

## 12. FINANCIAL INFORMATION

### 12.1 HISTORICAL COMBINED FINANCIAL INFORMATION

Our Company was incorporated on 31 January 2019. The formation of our Group was undertaken through the Acquisitions as detailed in Section 6.1.2 of this Prospectus. The historical combined financial statements of our Company for the Financial Years/Periods Under Review (“**Combined Financial Statements**”) have been prepared based on the financial statements of MTTSL, MTT Shipping (and its group of companies) and ICSD, under the common control of Dato’ Seri Ong, Ooi Lean Hin, Chan Huan Hin, Lee Hock Saing and Lee Kong Siong for each of the Financial Years/Periods Under Review.

The Combined Financial Statements for the Financial Years/Periods Under Review were prepared in a manner as if the entities under common control were operating as a single economic entity at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. See Note 2 of the Accountants’ Report in Section 13 of this Prospectus for further details on the basis of preparation of the Combined Financial Statements.

The Combined Financial Statements have been prepared in accordance with MFRS and IFRS. Our subsidiaries’ historical financial statements have been prepared in accordance with MFRS and/or IFRS, save for the following:

- (i) audited financial statements of Kapal Solutions for the FYE 2022 to FYE 2024, audited financial statements of Sumbumi for the FYE 2022 to FYE 2024 and audited financial statements of MTT Kenyalang for the FYE 2022 and FYE 2023 have been prepared in accordance with Malaysian Private Entities Reporting Standard; and
- (ii) audited financial statements of Sea Navigator for the FYE 2022 to FYE 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards.

The historical combined financial information should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” in Section 12.2 of this Prospectus and the Accountants’ Report in Section 13 of this Prospectus.

#### 12.1.1 Selected historical combined financial information

The following selected historical combined financial information for the Financial Years/Periods Under Review have been extracted from the Accountants’ Report included in Section 13 of this Prospectus.

**12. FINANCIAL INFORMATION (Cont'd)****Selected combined statement of profit and loss information**

|   | FYE            |                |                | FPE           |                |
|---|----------------|----------------|----------------|---------------|----------------|
|   | Audited        |                |                | Unaudited     | Audited        |
|   | 2022           | 2023           | 2024           | 2024          | 2025           |
|   | RM'000         | RM'000         | RM'000         | RM'000        | RM'000         |
| Revenue   | 1,409,301      | 1,117,335      | 1,198,591      | 340,445       | 400,851        |
| Direct costs  | (790,327)      | (735,437)      | (867,361)      | (250,356)     | (279,548)      |
| <b>GP</b>   | <b>618,974</b> | <b>381,898</b> | <b>331,230</b> | <b>90,089</b> | <b>121,303</b> |
| Other operating income                                      | 10,249         | 40,863         | 38,533         | 7,527         | 9,578          |
| Administration expenses                                     | (66,026)       | (91,609)       | (84,758)       | (24,418)      | (28,269)       |
| Net (impairment)/reversal on impairment of financial assets | (127)          | 2              | 248            | -             | (807)          |
| <b>Results from operating activities</b>                    | <b>563,070</b> | <b>331,154</b> | <b>285,253</b> | <b>73,198</b> | <b>101,805</b> |
| Finance income  | 1,345          | 7,747          | 5,973          | 2,919         | 840            |
| Finance costs   | (24,513)       | (30,327)       | (37,137)       | (10,927)      | (12,863)       |
| Share of results of equity-accounted associates             | (487)          | (787)          | (475)          | -             | (393)          |
| Share of results of equity-accounted joint ventures         | 20,457         | 6,607          | 6,611          | 946           | 5,768          |
| <b>PBT</b>  | <b>559,872</b> | <b>314,394</b> | <b>260,225</b> | <b>66,136</b> | <b>95,157</b>  |
| Tax expense   | (6,663)        | (5,762)        | (6,605)        | (1,050)       | (2,285)        |
| <b>Profit for the period/year</b>                           | <b>553,209</b> | <b>308,632</b> | <b>253,620</b> | <b>65,086</b> | <b>92,872</b>  |
| <b>Profit for the period/year attributable to:</b>          |                |                |                |               |                |
| - Owners of the Company                                     | 551,063        | 307,843        | 250,381        | 64,323        | 91,998         |
| - Non-controlling interests                                 | 2,146          | 789            | 3,239          | 763           | 874            |
|   | <b>553,209</b> | <b>308,632</b> | <b>253,620</b> | <b>65,086</b> | <b>92,872</b>  |

**Selected combined statements of financial position information**

|   | As at 31 December |                  |                  | As at 30 April   |
|---|-------------------|------------------|------------------|------------------|
|   | Audited           |                  |                  | Audited          |
|   | 2022              | 2023             | 2024             | 2025             |
|   | RM'000            | RM'000           | RM'000           | RM'000           |
| Non-current assets                                  | 1,277,450         | 1,503,096        | 1,925,497        | 1,990,556        |
| Current assets <sup>(1)</sup>                       | 533,775           | 637,303          | 606,993          | 548,918          |
| <b>Total assets</b>                                 | <b>1,811,225</b>  | <b>2,140,399</b> | <b>2,532,490</b> | <b>2,539,474</b> |
| Share capital                                       | #                 | #                | #                | #                |
| Invested equity                                     | 12,589            | 12,589           | 12,589           | 12,589           |
| Hedging reserve                                     | (11,167)          | -                | -                | -                |
| Retained earnings                                   | 1,018,948         | 1,286,077        | 1,511,464        | 1,603,462        |
| Translation reserve                                 | (115)             | 88               | (121)            | (362)            |
| <b>Equity attributable to owners of the Company</b> | <b>1,020,255</b>  | <b>1,298,754</b> | <b>1,523,932</b> | <b>1,615,689</b> |
| Non-controlling interests                           | 13,652            | 14,789           | 15,890           | 16,599           |
| <b>NA / Total equity</b>                            | <b>1,033,907</b>  | <b>1,313,543</b> | <b>1,539,822</b> | <b>1,632,288</b> |
| Non-current liabilities                             | 413,833           | 597,099          | 707,639          | 688,074          |
| Current liabilities                                 | 363,485           | 229,757          | 285,029          | 219,112          |
| <b>Total liabilities</b>                            | <b>777,318</b>    | <b>826,856</b>   | <b>992,668</b>   | <b>907,186</b>   |

# Denotes share capital of RM5

**Note:**

- (1) Includes assets classified as held for sale amounting to RM15.9 million and RM24.5 million for the FYE 2022 and 2023 respectively. There were no assets classified as held for sale for the FYE 2024 and FPE 2025.

**12. FINANCIAL INFORMATION (Cont'd)****Other selected financial information**

|   | FYE     |         |         | FPE    |         |
|---|---------|---------|---------|--------|---------|
|   | 2022    | 2023    | 2024    | 2024   | 2025    |
| Depreciation for the period (RM'000) <sup>(1)</sup> | 75,340  | 82,201  | 93,160  | 25,639 | 39,350  |
| EBITDA (RM'000) <sup>(2)</sup>                      | 658,380 | 419,175 | 384,549 | 99,783 | 146,530 |
| GP margin (%) <sup>(3)</sup>                        | 43.9    | 34.2    | 27.6    | 26.5   | 30.3    |
| EBITDA margin (%) <sup>(4)</sup>                    | 46.7    | 37.5    | 32.1    | 29.3   | 36.6    |
| PBT margin (%) <sup>(5)</sup>                       | 39.7    | 28.1    | 21.7    | 19.4   | 23.7    |
| PAT margin (%) <sup>(6)</sup>                       | 39.3    | 27.6    | 21.2    | 19.1   | 23.2    |
| Basic EPS (sen) <sup>(7)</sup>                      | 22.0    | 12.3    | 10.0    | 2.6    | 3.7     |
| Diluted EPS (sen) <sup>(8)</sup>                    | 21.7    | 12.1    | 9.8     | 2.5    | 3.6     |

**Notes:**

- (1) Comprises depreciation of property, plant and equipment, right-of-use assets and investment property.
- (2) EBITDA is calculated as follows:

|                 | FYE            |                |                | FPE           |                |
|-----------------|----------------|----------------|----------------|---------------|----------------|
|                 | 2022           | 2023           | 2024           | 2024          | 2025           |
|                 | RM'000         | RM'000         | RM'000         | RM'000        | RM'000         |
| PBT             | 559,872        | 314,394        | 260,225        | 66,136        | 95,157         |
| Less:           |                |                |                |               |                |
| Interest income | (1,345)        | (7,747)        | (5,973)        | (2,919)       | (840)          |
| Add:            |                |                |                |               |                |
| Finance costs   | 24,513         | 30,327         | 37,137         | 10,927        | 12,863         |
| Depreciation    | 75,340         | 82,201         | 93,160         | 25,639        | 39,350         |
| <b>EBITDA</b>   | <b>658,380</b> | <b>419,175</b> | <b>384,549</b> | <b>99,783</b> | <b>146,530</b> |

- (3) Computed based on GP for the Financial Years/Periods Under Review divided by revenue for the Financial Years/Periods Under Review.
- (4) Computed based on EBITDA for the Financial Years/Periods Under Review divided by revenue for the Financial Years/Periods Under Review.
- (5) Computed based on PBT for the Financial Years/Periods Under Review divided by revenue for the Financial Years/Periods Under Review.
- (6) Computed based on profit for the Financial Years/Periods Under Review divided by revenue for the Financial Years/Periods Under Review.
- (7) Basic EPS is computed based on profit for the Financial Years/Periods Under Review attributable to owners of our Company divided by our enlarged issued Shares of 2,500,000,000 upon Listing.
- (8) Diluted EPS is computed based on profit for the Financial Years/Periods Under Review attributable to owners of our Company divided by our enlarged issued Shares of 2,542,300,000 upon Listing, assuming the First ESOS Tranche is fully exercised.

**12. FINANCIAL INFORMATION (Cont'd)****12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

**12.2.1 Overview**

We are principally involved in the provision of container liner shipping services, vessel chartering services and container storage and container related services. We own a fleet of container vessels which primarily focus on service routes between Peninsular Malaysia and East Malaysia. In addition to these routes, we also service ports outside of Malaysia, namely in Brunei, China, India, Indonesia (including niche river ports), Singapore and Thailand using our own container vessels, container vessels operated by third party container liner shipping companies, and tugs and barges chartered from third parties. We charter out some of our container vessels to container liner shipping companies on a time charter basis. In addition, we operate container depots in Peninsular Malaysia and East Malaysia, where we provide container storage and container related services. See Section 7 of this Prospectus for further information on our business.

**12.2.2 Significant factors affecting our financial condition and results of operations**

A number of factors affect our financial condition and results of operations, including the significant factors set out below that have affected our results during the Financial Years/Periods Under Review, which we expect will continue to affect our results in the future:

**(i) Utilisation of our vessel space**

We seek to maximise the utilisation rate of available container slot space or the laden weight carried by our container vessels. The utilisation rate of our container liner shipping operations is measured by the higher of: (a) the proportion of actual lifting (i.e. actual units of laden containers and empty containers owned by third parties carried) by the container vessels operated by our Group against the available container unit capacity measured at an average of 14 tonnes per container of the same vessels; or (b) the proportion of the actual weight (in tonnes) carried by the container vessels operated by our Group (including empty containers owned by third parties) against the maximum allowable weight capacity for each of the container vessels operated by our Group. See Section 7.11 of this Prospectus for further details on our operating capacity and utilisation rates.

The table below sets out the utilisation rate of our container liner shipping operations for the Financial Years/Periods Under Review:

|                                       | FYE   |       |       | FPE   |       |
|---------------------------------------|-------|-------|-------|-------|-------|
|                                       | 2022  | 2023  | 2024  | 2024  | 2025  |
| <b>Utilisation rate<sup>(1)</sup></b> |       |       |       |       |       |
| Head Haul journey <sup>(2)</sup>      | 88.0% | 81.6% | 86.6% | 83.7% | 83.6% |
| Back Haul journey <sup>(3)</sup>      | 14.9% | 32.2% | 37.9% | 44.7% | 41.9% |

**12. FINANCIAL INFORMATION (Cont'd)****Notes:**

- (1) Computed based on the average of the higher of (a) the proportion of actual lifting (i.e. actual units of laden containers and empty containers owned by third parties carried) by the container vessels operated by our Group against the available container unit capacity measured at an average of 14 tonnes per container of the same vessels; or (b) the proportion of the actual weight (in tonnes) carried by the container vessels operated by our Group (including empty containers owned by third parties) against the maximum allowable weight capacity for each of the container vessels operated by our Group. For the avoidance of doubt, the utilisation rates presented here exclude the repositioning of empty containers owned by us.
- (2) **Head Haul:** Refers to the dominant leg of a voyage where we transport laden containers and empty containers owned by third parties (i) for all routes calling into the ports of East Malaysia and Brunei; (ii) beginning from the Port of Belawan, Indonesia to ports in Peninsular Malaysia; and (iii) beginning from ports in Peninsular Malaysia to ports in Kolkata, India. Head Haul utilisation rates are measured using the containers remaining on board at the last port of the dominant leg in each of the aforementioned routes and applying the computation as stated in note (1) above.
- (3) **Back Haul:** Refers to the return leg of the voyage beginning from (i) ports in East Malaysia and Brunei; (ii) ports in Peninsular Malaysia to the Port of Belawan, Indonesia; and (iii) ports in Kolkata, India to ports in Peninsular Malaysia. Back Haul utilisation rates are measured using the containers remaining on board at the last port of the return leg in each of the aforementioned routes and applying the computation as stated in note (1) above. Our container vessels are also loaded with empty containers during Back Haul voyages due to the need to reposition empty containers owned by us to cater for subsequent voyages of the dominant leg.

The table above excludes the operations carried out by our subsidiary, Sea Navigator, which provides dedicated feeder services through tugs and barges operated by our Group to our customers' own terminals at ports such as Port of Perawang, Port of Buatan, Port of Lubuk Gaung, Port of Futong and Port of Dumai to major hub ports such as Port Klang and Port of Tanjung Pelepas. As such, it will not be meaningful to disclose the utilisation rate as the rate will purely depend on the customer's volume. The total number of laden containers transported by the tugs and barges operated by our Group for the Financial Years/Period Under Review are as follows:

|                      | FYE    |         |        | FPE    |        |
|----------------------|--------|---------|--------|--------|--------|
|                      | 2022   | 2023    | 2024   | 2024   | 2025   |
| Actual lifting (TEU) | 54,676 | 106,411 | 90,303 | 30,811 | 28,148 |

The key factors affecting our vessel utilisation rate are set out in the table below:

| Key factor  | Details   |
|-------------|---|
| Seasonality | Taking into account our domestic and regional container liner operations as well as our vessel chartering business, our business is generally not subject to seasonality. Nevertheless, we may experience higher activity or transport of cargo to East Malaysia before festive periods such as Hari Raya, Chinese New Year, Gawai Dayak, Harvest Festival and Christmas, reflecting the increase in the consumption of consumer products during these periods. |

**12. FINANCIAL INFORMATION (Cont'd)**

| <b>Key factor</b> | <b>Details</b>  |
|-------------------|---|
| Type of cargo     | The cargo carried by our Group can be categorised into three weight categories which are light, medium and heavy cargo groups. Certain routes, such as to Sandakan and Tawau generally comprise heavier cargo such as fertilisers and this may result in lower utilisation rates by unit as the vessels deployed have reached maximum loadable capacity by weight instead of the maximum slot space available on the vessels. |

Whilst a percentage of our costs varies with the number of containers carried by our Group, some costs such as vessel running expenses, bunker fuel expenses and some port related expenses are fixed (assuming that the number of sailings made by our Group is maintained). We aim to maximise utilisation of our vessels (either through slot space or weight) as this would enable us to achieve a lower per unit cost per container shipped. The list below outlines some of our key strategies that we implement to optimise the utilisation rate of our Group's vessels:

| <b>Key strategy</b>   | <b>Details</b>  |
|---|---|
| Vessel deployment and effective space and capacity management | Our operations and marketing team jointly collaborate in the planning of vessel deployment per route which is based on market demand as well as the individual port limitations, including limitations on depth of draft and port terminal infrastructure. In particular, effective space and capacity management is one of our focus areas in managing bookings from our customers, in line with the utilisation of available space on our service routes.   |
| Custom designed newbuilds for specific routes                 | Our custom designed newbuilds (such as the Kolkata-max, Pengerang-max, Rajang-max and Siak-max), are tailored for specific routes, which allows us to maximise our cargo intake and contribute to higher utilisation of our service routes. Please refer to Section 7.7.1 of this Prospectus for details of our vessel fleet.   |
| Slot exchange   | In June 2012 and March 2023, we entered into slot exchange arrangements with two third-party container liner shipping companies to exchange pre-agreed allocated container vessel space (also known as container slots) with them, for certain service routes offered by our Group, namely East Malaysia (via Peninsular Malaysia, Thailand and Singapore) and between Port Klang, Malaysia and Kolkata, India, on a non-exclusive basis, as further described in Section 7.7.2(b) of this Prospectus. Such arrangements enable our Group to have additional capacity for certain service routes via the partners' container slots and allows us to maximise the use of the space available on our container vessels for certain service routes, which enhances the economies of scale for our container liner shipping business. |
| Slot sale   | We also sell fixed container slots on our container vessels to parties which require vessel space on our service routes.  |

**12. FINANCIAL INFORMATION (Cont'd)**

| <b>Key strategy</b>                          | <b>Details</b>   |
|--|--|
| Planning and restructuring of service routes | We often encounter port congestion and port equipment breakdowns at East Malaysian ports, which can result in serious operational disruptions to the carriers. We periodically monitor such operational conditions and proactively change our service routes or timings to manage and mitigate the potential adverse impact to our operations. |

**(ii) Fluctuation in freight rates**

The international container shipping industry is a highly transparent and competitive market where information on freight rates, vessel acquisitions and sales are published in various trade publications such as Alphaliner. Market freight rates are a function of the supply and demand in the market, with supply being influenced by the availability of vessels as well as containers for shipping operations. There are many factors which may affect the supply of vessels, including new building programs, average fleet age, scrapping of vessels as well as port congestions which may adversely affect the availability of the vessel. The supply of containers on the other hand, may be affected by any major trade imbalances, movement of cargo worldwide, port congestions and landside bottlenecks which invariably affects the normal turnaround speed of containers. Demand for containerised cargo may be made for finished consumer goods or intermediate goods. Trade volumes are also affected by geopolitical tensions and trade wars which may distort supply and demand, and may be further affected by seasonality trends, particularly before festivities.

