bursa Depository, or by crediting into your account with the Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institutions or Participating Securities Firms for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of application, at your own risk.

15.11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at +603 7890 4700
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in the '**Detailed Procedures for Application and Acceptance**' accompanying the Electronic Prospectus on the website of Bursa Securities.

ANNEXURE A – SALIENT TERMS OF OUR MATERIAL DEPENDENT CONTRACTS

The following are the salient terms of the material dependent contracts entered into by our subsidiaries who are the respective disponent owners of the vessels and ship-owning companies ("**Shipowner**") with the major customers who we are materially dependent on ("**Charterer**"), as set out in Section 7.23 of this Prospectus:

Vessel requirements : Vessel to be provided under the charter period shall:

(a) be classed by a classification society which is a member of the International Association of Classification Societies;
(b) fit to carry clean petroleum or LPG and/or its products;
(c) in good order and condition and in every way fit for the service;
(d) be ensured that the tanks, valves and pipelines are oil-tight/gas-tight;
(e) be fitted for burning fuel oil for main propulsion (at sea) and marine gas oil/marine diesel oil for auxiliaries (at sea or in port) or otherwise as specified under the contract;
(f) be registered as Malaysian ship;
(g) have on board all certificates, documents and equipment required for the charter service;
(h) have no changes to the ownership structure, flag, registry, class and management company without approval of the charterer;
(i) comply with relevant terminal rules; and
(j) eligible for service under all applicable conventions, laws and regulations.

Termination : Charterer shall have the right to terminate the contract by written notice to the Shipowner if:

(a) the Shipowner commits a breach in relation to its obligations under the provisions of the contract and failed to remedy within the reasonable timeframe stipulated in the contract; or
(b) the Shipowner makes an assignment for the benefits of creditors, a petition is presented against the Shipowner for an order for bankrupt or winding-up or for corporate re-organisation, or the appointment of a receivership for the Shipowner or the properties of the Shipowner, or become insolvent or suspends payment or is unable to pay its debt or an order is made or a resolution is passed for the winding-up, liquidation and/or dissolution of the Shipowner; or
(c) there is a change in the control structure and/or ownership of the Shipowner; or
(d) the Shipowner has breached the business principles of the Charterer or being a party to any dishonest, fraudulent or wrongful conduct in relation to the contract.

The contract can also be terminated by either party due to a force majeure event, loss of vessel or upon war outbreak.

Insurance : The Shipowner to ensure that the vessel has the required insurance as specified by the Charterer including but not limited to insurance cover for oil pollution with minimum cover of USD1,000,000,000 and Hull and Machinery insurance.

Licences : Shipowner shall ensure that at all necessary times, the vessel is suitably flagged and shall have on board all class and trading certificates, record and documents required for the services, including the DSL.

Indemnity	**:**	In considering of the Shipowner complying with the Charterer's request, the Charterer agreed to indemnify the Shipowner as follows: (a) to hold the Shipowner, its servants and agents harmless in respect of any liability, loss, damage or expense of whatsoever nature and which they may sustain in connection with complying with the Charterer's request, including loss or damage caused by an inspector appointed by the Charterer, except to the extent that such liability, loss, damage or expense could have been avoided by the exercise of due diligence by the Shipowner; (b) to provide sufficient funds on demand to defend any proceeding being commenced against the Shipowner or any of its servants or agents in connection with complying with the Charterer's request; and (c) to indemnify the Shipowner in respect of any liability, loss, damage or expense reasonably caused by the arrest or detention of vessel or threatened arrest or detention or any interference in the use or trading of the vessel in connection with complying with the Charterer's request. The indemnity shall be limited in value to 200.0% of the cost, insurance and freight value of the total cargo on board and shall terminate on the day falling 36 calendar months after the date of discharge unless before that time the Charterer has received from the Shipowner a written notice of a claim pursuant to the indemnity.
Governing law	**:**	Laws of Malaysia (save for Time Charter contract for Orkim Gas Brilliance which is governed by Laws of England)

In addition to the foregoing provisions, the following are the terms contained in a Time Charter contract:

Owner to provide	**:**	Shipowner undertakes to – (a) provide and pay for all provisions, wages, shipping and discharging fees of the vessel's crews; (b) provide and pay for all required insurance, stores, water, maintenance and repairs of the vessel; or (c) extend liabilities for customs or import duties arising at any time during the performance of the contract in relation to the personal effects of the vessel's officers and crews.
Charterer to provide	**:**	Charterer shall provide and pay for all fuel, towage and pilotage and shall pay agency fees, port charges, commissions, cargo loading/unloading expenses, canal dues and all other charges not payable by the Shipowner.

ANNEXURE B – OUR MAJOR LICENCES, PERMITS AND APPROVALS

Details of our major licences, permits and approvals as at the LPD, together with the major conditions imposed and status of compliance are as follows:

(i) DSL issued by the Domestic Shipping Licensing Board

No.	Company / Vessel	Licence No.	Validity period	Major conditions imposed	Status of compliance
1.	OCSB / Orkim Challenger	A126418/eDSL4806/2024	1 December 2024 to 30 November 2025	1. No licence shall be transferable. 2. The licence or a certified true copy shall always be kept and displayed on board the ship it is issued to.	Complied for all 17 DSLs
2.	ODIA / Orkim Diamond	A128592/eDSL1690/2025	25 May 2025 to 24 May 2026		
3.	ODIS / Orkim Discovery	A127068/eDSL0039/2025	21 January 2025 to 20 January 2026		
4.	OEME / Orkim Emerald	A125046/eDSL3099/2024	23 August 2024 to 22 August 2025		
5.	OEXP / Orkim Express	A129430/eDSL2686/2025	19 July 2025 to 18 July 2026		
6.	DMVSB / Orkim Fortitude	A126377/eDSL4774/2024	18 November 2024 to 17 November 2025		
7.	MESB / Orkim Fortune	A125413/eDSL3433/2024	22 September 2024 to 21 September 2025		
8.	OMSB / Orkim Glory	A129680/eDSL2689/2025	1 August 2025 to 31 July 2026		
9.	MMSB / Orkim Harmony	A125924/eDSL4251/2024	27 October 2024 to 26 October 2025		
10.	OLSB / Orkim Leader	A128481/eDSL1684/2025	13 May 2025 to 12 May 2026		
11.	OPEA / Orkim Pearl	A127591/eDSL0094/2025	1 March 2025 to 28 February 2026		
12.	OPOW / Orkim Power	A127625/eDSL0096/2025	3 March 2025 to 2 March 2026		
13.	ORSB / Orkim Reliance	A127874/eDSL0737/2025	29 March 2025 to 28 March 2026		

No.	Company / Vessel	Licence No.	Validity period	Major conditions imposed	Status of compliance
14.	OSSB / Orkim Sapphire	A128357/eDSL1111/2025	30 April 2025 to 29 April 2026		
15.	OTOP / Orkim Topaz	A126095/eDSL4453/2024	11 November 2024 to 10 November 2025		
16.	OENE / Orkim Gas Brilliance	A126698/eDSL5215/2024	16 January 2025 to 15 January 2026		
17.	OENE / Orkim Gas Success	A128445/eDSL1643/2025	6 May 2025 to 5 May 2026		

(ii) Certificate of Malaysian Registry issued by the Registrar of Malaysian Ships, Port Kelang

No.	Company / Vessel	Certificate No.	Date of issuance	Major conditions imposed	Status of compliance
1.	OCSB / Orkim Challenger	334260	21 October 2010	None for all 17 certificates	Not applicable
2.	ODIA / Orkim Diamond	337093	3 May 2021		
3.	ODIS / Orkim Discovery	334270	16 December 2010		
4.	OEME / Orkim Emerald	337630	13 July 2021		
5.	OEXP / Orkim Express	334325	16 June 2011		
6.	DMVSB / Orkim Fortitude	337653	14 September 2021		
7.	MESB / Orkim Fortune	333876	23 June 2009		
8.	OMSB / Orkim Glory	334529	10 July 2013		
9.	MMSB / Orkim Harmony	334084	14 August 2009		
10.	OLSB / Orkim Leader	334117	3 March 2010		
11.	OPEA / Orkim Pearl	337072	15 February 2021		
12.	OPOW / Orkim Power	334116	21 January 2010		
13.	ORSB / Orkim Reliance	334271	18 January 2011		
14.	OSSB / Orkim Sapphire	337071	2 April 2021		
15.	OTOP / Orkim Topaz	337657	15 October 2021		
16.	OENE / Orkim Gas Brilliance	335718	4 December 2015		

No.	Company / Vessel	Certificate No.	Date of issuance	Major conditions imposed	Status of compliance
17.	OENE / Orkim Gas Success	335753	9 March 2016		

(iii) Licence to provide services to PETRONAS

No.	Company / Vessel	Licence No.	Validity period	Major conditions imposed	Status of compliance
1.	OMSB	**Licence No.:** 200301026087 **Approved licence categories:** (i) 21121715S for the provision of LPG tankers; and (ii) 21121716S for the provision of petroleum product tankers.	9 May 2024 to 19 July 2027	1. OMSB shall inform PETRONAS on any changes related to OMSB's position such as equity ownership, board of directors and management staff within 14 days of such changes. Failure to do so can result in the revocation of licence. 2. OMSB shall comply with a minimum 30% Bumiputera participation in equity ownership, board of directors, management and employment force.	Complied

(iv) Permission under Section 6(3) of the PDA to carry out the business of providing transportation services for petroleum gasoline, diesel, Jet A1 and Naphtha issued by KPDN ("PDA Licences")

No.	Company / Vessel	Licence No.	Validity period	Major conditions imposed	Status of compliance
1.	MESB	043638 / 22293	24 February 2023 to 23 February 2026	Subject to conditions stipulated in '*Garis Panduan Permohonan Kebenaran PDA 3 Perkhidmatan Pengangkutan Bahan Petroleum*'(1)	Complied.
2.	ODIS	043637 / 22386	29 March 2023 to 28 March 2026		
3.	OMSB	043640 / 22292	24 February 2023 to 23 February 2026		

ANNEXURE B – OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Company / Vessel	Licence No.	Validity period	Major conditions imposed	Status of compliance
4.	OLSB	043616 / 18703	26 January 2023 to 25 January 2026		
5.	OPOW	043615 / 18704	26 January 2023 to 25 January 2026		
6.	ORSB	043639 / 22385	29 March 2023 to 28 March 2026		

Note:

(1) The following conditions are stipulated in 'Garis Panduan Permohonan Kebenaran PDA 3 Perkhidmatan Pengangkutan Bahan Petroleum' issued by KPDN:

- *(i) The general conditions for new applications are as follows:*
  - *(a) Minimum paid-up capital for private limited companies: RM100,000.*
  - *(b) Minimum working capital for sole proprietorships and partnerships (as reflected in the amount stated in the company's bank account statement): RM50,000.*
  - *(c) Type of ownership for partnership and private limited company: A minimum of 30% Bumiputera equity holding.*
  - *(d) Foreign equity: Not permitted.*
  - *(e) Maximum approval period: 3 years, subject to KPDN's discretion.*
- *(ii) The licence is non-transferable without approval from KPDN.*
- *(iii) The licence must be clearly displayed at the approved business premise.*
- *(iv) The licence holder must obtain approval from KPDN before making any amendments to any part or changes in the company's structure, including equity, board of directors, ownership, suppliers, etc.*
- *(v) The licence holder must submit renewal application for the licence at least 3 months before its expiry date.*
- *(vi) The licence holder must accurately and completely provide any clarification or information requested by KPDN.*
- *(vii) The licence holder shall not take any legal action or claim compensation from any party in the event the licence is not renewed or extended due to the licence holder's own negligence or failure.*
- *(viii) The licence holder must comply with all stipulated conditions and must obtain written approval from KPDN before conducting any promotional activities related to goods at the station specified in the licence.*
- *(ix) The licence holder is required to comply with all licence conditions set by KPDN from time to time, abide by all laws in Malaysia, and refrain from engaging in any activities that contravene any such laws.*
- *(x) The licence will be revoked in the event of any breach of the above conditions or any provisions under the Petroleum Development Act, 1974, its subsidiary legislation, or any other applicable laws in force in Malaysia.*