On the domestic container trade, the demand and supply swings are very much less volatile. Similarly, freight rates are also relatively more stable compared to international trade.

In addition, our freight rates are partially influenced by the fluctuation in bunker fuel costs as we have a bunker adjustment factor as one of the components in our freight rate that fluctuates up and down according to increase and decrease in bunker fuel prices, respectively.

The table below sets out the average freight rates that we charged our customers per TEU container for the Financial Years/Periods Under Review:

|   | <b>FYE</b>   |              |              | <b>FPE</b>   |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | <b>2022</b>  | <b>2023</b>  | <b>2024</b>  | <b>2024</b>  | <b>2025</b>  |
|   | <b>RM</b>    | <b>RM</b>    | <b>RM</b>    | <b>RM</b>    | <b>RM</b>    |
| <b>Average freight rates<sup>(1)</sup></b>  |              |              |              |              |              |
| WM ports to EM ports                        | 4,252        | 3,928        | 3,650        | 3,871        | 3,160        |
| EM ports to WM ports                        | 1,790        | 1,028        | 999          | 1,046        | 892          |
| Intra-Southeast Asia <sup>(2)</sup>         | 3,286        | 2,076        | 1,733        | 1,864        | 1,602        |
| Far East-Indian Subcontinent <sup>(3)</sup> | 7,926        | 2,533        | 2,652        | 2,257        | 2,322        |
| Dedicated feeder <sup>(4)</sup>             | 529          | 531          | 507          | 465          | 501          |
| <b>Average freight rate<sup>(5)</sup></b>   | <b>2,932</b> | <b>1,891</b> | <b>1,888</b> | <b>1,891</b> | <b>1,767</b> |

**12. FINANCIAL INFORMATION (Cont'd)**

The table below sets out our transport volumes for the Financial Years/Periods Under Review:

|   | FYE            |                |                | FPE            |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2022           | 2023           | 2024           | 2024           | 2025           |
| Transport volume                            | TEUs           | TEUs           | TEUs           | TEUs           | TEUs           |
| WM ports to EM ports                        | 112,704        | 101,563        | 114,933        | 32,160         | 46,101         |
| EM ports to WM ports                        | 23,049         | 47,572         | 51,692         | 13,707         | 22,611         |
| Intra-Southeast Asia <sup>(2)</sup>         | 61,208         | 68,716         | 89,212         | 23,108         | 33,589         |
| Far East-Indian Subcontinent <sup>(3)</sup> | 1,953          | 7,404          | 11,921         | 3,625          | 6,182          |
| Dedicated feeder <sup>(4)</sup>             | 64,030         | 134,955        | 109,823        | 37,047         | 33,484         |
| <b>Total volume</b>                         | <b>262,944</b> | <b>360,210</b> | <b>377,581</b> | <b>109,647</b> | <b>141,967</b> |

**Notes:**

- (1) The average freight rates represent the total freight rate charged to our external customers divided by the total transport volumes for each of the segments indicated. Slot sale and Auto Logistics are excluded due to it being generally charged on a fixed basis and on a per vehicle basis respectively.
- (2) Freight services which involve ports located in Southeast Asia, namely Brunei, Cambodia, Indonesia, Singapore, Thailand and Vietnam. This also includes freight services in Myanmar between February 2023 to May 2023.
- (3) Freight services which involve ports located in China and India.
- (4) Freight services in relation to the shipping routes/ports servicing specific customers per shipping route/port for Pengerang and Indonesia.
- (5) Derived from the revenue from freight income (excluding slot sale and Auto Logistics income) divided by the total transport volume. Slot sale and Auto Logistics are excluded due to it being generally charged on a fixed basis and on a per vehicle basis respectively.

**(iii) Foreign currency fluctuations**

Our results of operations and profit margins may be affected by the fluctuation in foreign currencies, in particular, USD against RM. Whilst the bulk of our revenue is from our Peninsular Malaysia and East Malaysia service routes, and denominated in RM, we also have revenue denominated in other currencies from routes outside of Malaysia such as Brunei, China, India, Indonesia, Singapore and Thailand during the Financial Years/Periods Under Review. We also derive revenue denominated in USD from our vessel charter hire operations, which are generally international in nature with no fixed routes set by our Group.

The following sets out the proportion of our revenue that is billed in RM and other currencies during the Financial Years/Periods Under Review:

|                  | FYE              |                  |                  | FPE            |                |
|------------------|------------------|------------------|------------------|----------------|----------------|
|                  | 2022             | 2023             | 2024             | 2024           | 2025           |
|                  | RM'000           | RM'000           | RM'000           | RM'000         | RM'000         |
| RM               | 741,925          | 663,006          | 672,434          | 197,243        | 228,912        |
| USD              | 568,246          | 400,029          | 457,344          | 122,974        | 146,918        |
| Other currencies | 99,130           | 54,300           | 68,813           | 20,228         | 25,021         |
| <b>Total</b>     | <b>1,409,301</b> | <b>1,117,335</b> | <b>1,198,591</b> | <b>340,445</b> | <b>400,851</b> |

A portion of our direct costs, such as bunker fuel, vessel charter-in costs and crew costs are denominated in USD whilst most of our vessel maintenance costs are denominated mostly in USD and SGD as well as other multiple currencies.



**12. FINANCIAL INFORMATION (Cont'd)**

It is the general practice of the shipping industry to transact in USD as shipping industry involves many international players or parties that transact with each other. The purchase and sale of our vessels and containers are also transacted in USD.

Our primary exposure to foreign currencies is to the USD, although we have some exposure to regional currencies such as SGD, THB, BND, IDR and INR due to our existing routes. A weakening of RM against the USD would impact USD denominated revenues positively but also adversely impact our USD/foreign currency costs such as port costs, drydocking and other related vessel costs. Please refer to Section 12.2.19 of this Prospectus for details of our hedging policies.

**(iv) Fluctuation in bunker fuel costs**

The cost of bunker fuel (including HFO, VLSFO and MGO) is one of the major components of our direct costs for our shipping operations. The table below sets out the bunker fuel costs incurred by our Group as a percentage of our total direct costs for the Financial Years/Periods Under Review:

|                              | FYE         |             |             | FPE         |             |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
|                              | 2022        | 2023        | 2024        | 2024        | 2025        |
|                              | RM'000      | RM'000      | RM'000      | RM'000      | RM'000      |
| Bunker fuel costs            | 149,880     | 159,264     | 169,931     | 54,149      | 49,522      |
| Direct costs                 | 790,327     | 735,437     | 867,361     | 250,356     | 279,548     |
| <b>% of our direct costs</b> | <b>19.0</b> | <b>21.7</b> | <b>19.6</b> | <b>21.6</b> | <b>17.7</b> |

The cost of our bunker fuel fluctuates and the bunker fuel price is affected by various factors beyond our control such as changes in global demand and supply conditions, geopolitical events affecting major oil producing countries, government policies, fluctuation in foreign currencies and the level of global economic activities. Further information on factors affecting the fluctuation of bunker fuel prices is set out in the risk factors relating to our industry in Section 9.2.7 of this Prospectus. Any changes in the conditions of any of the above factors may cause material changes in global oil prices, and this may adversely lead to a rise in our direct costs. The table below sets out our average bunker fuel costs of marine fuel oil (comprising HFO and VLSFO) and MGO, per MT which are the types of fuel we primarily consume for our shipping operations for the Financial Years/Periods Under Review:

| Average cost per MT | FYE   |       |       | FPE   |       |
|---------------------|-------|-------|-------|-------|-------|
|                     | 2022  | 2023  | 2024  | 2024  | 2025  |
|                     | RM    | RM    | RM    | RM    | RM    |
| Marine fuel oil     | 3,284 | 2,791 | 2,814 | 2,883 | 2,475 |
| MGO                 | 4,110 | 3,674 | 3,783 | 3,828 | 3,624 |

As commonly practiced in the shipping industry, we incorporate in a bunker adjustment factor to our freight rates which are quoted to our customers, in part as a recovery cost to us in the event of changes in bunker fuel prices. The bunker adjustment factor is calculated after taking into consideration the previous month's average bunker fuel costs. Therefore, the bunker adjustment factor may be adjusted in line with the movement in the bunker fuel price (i.e. downwards/upwards in the event of a drop/increase in the bunker fuel prices).

**12. FINANCIAL INFORMATION (Cont'd)****12.2.3 Significant accounting estimates and judgements**

The critical judgments made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period/year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting period/year are discussed below:

**(i) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation of new vessels is calculated using the straight-line method to write off the cost, less estimated residual value over their estimated useful life of 25 to 30 years. For vessels which we have purchased second-hand, depreciation is calculated using the straight-line method to write off the cost less estimated residual value over their remaining useful lives.

Our Group reviews the estimated useful lives and residual values of the vessels regularly in order to determine the amount of depreciation expense to be recorded for each financial period/year. Any changes in the economic useful lives and the residual values of the vessels could impact our financial results. The economic useful lives and residual values of the vessels are reviewed at each reporting date, with any changes in estimates accounted for prospectively.

The estimated useful lives for the current and comparative periods for our Group's other assets are as follows:

- |                             |               |
|-----------------------------|---------------|
| • Building                  | 50 years      |
| • Containers                | 10 years      |
| • Equipment and machineries | 5 to 10 years |
| • Other plant and equipment | 5 years       |

Drydocking expenditure is capitalised and depreciated over a period of 30 months or the period until the next drydocking date, whichever is shorter.

**(ii) Extension options and incremental borrowing rate in relation to leases**

Our Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Our Group entities consider all facts and circumstances including our past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help us determine the lease term.

Our Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Our Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

The estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when the financial statements are prepared. However, this does not prevent actual figures differing from estimates.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.4 New accounting pronouncement that has yet to be adopted in the preparation of the financial statements**

See Note 2 of the Accountants' Report in Section 13 of this Prospectus for further details of accounting standards, interpretations and amendments that have been issued by the Malaysian Accounting Standards Board but have not been adopted by our Group.

Our Group plans to apply these accounting standards, interpretations and amendments according to their respective effective annual period date. The initial application of these accounting standards, amendments and interpretations is not expected to have any material impact to the current period and prior periods financial statements of our Group.

**12.2.5 Results of operations**

The components of our combined results of operations are as follows:

**(i) Revenue**

Our Group's revenue is derived from our three key operating segments, namely shipping operations comprising freight income, dry bulk shipping, commission income and other shipping related income, vessel chartering and container depot operations. The following table sets out our revenue by the key operating segments as a percentage of our total revenue for the Financial Years/Periods Under Review:

|                            | FYE              |              |                  |              |                  |              | FPE            |              |                |              |
|----------------------------|------------------|--------------|------------------|--------------|------------------|--------------|----------------|--------------|----------------|--------------|
|                            | Audited          |              |                  |              |                  |              | Unaudited      |              | Audited        |              |
|                            | 2022             |              | 2023             |              | 2024             |              | 2024           |              | 2025           |              |
|                            | RM'000           | %            | RM'000           | %            | RM'000           | %            | RM'000         | %            | RM'000         | %            |
| Shipping operations        | 1,030,353        | 73.1         | 841,570          | 75.3         | 935,156          | 78.0         | 266,894        | 78.4         | 307,760        | 76.8         |
| Vessel chartering          | 351,222          | 24.9         | 243,596          | 21.8         | 227,539          | 19.0         | 62,439         | 18.3         | 80,972         | 20.2         |
| Container depot operations | 27,726           | 2.0          | 32,169           | 2.9          | 35,896           | 3.0          | 11,112         | 3.3          | 12,119         | 3.0          |
| <b>Total</b>               | <b>1,409,301</b> | <b>100.0</b> | <b>1,117,335</b> | <b>100.0</b> | <b>1,198,591</b> | <b>100.0</b> | <b>340,445</b> | <b>100.0</b> | <b>400,851</b> | <b>100.0</b> |

**(a) Revenue from freight income**

The following table sets out our revenue from freight income classified by segments as a percentage of our total revenue for the Financial Years/Periods Under Review:

|   | FYE            |                  |                |                  |                |                  | FPE            |                  |                |                  |
|---|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|
|   | Audited        |                  |                |                  |                |                  | Unaudited      |                  | Audited        |                  |
|   | 2022           |                  | 2023           |                  | 2024           |                  | 2024           |                  | 2025           |                  |
|   | RM'000         | % <sup>(7)</sup> | RM'000         | % <sup>(7)</sup> | RM'000         | % <sup>(7)</sup> | RM'000         | % <sup>(7)</sup> | RM'000         | % <sup>(7)</sup> |
| <b>Freight income</b>                       |                |                  |                |                  |                |                  |                |                  |                |                  |
| WM ports to EM ports                        | 479,162        | 34.0             | 398,985        | 35.7             | 419,482        | 35.0             | 124,503        | 36.6             | 145,688        | 36.4             |
| EM ports to WM ports                        | 41,259         | 2.9              | 48,900         | 4.4              | 51,656         | 4.3              | 14,342         | 4.2              | 20,176         | 5.0              |
| Intra-Southeast Asia <sup>(1)</sup>         | 201,126        | 14.3             | 142,683        | 12.7             | 154,573        | 12.9             | 43,083         | 12.6             | 53,821         | 13.4             |
| Far East-Indian Subcontinent <sup>(2)</sup> | 15,480         | 1.1              | 18,757         | 1.7              | 31,615         | 2.6              | 8,182          | 2.4              | 14,352         | 3.6              |
| Slot sale income <sup>(3)</sup>             | 66,198         | 4.7              | 72,418         | 6.5              | 69,812         | 5.8              | 17,567         | 5.2              | 18,920         | 4.7              |
| Dedicated feeder <sup>(4)</sup>             | 33,849         | 2.4              | 71,704         | 6.4              | 55,642         | 4.7              | 17,215         | 5.0              | 16,762         | 4.2              |
| Auto logistics <sup>(5)</sup>               | 12,858         | 0.9              | 26,701         | 2.4              | 37,056         | 3.1              | 11,204         | 3.3              | 9,623          | 2.4              |
| Others <sup>(6)</sup>                       | 12,764         | 0.9              | 4,454          | 0.4              | 7,679          | 0.6              | 1,964          | 0.6              | 3,366          | 0.8              |
| <b>Total</b>                                | <b>862,696</b> | <b>61.2</b>      | <b>784,602</b> | <b>70.2</b>      | <b>827,515</b> | <b>69.0</b>      | <b>238,060</b> | <b>69.9</b>      | <b>282,708</b> | <b>70.5</b>      |

**12. FINANCIAL INFORMATION (Cont'd)****Notes:**

- (1) *Freight services which involve ports located in Southeast Asia, namely Brunei, Cambodia, Indonesia, Singapore, Thailand, and Vietnam. This also includes freight services in Myanmar between February 2023 to May 2023.*
- (2) *Freight services which involve ports located in China and India.*
- (3) *Slot sale income in relation to the slot sale arrangement with our service alliance partners, and slot sales to other third parties.*
- (4) *Freight services in relation to the shipping routes/ports servicing specific customer per shipping route/port for Pengerang and Indonesia.*
- (5) *Derived solely from Malaysia from containerised automotive shipping income.*
- (6) *Comprises detention and demurrage charges, and other related freight charges.*
- (7) *Calculated as a percentage of our total revenue.*

Revenue from the container liner shipping business is generated from freight income for shipment of containerised cargo on-board the vessels.

Our freight income revenue from domestic services is derived from our container shipping services between ports within Malaysia and our freight income revenue from regional services is derived from our container shipping services both to and from regional ports such as Brunei, India, Indonesia, Singapore and Thailand.

We take into consideration our internal standardised tariff rate table by ports (e.g. from port A to port B) for trade (commonly referred to as COC) and feeder (commonly referred to as SOC) bookings. Trade or COC bookings are bookings made by our customers to ship their goods from the port of origin to its port of destination using our containers. Feeder or SOC bookings are bookings made by the Main Line Operators or other third party container liner shipping companies to ship their containers to and from a particular port, be it the origin, destination and the transshipment hub ports.

The freight rates charged for COC bookings include additional costs for using our containers as well as terminal handling charges at load and discharge ports including factoring in trade and equipment imbalance costs (primarily comprising terminal handling cost, drayage and empty haulage cost, custom clearance and container leasing cost) for evacuating boxes back to the load origins. SOC or feeder rates are one way rates basis either on liner terms or free in-out terms or a combination of both (liner terms are referring to the rates that are inclusive of the terminal handling charges (as described in the tabled below). Free in-out terms, on the other hand, are referring to the rates that exclude the terminal handling charges).

**12. FINANCIAL INFORMATION (Cont'd)**

The following table sets out the description of the components of our freight income:

| <b>Nature of revenue</b>  | <b>Description</b>  |
|---|---|
| Ocean freight charges   | Freight charges from provision of container shipping services.  |
| Bunker adjustment charges   | Surcharge charged to our customers for any fluctuation in bunker fuel costs. These charges are generally computed on monthly basis and it depends on the market rate of bunker fuel prices as further described in Section 12.2.2(iv) of this Prospectus. |
| Terminal handling charges   | Amount charged to our customers to recover all landside charges by the port relating to the movement of the container which includes terminal stevedorage, drayage costs and other ancillary charges.   |
| Documentation fees/<br>Electronic Data<br>Interchange ("EDI") Fee | Amount charged to our customers on a per Bill of Lading or Delivery Order basis covering documentation and EDI costs.   |
| Container seal fee  | Amount charged to customers per container for the provision of container security seal (including the security administration of the seal charges).   |
| Congestion surcharge  | Amount charged to customers on a per TEU basis to partially recover additional idling costs for vessels due to port congestions whenever justified.   |
| Demurrage/Detention charges                                       | Amount charged to customers on a per TEU per day basis for the detention of containers beyond the free time provided.   |

Our revenue from freight income also comprises the following:

- (a) slot sale income primarily derived from the slot sales arrangement with our service alliance partners and third party container liner shipping companies; and
- (b) revenue derived from our containerised automotive shipping which we charge to our customers based on a per vehicle basis (to be referred to as "**Auto Logistics**" segment).

**12. FINANCIAL INFORMATION (Cont'd)****(b) Revenue from other shipping operations**

The following table sets out the breakdown of our revenue from charter hire income, dry bulk shipping, commission income and other shipping related income by type of services we provide to our customers as a percentage of our total revenue for the Financial Years/Periods Under Review:

|                                  | FYE            |                  |                |                  |                |                  | FPE           |                  |                |                  |
|----------------------------------|----------------|------------------|----------------|------------------|----------------|------------------|---------------|------------------|----------------|------------------|
|                                  | Audited        |                  |                |                  |                |                  | Unaudited     |                  | Audited        |                  |
|                                  | 2022           |                  | 2023           |                  | 2024           |                  | 2024          |                  | 2025           |                  |
|                                  | RM'000         | % <sup>(3)</sup> | RM'000         | % <sup>(3)</sup> | RM'000         | % <sup>(3)</sup> | RM'000        | % <sup>(3)</sup> | RM'000         | % <sup>(3)</sup> |
| Vessel chartering                | 351,222        | 24.9             | 243,596        | 21.8             | 227,539        | 19.0             | 62,439        | 18.3             | 80,972         | 20.2             |
| Dry bulk shipping                | 157,738        | 11.2             | 50,534         | 4.5              | 99,384         | 8.3              | 26,177        | 7.7              | 21,995         | 5.5              |
| Commission income <sup>(1)</sup> | 9,919          | 0.7              | 6,358          | 0.6              | 6,247          | 0.5              | 2,135         | 0.6              | 2,198          | 0.5              |
| Others <sup>(2)</sup>            | -              | *                | 76             | *                | 2,010          | 0.2              | 522           | 0.2              | 859            | 0.2              |
| <b>Total</b>                     | <b>518,879</b> | <b>36.8</b>      | <b>300,564</b> | <b>26.9</b>      | <b>335,180</b> | <b>28.0</b>      | <b>91,273</b> | <b>26.8</b>      | <b>106,024</b> | <b>26.4</b>      |

**Notes:**

\* Negligible.

(1) Comprises mainly shipping agency fees earned from our provision of shipping agency services to the Evergreen Group and SLS in Johor.

(2) Primarily from the supply of liquid bulk transportation services in containers.

(3) Calculated as a percentage of our total revenue.

As a licensed shipping agent, our Group provides marketing services, as well as dealing with the necessary operational matters relating to the vessels of our principals at the ports in which they berth, which include, among others, clearing the vessel in and/or out of the port and completion of all relevant vessel clearance documentation. Charter hire income is earned when we charter vessels to third party container liner shipping companies and charged on daily basis in USD.

**(c) Revenue from container depot operations**

Our revenue from container depot operations relates to container storage and container related services provided by MTT Shipping Logistics Centre and ICSD. The main contributors for our container depot operations revenue are depot gate charges, storage and lift-on/lift-off charges, maintenance and repair charges as well as pre-trip inspection charges. We outsource pre-trip inspection, maintenance and repair as well as empty drayage services which we provide to our customers to other companies for the Financial Years/Periods Under Review.

**12. FINANCIAL INFORMATION (Cont'd)****(ii) Direct costs**

The following table sets out the major components of our direct costs by operating segments as a percentage of our total direct costs for the Financial Years/Periods Under Review:

|                                      | FYE            |              |                |              |                |              | FPE            |              |                |              |
|--------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
|                                      | Audited        |              |                |              |                |              | Unaudited      |              | Audited        |              |
|                                      | 2022           |              | 2023           |              | 2024           |              | 2024           |              | 2025           |              |
|                                      | RM'000         | %            | RM'000         | %            | RM'000         | %            | RM'000         | %            | RM'000         | %            |
| <b>Shipping operations</b>           |                |              |                |              |                |              |                |              |                |              |
| Bunker fuel                          | 149,880        | 19.0         | 159,264        | 21.7         | 169,931        | 19.6         | 54,149         | 21.6         | 49,522         | 17.7         |
| Vessel costs                         | 119,921        | 15.2         | 126,115        | 17.1         | 136,723        | 15.8         | 34,937         | 14.0         | 53,762         | 19.2         |
| Terminal handling charges            | 95,330         | 12.0         | 100,575        | 13.7         | 117,641        | 13.6         | 32,505         | 13.0         | 40,167         | 14.4         |
| Dry bulk cost                        | 155,470        | 19.7         | 49,595         | 6.7          | 97,619         | 11.3         | 26,177         | 10.5         | 21,363         | 7.6          |
| Depreciation                         | 65,665         | 8.3          | 72,688         | 9.8          | 80,997         | 9.3          | 21,668         | 8.6          | 35,260         | 12.6         |
| Equipment cost                       | 81,813         | 10.3         | 71,294         | 9.7          | 74,091         | 8.5          | 22,120         | 8.8          | 24,480         | 8.8          |
| Charter hire costs                   | 11,542         | 1.5          | 25,477         | 3.5          | 41,507         | 4.8          | 15,101         | 6.0          | 4,959          | 1.8          |
| Marine charges                       | 21,191         | 2.7          | 33,361         | 4.5          | 34,939         | 4.0          | 10,113         | 4.0          | 12,400         | 4.4          |
| Door service                         | 12,942         | 1.6          | 15,321         | 2.1          | 18,030         | 2.1          | 5,486          | 2.2          | 6,358          | 2.3          |
| Auto logistics                       | 6,613          | 0.8          | 13,611         | 1.9          | 17,926         | 2.1          | 4,927          | 2.0          | 5,554          | 2.0          |
| Other operating costs <sup>(1)</sup> | 41,660         | 5.3          | 37,252         | 5.1          | 42,995         | 4.9          | 12,469         | 5.0          | 14,088         | 5.0          |
| <b>Subtotal</b>                      | <b>762,027</b> | <b>96.4</b>  | <b>704,553</b> | <b>95.8</b>  | <b>832,399</b> | <b>96.0</b>  | <b>239,652</b> | <b>95.7</b>  | <b>267,913</b> | <b>95.8</b>  |
| <b>Container depot operations</b>    | 28,300         | 3.6          | 30,884         | 4.2          | 34,962         | 4.0          | 10,704         | 4.3          | 11,635         | 4.2          |
| <b>Total</b>                         | <b>790,327</b> | <b>100.0</b> | <b>735,437</b> | <b>100.0</b> | <b>867,361</b> | <b>100.0</b> | <b>250,356</b> | <b>100.0</b> | <b>279,548</b> | <b>100.0</b> |

**Note:**

- (1) Other operating costs includes feeder cost, shipping agency fees, other related shipping operating costs (mainly comprising container handling charges, insurance costs (in relation to our protection and indemnity insurance), transmission fees (EDI fees) and other handling costs) and slot purchase.

**Shipping operations**

Our Group's direct costs in relation to our shipping operations comprise the following:

| <b>Component of direct costs</b> | <b>Description</b>  |
|----------------------------------|---|
| Bunker fuel                      | Expenses incurred for purchase of bunker fuel for our vessels, mainly comprising HFO, VLSFO and MGO.  |
| Charter hire costs               | Vessel charter hire expenses paid to third party vessel owners for chartering in of container vessels, mainly tugs and barges.  |
| Equipment cost                   | All costs relating to containers, including leasing costs, container repairs, and storage costs, as well as empty reposition costs such as terminal handling expense and drayage of empty containers. |

**12. FINANCIAL INFORMATION (Cont'd)**

| <b>Component of direct costs</b> | <b>Description</b>   |
|----------------------------------|--|
| Dry bulk cost                    | Costs related to freight fee for dry bulk shipment.  |
| Marine charges                   | Fees charged by the port operators and marine department for various port services including, among others, berthing fee, pilotage fee, tug hire charges, buoy and light dues, and dockage fees.   |
| Terminal handling charges        | Charges paid to the ports and other relevant parties for the activities and services undertaken at the ports which we sail to, including the lift-on/lift-off and stevedoring services for containers loaded to and/or discharged from our vessels. These services are generally provided by port operators.   |
| Door service                     | Costs incurred for services provided to deliver and collect the containers to/from the designated location which includes, among others, haulage charges, documentation fees, customs clearance as well as containers' stuffing and unstuffing costs.  |
| Vessel costs                     | Costs incurred to operate our owned vessels including our crew costs, vessel maintenance costs, insurance costs (in relation to our hull and machinery insurance), vessel survey fees, ship management fees.   |
| Depreciation                     | Depreciation charges in relation to our vessels, containers, drydocking and equipment.   |
| Auto logistics                   | Costs incurred for auto-log shipment, including haulage and transportation costs, stuffing and unstuffing costs, handling charges, documentation fee and equipment cost.   |
| Other operating costs            | <p>(i) <b>Feeder costs</b> – Costs incurred to transport containers by land or sea to the ports not covered by our vessels (such as Miri Port).</p> <p>(ii) <b>Shipping agency fees</b> – Fees and commissions paid to third party shipping agents to act as our shipping agent in ports where we do not have our own branch.</p> <p>(iii) <b>Other related shipping operating cost</b> – Mainly comprises container handling charges, insurance costs (in relation to our protection and indemnity insurance), transmission fees (EDI fees) and other handling costs.</p> <p>(iv) <b>Slot purchase</b> – Costs incurred for the purchase of slots on the vessels of our service alliance partners or other third parties.</p> |

**Container depot operations**

Our Group's direct costs in relation to our container depot operations primarily comprise container maintenance and repair charges, employment of yard staff, rental of depot yard, upkeep of our yard and equipment, empty container haulage charges and depreciation charges in relation to our leasehold land, yard development costs and equipment such as our empty stackers and forklifts.



**12. FINANCIAL INFORMATION (Cont'd)****(iii) GP and GP margin**

The following tables set out the breakdown of our GP and GP margin by operating segments for the Financial Years/Periods Under Review:

|                                | FYE            |                  |                |                  |                |                  | FPE           |                  |                |                  |
|--------------------------------|----------------|------------------|----------------|------------------|----------------|------------------|---------------|------------------|----------------|------------------|
|                                | 2022           |                  | 2023           |                  | 2024           |                  | 2024          |                  | 2025           |                  |
|                                | RM'000         | % <sup>(1)</sup> | RM'000         | % <sup>(1)</sup> | RM'000         | % <sup>(1)</sup> | RM'000        | % <sup>(1)</sup> | RM'000         | % <sup>(1)</sup> |
| Container liner <sup>(2)</sup> | 359,221        | 41.2             | 211,932        | 26.8             | 201,841        | 24.2             | 48,089        | 20.0             | 75,732         | 26.5             |
| Charter hire                   | 258,059        | 73.5             | 167,742        | 68.9             | 126,690        | 55.7             | 41,592        | 66.6             | 44,455         | 54.9             |
| Dry bulk                       | 2,268          | 1.4              | 939            | 1.9              | 1,765          | 1.8              | -             | -                | 632            | 2.9              |
| Depot related <sup>(3)</sup>   | (574)          | (2.1)            | 1,285          | 4.0              | 934            | 2.6              | 408           | 3.7              | 484            | 4.0              |
| <b>Total<sup>(4)</sup></b>     | <b>618,974</b> | <b>43.9</b>      | <b>381,898</b> | <b>34.2</b>      | <b>331,230</b> | <b>27.6</b>      | <b>90,089</b> | <b>26.5</b>      | <b>121,303</b> | <b>30.3</b>      |

**Notes:**

- (1) Computed based on GP of the container liner, charter hire, dry bulk and depot related segments divided by the respective revenue of each segment for the same financial year/period.
- (2) Shipping operations revenue for container liner comprises of the aggregate of freight income, commission income and others. The computation of GP excludes intercompany transactions between the container liner business and the depot related business segments of our Group. By including the intercompany transactions, the GP margins would be 40.3%, 25.9%, 23.0%, 18.8% and 25.3% for the Financial Years/Periods Under Review respectively.
- (3) The computation of GP excludes intercompany transactions between the container liner business and the depot related business segments of our Group. By including the intercompany transactions, the GP margins would be 18.8%, 21.9%, 23.7%, 23.5% and 25.4% for the Financial Years/Periods Under Review respectively.
- (4) Computed based on GP for the financial year/period divided by revenue for the same financial year/period.

**(iv) Other operating income**

Other operating income primarily comprises gain on disposals of property, plant and equipment, foreign exchange gain and rental income derived from the leasing of our containers, offices and yard to third parties.

**(v) Administration expenses**

Administration expenses primarily comprise staff costs, depreciation in relation to our office and administration fixed assets, marketing expenses, professional fees and other administrative expenses incurred to operate our offices.

**(vi) Finance income**

Comprises income derived from our fixed deposits, interest-bearing current account and money market funds.

**(vii) Finance costs**

Finance costs comprise interest expenses incurred on our bankers' acceptances, hire purchase, lease liabilities, revolving credit, term loans, Sukuk Wakalah and bank guarantees.

**12. FINANCIAL INFORMATION (Cont'd)****(viii) Share of results of equity-accounted associates**

We recognise our share of results of our associated companies based on our effective shareholding in such companies. For the Financial Years/Periods Under Review, our share of results of our associates was dependent on the results of operations of our associates.

During the Financial Years/Periods Under Review, we had a 30% equity interest in PLOG. During the FYE 2024 and FPE 2025, we had a 40% equity interest in MTT Kenyalang.

During the FYE 2023, 2024 and FPE 2025, we had a 39% equity interest in Lestari ZS.

**(ix) Share of results of equity-accounted joint ventures**

We recognise our share of results of our joint ventures based on our effective shareholding in the company. For the Financial Years/Periods Under Review, our share of results of our joint ventures was dependent on the results of operations of our joint ventures.

In February 2024, we reduced our equity interest in Lestari Maritime from 51% to 39%. During the FYE 2024 and FPE 2025, we had a 39% equity interest in Lestari Maritime.

During the Financial Years/Periods Under Review, we had a 50% equity interest in Harbour 360.

**(x) Tax expense**

Income tax expense comprises current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted by the end of reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the end of reporting period.

We incur minimal tax expenses as our profits derived from operation of Malaysian registered vessels are exempted from taxation. Our tax expenses are mainly incurred from our container depot operations and profits from our container shipping operations carried out by our chartered non-Malaysian registered vessels which are not owned by us. See Section 9.2.2 of this Prospectus for further information on the tax exemption received by our Group.

**12. FINANCIAL INFORMATION (Cont'd)**

The following tables set out our current tax expense and deferred tax expense for the Financial Years/Periods Under Review:

|   | FYE          |              |              | FPE          |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | 2022         | 2023         | 2024         | 2024         | 2025         |
|   | RM'000       | RM'000       | RM'000       | RM'000       | RM'000       |
| Current tax expense                         | 1,501        | 7,412        | 5,123        | 1,050        | 2,531        |
| Deferred tax benefit/(expense)              | 5,162        | (1,650)      | 1,482        | -            | (246)        |
| <b>Total tax expense</b>                    | <b>6,663</b> | <b>5,762</b> | <b>6,605</b> | <b>1,050</b> | <b>2,285</b> |
| PBT   | 559,872      | 314,394      | 260,225      | 66,136       | 95,157       |
| <b>Effective tax rate (%)<sup>(1)</sup></b> | <b>1.2</b>   | <b>1.8</b>   | <b>2.5</b>   | <b>1.6</b>   | <b>2.4</b>   |

**Note:**

(1) Computed based on the total tax expense divided by PBT for the Financial Years/Periods Under Review.