ANNEXURE B – OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

(x) *The licence will be revoked in the event of any breach of the above conditions or any provisions under the Petroleum Development Act, 1974, its subsidiary legislation, or any other applicable laws in force in Malaysia.*

(v) Class Certificates / Certificates of Classification issued by international classification societies

No.	Company / Vessel	Approving authority / Issuer	Certificate No.	Validity Period	Major conditions imposed	Status of compliance
1.	OCSB / Orkim Challenger	ABS	10228726-4432298-008	Valid until 14 September 2025	Subject to periodical surveys in accordance with the rules and standards of ABS and terms and conditions attached to the certificate.	Complied for all 17 class certificates
2.	ODIA / Orkim Diamond		21279338-4773670-001	Valid until 19 April 2026		
3.	ODIS / Orkim Discovery		10228727-4486880-007	Valid until 14 October 2025		
4.	OEME / Orkim Emerald		21279339-4897706-003	Valid until 11 July 2026		
5.	OEXP / Orkim Express		11198631-4722429-001	Valid until 27 April 2026		
6.	DMVSB / Orkim Fortitude		10210182-4888295-023	Valid until 2 September 2025		
7.	MESB / Orkim Fortune		10210182-5529370-047	Valid until 25 May 2029		
8.	OMSB / Orkim Glory		13236727-5860357-001	Valid until 17 June 2028		
9.	MMSB / Orkim Harmony		09184568-6408644-003	Valid until 23 July 2029		
10.	OLSB / Orkim Leader		10197369-6808450-008	Valid until 4 February 2030		
11.	OPEA / Orkim Pearl		21279335-4656687-001	Valid until 17 January 2026		
12.	OPOW / Orkim Power		09197368-6696659-008	Valid until 25 December 2029		

No.	Company / Vessel	Approving authority / Issuer	Certificate No.	Validity Period	Major conditions imposed	Status of compliance
13.	ORSB / Orkim Reliance		10228728-6964866-025	Valid until 29 November 2025		
14.	OSSB / Orkim Sapphire		21279336-4731051-003	Valid until 14 March 2026		
15.	OTOP / Orkim Topaz		21279337-5021743-001	Valid until 14 October 2026		
16.	OENE / Orkim Gas Brilliance	ClassNK	20JB0072-CLS	Valid until 13 September 2025	Subject to periodical surveys in accordance with the rules and standards of the conditions of service for classification of ships and registration of instalments of ClassNK.	
17.	OENE / Orkim Gas Success		21JB0008-CLS	Valid until 24 February 2026		

All vessels in our fleet are classed by ABS or ClassNK, both are members of the International Association of Classification Societies. Our vessels hold valid Class Certificates or Certificates of Classification issued by ABS or ClassNK respectively, confirming that our vessels have been constructed and maintained in accordance with the applicable rules and standards of ABS or ClassNK as well as the applicable statutory requirements.

In order to maintain a valid Class Certificates or Certificate of Classification, each of our vessel is subject to a comprehensive programme of regular surveys and inspections carried out by ABS or ClassNK. These include annual, intermediate, and special surveys, as well as periodic dry-docking inspections, which ensure continued compliance with the classification societies' technical standards.

In addition to classification requirements, ABS and ClassNK are authorised by various flag states to act as a recognised organisation and to issue statutory certificates on their behalf. Accordingly, our vessels are also certified for compliance with the relevant international maritime conventions, including those under the IMO. These statutory certificates include:

(i) International Load Line Certificate;

(ii) International Tonnage Certificate (1969);

(iii) Cargo Ship Safety Construction Certificate;

(iv) Cargo Ship Safety Equipment Certificate;

(v) Cargo Ship Safety Equipment Exemption Certificate;

(vi) Cargo Ship Safety Radio Certificate;

(vii) International Oil Pollution Prevention Certificate;

(viii) International Air Pollution Prevention Certificate;

(ix) International Sewage Pollution Prevention Certificate;

(x) International Ballast Water Management Certificate;

(xi) International Energy Efficiency Certificate;

(xii) Maritime Labour Certificate;

(xiii) Safety Management (ISM) Certificate; and

(xiv) International Ship Security Certificate (ISSC).

The continued validity of the Class Certificates or Certificates of Classification is contingent upon the vessel's compliance with the applicable rules and standards of ABS or ClassNK as well as the applicable statutory requirements. Any lapse or failure to conduct the required surveys or maintain the certifications may result in the suspension or withdrawal of the vessel's class status and statutory certification, which could adversely affect our vessels ability to operate commercially.

(vi) Certificate of insurance or other financial security in respect of civil liability for bunker oil pollution damage issued by the MDM

No.	Company / Vessel	Certificate No.	Validity period	Major conditions imposed	Status of compliance
1.	OCSB / Orkim Challenger	BCC-25-00016	20 February 2025 to 20 February 2026	None for all 17 certificates	Not applicable
2.	ODIA / Orkim Diamond	BCC-25-00034	20 February 2025 to 20 February 2026		
3.	ODIS / Orkim Discovery	BCC-25-00017	20 February 2025 to 20 February 2026		