**12.2.6 Review of performance for the FPE 2025 compared to the FPE 2024**

The following table presents selected information from our combined statements of profit or loss, the percentage such amounts represent as a proportion of revenue and their percentage change for the financial periods indicated:

|   | FPE           |             |                |             | %<br>change |
|---|---------------|-------------|----------------|-------------|-------------|
|   | 2024          |             | 2025           |             |             |
|   | Unaudited     |             | Audited        |             |             |
|   | RM'000        | %           | RM'000         | %           |             |
| Revenue   | 340,445       | 100.0       | 400,851        | 100.0       | 17.7        |
| Direct cost   | (250,356)     | (73.5)      | (279,548)      | (69.7)      | 11.7        |
| <b>GP</b>   | <b>90,089</b> | <b>26.5</b> | <b>121,303</b> | <b>30.3</b> | <b>34.6</b> |
| Other operating income                              | 7,527         | 2.2         | 9,578          | 2.4         | 27.2        |
| Administration expenses                             | (24,418)      | (7.2)       | (28,269)       | (7.1)       | 15.8        |
| Net impairment of financial assets                  | -             | *           | (807)          | (0.2)       | (100.0)     |
| <b>Results from operating activities</b>            | <b>73,198</b> | <b>21.5</b> | <b>101,805</b> | <b>25.4</b> | <b>39.1</b> |
| Finance income                                      | 2,919         | 0.9         | 840            | 0.2         | (71.2)      |
| Finance costs                                       | (10,927)      | (3.2)       | (12,863)       | (3.2)       | 17.7        |
| Share of results of equity-accounted associates     | -             | *           | (393)          | (0.1)       | (100.0)     |
| Share of results of equity-accounted joint ventures | 946           | 0.3         | 5,768          | 1.4         | 509.7       |
| <b>PBT</b>  | <b>66,136</b> | <b>19.4</b> | <b>95,157</b>  | <b>23.7</b> | <b>43.9</b> |
| Tax expense   | (1,050)       | (0.3)       | (2,285)        | (0.5)       | 117.6       |
| <b>PAT</b>  | <b>65,086</b> | <b>19.1</b> | <b>92,872</b>  | <b>23.2</b> | <b>42.7</b> |

**Note:**

\* Negligible.

**12. FINANCIAL INFORMATION (Cont'd)****(i) Revenue**

Our revenue increased by 17.7% from RM340.4 million for the FPE 2024 to RM400.9 million in the FPE 2025.

***Revenue from shipping operations***

Our revenue from shipping operations increased by 15.3% from RM266.9 million in the FPE 2024 to RM307.8 million in the FPE 2025. The increase was primarily due to the following:

- (a) an increase in freight income from our WM ports to EM ports by 17.0% from RM124.5 million for the FPE 2024 to RM145.7 million for the FPE 2025, as a result of an increase of 43.3% in our transport volume from 32,160 TEUs for the FPE 2024 to 46,101 TEUs the FPE 2025 largely due to higher demand, despite a decrease of 18.4% in our average freight rate from RM3,871 per TEU for the FPE 2024 to RM3,160 per TEU for the FPE 2025; and
- (b) an increase in freight income from our Intra-Southeast Asia operations by 24.9% from RM43.1 million for the FPE 2024 to RM53.8 million for the FPE 2025, as a result of an increase of 45.4% in our transport volume from 23,108 TEUs for the FPE 2024 to 33,589 TEUs the FPE 2025 largely due to higher demand, despite a decrease of 14.1% in our average freight rate from RM1,864 per TEU for the FPE 2024 to RM1,602 per TEU for the FPE 2025,

which was partially offset by a decrease in revenue from dry bulk shipping by 16.0% from RM26.2 million for the FPE 2024 to RM22.0 million for the FPE 2025 as a result of a decrease in the number of shipments from eight shipments in FPE 2024 to seven shipments in FPE 2025.

***Revenue from vessel chartering***

Our revenue from vessel chartering increased by 29.7% from RM62.4 million in the FPE 2024 to RM81.0 million in the FPE 2025 due to an increase in the number of vessels chartered out from seven in the FPE 2024 to 10 for the FPE 2025 at average vessel charter rates of RM68,333 per day for the FPE 2025 (which was partially offset by a decline in average vessel charter rates from RM86,049 per day for the FPE 2024).

***Revenue from container depot operations***

Our revenue from container depot operations increased by 9.1% from RM11.1 million for the FPE 2024 to RM12.1 million for the FPE 2025, primarily due to an upward revision of depot gate charges across some of our Group's depots which took effect on 1 January 2025.

**(ii) Direct costs**

Our direct costs increased by 11.7% from RM250.4 million for the FPE 2024 to RM279.5 million for the FPE 2025 primarily due to:

- (a) an increase in our vessel costs by 53.9% from RM34.9 million for the FPE 2024 to RM53.8 million for the FPE 2025 due to increase of number of owned vessels from 16 as at the 30 April 2024 to 26 as at 30 April 2025;
- (b) an increase in our depreciation costs by 62.7% from RM21.7 million for the FPE 2024 to RM35.3 million for the FPE 2025 due to the reason mentioned in (a) above; and

**12. FINANCIAL INFORMATION (Cont'd)**

- (c) an increase in terminal handling charges by 23.6% from RM32.5 million for the FPE 2024 to RM40.2 million for the FPE 2025 due to the increase in the volume of containers shipped from WM ports to EM ports as well as in our regional operations.

The increase in our direct costs was partially offset by the following:

- (1) a decrease in charter hire costs by 67.2% from RM15.1 million for the FPE 2024 to RM5.0 million for the FPE 2025 due to fewer vessels being chartered from third parties in the FPE 2025 upon delivery of additional vessels in the second half of 2024;
- (2) a decrease in dry bulk cost by 18.4% from RM26.2 million for the FPE 2024 to RM21.4 million for the FPE 2025 due to one less shipment in the FPE 2025; and
- (3) a decrease in bunker fuel costs by 8.5% from RM54.1 million for the FPE 2024 to RM49.5 million for the FPE 2025 due to a decrease in the average cost of MGO and marine fuel oil.

**(iii) GP and GP margin**

As a result of the foregoing, our total GP increased by 34.6% from RM90.1 million for the FPE 2024 to RM121.3 million for the FPE 2025. Our GP margin also slightly increased from 26.5% in the FPE 2024 to 30.3% in the FPE 2025.

**(iv) Other operating income**

Our other operating income increased by 27.2% from RM7.5 million for the FPE 2024 to RM9.6 million primarily due to higher unrealised foreign exchange gain amounting to RM6.2 million.

**(v) Administration expenses**

Our administration expenses increased by 15.8% from RM24.4 million for the FPE 2024 to RM28.3 million for the FPE 2025 due to a higher realised foreign exchange loss of RM6.5 million for the FPE 2025.

**(vi) Net impairment of financial assets**

Our net impairment of financial assets increased by 100% to RM0.8 million for the FPE 2025 primarily due to the impairment of several long-outstanding trade debtors.

**(vii) Finance income**

Our finance income decreased by 71.2% from RM2.9 million for the FPE 2024 to RM0.8 million for the FPE 2025 primarily due to a decrease in interest rates on our USD deposits.

**(viii) Finance costs**

Our finance costs increased by 17.7% from RM10.9 million for the FPE 2024 to RM12.9 million for the FPE 2025 which was primarily attributable to increased interest expense on borrowings as a result of an increase in our borrowings in line with the acquisition of a new vessel (namely MTT Bintangor in August 2024) and drawdown of our revolving credit facility for working capital.

**12. FINANCIAL INFORMATION (Cont'd)****(ix) Share of results of equity-accounted associates**

Our share of results of equity-accounted associate was a loss of RM0.4 million for the FPE 2025, attributable to our share of losses in PLOG.

**(x) Share of results of equity-accounted joint ventures**

Our share of results of equity-accounted joint ventures was a profit of RM5.8 million for the FPE 2025, attributable to our share of profits in Lestari Maritime partially offset by our marginal share of loss in Harbour 360.

**(xi) PBT and PBT margin**

As a result of the foregoing, our PBT increased by 43.9% from RM66.1 million for the FPE 2024 to RM95.2 million for the FPE 2025, and our PBT margin increased from 19.4% for the FPE 2024 to 23.7% for the FPE 2025.

**(xii) Tax expense**

As further described in Section 9.2.2 of this Prospectus, profits from operation of Malaysian registered vessels are exempted from taxation pursuant to Section 54A(1) of the ITA.

We incurred higher tax expenses of RM2.3 million for the FPE 2025 compared to RM1.1 million for the FPE 2024 mainly due to our container depot operations and our profit derived from our taxable operations such as agency commissions and charter hire income from non-Malaysian registered vessels, door service and interest income.

**(xiii) Profit for the financial period**

As a result of the foregoing, our profit for the financial period increased by 42.7% from RM65.1 million for the FPE 2024 to RM92.9 million for the FPE 2025. Our PAT margin also increased from 19.1% for the FPE 2024 to 23.2% for the FPE 2025.

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**12. FINANCIAL INFORMATION (Cont'd)****12.2.7 Review of performance for the FYE 2024 compared to the FYE 2023**

The following table presents selected information from our combined statements of profit and loss, the percentage such amounts represent as a proportion of revenue and their percentage change for the financial years indicated:

|   | FYE            |             |                |             | %<br>change   |
|---|----------------|-------------|----------------|-------------|---------------|
|   | Audited        |             |                |             |               |
|   | 2023           |             | 2024           |             |               |
|   | RM'000         | %           | RM'000         | %           |               |
| Revenue   | 1,117,335      | 100.0       | 1,198,591      | 100.0       | 7.3           |
| Direct costs  | (735,437)      | (65.8)      | (867,361)      | (72.4)      | 17.9          |
| <b>GP</b>   | <b>381,898</b> | <b>34.2</b> | <b>331,230</b> | <b>27.6</b> | <b>(13.3)</b> |
| Other operating income                              | 40,863         | 3.6         | 38,533         | 3.2         | (5.7)         |
| Administration expenses                             | (91,609)       | (8.2)       | (84,758)       | (7.0)       | (7.5)         |
| Net reversal on impairment of financial assets      | 2              | *           | 248            | *           | 12,300.0      |
| <b>Result from operating activities</b>             | <b>331,154</b> | <b>29.6</b> | <b>285,253</b> | <b>23.8</b> | <b>(13.9)</b> |
| Finance income                                      | 7,747          | 0.7         | 5,973          | 0.5         | (22.9)        |
| Finance costs                                       | (30,327)       | (2.7)       | (37,137)       | (3.1)       | 22.5          |
| Share of results of equity-accounted associates     | (787)          | (0.1)       | (475)          | -           | (39.6)        |
| Share of results of equity-accounted joint ventures | 6,607          | 0.6         | 6,611          | 0.5         | 0.1           |
| <b>PBT</b>  | <b>314,394</b> | <b>28.1</b> | <b>260,225</b> | <b>21.7</b> | <b>(17.2)</b> |
| Tax expense   | (5,762)        | (0.5)       | (6,605)        | (0.5)       | 14.6          |
| <b>Profit for the financial year</b>                | <b>308,632</b> | <b>27.6</b> | <b>253,620</b> | <b>21.2</b> | <b>(17.8)</b> |

**Note:**

\* Negligible.

**(i) Revenue**

Our revenue increased by 7.3% from RM1,117.3 million in the FYE 2023 to RM1,198.6 million in the FYE 2024.

**Revenue from shipping operations**

Our revenue from shipping operations increased by 11.1% from RM841.6 million for the FYE 2023 to RM935.2 million for the FYE 2024. The increase was primarily due to the following:

- (a) an increase in freight income from our WM ports to EM ports by 5.1% from RM399.0 million for the FYE 2023 to RM419.5 million for the FYE 2024, as a result of an increase of 13.2% in our transport volume from 101,563 TEUs for the FYE 2023 to 114,933 TEUs for the FYE 2024 largely due to higher demand, despite a decrease of 7.1% in our average freight rate from RM3,928 per TEU for the FYE 2023 to RM3,650 per TEU for the FYE 2024;

**12. FINANCIAL INFORMATION (Cont'd)**

- (b) an increase in freight income from our Far East-Indian Subcontinent operations by 68.6% from RM18.8 million for the FYE 2023 to RM31.6 million for the FYE 2024, as a result of an increase of 61.0% in our transport volume from 7,404 TEUs for the FYE 2023 to 11,921 TEUs for the FYE 2024 and an increase of 4.7% in our average freight rate from RM2,533 per TEU for the FYE 2023 to RM2,652 per TEU for the FYE 2024, largely due to increase in the capacity of the vessels deployed;
- (c) an increase in freight income from our Intra-Southeast Asia operations by 8.3% from RM142.7 million for the FYE 2023 to RM154.6 million for the FYE 2024, as a result of an increase of 29.8% in our transport volume from 68,716 TEUs for the FYE 2023 to 89,212 TEUs for the FYE 2024, despite a decrease of 16.6% in our average freight rate from RM2,076 per TEU for the FYE 2023 to RM1,733 per TEU for the FYE 2024, largely due to the commencement of our service between Port Klang and Belawan, Indonesia in February 2023;
- (d) an increase in freight income from our Auto Logistics operations by 38.8% from RM26.7 million for the FYE 2023 to RM37.1 million for the FYE 2024 due to increase in volume of vehicles shipped by our Group by 41.9% from 14,713 units of vehicles for the FYE 2023 to 20,882 units of vehicles for the FYE 2024; and
- (e) an increase in revenue from dry bulk shipping by 96.7% from RM50.5 million for the FYE 2023 to RM99.4 million for the FYE 2024 due to an increase in the number of shipments from 12 shipments for a total of 950,450 MT for the FYE 2023 to 25 shipments for a total of 1,989,623 MT for the FYE 2024.

This was partially offset by a decrease in our freight income from our dedicated feeder operations by 22.4% from RM71.7 million for the FYE 2023 to RM55.6 million for the FYE 2024, driven by the decrease of 18.6% in the transport volume from 134,955 TEUs for the FYE 2023 to 109,823 TEUs for the FYE 2024 and a decrease in average freight rates by 4.6% from RM531 per TEU to RM507 per TEU due to production disruptions at our customers' production facility which affected shipment volumes on our service to and from Pengerang and the termination of one of our feeder services to and from Indonesia.

***Revenue from vessel chartering***

Our revenue from vessel chartering decreased by 6.6% from RM243.6 million in the FYE 2023 to RM227.5 million in the FYE 2024. The decrease was primarily due to lower vessel charter rates entered into which included renewals after the expiry of certain time charter contracts during the FYE 2024. On average, the vessel charter rates of our Group were RM76,334 per day for the FYE 2024 compared to RM110,151 per day for the FYE 2023.

***Revenue from container depot operations***

Our revenue from container depot operations increased by 11.6% from RM32.2 million for the FYE 2023 to RM35.9 million for the FYE 2024, primarily due to the full year impact of increased depot gate charges of our Group in the FYE 2024 as compared to only a partial-year impact in the FYE 2023.



**12. FINANCIAL INFORMATION (Cont'd)****(ii) Direct costs**

Our direct costs increased by 17.9% from RM735.4 million for the FYE 2023 to RM867.4 million for the FYE 2024 primarily due to:

- (a) an increase in our dry bulk cost by 96.8% from RM49.6 million for the FYE 2023 to RM97.6 million for the FYE 2024 due to an increase in the number of dry bulk shipments;
- (b) an increase in our terminal handling charges by 17.0% from RM100.6 million for the FYE 2023 to RM117.6 million for the FYE 2024 due to an increase in the volume of containers handled;
- (c) an increase in our charter hire cost by 62.9% from RM25.5 million for the FYE 2023 to RM41.5 million for the FYE 2024 due to the charter of additional third party vessels in line with our expansion plans;
- (d) an increase in our bunker fuel costs by 6.7% from RM159.3 million for the FYE 2023 to RM169.9 million for the FYE 2024 due to our higher gas oil consumption of 16,571 MT in the FYE 2024 as compared to 12,470 MT in the FYE 2023, partially offset by the decrease in our fuel consumption of 38,116 MT in the FYE 2024 as compared to 40,650 MT in the FYE 2023; and
- (e) an increase in our vessel cost by 8.4% from RM126.1 million for the FYE 2023 to RM136.7 million for the FYE 2024 due to the delivery of eight new vessels in the FYE 2024.

**(iii) GP and GP margin**

As a result of the foregoing, our GP decreased by 13.3% from RM381.9 million in the FYE 2023 to RM331.2 million for the FYE 2024, with a corresponding decrease in our GP margin from 34.2% for the FYE 2023 to 27.6% for the FYE 2024.

**(iv) Other operating income**

Our other operating income decreased by 5.7% from RM40.9 million for the FYE 2023 to RM38.5 million for the FYE 2024, primarily due to lower gains on disposal from RM29.8 million in the FYE 2023 to RM16.7 million in the FYE 2024 mainly from the disposal of MTT Tanjung Manis and MTT Muara (compared with the gains on disposal from MTT Pasir Gudang and MTT Tawau in the FYE 2023), which was partially offset by an increase in container leasing income from RM1.8 million in the FYE 2023 to RM4.2 million in the FYE 2024 and an unrealised gain of RM6.0 million on foreign exchange differences.

**(v) Administration expenses**

Our administration expenses decreased by 7.5% from RM91.6 million for the FYE 2023 to RM84.8 million for the FYE 2024 primarily due to a decrease in realised foreign exchange losses, coupled with no impairment loss incurred for the FYE 2024.

**(vi) Net reversal on impairment of financial assets**

Our net reversal on impairment of financial assets increased by RM0.2 million or 12,300.0% for the FYE 2024 mainly due to write-off on impairment or recovery of long-outstanding trade debtors which were previously impaired.

**12. FINANCIAL INFORMATION (Cont'd)****(vii) Finance income**

Our finance income decreased by 22.9% from RM7.7 million for the FYE 2023 to RM6.0 million for the FYE 2024 primarily due to a decrease in our deposits.

**(viii) Finance costs**

Our finance costs increased by 22.5% from RM30.3 million for the FYE 2023 to RM37.1 million for the FYE 2024 primarily due to the additional finance cost resulting from the issuances of our Sukuk Wakalah in August 2023.

**(ix) Share of results of equity-accounted associates**

Our share of results of equity-accounted associates improved from a loss of RM0.8 million for the FYE 2023 to a loss of RM0.5 million for the FYE 2024.

**(x) Share of results of equity-accounted joint ventures**

Our share of results of equity-accounted joint ventures remained stable at RM6.6 million for the FYE 2023 to RM6.6 million for the FYE 2024.

**(xi) PBT and PBT margin**

As a result of the foregoing, our PBT decreased by 17.2% from RM314.4 million for the FYE 2023 to RM260.2 million for the FYE 2024, and our PBT margin decreased from 28.1% for the FYE 2023 to 21.7% for the FYE 2024.

**(xii) Tax expense**

As further described in Section 9.2.2 of this Prospectus, profits from operation of Malaysian registered vessels are exempted from taxation pursuant to Section 54A(1) of the ITA.

Our tax expense increased by 14.6% from RM5.7 million for the FYE 2023 to RM6.6 million for the FYE 2024 primarily due to our higher non-deductible expenses, lower non-taxable income, and our deferred tax liabilities derived from taxable temporary differences arising from our unrealised gains on foreign exchange differences.

**(xiii) Profit for the financial year**

As a result of the foregoing, our profit for the financial year decreased by 17.8% from RM308.6 million for the FYE 2023 to RM253.6 million for the FYE 2024. Our PAT margin decreased from 27.6% for the FYE 2023 to 21.2% for the FYE 2024.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.8 Review of performance for the FYE 2023 compared to the FYE 2022**

The following table presents selected information from our combined statements of profit or loss, the percentage such amounts represent as a proportion of revenue and their percentage change for the financial years indicated:

|   | FYE            |             |                |             |               |
|---|----------------|-------------|----------------|-------------|---------------|
|   | Audited        |             |                |             |               |
|   | 2022           |             | 2023           |             |               |
|   | RM'000         | %           | RM'000         | %           | % change      |
| Revenue   | 1,409,301      | 100.0       | 1,117,335      | 100.0       | (20.7)        |
| Direct costs  | (790,327)      | (56.1)      | (735,437)      | (65.8)      | (6.9)         |
| <b>GP</b>   | <b>618,974</b> | <b>43.9</b> | <b>381,898</b> | <b>34.2</b> | <b>(38.3)</b> |
| Other operating income                                      | 10,249         | 0.7         | 40,863         | 3.6         | 298.7         |
| Administration expenses                                     | (66,026)       | (4.7)       | (91,609)       | (8.2)       | 38.7          |
| Net (impairment)/reversal on impairment of financial assets | (127)          | *           | 2              | *           | (101.6)       |
| <b>Results from operating activities</b>                    | <b>563,070</b> | <b>39.9</b> | <b>331,154</b> | <b>29.6</b> | <b>(41.2)</b> |
| Finance income  | 1,345          | 0.1         | 7,747          | 0.7         | 476.0         |
| Finance costs   | (24,513)       | (1.7)       | (30,327)       | (2.7)       | 23.7          |
| Share of results of equity-accounted associates             | (487)          | *           | (787)          | (0.1)       | 61.6          |
| Share of results of equity-accounted joint ventures         | 20,457         | 1.4         | 6,607          | 0.6         | (67.7)        |
| <b>PBT</b>  | <b>559,872</b> | <b>39.7</b> | <b>314,394</b> | <b>28.1</b> | <b>(43.8)</b> |
| Tax expense   | (6,663)        | (0.4)       | (5,762)        | (0.5)       | (13.5)        |
| <b>Profit for the financial year</b>                        | <b>553,209</b> | <b>39.3</b> | <b>308,632</b> | <b>27.6</b> | <b>(44.2)</b> |

**Note:**

\* *Negligible*

**(i) Revenue**

Our revenue decreased by 20.7% from RM1,409.3 million for the FYE 2022 to RM1,117.3 million for the FYE 2023.

The FYE 2022 was an exceptional year for our shipping operations and vessel chartering activities due to extraordinary market conditions during the COVID-19 pandemic, which resulted in higher than usual vessel charter and freight rates that was driven by global supply chain shocks arising from the associated lockdowns. During the FYE 2022, our Group's average freight rates and vessel charter rates were RM2,932 per TEU and RM127,844 per day, respectively, compared to RM1,773 per TEU and RM70,402 per day, respectively for the FYE 2021, representing a significant increase of 65.4% for freight rates and 81.6% for vessel charter rates over a single financial year.

**12. FINANCIAL INFORMATION (Cont'd)*****Revenue from shipping operations***

Our revenue from shipping operations decreased by 18.3% from RM1,030.4 million for the FYE 2022 to RM841.6 million for the FYE 2023. The decrease was primarily due to the following:

- (a) a decrease in our freight income from our WM ports to EM ports by 16.7% from RM479.2 million for the FYE 2022 to RM398.9 million for the FYE 2023, as a result of a decrease of 9.9% in our transport volume from 112,704 TEUs for the FYE 2022 to 101,563 TEUs for the FYE 2023 and a decrease of 7.6% in our average freight rate from RM4,252 per TEU for the FYE 2022 to RM3,928 per TEU for the FYE 2023, largely due to foreign operators resuming their services from WM ports to EM ports following the COVID-19 pandemic;
- (b) a decrease in our freight income from our Intra-Southeast Asia operations by 29.1% from RM201.1 million for the FYE 2022 to RM142.7 million for the FYE 2023 due to a decrease of 36.8% in our average freight rates from RM3,286 per TEU for the FYE 2022 to RM2,076 per TEU for the FYE 2023, largely due to the decrease in the market freight rate of our service to Thailand, notwithstanding a marginal increase in our transport volume from 61,208 TEUs for the FYE 2022 to 68,716 TEUs for the FYE 2023; and
- (c) a decrease in revenue from dry bulk shipping by 68.0% from RM157.7 million for the FYE 2022 to RM50.5 million for the FYE 2023 due to a decrease in the number of shipments from 27 shipments for a total of 2,071,322 MT for the FYE 2022 to 12 shipments for a total of 950,450 MT for the FYE 2023.

This was partially offset by the increase in our revenue from our dedicated feeder operations by 111.8% from RM33.9 million for the FYE 2022 to RM71.7 million for the FYE 2023 as a result of the increase in transport volumes by 110.8% from 64,030 to 134,955 TEUs. Our average freight rate for dedicated feeder services remained stable at RM529 per TEU and RM531 per TEU for the FYE 2022 and the FYE 2023, respectively.

***Revenue from vessel chartering***

Our revenue from vessel chartering decreased by 30.6% from RM351.2 million in the FYE 2022 to RM243.6 million in the FYE 2023. The decrease was primarily due to the disposal of MTT Pasir Gudang in January 2023 and the redeployment of MTT Singapore for our own shipping operations following the expiry of its time charter in March 2023. On average, our vessel charter rates were RM110,151 per day for the FYE 2023 compared to RM127,844 per day for the FYE 2022.

***Revenue from container depot operations***

Our revenue from container depot operations increased by 16.0% from RM27.7 million for the FYE 2022 to RM32.2 million for the FYE 2023 primarily attributable to upward revision of depot gate charges across at one of our depots which took effect in March 2023 and at three other depots in June 2023.

**(ii) Direct costs**

Our direct costs decreased by 6.9% from RM790.3 million in the FYE 2022 to RM735.4 million in the FYE 2023 primarily due to:

- (a) decrease in our dry bulk cost by 68.1% from RM155.5 million for the FYE 2022 to RM49.6 million for the FYE 2023 due to a decrease in the number of shipments; and

**12. FINANCIAL INFORMATION (Cont'd)**

- (b) decrease in our equipment cost by 12.9% from RM81.8 million for the FYE 2022 to RM71.3 million for the FYE 2023 due to the decrease in repositioning costs for empty containers.

The decrease in our direct costs was partially offset by the following:

- (1) an increase in our charter hire cost by 120.7% from RM11.5 million for the FYE 2022 to RM25.5 million for the FYE 2023 due to the increase in the number of tugs and barges chartered by Sea Navigator, from six sets in the FYE 2022 to 10 sets in the FYE 2023;
- (2) an increase in marine charges by 57.4% from RM21.2 million for the FYE 2022 to RM33.4 million for the FYE 2023 due to the higher number of voyages sailed in the FYE 2023;
- (3) an increase in our bunker fuel costs by 6.3% from RM149.9 million for the FYE 2022 to RM159.3 million for the FYE 2023, primarily due an increase in our total bunker fuel consumption from 43,595 MT for the FYE 2022 to 53,119 MT for the FYE 2023 in tandem with higher number of voyages sailed in the FYE 2023;
- (4) an increase in depreciation of our vessels by 10.7% from RM65.7 million for the FYE 2022 to RM72.7 million for the FYE 2023 due to two additional vessels being delivered in the FYE 2023; and
- (5) an increase in our Auto Logistics cost by 105.8% from RM6.6 million for the FYE 2022 to RM 13.6 million for the FYE 2023 in line with the increase in volume of vehicles shipped by our Group by 90.2% from 7,737 units of vehicles for the FYE 2022 to 14,713 units of vehicles for the FYE 2023.

**(iii) GP and GP margin**

As a result of the foregoing, our GP decreased by 38.3% from RM619.0 million for the FYE 2022 to RM381.9 million for the FYE 2023, with a corresponding decrease in GP margin from 43.9% for the FYE 2022 to 34.2% for the FYE 2023.

**(iv) Other operating income**

Our other operating income increased by 298.7% from RM10.2 million for the FYE 2022 to RM40.9 million for the FYE 2023 primarily due to the gain on disposal of approximately RM28.3 million from MTT Pasir Gudang and MTT Tawau.

**(v) Administration expenses**

Our administration expenses increased by 38.7% from RM66.0 million for the FYE 2022 to RM91.6 million for the FYE 2023 primarily due to reversal of hedging reserves of RM11.2 million, higher unrealised loss on foreign exchange of RM9.4 million and an impairment loss of RM9.3 million on property, plant and equipment.

**(vi) Net impairment / reversal on impairment of financial assets**

Our Group recorded a marginal net reversal on impairment of financial assets in the FYE 2023 compared to a net impairment of financial assets of RM0.1 million for the FYE 2022 primarily due to impairment of several long-outstanding trade debtors in FYE 2022.

**12. FINANCIAL INFORMATION (Cont'd)****(vii) Finance income**

Our finance income increased by 476.0% from RM1.3 million for the FYE 2022 to RM7.7 million for the FYE 2023 primarily due to an increase in bank deposits from the proceeds of issuances from our Sukuk Wakalah.

**(viii) Finance costs**

Our finance costs increased by 23.7% from RM24.5 million for the FYE 2022 to RM30.3 million for the FYE 2023 primarily due to accruals of coupon payments on our Sukuk Wakalah.

**(ix) Share of results of equity-accounted associates**

Our share of results of equity-accounted associates was a loss of RM0.5 million for the FYE 2022 and a loss of RM0.8 million for the FYE 2023.

**(x) Share of results of equity-accounted joint ventures**

Our share of results of equity-accounted joint ventures decreased from RM20.5 million for the FYE 2022 to RM6.6 million for the FYE 2023 primarily due to the decrease in the profits of Lestari Maritime from RM20.5 million in the FYE 2022 to RM7.3 million in the FYE 2023.

**(xi) PBT and PBT margin**

As a result of the foregoing, our PBT decreased by 43.8% from RM559.9 million for the FYE 2022 to RM314.4 million for the FYE 2023, and our PBT margin decreased from 39.7% for the FYE 2022 to 28.1% for the FYE 2023.

**(xii) Tax expense**

As further described in Section 9.2.2 of this Prospectus, profits from operation of Malaysian registered vessels are exempted from taxation pursuant to Section 54A(1) of the ITA.

Our tax expenses decreased by 13.5% from RM6.7 million for the FYE 2022 to RM5.8 million for the FYE 2023 in line with a decrease in our profit before tax.

**(xiii) Profit for the financial year**

As a result of the foregoing, our profit for the financial year decreased by 44.2% from RM553.2 million for the FYE 2022 to RM308.6 million for the FYE 2023. Our PAT margin decreased from 39.3% for the FYE 2022 to 27.6% for the FYE 2023.

**12.2.9 Liquidity and capital resources****(i) Working capital**

Our principal sources of liquidity are our cash and cash equivalents, cash generated from our operations, borrowings from financial institutions and our Sukuk Wakalah.

Following our Listing, we expect to use the IPO proceeds in the manner set out in Section 4.5 of this Prospectus. Many factors, including our results of operations and financial position and the conditions in the Malaysian and international financial markets (as our results of operations and profit margins may be affected by the fluctuation in foreign currencies, in particular USD against RM), could affect our ability to rely on these sources of funding.

**12. FINANCIAL INFORMATION (Cont'd)**

As at 30 April 2025, we had cash and cash equivalents (including bank overdrafts) of RM235.4 million and we also had trade facilities comprising bankers' acceptances and revolving credit with a combined limit of RM145.0 million, of which RM58.9 million was drawn and RM86.1 million was available to be drawn.

As at 30 April 2025, our working capital, calculated as current assets minus current liabilities, was a net current asset of RM329.8 million.

We also have the flexibility to tap into our existing Sukuk Wakalah. As at the LPD, we have issued a total of RM425.0 million out of the RM1.5 billion under the programme, of which RM65.0 million has been redeemed.

Based on the above and taking into consideration our funding requirements for our maintenance and committed capital expenditures and contractual obligations for planned capital expenditure, expected cash flows from operations, existing level of cash and bank balances, current available bank facilities, the gross proceeds we expect to raise from our Public Issue as well as the payment of the Pre-IPO Dividends, 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 table summarises our Group's statements of cash flows for the Financial Years/Periods Under Review:

|  | FYE            |                |                 | FPE              |                 |
|--|----------------|----------------|-----------------|------------------|-----------------|
|  | Audited        |                |                 | Unaudited        | Audited         |
|  | 2022           | 2023           | 2024            | 2024             | 2025            |
|  | RM'000         | RM'000         | RM'000          | RM'000           | RM'000          |
| Net cash generated from operating activities   | 623,966        | 325,252        | 259,177         | 37,014           | 73,026          |
| Net cash used in investing activities  | (277,014)      | (280,384)      | (459,786)       | (125,625)        | (96,991)        |
| Net cash generated from/(used in) financing activities                                       | (130,767)      | 44,122         | 115,738         | (17,754)         | (43,814)        |
| <b>Net increase/(decrease) in cash and cash equivalents during the financial year/period</b> | <b>216,185</b> | <b>88,990</b>  | <b>(84,871)</b> | <b>(106,365)</b> | <b>(67,779)</b> |
| Effect of exchange rate fluctuations on cash held  | -              | 132            | (177)           | 213              | (52)            |
| Effect of foreign currency translation   | 315            | 205            | (170)           | 68               | (355)           |
| Cash and cash equivalents at beginning of the financial year/period                          | 78,987         | 295,487        | 384,814         | 384,814          | 299,596         |
| <b>Cash and cash equivalents as at 30 April/31 December</b>                                  | <b>295,487</b> | <b>384,814</b> | <b>299,596</b>  | <b>278,730</b>   | <b>231,410</b>  |

Our Board is of the opinion that there are no legal, financial or economic restrictions on the ability of our Subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet our cash obligations, subject to availability of distributable reserves, loans or advances in compliance with legal requirements and financial covenants. Please refer to Section 12.4 of this Prospectus for further details on our dividend policy.

**12. FINANCIAL INFORMATION (Cont'd)*****Net cash from operating activities******FYE 2022***

For the FYE 2022, our net cash from operating activities was RM624.0 million. Our PBT was RM559.9 million, which was adjusted upwards for non-cash and other items of RM74.8 million and working capital changes of RM18.1 million which comprised:

- (a) a RM84.0 million increase in trade and other payables mainly due to a dividend of RM40.0 million declared for FYE 2022 but not paid and a deposit of RM43.0 million that we received for the disposal of MTT Pasir Gudang that was subsequently completed in January 2023;
- (b) a RM63.3 million increase in trade and other receivables in line with an increase in our revenue and an advance of RM21.2 million to Lestari Maritime for working capital purposes; and
- (c) a RM2.7 million increase in inventories.

For the FYE 2022, we paid income tax of RM4.5 million and interest of RM24.3 million (which mainly comprised interest on borrowings and interest on lease liabilities).