ANNEXURE B – OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Company / Vessel	Certificate No.	Validity period	Major conditions imposed	Status of compliance
4.	OEME / Orkim Emerald	BCC-25-00033	20 February 2025 to 20 February 2026		
5.	OEXP / Orkim Express	BCC-25-00019	20 February 2025 to 20 February 2026		
6.	DMVSB / Orkim Fortitude	BCC-25-00032	20 February 2025 to 20 February 2026		
7.	MESB / Orkim Fortune	BCC-25-00012	20 February 2025 to 20 February 2026		
8.	OMSB / Orkim Glory	BCC-25-00038	20 February 2025 to 20 February 2026		
9.	MMSB / Orkim Harmony	BCC-25-00013	20 February 2025 to 20 February 2026		
10.	OLSB / Orkim Leader	BCC-25-00015	20 February 2025 to 20 February 2026		
11.	OPEA / Orkim Pearl	BCC-25-00037	20 February 2025 to 20 February 2026		
12.	OPOW / Orkim Power	BCC-25-00014	20 February 2025 to 20 February 2026		
13.	ORSB / Orkim Reliance	BCC-25-00018	20 February 2025 to 20 February 2026		
14.	OSSB / Orkim Sapphire	BCC-25-00036	20 February 2025 to 20 February 2026		
15.	OTOP / Orkim Topaz	BCC-25-00035	20 February 2025 to 20 February 2026		
16.	OENE / Orkim Gas Brilliance	BCC-25-00020	20 February 2025 to 20 February 2026		
17.	OENE / Orkim Gas Success	BCC-25-00021	20 February 2025 to 20 February 2026		

(vii) Certificate of insurance or other financial security in respect of civil liability for oil pollution damage issued by the MDM[1]

No.	Company / Vessel	Certificate No.	Validity period	Major conditions imposed	Status of compliance
1.	OCSB / Orkim Challenger	CLC-25-00014	20 February 2025 to 20 February 2026	None for all 15 certificates	Not applicable
2.	ODIA / Orkim Diamond	CLC-25-00022	20 February 2025 to 20 February 2026		
3.	ODIS / Orkim Discovery	CLC-25-00015	20 February 2025 to 20 February 2026		
4.	OEME / Orkim Emerald	CLC-25-00021	20 February 2025 to 20 February 2026		
5.	OEXP / Orkim Express	CLC-25-00017	20 February 2025 to 20 February 2026		
6.	DMVSB / Orkim Fortitude	CLC-25-00020	20 February 2025 to 20 February 2026		
7.	MESB / Orkim Fortune	CLC-25-00010	20 February 2025 to 20 February 2026		
8.	OMSB / Orkim Glory	CLC-25-00018	20 February 2025 to 20 February 2026		
9.	MMSB / Orkim Harmony	CLC-25-00011	20 February 2025 to 20 February 2026		
10.	OLSB / Orkim Leader	CLC-25-00013	20 February 2025 to 20 February 2026		
11.	OPEA / Orkim Pearl	CLC-25-00019	20 February 2025 to 20 February 2026		
12.	OPOW / Orkim Power	CLC-25-00012	20 February 2025 to 20 February 2026		
13.	ORSB / Orkim Reliance	CLC-25-00016	20 February 2025 to 20 February 2026		
14.	OSSB / Orkim Sapphire	CLC-25-00024	20 February 2025 to 20 February 2026		

No.	Company / Vessel	Certificate No.	Validity period	Major conditions imposed	Status of compliance
15.	OTOP / Orkim Topaz	CLC-25-00023	20 February 2025 to 20 February 2026		

Note*:*

(1) Orkim Gas Brilliance and Orkim Gas Success do not require certificate of insurance or other financial security in respect of civil liability for oil pollution damage issued by the MDM due to the nature of cargo carried (LPG) which is unable to cause oil spill.

(viii) Certificate of insurance or other financial security in respect of civil liability for wreck removal issued by the MDM

No.	Company / Vessel	Certificate No.	Validity period	Major conditions imposed	Status of compliance
1.	OCSB / Orkim Challenger	WRC-25-00017	20 February 2025 to 20 February 2026	None for all 17 certificates	Not applicable
2.	ODIA / Orkim Diamond	WRC-25-00044	20 February 2025 to 20 February 2026		
3.	ODIS / Orkim Discovery	WRC-25-00018	20 February 2025 to 20 February 2026		
4.	OEME / Orkim Emerald	WRC-25-00043	20 February 2025 to 20 February 2026		
5.	OEXP / Orkim Express	WRC-25-00020	20 February 2025 to 20 February 2026		
6.	DMVSB / Orkim Fortitude	WRC-25-00042	20 February 2025 to 20 February 2026		
7.	MESB / Orkim Fortune	WRC-25-00013	20 February 2025 to 20 February 2026		
8.	OMSB / Orkim Glory	WRC-25-00021	20 February 2025 to 20 February 2026		
9.	MMSB / Orkim Harmony	WRC-25-00014	20 February 2025 to 20 February 2026		
10.	OLSB / Orkim Leader	WRC-25-00016	20 February 2025 to 20 February 2026		

ANNEXURE B – OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Company / Vessel	Certificate No.	Validity period	Major conditions imposed	Status of compliance
11.	OPEA / Orkim Pearl	WRC-25-00024	20 February 2025 to 20 February 2026		
12.	OPOW / Orkim Power	WRC-25-00015	20 February 2025 to 20 February 2026		
13.	ORSB / Orkim Reliance	WRC-25-00019	20 February 2025 to 20 February 2026		
14.	OSSB / Orkim Sapphire	WRC-25-00046	20 February 2025 to 20 February 2026		
15.	OTOP / Orkim Topaz	WRC-25-00045	20 February 2025 to 20 February 2026		
16.	OENE / Orkim Gas Brilliance	WRC-25-00022	20 February 2025 to 20 February 2026		
17.	OENE / Orkim Gas Success	WRC-25-00023	20 February 2025 to 20 February 2026		

ANNEXURE C: MATERIAL GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances, we are required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing us and which are material to our operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made including those that may disrupt the operations of our Group.

Governing laws and regulations relating to the industry

(i) <u>MSO</u>

The MSO is the principal legislation governing merchant shipping in Malaysia. The MSO provides for two types of ship registries, namely the Malaysia Ship Register and the Malaysia International Ship Register. In order to be registered as a Malaysian ship under the Malaysia Ship Register, a ship needs to be wholly-owned by either Malaysian citizens or a corporation incorporated in Malaysia in which the majority of directors and shareholders are Malaysians with principal office in Malaysia and management of the corporation is carried out mainly in Malaysia. Prior to the registration, the shipowner shall obtain a certificate of measurement issued by the ship surveyor specifying the ship's tonnage and build and such other particulars descriptive of the identity of the ship. Upon being registered, the ship shall be issued with a certificate of registry. The registrar may issue in respect of any ship a provisional certificate of registry that shall be valid for a maximum period of one year from the date of its issue.

If a ship is owned by a corporation which is incorporated in Malaysia and the principal office of such corporation is established in Malaysia, but the majority of the shareholding, including voting shares of such corporation are not held by Malaysians, the ship can still be registered as a Malaysian ship under the Malaysia International Ship Register irrespective of where the ship was built. This is subject to the requirement that the ship is self-propelled (mechanically propelled), has gross tonnage of not less than 1,600 tonnage and does not exceed the maximum age limit as may be prescribed by the Director of Marine.

The Domestic Shipping Licensing Board was established pursuant to the MSO to regulate and control the licensing of ships engaged in domestic shipping. Under the MSO, domestic shipping refers to the use of ship to provide services, other than fishing, in Malaysian waters or the exclusive economic zone, or for the shipment of goods or the carriage of passengers from or to any port or place in Malaysia or from any port or place in Malaysia to any place in the exclusive economic zone or vice versa. The MSO also provides that no ship, other than a Malaysian ship, may engage in domestic shipping, and that a ship must have a licence to do so unless exempted under the MSO. A Malaysian ship of less than 15 net tonnage, among others, is exempted from having such DSL.

The MSO provides several types of domestic shipping licences, each governed by different requirements and conditions which, among others, include:

(a) **Unconditional licence**: Applicable to Malaysian registered vessels that (i) meet at least 30% Bumiputera participation in directorship, equity ownership and office staff; (ii) employ at least 75% Malaysian crew; and (iii) the vessel's age is not more than 20 years; and

(b) **Conditional licence**: Applicable to Malaysian registered vessels that do not meet any of the requirements imposed for the unconditional licence or to Malaysian-registered vessels that meet all the requirements of the unconditional licence but are more than 20 years old.

(Source: User Guide – e-Domestic Shipping Licence by MDM)

The control of licensing of ships engaged in domestic shipping serves to implement the cabotage policy that was introduced in 1980. The cabotage policy aims to develop Malaysian ownership and local shipping by, among others, minimising dependence on foreign vessels. Foreign vessels are not allowed to carry out domestic shipping activities in Malaysia, unless exempted. Notwithstanding the foregoing provisions, cabotage policy has gone through several partial liberalisations. Pursuant to the Exemption Order under Section 65U of MSO ("**Exemption Order 2017**"), with effect from 1 June 2017, both Malaysian and non-Malaysian ships may provide transport of cargo services from any one port in Peninsular Malaysia to any one port in Sabah, Sarawak and Federal Territory of Labuan (and vice versa), from any port in Sabah to another port in Sabah, and from any port in Sarawak to another port in Sarawak, without a domestic shipping licence.

However, on 30 May 2024, several subsidiary legislations were gazetted under MSO, including the Revocation of Exemption Under Section 65U of MSO, which revoked the Exemption Order 2017 with effect from 1 June 2024 by the Ministry of Transport ("**Revocation of Exemption Order 2017**"). Following the Revocation of Exemption Order 2017, both Malaysian and non-Malaysian ships are required to obtain a DSL to provide transport of relevant cargo services.

(Source: Merchant Shipping Ordinance 1952 (Exemption Under Section 65U) [P.U. (B) 274/2017],Merchant Shipping Ordinance 1952 (Exemption Under Section 65U) [P.U. (B) 275/2017], Merchant Shipping Ordinance 1952 (Revocation of Exemption Under Section 65U) [P.U. (B) 197/2024] and Merchant Shipping Ordinance 1952 (Revocation of Exemption Under Section 65U) [P.U. (B) 198/2024])

The MSO further prescribes that Malaysian ships registered under the MSO shall be issued with, among others, the following certificates:

(a) International Ship Security Certificate;

(b) Safety Management Certificate;

(c) Cargo Ship Safety Equipment Certificate;

(d) Cargo Ship Safety Radio Certificate;

(e) Cargo Ship Safety Construction Certificate;

(f) International Load Line Certificate; and

(g) Maritime Labour Certificate.

Generally, these certificates shall remain in force for five years or such shorter period as may be specified therein. A Malaysian ship is prohibited from proceeding to sea without the relevant certificates prescribed under the MSO.

As at the LPD, all of our vessels hold valid conditional domestic shipping licences, certificate of registry and various certificates issued pursuant to the MSO. Please refer to Annexure B for details of the major licences and certificates held by each of our vessels pursuant to the provisions of the MSO.

(ii) <u>International conventions adopted by Statutes</u>

International conventions relating to maritime law have been incorporated into Malaysian law in 2 ways, either by way of legislations embodying, in its own words, provisions having the effect of the convention or by legislations embodying the original text of the convention itself, usually in a schedule with separate changes to be made under Malaysian law for the satisfactory operation of the convention. Examples of some of these conventions are set out below:

(a) International conventions adopted by MSO

The following international conventions are the conventions which have been incorporated into Malaysian law by the MSO:

(1) SOLAS

SOLAS specifies among others, minimum safety standards for the construction, equipment and operation of ships. The convention includes regulations governing the survey of various types of ships and the issuing of documents signifying that the ships' compliance with the convention. SOLAS also stipulates requirements for stowage and securing of cargo or cargo units and structural requirements for bulk carriers. The International Ship and Port Facility Security Code ("**ISPS Code**") came into force under Chapter XI-2/3 of SOLAS. The ISPS Code constitutes the basis for a comprehensive mandatory security regime for international shipping. Mandatory Part A of the ISPS Code outlines detailed maritime and port security related requirements that SOLAS contracting governments, port authorities and shipping companies must adhere to. Part B of the ISPS Code provides a series of recommendatory guidelines on how to meet the requirements and obligations set out within the provisions of Part A.

The International Safety Management Code ("**ISM Code**") came into force under Chapter IX of SOLAS. The ISM Code sets out an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code requires that companies responsible for ship operations to establish safety management systems and implement policies for achieving safety-management objectives under the ISM Code. The procedures required by the ISM Code should be documented and compiled in a Safety Management Manual, a copy of which should be kept on board.