***FYE 2023***

For the FYE 2023, our net cash from operating activities was RM325.3 million. Our PBT was RM314.4 million, which was adjusted upwards for non-cash and other items of RM85.4 million and adjusted downwards for working capital changes of RM47.7 million which comprised:

- (a) a RM48.3 million decrease in trade and other payables mainly arising from deposits received being recognised as other income following the disposal of freehold land at Port Klang and MTT Tanjung Manis in February 2024;
- (b) a RM1.2 million decrease in trade and other receivables; and
- (c) a RM0.6 million increase in inventories.

For the FYE 2023, we paid income tax of RM5.1 million and interest of RM22.7 million (which mainly comprised interest on borrowings and interest on lease liabilities). We also received an income tax refund of RM1.0 million due to overpayment of tax estimates from prior years.

***FYE 2024***

For the FYE 2024, our net cash from operating activities was RM259.2 million. Our PBT was RM260.2 million, which was adjusted upwards for non-cash and other items of RM95.0 million and adjusted downwards for working capital changes of RM51.7 million which comprised:

- (a) a RM77.8 million increase in trade and other receivables in line with an increase in revenue and a RM34.0 million payment on behalf of our associate, MTT Kenyalang, for the purchase of two chemical tankers which are scheduled for delivery in the second half of 2026;
- (b) a RM34.7 million increase in trade and other payables due to increased accruals for vessel expenses; and



**12. FINANCIAL INFORMATION (Cont'd)**

- (c) a RM8.6 million increase in our inventories due to increased purchase volumes of MGO towards the end of 2024 and increased amounts of lubricant oil and other bonded goods stored due to our acquisition of nine vessels in 2024.

For the FYE 2024, we paid income tax of RM6.3 million and interest of RM38.0 million (which mainly comprised interest on borrowings and interest on lease liabilities).

**FPE 2025**

For the FPE 2025, our net cash from operating activities was RM73.0 million. Our PBT was RM95.2 million, which was adjusted upwards for non-cash and other items of RM44.4 million and adjusted downwards for working capital changes of RM48.5 million which comprised:

- (a) a RM31.0 million decrease in trade and other payables due to payment for expenses accrued in prior periods;
- (b) a RM23.0 million increase in trade and other receivables in line with an increase in our revenue; and
- (c) a RM5.5 million decrease in our inventories due to a decrease in the amount of bunker fuel remaining on board our vessels.

For the FPE 2025, we paid income tax of RM2.0 million and interest of RM15.9 million (which mainly comprised interest on borrowings and interest on lease liabilities).

***Net cash used in investing activities*****FYE 2022**

Net cash used in investing activities was RM277.0 million for the FYE 2022, which primarily comprised:

- (a) purchases of property, plant and equipment and leasehold land of RM279.2 million as follows:
  - (1) progress payments of RM179.1 million made for our vessels under construction;
  - (2) drydocking expenses of RM31.0 million which we capitalised;
  - (3) a payment of RM27.0 million for land under construction at Pulau Indah for the commissioning of an IFF;
  - (4) a payment of RM20.0 million for the acquisition of leasehold lands at Kota Kinabalu for the commissioning of an IFF;
  - (5) final payment of RM14.4 million for the acquisition of MTT Sarikei; and
  - (6) purchases of heavy equipment for RM4.3 million;
- (b) an investment in our joint venture, comprising a RM3.1 million subscription for redeemable preference shares for the purposes of our working capital,

**12. FINANCIAL INFORMATION (Cont'd)**

which was partially offset by:

- (i) proceeds of RM4.3 million from the disposal of property, plant and equipment, being proceeds from the disposal of containers; and
- (ii) interest received of RM1.3 million.

**FYE 2023**

Net cash used in investing activities was RM280.4 million for the FYE 2023, which primarily comprised:

- (a) purchases of property, plant and equipment and leasehold land of RM333.9 million as follows:
  - (1) progress payments of RM238.0 million made for vessels under construction;
  - (2) final payments of RM39.0 million made for the delivery of MTT Rajang and MTT Haiphong;
  - (3) acquisition and renovation of our HQ for RM35.7 million;
  - (4) acquisition of leasehold land in Kuching via the acquisition of Sumbumi for the commissioning of an IFF for RM9.8 million;
  - (5) drydocking costs of RM8.3 million which we capitalised;
  - (6) purchases of containers for RM6.0 million; and
  - (7) payments of RM3.2 million for leasehold land under construction at Pulau Indah for the commissioning of an IFF;

which was partially offset by:

- (i) proceeds of RM42.1 million from the disposal of assets classified as held for sale, being MTT Pasir Gudang;
- (ii) proceeds of RM14.6 million mainly from the disposal of MTT Tawau and containers; and
- (iii) interest received of RM7.6 million.

**FYE 2024**

Net cash used in investing activities was RM459.8 million for the FYE 2024, which primarily comprised purchases of property, plant and equipment and leasehold land of RM537.8 million as follows:

- (a) final payments of RM366.2 million made for the delivery of nine vessels;
- (b) progress payments of RM75.6 million made for vessels under construction;
- (c) land development costs RM30.8 million for the commissioning of an IFF in Kota Kinabalu;
- (d) drydocking costs of RM28.5 million which we capitalised;
- (e) the final balance payment of RM15.2 million for the acquisition of leasehold land for the commissioning of our Pulau Indah IFF;

**12. FINANCIAL INFORMATION (Cont'd)**

- (f) purchases of containers for RM12.1 million; and
  - (g) purchases of heavy equipment for RM6.6 million,
- which was partially offset by:
- (i) proceeds of RM37.3 million from the disposal of property, plant and equipment, being MTT Singapore and MTT Muara;
  - (ii) proceeds of RM28.2 million from the disposal of assets classified as held for sale, being MTT Tanjung Manis and freehold land in Port Klang;
  - (iii) proceeds of RM8.3 million from the disposal of our 12% equity interest in Lestari Maritime, which resulted in our equity interest in Lestari Maritime decreasing from 51% to 39%; and
  - (iv) interest received of RM5.9 million.

**FPE 2025**

Net cash used in investing activities was RM97.0 million for the FPE 2025, which primarily comprised as follows:

- (a) payments amounting to RM55.4 million mainly for the construction and delivery of vessels;
- (b) drydocking costs of RM25.3 million which we capitalised; and
- (c) land development costs of RM9.2 million for the commissioning of an IFF in Kota Kinabalu.

***Net cash from/(used in) financing activities*****FYE 2022**

Net cash used in financing activities was RM130.8 million for the FYE 2022, which primarily comprised repayment of our term loans of RM126.9 million, payment of lease liabilities of RM55.8 million, net repayment of bankers' acceptance of RM6.9 million and payment of dividends of RM34.1 million to our shareholders, which was partially offset by:

- (a) proceeds from our term loans of RM70.2 million to finance progress payments of RM41.8 million for leasehold land under construction in Pulau Indah and the purchase of MTT Singapore and MTT Sarikei for RM28.4 million; and
- (b) net proceeds from our revolving credit facilities of RM22.0 million to finance our working capital.

**12. FINANCIAL INFORMATION (Cont'd)***FYE 2023*

Net cash generated from financing activities was RM44.1 million for the FYE 2023, which primarily comprised net proceeds from our Sukuk Wakalah of RM415.5 million and proceeds from our term loans of RM24.4 million, which were used to part finance the acquisition of our HQ for RM21.6 million and progress payments of RM2.8 million for leasehold land under construction in Pulau Indah, which was partially offset by:

- (a) repayment of term loans of RM214.6 million;
- (b) repayment of revolving credit facilities of RM55.0 million;
- (c) payment of dividends of RM81.0 million (of which RM40.0 million was declared for the FYE 2022 and RM41.0 million was declared for the FYE 2023) to our shareholders including non-controlling interests;
- (d) net repayment of bankers' acceptances of RM37.3 million; and
- (e) payment of lease liabilities of RM9.6 million.

*FYE 2024*

Net cash generated from financing activities was RM115.7 million for the FYE 2024, which primarily comprised proceeds from our term loans of RM94.9 million to finance the purchase of MTT Bintangor for RM80.0 million and progress payments of RM14.8 million for leasehold land in Pulau Indah, proceeds of RM92.9 million from other facilities to finance the purchase of MTT Bangkok and net proceeds of RM55.0 million from revolving credit facilities, which was partially offset by:

- (a) repayment of our Sukuk Wakalah of RM59.8 million,
- (b) repayment of our term loans of RM56.5 million;
- (c) payment of dividends of RM27.0 million to our shareholders including non-controlling interests; and
- (d) payment of lease liabilities of RM9.8 million.

*FPE 2025*

Net cash used in financing activities was RM43.8 million for the FPE 2025, which primarily comprised repayment of revolving credit and term loans of RM15.0 million and RM11.4 million respectively, net repayment of bankers' acceptances of RM11.7 million, payment of lease liabilities of RM3.3 million and repayment of other facilities of RM1.7 million.

**12. FINANCIAL INFORMATION (Cont'd)****(iii) Borrowings**

As at 30 April 2025, we had total outstanding loans and borrowings of RM768.7 million. As at the LPD, our Sukuk Wakalah has been assigned a AA3/Stable/P1 rating by RAM Ratings.

The table below sets out our loans and borrowings as at 30 April 2025:

|  | <b>RM'000</b>  |
|--|----------------|
| <b><u>Non-current</u></b>              |                |
| <b><i>Secured and guaranteed</i></b>   |                |
| Term loans                             | 131,928        |
| Hire purchase payables                 | 590            |
| <b><i>Secured and unguaranteed</i></b> |                |
| Term loans                             | 100,759        |
| Sukuk Wakalah                          | 355,663        |
| Other facilities                       | 76,470         |
| Hire purchase payables                 | 2,216          |
| <b>Total non-current borrowings</b>    | <b>667,626</b> |
| <b><u>Current</u></b>                  |                |
| <b><i>Secured and guaranteed</i></b>   |                |
| Term loans                             | 21,440         |
| Hire purchase payables                 | 556            |
| Bankers' acceptance                    | 18,943         |
| <b><i>Secured and unguaranteed</i></b> |                |
| Term loans                             | 13,665         |
| Other facilities                       | 5,239          |
| Hire purchase payables                 | 1,276          |
| Revolving credit                       | 40,000         |
| <b>Total current borrowings</b>        | <b>101,119</b> |
| <b>Total borrowings</b>                | <b>768,745</b> |

The maturity profile of our undiscounted financial liabilities (excluding trade and other payables, and lease liabilities) as at 30 April 2025 is set out below:

|   | <b>RM'000</b>  |
|---|----------------|
| On demand or within one year            | 135,202        |
| More than 1 year and less than 2 years  | 248,671        |
| More than 2 years and less than 5 years | 220,047        |
| More than 5 years                       | 309,315        |
| <b>Total</b>                            | <b>913,235</b> |

As at 30 April 2025, the carrying amount for our Group's significant interest-bearing financial instruments and lease liabilities was RM548.4 million under fixed rate instruments and RM239.8 million under floating rate instruments. For more information on our financial instruments, see Note 26.6.2 to the Accountants' Reports in Section 13 of this Prospectus.

As at 30 April 2025, RM81.7 million of our other facilities and RM16.5 million of our lease liabilities are borrowings denominated in USD. Under the terms of our major borrowings, we are generally required to use the proceeds from such borrowings for our working capital and capital expenditure.

**12. FINANCIAL INFORMATION (Cont'd)**

The above facilities are secured by the pledge of vessels, land and buildings of our Group, lien on fixed deposits of certain subsidiaries of MTT Shipping, corporate guarantee by MTT Shipping and personal guarantees from certain Directors of our Group. As at the date of the Prospectus, we have submitted the applications to various banks/financiers for the release and/or discharge of the personal guarantees given by some of our Directors by substituting the same with corporate guarantees from our Company and/or securities from our Group acceptable to the banks/financiers. Please refer to Section 10.1.3 of this Prospectus for further details.

We have not defaulted on interest or profit rate payments or principal amounts on any of our borrowings for the FPE 2025 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 can materially affect our financial position and results or business operations, or the investments in our Shares.

**(iv) Key financial ratios**

The following table sets out our key financial ratios for the financial years/period indicated:

|  | FYE  |      |      | FPE  |
|--|------|------|------|------|
|  | 2022 | 2023 | 2024 | 2025 |
| Trade receivables turnover (days) <sup>(1)</sup> | 46   | 58   | 71   | 57   |
| Trade payables turnover (days) <sup>(2)</sup>    | 28   | 27   | 26   | 23   |
| Inventory turnover (days) <sup>(3)</sup>         | 8    | 9    | 11   | 9    |
| Current ratio (times) <sup>(4)</sup>             | 1.5  | 2.8  | 2.1  | 2.5  |
| Gearing ratio (times) <sup>(5)</sup>             | 0.6  | 0.5  | 0.5  | 0.5  |

**Notes:**

- (1) Computed as closing trade receivables (including amounts due from related companies and associates) as at 31 December/30 April of the respective financial year/period divided by revenue less charter hire income during the financial year/period, multiplied by the number of days in the financial year/period.
- (2) Computed as closing trade payables (including amounts due from related companies and associates) as at 31 December/30 April of the respective financial year/period divided by purchases during the financial year/period, multiplied by the number of days in the financial year/period.
- (3) Computed as closing inventory as at 31 December/30 April of the respective financial year/period divided by our total direct cost during the financial year/period, multiplied by the number of days in the financial year/period.
- (4) Computed based on current assets over current liabilities.
- (5) Computed based on total borrowings (including lease liabilities) divided by total equity as at the end of the year/period.

**(a) Trade receivables**

The credit period that we typically extend to our container shipping customers is generally between 30 to 75 days depending on the financial position and credit history of the customer. For freight services, we have cash term and credit term customers (of which the bigger contributors are those with longer credit terms of up to 90 days).

**12. FINANCIAL INFORMATION (Cont'd)**

As charter hire services are typically provided on a prepaid basis, we have excluded trade receivables from charter hire customers from our trade receivables turnover in order to provide a better representation of our business operations.

The credit period for our container depot customers is typically between 14 to 60 days.

Our average trade receivables turnover for the FYE 2022, 31 December 2023, 31 December 2024 and FPE 2025 has each remained within the normal credit terms that we extend to our customers.

The main reason for the increase in our average trade receivables turnover from the FYE 2022 to the FYE 2024 was due to an increase in the number of customers with longer credit terms being higher than cash term and short credit term customers. The decrease in FPE 2025 from FYE 2024 was mainly due to improved collection of trade receivables from long-outstanding customers.

The aging analysis for trade receivables as at 30 April 2025 and the trade receivables collected as at the LPD are as follows:

|   | Current | Past Due                     |            |             |                    | Total   |
|---|---------|------------------------------|------------|-------------|--------------------|---------|
|   |         | 1-30 days                    | 31-60 days | 61-120 days | More than 120 days |         |
|   |         | (RM'000, except percentages) |            |             |                    |         |
| Trade receivables as at 30 April 2025                                 |         |                              |            |             |                    |         |
| Trade receivables   | 95,708  | 23,886                       | 9,400      | 7,534       | 17,005             | 153,533 |
| Impairment  | -       | -                            | -          | -           | (859)              | (859)   |
| Trade receivables (net)   | 95,708  | 23,886                       | 9,400      | 7,534       | 16,146             | 152,674 |
| % of total trade receivables  | 62.3    | 15.6                         | 6.1        | 4.9         | 10.5               | 99.4    |
| As at the LPD:  |         |                              |            |             |                    |         |
| Trade receivables collected   | 90,423  | 22,062                       | 7,653      | 6,361       | 15,061             | 141,560 |
| - % of trade receivables collected / Total of trade receivables (net) | 94.5    | 92.4                         | 81.4       | 84.4        | 93.3               | 92.7    |
| - Trade receivables outstanding (net)                                 | 5,285   | 1,824                        | 1,747      | 1,173       | 1,085              | 11,114  |

In assessing the need for impairment for trade receivables, we consider the frequency and volume of transactions with the customer, the customer's payments record and credit limits, as well as any payments received following the relevant balance sheet date. Based on the above, no further impairment is required.

As at the LPD, we are in the midst of collecting outstanding trade receivables of approximately RM11.1 million. The delay in the collection will not materially impact our Group's operating cash flows given that it only represents 4.3% of our net cash generated from operating activities for the FYE 2024. Notwithstanding the above, we are of the view that the remaining outstanding trade receivables are recoverable after taking into consideration the various key assessment criteria as set out above.

**12. FINANCIAL INFORMATION (Cont'd)**

In general, our sales team remains in close contact with our customers and is responsible for monitoring the collection of all outstanding trade receivables. Our sales team also holds weekly meetings to discuss collections of outstanding trade receivables and to strategise on particular issues.

**(b) Trade payables**

The normal credit period given by our trade creditors is typically between 30 to 60 days. Our average trade payables turnover throughout the Financial Years/Periods Under Review has remained within the normal credit period that our trade creditors extend to us.

Our average trade payables turnover has remained largely stable for the Financial Years/Periods Under Review.