The International Code of the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk ("**IGC Code**"), came into force under Chapter VII, Part C of SOLAS. The IGC Code provides an international standard for the safe transport by sea in bulk of liquefied gases and certain other substances, by prescribing the design and construction standards of ships involved in such carriage and the equipment they should carry so as to minimise the risk to the ship, its crew and the environment, having regard to the nature of the products involved. An International Certificate of Fitness for the Carriage of Liquefied Gases in Bulk which ensure compliance of IGC Code should be available on board for all times.

(*Source: SOLAS, the IMO*)

(2) Convention on the International Regulations for Preventing Collisions at Sea 1972 ("COLREG")

COLREG has been adopted by Malaysia as a schedule to the Merchant Shipping (Collisions Regulations) Order 1984 issued pursuant to the MSO. COLREG sets out the rules for safe navigation and other requirements for safe conduct as well as the requirements for vessels operating in restricted visibility to prevent any collision involving a vessel. The regulations shall be complied with by all vessels on the high seas and in all waters connected therewith and navigable by sea-going vessels.

(*Source: COLREG, the IMO*)

(3) MARPOL

MARPOL is the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes. Among others, MARPOL renders it mandatory for new oil tankers to have double hulls. MARPOL also sets out certain requirements to control pollution of the sea by sewage, wherein discharge of sewage into the sea is prohibited unless the ship has in operation an approved sewage treatment plant. The convention also sets limits on sulphur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances.

All vessels owned by our Group has obtained the following certificates issued pursuant to MARPOL for international shipping operations:

(A) International Oil Pollution Prevention Certificate;

(B) International Air Pollution Prevention Certificate;

(C) International Sewage Pollution Prevention Certificate; and

(D) International Energy Efficiency Certificate.

(*Source: MARPOL, the IMO*)

(4) International Convention on Tonnage Measurement of Ships 1969 ("TONNAGE")

TONNAGE prescribes, among others, the standards wherein ships are to be surveyed and measured in relation to its gross and net tonnages.

(Source: TONNAGE, the IMO)

(5) International Convention on Load Lines 1966 ("ICLL")

ICLL prescribes the standards at which freeboards of ships are to be assigned and the load lines of ships are to be marked in accordance with the convention.

(Source: ICLL, the IMO)

(6) Convention on Limitation of Liability for Maritime Claims 1976 ("LLMC")

LLMC prescribes that shipowners and salvors may limit their liability in respect of maritime claims in accordance with the rules of LLMC.

The limit of liability for claims is calculated based on the tonnage of the ship. LLMC segregates the types of claims into two categories, (A) claims for loss of life or personal injury; and (B) property claims (such as damage to other ships, property or harbour works). The limitation amount for claims for loss of life or personal injury is twice the limitation amount for property claims. However, shipowners and salvors are not entitled to limit their liability if it is proven that the loss resulted from their personal act or omission, committed with the intent to cause such a loss or recklessly and with knowledge that such loss would probably result.

(7) International Convention on Standards of Training, Certification and Watchkeeping for Seafarers 1978 ("STCW")

The STCW has been adopted by Malaysia pursuant to the Merchant Shipping (Training and Certification) Rules 1999 issued under the MSO. The STCW prescribes minimum standards relating to training, certification and watchkeeping for seafarers which countries are obliged to meet.

(*Source: STCW, the IMO*)

(8) International Convention on Oil Pollution Preparedness, Response and Co-operation ("OPRC")

Parties to the OPRC are required to establish measures for dealing with pollution incidents. Ships are required to carry a shipboard oil pollution emergency plan and are required to report incidents of oil pollution to coastal authorities.

(9) Maritime Labour Convention 2006 ("MLC")

The MLC requires all ships of 500 gross tonnage or more plying internationally to hold a valid Maritime Labour Certificate. The MLC sets out the minimum requirements for working and living conditions for seafarers, including recruitment practices, conditions of employment, hours of work and rest, repatriation, annual leave, payment of wages, accommodation, health protection, occupational safety and health and medical care.

(10) Nairobi International Convention on the Removal of Wrecks 2007 ("WRC")

The WRC provides for the removal of wrecks which pose a hazard to the safety of navigation or to the marine and coastal environments. Wreck is defined as: (A) a sunken or stranded ship, (B) any part of or an object on a sunken or stranded ship, (C) any object that is lost at sea from a ship and is stranded, sunken or adrift; or (D) a ship that is about, or may reasonably be expected, to sink or to strand where effective measures to assist the ship or any property in danger are not already being taken. .

The WRC places the onus to remove the wreck on the shipowners and renders shipowners financially liable for the costs of wreck removal. The shipowners are also required to maintain compulsory insurance or other financial security, such as a guarantee of a bank or similar institution to cover liability under the WRC.

(11) BWM Convention

The BWM Convention provides that ships must manage their ballast water so that aquatic organisms and pathogens are removed and rendered harmless before the ballast water is released into a new location so as to prevent the spread of potentially harmful aquatic organisms and pathogens.

Ships in international traffic are required to manage their ballast water and sediments to a certain standard which is in accordance with the ship-specific ballast water management plan. The ships will have to carry a ballast water management plan, a ballast water record book and an international ballast water management certificate.

(12) International Convention on the Control of Harmful Anti-Fouling Systems on Ships 2001 ("AFS")

The AFS prohibits the use of harmful anti-fouling systems on ships, particularly those containing organotin compounds such as organotin tributyltin, as they may slowly 'leach' into the sea, killing barnacles and other marine life and harming the environment.

(b) International conventions adopted by the Carriage of Goods by Sea Act 1950 ("CGSA") and the Merchant Shipping Ordinance 1960 (Sabah) and the Merchant Shipping Ordinance 1960 (Sarawak) (collectively, the "MSO Sabah and Sarawak")

The International Convention for the Unification of Certain Rules of Law relating to Bills of Lading, Brussels, 1924 (''**Hague Rules**'') have been adopted by Malaysia through the CGSA and the MSO Sabah and Sarawak. The provisions govern carriage of goods by sea in ships carrying goods from any port in Malaysia to any other port whether in or outside Malaysia. Every sea carriage document issued in Malaysia which contains or is evidence of any contract to which the Hague Rules apply shall contain an express statement that it is to have effect subject to the Hague Rules.