The aging analysis for trade payables as at 30 April 2025 and the trade payables settled as at the LPD are as follows:

|  | <b>Current</b> | <b>Past Due</b>                     |                   |                    |                           | <b>Total</b> |
|--|----------------|-------------------------------------|-------------------|--------------------|---------------------------|--------------|
|  |                | <b>1-30 days</b>                    | <b>31-60 days</b> | <b>61-120 days</b> | <b>More than 120 days</b> |              |
|  |                | <b>(RM'000, except percentages)</b> |                   |                    |                           |              |
| Trade payables as at 30 April 2025                         | 33,301         | 8,169                               | 4,171             | 2,609              | 1,851                     | 50,101       |
| % of total trade payables                                  | 66.5           | 16.3                                | 8.3               | 5.2                | 3.7                       | 100.0        |
| <b>As at the LPD:</b>                                      |                |                                     |                   |                    |                           |              |
| Trade payables settled                                     | 31,541         | 8,118                               | 4,164             | 2,598              | 1,121                     | 47,542       |
| - % Trade payables settled / Total of trade payables (net) | 94.7           | 99.4                                | 99.8              | 99.6               | 60.6                      | 94.9         |
| - Trade payables outstanding (net)                         | 1,760          | 51                                  | 7                 | 11                 | 730                       | 2,559        |

**(c) Inventory turnover**

Our inventory mainly comprises bunker fuel and lubricant oil that are used to operate our container vessels as well as flexitanks for our bulk liquid operation. Due to the nature of our business, we hold minimal inventory at any given time and it generally depends on the number of container vessels that we operate and its fuel and oil consumption. The table below sets out our inventories held for the financial years/period indicated:

|             | <b>FYE</b>    |               |               | <b>FPE</b>    |
|-------------|---------------|---------------|---------------|---------------|
|             | <b>2022</b>   | <b>2023</b>   | <b>2024</b>   | <b>2025</b>   |
|             | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b> |
| Inventories | 18,068        | 18,653        | 27,246        | 21,744        |

Our inventory turnover period remained relatively constant for the FYE 2022 and the FYE 2023. Our inventory turnover period increased from 9 days for the FYE 2023 to 11 days for the FYE 2024 due to increase in number of container vessels that we operated. Our inventory turnover period decreased from 11 days for the FYE 2024 to 9 days for the FPE 2025 due to lower inventory remaining on our vessels as at 30 April 2025.



**12. FINANCIAL INFORMATION (Cont'd)****(d) Current ratio**

Our current ratio increased from 1.5 times in FYE 2022 to 2.8 times in the FYE 2023 mainly due to higher cash balances as a result of the proceeds of the issuances from our Sukuk Wakalah to fund acquisitions of vessels as well as for working capital purposes.

Our current ratio decreased from 2.8 times in the FYE 2023 to 2.1 times in the FYE 2024 mainly due to an increase in our short-term financing such as bankers' acceptance and revolving credit for working capital purposes.

Our current ratio increased from 2.1 times in the FYE 2024 to 2.5 times in the FPE 2025 mainly due to a decrease in trade and other payables primarily from charter hire expenses of RM14.2 million, vessel operating cost of RM6.9 million, drydocking cost of RM4.0 million that were accrued in the FYE 2024 and to be paid in the FYE 2025 as well as the repayment of short-term financing such as bankers' acceptance and revolving credit.

**(e) Gearing ratio**

Our gearing ratio has remained relatively constant for the financial years/period indicated.

**(v) Capital expenditure**

The following table sets out our capital expenditure for the financial years/periods indicated:

|                           | FYE            |                |                | FPE           | 1 May 2025    |
|---------------------------|----------------|----------------|----------------|---------------|---------------|
|                           | 2022           | 2023           | 2024           | 2025          | up to the LPD |
|                           | RM'000         | RM'000         | RM'000         | RM'000        | RM'000        |
| Capital work in progress  | 206,090        | 241,233        | 106,455        | 42,135        | 29,040        |
| Vessels                   | 15,917         | 39,067         | 366,176        | 22,522        | 735           |
| Leasehold land            | 20,942         | 9,786          | 15,175         | -             | 11,800        |
| Building                  | -              | 13,500         | -              | -             | -             |
| Freehold land             | -              | 13,057         | -              | -             | -             |
| Drydocking <sup>(1)</sup> | 31,021         | 8,283          | 28,505         | 25,266        | 12,037        |
| Containers                | 84,366         | 5,992          | 12,108         | 5,893         | 13,247        |
| Equipment and machineries | 4,333          | 1,977          | 6,636          | 1,127         | 3,414         |
| Others <sup>(2)</sup>     | 1,440          | 11,943         | 2,738          | 1,620         | 1,865         |
| <b>Total</b>              | <b>364,109</b> | <b>344,838</b> | <b>537,793</b> | <b>98,563</b> | <b>72,138</b> |

**Notes:**

- (1) Number of vessels which were drydocked for the financial years/periods as well as their respective days drydocked: FYE 2022 (four vessels, 239 days); FYE 2023 (one vessel, 24 days); FYE 2024 (three vessels, 90 days); and FPE 2025 (two vessels, 70 days).
- (2) Comprises capital expenditure in relation to depot yard development cost, furniture and fittings, motor vehicles and renovation costs.

**12. FINANCIAL INFORMATION (Cont'd)**

The majority of our capital expenditure was incurred in line with our strategy to expand our fleet of vessels in the past few years. The vessels acquired above throughout the financial years/periods indicated were as follows:

| <b>Financial Year/Period</b> | <b>Vessel(s) Acquired</b>   |
|------------------------------|---|
| FYE 2022                     | MTT Sarikei   |
| FYE 2023                     | MTT Rajang and MTT Haiphong   |
| FYE 2024                     | MTT Bintangor, MTT Langkawi, MTT Labuan, MTT Lumut, MTT Port Kelang, MTT Pelepas, MTT Bangkok, MTT Limbang and MTT Xu May |
| FPE 2025                     | MTT Reya, MTT Dumai and MTT Perawang  |
| 1 May 2025 up to the LPD     | -   |

Our capital work in progress expenditures mainly relate to our vessels under construction for the financial years/periods stated above.

Our capital expenditure in relation to leasehold land above relates to the acquisition costs of leasehold lands in Kota Kinabalu, Kuching and Pulau Indah in line with our strategy to expand our container depot operations.

We fund our capital expenditure through cash and cash equivalents, cash generated from our operations as well as bank borrowings including our Sukuk Wakalah.

***Planned capital expenditure***

The following table sets out our planned capital expenditures for the financial years indicated:

|                           | <b>FYE</b>     |                |
|---------------------------|----------------|----------------|
|                           | <b>2025</b>    | <b>2026</b>    |
|                           | <b>RM'000</b>  | <b>RM'000</b>  |
| Vessel                    | 23,257         | -              |
| Capital work in progress  | 217,834        | 635,360        |
| Leasehold land            | 11,800         | 27,460         |
| Investment property       | -              | -              |
| Drydocking                | 44,905         | 15,300         |
| Containers                | 19,140         | -              |
| Equipment and machineries | 4,541          | 2,435          |
| Others                    | 3,485          | -              |
| <b>Total</b>              | <b>324,962</b> | <b>680,555</b> |

As part of our expansion strategies, we have allocated our funding for acquisition of vessels for our container shipping operations as well as establishment of our container depot in Port Klang (Pulau Indah), among others, which we expect to fund using our cash and cash equivalents, cash generated from our operations and financing activities and to the extent described in Section 4.5 of this Prospectus, the proceeds from our IPO.

Our actual capital expenditures may vary from projected amounts due to various factors, including changes in market conditions, our ability to obtain adequate financing for these planned capital expenditures, government policies regarding the industry in which we operate and the global economy. In addition, our planned capital expenditures do not include any expenditure for potential acquisitions or investments that we may evaluate from time to time.

**12. FINANCIAL INFORMATION (Cont'd)****Material divestitures**

Save for the disposal of two container vessels for total gross proceeds of RM57.8 million in the FYE 2023, and three container vessels together with a freehold land in Port Klang for total gross proceeds of RM68.8 million in the FYE 2024 as well as the disposal of our 12% equity interest in Lestari Maritime in February 2024, we have not undertaken any material divestitures during the Financial Years/Periods Under Review and from 1 May 2025 up to the LPD.

**(vi) Capital commitments and contractual obligations**

Our capital commitments as at 30 April 2025 and the LPD are as follows:

|                                 | <b>As at 30 April 2025</b> | <b>As at the LPD</b> |
|---------------------------------|----------------------------|----------------------|
|                                 | <b>RM'000</b>              | <b>RM'000</b>        |
| Contracted but not provided for | 198,953                    | 345,004              |
| Approved but not contracted for | -                          | -                    |
| <b>Total</b>                    | <b>198,953</b>             | <b>345,004</b>       |

Our capital commitments as at the LPD relate to the purchase of new vessels under construction, land and depot development costs for our new depot in Port Klang (Pulau Indah), IFF development costs in Kota Kinabalu as well as acquisition of a leasehold land in Bintulu.

We plan to meet our planned capital expenditure commitments through our cash and cash equivalents, cash generated from our operations and funding from financing activities (if required) and, to the extent described in Section 4.5 of this Prospectus, the proceeds from our IPO.

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.

**(vii) Contingent liabilities**

As at the LPD, there are no contingent liabilities that, upon becoming enforceable, may have a material adverse effect on our results of operations or financial position.

**12.2.10 Financial risk management**

We are exposed to markets risks arising from our operations and use of financial instruments. Our key market risk exposures are to fluctuations in commodity prices, interest rates and foreign currency exchange rates.

**(i) Credit risk**

Credit risk is the risk of a financial loss to our Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our Group's exposure to credit risk arises principally from its receivables, customers and related companies. There are no significant changes as compared to prior periods.

For our trade receivables and contract assets, we have credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. At each reporting date, our Group assesses whether any of the trade receivables and contract assets are credit impaired.

**12. FINANCIAL INFORMATION (Cont'd)**

Our Group has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with our Group. Our Group uses ageing analysis to monitor the credit quality of the trade receivables and contract assets. Any trade receivables and contract assets having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually. As at 30 April 2025, we do not expect to incur material credit losses on our financial assets or other financial instruments.

**(ii) Liquidity risk**

Liquidity risk is the risk that our Group will not be able to meet its financial obligations as they fall due. Our Group's exposure to liquidity risk arises principally from our various payables and borrowings.

Our Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure that, as far as possible, we will have sufficient liquidity to meet our liabilities as and when they fall due.

As at 30 April 2025, we had RM238.8 million in undiscounted financial liabilities due on demand or within one year.

**(iii) Foreign currency risk**

Our Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than its functional currency. The currencies giving rise to this risk are primarily USD and SGD.

The table below demonstrates the sensitivity of our PAT to a 10% strengthening of RM against the USD and SGD as at the end of the reporting year, with all other variables, in particular interest rates, held constant:

|                | FYE             |                |                 | FPE            |
|----------------|-----------------|----------------|-----------------|----------------|
|                | 2022            | 2023           | 2024            | 2025           |
| Effects on PAT | RM'000          | RM'000         | RM'000          | RM'000         |
| USD            | (15,610)        | (3,127)        | (20,118)        | (1,985)        |
| SGD            | (243)           | 129            | 18              | 25             |
| <b>Total</b>   | <b>(15,853)</b> | <b>(2,998)</b> | <b>(20,100)</b> | <b>(1,960)</b> |

**(iv) Interest rate risk**

Our Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Our Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

A change of bp in interest rates of our floating rate instruments at the end of the reporting period would increase/(decrease) our profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

|                 | FYE     |         |         | FPE     |
|-----------------|---------|---------|---------|---------|
|                 | 2022    | 2023    | 2024    | 2025    |
| Effects on PAT  | RM'000  | RM'000  | RM'000  | RM'000  |
| 100 bp increase | (3,157) | (1,064) | (2,091) | (1,823) |
| 100 bp decrease | 3,157   | 1,064   | 2,091   | 1,823   |

**12. FINANCIAL INFORMATION (Cont'd)****12.2.11 Seasonality**

Our business is generally not subject to seasonality, taking into account our domestic and regional container liner operations as well as our vessel chartering business. Nevertheless, we may experience higher activity or transport of cargo to East Malaysia before festive periods such as Hari Raya, Chinese New Year, Gawai Dayak, Harvest Festival and Christmas, reflecting the increase in the consumption of consumer products during these periods.

**12.2.12 Inflation**

Inflation has not had a material impact on our results of operations in recent years.

**12.2.13 Order book**

Due to the nature of our business, we do not maintain an order book. See Section 7 of this Prospectus for further information on the nature of our business.

However, as we are also involved in the vessel chartering business, our Group has entered into vessel chartering contracts with other third party container liner shipping companies as further disclosed in Section 7.7.3 of this Prospectus.

**12.2.14 Prospects and trends**

Save as disclosed in this section, Sections 7, 8 and 9 of this Prospectus, and to the best of our Board's knowledge and belief, there are no other known factors, trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our business, financial condition and results of operations.

**12.2.15 Significant changes**

Save as disclosed in Sections 12.3 and 12.4 of this Prospectus, no significant changes have occurred which may have a material effect on the financial position and results of our Group since 30 April 2025.

**12.2.16 Government / economics / fiscal / monetary policies**

We are 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/Periods 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 any government, economic, fiscal or monetary policies or factors which could materially affect our operations, see the risk factors relating to our industry in Sections 9.2.1 and 9.2.2 of this Prospectus.

**12.2.17 Accounting standards issued but not yet effective and not early adopted**

For a description of accounting standards issued but not yet effective and not early adopted, see Section 12.2.4 of this Prospectus and Note 1 to the Accountants' Report included in Section 13 of this Prospectus.

**12.2.18 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. FINANCIAL INFORMATION (Cont'd)****12.2.19 Treasury policies and objectives**

One of the main treasury responsibilities is to ensure that we have the liquidity and cash to meet our obligations as they fall due. Our principal sources of liquidity are our cash and bank balances, cash flows from our operations; and borrowings and facilities from financial institutions. Using appropriate governance and policies, it is the responsibility of treasury to identify, quantify, monitor and control the risks (liquidity, interest, currency, credit, legal and regulatory) associated with these activities, using appropriate mitigation and hedging techniques.

We are exposed to currency exchange risk on sales and purchases, borrowings and bank balances that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily USD and SGD.

**12.3 CAPITALISATION AND INDEBTEDNESS**

The table below presents our capitalisation and indebtedness as at the LPD and on the assumption that our IPO, our Listing and the use of proceeds from our IPO as set out in Section 4.5 of this Prospectus had occurred on the LPD.

The pro forma financial information below does not represent our actual capitalisation and indebtedness as at the LPD and is provided for illustrative purposes only.

|  | <b>As at LPD (Unaudited)</b> | <b>After our IPO, Listing<br/>and use of proceeds</b> |
|--|------------------------------|---|
|  | <b>RM'000</b>                | <b>RM'000</b>   |
| <b>Indebtedness</b>                              |                              |   |
| <b>Current</b>                                   |                              |   |
| <u>Secured and guaranteed</u>                    |                              |   |
| Term loans                                       | 21,636                       | 21,636  |
| Hire purchase payables                           | 567                          | 567   |
| Bankers' acceptance                              | 33,712                       | 33,712  |
| <u>Secured and unguaranteed</u>                  |                              |   |
| Term loans                                       | 12,960                       | 12,960  |
| Sukuk Wakalah                                    | 178,528                      | 178,528   |
| Other facilities                                 | 5,299                        | 5,299   |
| Lease liabilities                                | 9,118                        | 9,118   |
| Hire purchase payables                           | 1,377                        | 1,377   |
| Revolving credit                                 | 70,900                       | 70,900  |
| <b>Non-current</b>                               |                              |   |
| <u>Secured and guaranteed</u>                    |                              |   |
| Term loans                                       | 123,528                      | 123,528   |
| Hire purchase payables                           | 397                          | 397   |
| <u>Secured and unguaranteed</u>                  |                              |   |
| Term loans                                       | 96,430                       | 96,430  |
| Sukuk Wakalah                                    | 177,135                      | 177,135   |
| Other facilities                                 | 74,739                       | 74,739  |
| Lease liabilities                                | 6,666                        | 6,666   |
| Hire purchase payables                           | 2,905                        | 2,905   |
| <b>Total indebtedness</b>                        | <b>815,897</b>               | <b>815,897</b>  |
| <b>Total equity/capitalisation<sup>(1)</sup></b> | <b>1,699,544</b>             | <b>[•]</b>  |
| <b>Total capitalisation and indebtedness</b>     | <b>2,515,441</b>             | <b>[•]</b>  |

**12. FINANCIAL INFORMATION (Cont'd)****Note:**

- (1) *After taking into account the following:*
- (a) *the Share Issuance and the subsequent transfer of the one new Share held by Linda Tan to Dato' Seri Ong at the same cost;*
  - (b) *Pre-IPO Exercise and the payment of the Pre-IPO Dividend;*
  - (c) *the gross proceeds raised from our Public Issue; and*
  - (d) *the total estimated listing expenses of RM[•] million where approximately RM[•] million is directly attributable to the Public Issue which will be debited against the share capital of our Company and the remaining listing expenses of RM[•] million which will be charged to the profit or loss of our Group.*

**12.4 DIVIDEND POLICY**

For information purposes, the following table sets out our dividends declared and/or paid for the financial years/period indicated and the corresponding dividend pay-out ratio:

|  | FYE     |         |         | FPE    |
|--|---------|---------|---------|--------|
|  | 2022    | 2023    | 2024    | 2025   |
|  | RM'000  | RM'000  | RM'000  | RM'000 |
| <b>Effects on PAT</b>                    |         |         |         |        |
| Dividends declared <sup>(2)</sup>        | 73,000  | 40,714  | 24,994  | -      |
| Dividends paid                           | 33,000  | 80,714  | 24,994  | -      |
| PATAMI                                   | 551,063 | 307,843 | 250,381 | 91,998 |
| Dividend payout ratio (%) <sup>(1)</sup> | 13.2    | 13.2    | 10.0    | -      |

**Notes:**

- (1) *Computed based on dividends declared divided by PATAMI.*
- (2) *Excluding dividends paid to the non-controlling interests of our Group's subsidiaries as set out in Note 31 to the Accountants' Report in Section 13 of this Prospectus.*

The dividends paid by our Group during the financial years/period indicated were fully funded from internally generated funds. Additionally, the Pre-IPO Dividends are intended to be paid before the completion of the Acquisitions. The Pre-IPO Dividends will be funded out of internally generated funds of MTT Shipping and are not expected to have any impact on the execution and implementation of our Group's future plans and strategies.