The provisions of CGSA and MSO Sabah and Sarawak also provide, among others, rules relating to bills of lading and the rights, responsibilities and liabilities of a carrier and a shipper under a contract of carriage of goods by sea.

(c) International conventions adopted by the Merchant Shipping (Liability and Compensation for Oil and Bunker Oil Pollution) Act 1994 ("MSLCA")

The International Convention on Civil Liability for Bunker Oil Pollution Damage 2001 ("**Bunkers Convention**"), International Convention on Civil Liability for Oil Pollution Damage 1992 ("**Liability Convention**") and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1992 ("**Fund Convention**") have been adopted by the MSLCA.

The MSLCA provides for the civil liability for oil and bunker oil pollution by merchant ships in Malaysian waters and for matters connected therewith. There are provisions under the MSLCA for compulsory insurance against liability for oil pollution and compulsory insurance against liability for bunker oil pollution. If the ships are registered in Malaysia, the Director of Marine will issue certificates confirming the existence of valid contracts of insurance or other financial security which fulfil the requirements of Article 7 of the Bunkers Convention and Article 7 of the Liability Convention.

Under the MSLCA, the owner of a ship at the time of an incident, or where the incident consists of a series of occurrences having the same origin, at the time of the first occurrence, shall, except as otherwise provided for by the MSLCA, be liable for any pollution damage caused by the ship as a result of the incident in any area of Malaysia. The MSLCA also contains provisions in relation to the International Oil Pollution Compensation Fund established by the Fund Convention ("**Fund**"). The Fund will be used to compensate individuals or entities that suffered losses from oil pollution damage but are not able to obtain full compensation from the shipowner.

As at the LPD, our vessels hold various certificates issued pursuant to the respective regulations under the abovementioned international conventions. Please refer to Annexure B for the certificates held by each of our vessels pursuant to the provisions of the respective regulations under the international convention.

(iii) <u>PDA and Petroleum Regulations 1974 ("Petroleum Regulations")</u>

The PDA is the main legislation that governs the oil and gas industry in Malaysia. Under the PDA, PETRONAS is vested with full ownership in, and the exclusive rights, powers, liberties and privileges for the exploration and exploitation of petroleum resources, both onshore or offshore of Malaysia, as well as the authority to control the downstream activities and development relating to petroleum and its products.

To engage in Malaysia's oil and gas sector, companies must obtain the relevant licences from PETRONAS. Under the Petroleum Regulations, PETRONAS grants 2 primary types of licences, namely:

(a) licence for exploration, exploitation, winning and obtaining of petroleum; and

(b) licence for supply of equipment and facilities and services required in connection with the exploration, exploitation, winning and obtaining of petroleum. ("**Licence to Supply**").

Under the Licence to Supply framework, there are 2 types of licensing requirements for companies intending to provide products and/or services to PETRONAS:

(a) **Licence**: It is required for companies that intend to supply products and/or services to both the upstream (for PETRONAS Group and Petroleum Arrangement Contractors) and downstream sector (for PETRONAS group of companies).

(b) **Registration**: Companies intend to participate in the supply of products and/or services to downstream sector (for PETRONAS Group) are required to register with PETRONAS before participating in tenders for supplying products and/or services.

The general requirements to be fulfilled to obtain the Licence to Supply includes, among others, the following:

(a) the company must be locally incorporated and is registered with the Companies Commission of Malaysia or with relevant professional bodies;

(b) the company must meet the minimum paid-up capital requirement of RM100,000 for application of licence and RM10,000 for application of registration;

(c) the latest net worth of the company must be positive; and

(d) the company needs to be licensed or registered in at least one approved Standardised Work and Equipment Categories ("**SWEC**") for the license or registration to be valid or effective.

SWEC is a product or service category relating to both upstream and downstream sectors' requirements in the oil and gas industry in Malaysia. Under the SWEC, the company must meet the minimum Bumiputera requirements at four levels (equity, board of directors, management and employment) and must meet the requirements which are stated in the respective SWEC, among others, the fulfilling the minimum technical requirement.

(*Source: General Guidelines – PETRONAS License and Registration*)

Section 6(3) of the PDA provides that no business of marketing or distributing of petroleum or petro-chemical products may be carried out by any person other than PETRONAS unless permission for such business is granted by the Government.

Pursuant to Section 7 of the PDA and Regulation 3A of the Petroleum Regulations, any application for permission to commence any business of marketing or distributing of petroleum or petrochemical products under Section 6(3) of the PDA ("**PDA Licences**") shall be made to the Secretary-General of KPDN.

The application for and renewal of the PDA Licences to carry out the business of providing transportation services for petroleum or petrochemical products will be approved and issued by the Petroleum Regulatory Division of KPDN, provided that the applicant has satisfied the requirements and conditions set out in the "*Garis Panduan Permohonan Kebenaran PDA 3 Perkhidmatan Pengangkutan Bahan Petroleum*" issued by KPDN ("**PDA Guidelines**").

As at the LPD, OMSB holds the Licence to Supply granted by PETRONAS and 6 of our subsidiaries, namely MESB, OMSB, ODIS, OLSB, OPOW and ORSB hold the PDA Licences issued by KPDN for the provision of transportation services for petroleum, gasoline, diesel, Jet A1, and naphtha via oil tankers throughout Malaysia. Please refer to Annexure B for details of the Licence to Supply and the PDA Licences held by our Group.

(iv) **<u>Petroleum (Safety Measures) Act 1984 ("PSMA") and Petroleum (Safety Measures) (Transportation of Petroleum by Water) Regulations 1985 ("PSM Regulations")</u>**.

The PSMA is the legislation that provides for the safety in transportation, storage and handling, and utilisation of equipment in relation to petroleum. The PSMA prescribes different modes of transportation of petroleum, namely by road, railway, water and pipelines. Under the PSMA, petroleum shall be loaded or unloaded or discharged at a port or at such other place as appointed for such purposes by the Minister charged with the responsibility for petroleum. The vessels that carry petroleum of certain classes on board for the purposes of transportation or storage are prohibited to remain in any port, except at a petroleum anchorage, for a longer time than is necessary for the purposes of loading, unloading or discharging of petroleum unless prior written consent from the port officer has been obtained.

The PSM Regulations provides for the safe transportation of petroleum via water and it specifies the areas for dangerous petroleum anchorages, prohibited areas, dangerous areas and non-dangerous areas of the ports.

As at the LPD, our Group is in compliance with the relevant laws and regulations above.

Other relevant Malaysian laws and regulations

(i) **<u>ITA</u>**

Under Section 54A of the ITA, 70% of the statutory income of a resident person who carries on the business of transporting passengers or cargo by sea on a Malaysian ship or letting out on charter a Malaysian ship owned by him on a voyage or time charter basis shall be exempted from tax. Under the ITA, a Malaysian ship means a sea-going ship registered as such under the MSO, other than a ferry, barge, tug-boat, supply vessel, crew boat, lighter, dredger, fishing boat or other similar vessel.

The Ministry of Finance has subsequently via the Income Tax (Exemption) (No. 7) Order 2022, granted 100% income tax exemption on the statutory income derived from the shipping profits of a Malaysian ship for YAs 2021 to 2023, subject to certain conditions, among others, the resident person shall obtain annual verification from the Ministry of Transport that each Malaysian ship has incurred an annual operating expenditure of at least RM250,000 and each Malaysian ship has an adequate number of full-time employees ("**Shipping Income Tax Exemption**"). The Shipping Income Tax Exemption has been extended for YAs 2024 to 2026 under the Income Tax (Exemption for Malaysian Ship) Order 2024 which was gazetted on 5 July 2024.

(Source: Income Tax (Exemption) (No. 7) Order 2022 [P.U.(A) 312/2022] and Income Tax (Exemption for Malaysian Ship) Order 2024 [P.U.(A) 184/2024])

(ii) <u>Competition Act 2010 ("CA")</u>

The CA prohibits anti-competitive agreements and the abuse of dominant position in the market.

A horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

A horizontal agreement between enterprises which has the object to:

(a) fix, directly or indirectly, a purchase or selling price or any other trading conditions;

(b) share market or sources of supply;

(c) limit or control production, market outlets or market access, technical or technological development, or investment; or

(d) perform an act of bid rigging,

is deemed to have the object of significantly preventing, restricting, or distorting competition in any market for goods or services. Any enterprise which is a party to an agreement which is prohibited under the foregoing provisions shall be liable for infringement of the prohibition.

In the event the Malaysian Competition Commission ("**MyCC**") determines that there is an infringement of a prohibition under the CA, it:

(a) shall require that the infringement to be ceased immediately;

(b) may specify steps which are required to be taken by the infringing enterprise, which appear to MyCC to be appropriate for bringing the infringement to an end;

(c) may impose a financial penalty; or

(d) may give any other direction as it deems appropriate.

(iii) <u>EQA</u>

The EQA sets out provisions in respect of prevention, abatement, control of pollution and enhancement of the environment.

It is an offence under the EQA for any person, unless licensed to do so, to, among others:

(a) emit or discharge wastes into the atmosphere;

(b) emit or cause or permit to be emitted any noise greater in volume, intensity or quality; or

(c) emit, discharge or deposit any wastes into any inland waters,

in contravention of the acceptable conditions specified in the EQA.

It is prohibited under the EQA to discharge or spill any oil or mixture containing oil into Malaysian waters in contravention of certain conditions. There is also a prohibition on the discharge of environmentally hazardous substances, pollutants or wastes into the Malaysian waters. A licence granted by the Director General of Environmental Quality would be required for the discharge of such substances into Malaysian waters.

The EQA further provides for the prohibition against placing, deposit or disposition of any scheduled wastes on land or into Malaysian waters unless there is a prior written approval of the Director General of Environmental Quality.

The Department of Environment has the power under the EQA to specify the conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area, segment or element of the environment or set aside any area, segment or element of the environment whereby the emission, discharge or deposit is restricted. Among others, the regulations which have been issued includes the Environmental Quality (Scheduled Wastes) Regulations 2005 ("**Scheduled Wastes Regulations**").

Pursuant to the Scheduled Wastes Regulations, every scheduled waste generator shall notify the Director General of Environmental Quality of the new categories and quantities of scheduled wastes which are generated within 30 days of its generation.

Scheduled wastes shall only be disposed of at prescribed premises and be treated at prescribed premises or on-site treatment facilities. In addition, scheduled wastes shall be properly stored in containers which are clearly labelled and marked for identification and warning purposes, delivered to and received at prescribed premises for treatment and disposal.

(iv) <u>OSHA</u>

The OSHA sets out provisions for securing the safety, health and welfare of persons at work and for protecting others against risks to safety or health arising from work-related activities. Under the OSHA, our Group, as the employer, has a duty to ensure, so far as is practicable, the safety, health and welfare at work of all its employees. This duty includes, among others:

(a) the provision and maintenance of plants and systems of work that are, so far as is practicable, safe and without risks to health;

(b) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of all its employees;

(c) so far as is practicable, the maintenance of a place of work under the control of the employer, that is in a safe condition and without risks to health; and

(d) the provision of adequate facilities with regards to the welfare of all its employees at work.

Our Group has a duty to formulate a general safety and health policy for our employees at work and to bring the policy, including any revisions, to the notice of all of our employees. Our Group is also under a duty to conduct our undertakings in such a manner as to ensure, so far as is practicable, that it and other persons, not being our employees, who may be affected are not exposed to risks to their safety or health from the conduct of their undertakings.

OSHA is applicable to all places of work throughout Malaysia. However, it does not apply to work carried out on board ships governed by the MSO and the MSO Sabah and Sarawak.