As our Company is a holding company and we conduct substantially all of our operations through our subsidiaries, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries. The ability of our subsidiaries to pay dividends or make other distributions to our Company in the future will depend upon their distributable profits, operating results, earnings, working capital requirements, general financial condition, capital expenditure plans, compliance with certain financial covenants under certain debt facilities entered into by our subsidiaries and other factors that the board of directors of each subsidiary deems relevant. Dividends may only be paid out of distributable reserves and under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

We target a payout ratio of at least 40% of our PAT attributable to the owners of the Company for each financial year on a consolidated basis after taking into account working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of dividends is subject to the approval of our Board as well as any applicable law, licence conditions and contractual obligations, and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

**12. FINANCIAL INFORMATION (Cont'd)**

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Save for the requirements set out in the Act as well as certain restrictive covenants (including the requirement to obtain financial institutions' consent for declaration of dividends) in our banking facilities and Sukuk Wakalah which our Company and our subsidiaries are or may be subject to, there are no dividend restrictions imposed on us as at the LPD.

The actual dividend that our Board may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below (which may not be exhaustive) and the absence of any circumstances which may affect or restrict our ability to pay dividends 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, debt profile, return on equity and retained earnings;
- (ii) our expected financial performance;
- (iii) our projected levels of capital expenditure and other growth/investment plans;
- (iv) our working capital requirements; and
- (v) any contractual restrictions and/or commitments.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (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 9.3.4 of this Prospectus for the risk on our ability to pay dividends.

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.

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**12. FINANCIAL INFORMATION (Cont'd)****12.5 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**KPMG PLT**  
 (LLP0010081-LCA & AF 0758)  
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 47800 Petaling Jaya  
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The Board of Directors  
**MTT Shipping and Logistics Berhad**  
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 Temasya Glenmarie, Seksyen U1  
 40150 Shah Alam  
 Selangor Darul Ehsan

FOR THE PURPOSE OF INCLUSION  
 IN THE PROSPECTUS EXPOSURE

Date: [•] 2025

Dear Sir/ Madam,

**MTT Shipping and Logistics Berhad ("MTTSL" or the "Company") and its combining entities (the "Group")**

**Report on the compilation of pro forma combined statement of financial position for inclusion in the Company's draft prospectus in connection with the proposed initial public offering of 633,500,000 new ordinary shares ("Shares") in the Company ("Proposed IPO") in conjunction with the proposed listing of and quotation for the entire enlarged issued Shares of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing") ("Draft Prospectus")**

We have completed our assurance engagement to report on the compilation of the pro forma combined statement of financial position of the Group as at 30 April 2025 ("Pro Forma Financial Position"). The Pro Forma Financial Position and the related notes as set out in Attachment A, have been stamped by us for identification purposes. The applicable criteria on the basis on which the Board of Directors of the Company (the "Directors") has compiled the Pro Forma Financial Position is described in the notes to the Pro Forma Financial Position. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position, together with the related notes as set out in Attachment A, has been compiled by the Directors for inclusion in the Draft Prospectus solely to illustrate the impact of events or transactions as set out in the notes of Attachment A on the Group's statement of financial position as at 30 April 2025, as if the events or transactions had taken place on 30 April 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the audited combined financial statements of the Group for the financial period ended 30 April 2025, on which an auditors' report dated on 17 October 2025 has been issued.

**Directors' Responsibility for the Pro Forma Financial Position**

The Directors are responsible for compiling the Pro Forma Financial Position on the basis described in the notes of Attachment A as required by the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

**12. FINANCIAL INFORMATION (Cont'd)**

**MTT Shipping and Logistics Berhad ("MTTSL" or the "Company")**  
*Report on the compilation of Pro Forma Financial Position  
 for inclusion in the Draft Prospectus  
 in connection with the Proposed Listing  
 [...] 2025*

FOR THE PURPOSE OF INCLUSION  
 IN THE PROSPECTUS EXPOSURE

**Reporting Accountants' Quality Management and Independence**

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

We have complied with the independence and other ethical requirements of the *By-Laws (On Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Financial Position has been compiled, in all material respects, by the Directors on the basis described in the notes of Attachment A.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. 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 Position on the basis described in the notes of Attachment A.

For the purpose 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 Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Position.

The purpose of the Pro Forma Financial Position included in the Draft Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Position 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 the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

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

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

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

## 12. FINANCIAL INFORMATION (Cont'd)



**MTT Shipping and Logistics Berhad ("MTTSL" or the "Company")**  
*Report on the compilation of Pro Forma Financial Position  
for inclusion in the Draft Prospectus  
in connection with the Proposed Listing  
[•] 2025*

FOR THE PURPOSE OF INCLUSION  
IN THE PROSPECTUS EXPOSURE

### Opinion

In our opinion, the Pro Forma Financial Position has been compiled, in all material respects, on the basis described in the notes of Attachment A.

### Other Matter

Our report on the Pro Forma Financial Position has been prepared for inclusion in the Draft Prospectus in connection with the Proposed IPO in conjunction with the Proposed Listing and should not be relied upon for any other purposes.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

**Lam Shuh Siang**  
Approval number: 03045/02/2027 J  
Chartered Accountant

**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad (the “Company”) and its combining entities (collectively, the “Group”)**

Pro Forma Financial Position and the notes thereon

**Pro Forma Financial Position**

The pro forma combined statement of financial position of the Group as at 30 April 2025 (“Pro Forma Financial Position”) as set out below has been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 2 had these transactions been effected on 30 April 2025, and should be read in conjunction with the said notes to the Pro Forma Financial Position.

|                                 |       |                                   | Pro Forma I  | Pro Forma II  | Pro Forma III   | Pro Forma IV  |
|---------------------------------|-------|-----------------------------------|--|---|---|---|
|                                 | Notes | As at<br>30 April 2025*<br>RM'000 | After adjustment<br>for transactions<br>prior to the<br>Proposed IPO<br>RM'000 | After Pro Forma I<br>and the Proposed<br>Pre-IPO Exercise<br>RM'000 | After Pro Forma II<br>and the<br>Proposed IPO<br>RM'000 | After Pro Forma III<br>and the<br>use of proceeds<br>RM'000 |
| <b>Assets</b>                   |       |                                   |  |   |   |   |
| Property, plant and equipment   | 3(a)  | 1,771,317                         | 1,889,754  | 1,889,754   | 1,889,754   | [•]   |
| Right-of-use assets             |       | 147,258                           | 147,258  | 147,258   | 147,258   | 147,258   |
| Investment property             |       | 4,389                             | 4,389  | 4,389   | 4,389   | 4,389   |
| Investment in associates        |       | 12,351                            | 12,351   | 12,351  | 12,351  | 12,351  |
| Investment in joint ventures    |       | 47,815                            | 47,815   | 47,815  | 47,815  | 47,815  |
| Other investments               |       | 6,432                             | 6,432  | 6,432   | 6,432   | 6,432   |
| Deferred tax assets             |       | 994                               | 994  | 994   | 994   | 994   |
| <b>Total non-current assets</b> |       | <b>1,990,556</b>                  | <b>2,108,993</b>   | <b>2,108,993</b>  | <b>2,108,993</b>  | [•]   |
| Inventories                     |       | 21,744                            | 21,744   | 21,744  | 21,744  | 21,744  |
| Trade and other receivables     |       | 282,007                           | 282,007  | 282,007   | 282,007   | 282,007   |
| Contract assets                 |       | 8,701                             | 8,701  | 8,701   | 8,701   | 8,701   |
| Current tax assets              |       | 1,056                             | 1,056  | 1,056   | 1,056   | 1,056   |
| Cash and cash equivalents       | 3(b)  | 235,410                           | 116,973  | 116,973   | [•]   | [•]   |
| <b>Total current assets</b>     |       | <b>548,918</b>                    | <b>430,481</b>   | <b>430,481</b>  | [•]   | [•]   |
| <b>Total assets</b>             |       | <b>2,539,474</b>                  | <b>2,539,474</b>   | <b>2,539,474</b>  | [•]   | [•]   |

\* Extracted from the Accountants' Report on the audited combined financial statements of the Group for the financial period ended 30 April 2025.



## 12. FINANCIAL INFORMATION (Cont'd)

## Attachment A

**MTT Shipping and Logistics Berhad (the "Company") and its combining entities (collectively, the "Group")**  
Pro Forma Financial Position and the notes thereon

|   |       |                                   | Pro Forma I  | Pro Forma II  | Pro Forma III   | Pro Forma IV  |
|---|-------|-----------------------------------|--|---|---|---|
|   | Notes | As at<br>30 April 2025*<br>RM'000 | After adjustment<br>for transactions<br>prior to the<br>Proposed IPO<br>RM'000 | After Pro Forma I<br>and the Proposed<br>Pre-IPO Exercise<br>RM'000 | After Pro Forma II<br>and the<br>Proposed IPO<br>RM'000 | After Pro Forma III<br>and the<br>use of proceeds<br>RM'000 |
| <b>Equity</b>   |       |                                   |  |   |   |   |
| Share capital   | 3(c)  | **                                | **   | 1,529,186   | [•]   | [•]   |
| Invested equity   | 3(d)  | 12,589                            | 12,589   | -   | -   | -   |
| Retained earnings                                       | 3(e)  | 1,603,462                         | 1,603,462  | 1,603,462   | [•]   | [•]   |
| Translation reserve                                     |       | (362)                             | (362)  | (362)   | (362)   | (362)   |
| Merger reserve  | 3(f)  | -                                 | -  | (1,516,597)   | (1,516,597)   | (1,516,597)   |
| <b>Equity attributable to owners<br/>of the Company</b> |       | <b>1,615,689</b>                  | <b>1,615,689</b>   | <b>1,615,689</b>  | [•]   | [•]   |
| Non-controlling interests                               |       | 16,599                            | 16,599   | 16,599  | 16,599  | 16,599  |
| <b>Total equity</b>                                     |       | <b>1,632,288</b>                  | <b>1,632,288</b>   | <b>1,632,288</b>  | [•]   | [•]   |
| <b>Liabilities</b>                                      |       |                                   |  |   |   |   |
| Deferred tax liabilities                                |       | 10,596                            | 10,596   | 10,596  | 10,596  | 10,596  |
| Loans and borrowings                                    |       | 667,626                           | 667,626  | 667,626   | 667,626   | 667,626   |
| Lease liabilities                                       |       | 9,852                             | 9,852  | 9,852   | 9,852   | 9,852   |
| <b>Total non-current liabilities</b>                    |       | <b>688,074</b>                    | <b>688,074</b>   | <b>688,074</b>  | <b>688,074</b>  | <b>688,074</b>  |
| Trade and other payables                                | 3(g)  | 94,792                            | 94,792   | 94,792  | [•]   | 94,792  |
| Contract liabilities                                    |       | 13,598                            | 13,598   | 13,598  | 13,598  | 13,598  |
| Loans and borrowings                                    |       | 101,119                           | 101,119  | 101,119   | 101,119   | 101,119   |
| Lease liabilities                                       |       | 9,603                             | 9,603  | 9,603   | 9,603   | 9,603   |
| <b>Total current liabilities</b>                        |       | <b>219,112</b>                    | <b>219,112</b>   | <b>219,112</b>  | [•]   | <b>219,112</b>  |
| <b>Total liabilities</b>                                |       | <b>907,186</b>                    | <b>907,186</b>   | <b>907,186</b>  | [•]   | <b>907,186</b>  |
| <b>Total equity and liabilities</b>                     |       | <b>2,539,474</b>                  | <b>2,539,474</b>   | <b>2,539,474</b>  | [•]   | [•]   |

\* Extracted from the Accountants' Report on the audited combined financial statements of the Group for the financial period ended 30 April 2025.

\*\* Denotes share capital of RM5 representing 5 ordinary shares of the Company.



**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad (the "Company") and its combining entities (collectively, the "Group")**

Pro Forma Financial Position and the notes thereon

**Supplementary information**

|  |                         | Pro Forma I  | Pro Forma II  | Pro Forma III                                 | Pro Forma IV                                      |
|--|-------------------------|--|---|---|---|
|  | As at<br>30 April 2025* | After adjustment<br>for transactions<br>prior to the<br>Proposed IPO | After Pro Forma I<br>and the Proposed<br>Pre-IPO Exercise | After Pro Forma II<br>and the<br>Proposed IPO | After Pro Forma III<br>and the<br>use of proceeds |
| Number of ordinary shares ('000)                                   | **                      | **   | 1,866,500   | 2,500,000                                     | 2,500,000   |
| Net assets (RM'000)  | 1,632,288               | 1,632,288  | 1,632,288   | [•]   | [•]   |
| Net assets per share attributable<br>to owners of the Company (RM) | <u>326,457,600</u>      | <u>326,457,600</u>   | <u>0.87</u>   | <u>[•]</u>                                    | <u>[•]</u>  |

Pre-IPO Dividend

MTT Shipping Sdn. Bhd. ("MTT Shipping"), the proposed 100% owned subsidiary of the Company, is expected to pay pre-IPO dividends amounting to RM100 million for the financial year ending 31 December 2025 in cash ("Pre-IPO Dividend"). The Pre-IPO Dividend is intended to be declared and paid to the shareholders of MTT Shipping before the completion of the Proposed IPO and is not illustrated in the Pro Forma Financial Position as the Pre-IPO Dividend has not been declared at this juncture. The effects of the Pre-IPO Dividends on the assumption that it has been declared and paid is illustrated below for information purposes only:

|  | RM'000             | RM'000             | RM'000      | RM'000     | RM'000     |
|--|--------------------|--------------------|-------------|------------|------------|
| Cash and cash equivalents  | 235,410            | 16,973             | 16,973      | [•]        | [•]        |
| Retained earnings  | 1,603,462          | 1,503,462          | 1,503,462   | [•]        | [•]        |
| Number of ordinary shares ('000)                                   | **                 | **                 | 1,866,500   | 2,500,000  | 2,500,000  |
| Net assets (RM'000)  | 1,632,288          | 1,532,288          | 1,532,288   | [•]        | [•]        |
| Net assets per share attributable<br>to owners of the Company (RM) | <u>326,457,600</u> | <u>306,457,600</u> | <u>0.82</u> | <u>[•]</u> | <u>[•]</u> |

\* Extracted from the Accountants' Report on the audited combined financial statements of the Group for the financial period ended 30 April 2025.

\*\* Denotes share capital of RM5 representing 5 ordinary shares of the Company.



**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad ("MTTSL" or the "Company") and its combining entities (collectively, the "Group")**

Pro Forma Financial Position and the notes thereon

**Notes to the Pro Forma Financial Position**

The Pro Forma Financial Position has been prepared for inclusion in the Draft Prospectus in connection with the Proposed IPO in conjunction with the Proposed Listing and should not be relied upon for any other purposes.

**1. Basis of preparation**

The applicable criteria on the basis of which the Directors has compiled the Pro Forma Financial Position are as described below. The Pro Forma Financial Position is prepared in accordance with the requirements of the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been prepared based on the audited combined financial statements of the Group for the financial period ended 30 April 2025, which was prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board and IFRS Accounting Standards as issued by the International Accounting Standards Board, and in a manner consistent with the format of the statement of financial position and the accounting policies adopted by the Group, and adjusted for the events and transactions detailed in Note 2.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma Financial Position.

The auditors' report dated 17 October 2025 on the combined financial statements of the Group for the financial period ended 30 April 2025 was not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Financial Position is not necessarily indicative of the financial position that would have been attained had the Proposed IPO actually occurred at the respective dates. The Pro Forma Financial Position has been prepared for illustrative purposes only.

**2. Pro forma adjustments to the Pro Forma Financial Position**

The Pro Forma Financial Position illustrates the effects of the following events or transactions:

**2.1 Pro Forma I - Adjustment for transactions prior to the Proposed IPO**Payments made for vessels-in-construction prior to the Proposed IPO

MTT Shipping has four (4) existing shipbuilding contracts for the construction of four (4) vessels for a total cost of RM339.50 million. Instalment payments from internally generated funds totalling RM118.44 million will be made after 30 April 2025 and prior to the Proposed IPO.

**2.2 Pro Forma II - Proposed Pre-IPO Exercise**

To facilitate the Proposed Listing, the following transactions will be undertaken prior to the Proposed IPO:

**2.2.1 Share Issuance**

The Company had on 7 September 2025, allotted and issued one (1) new Share to Linda Tan Li Chien ("Linda Tan"), who is an independent person to the current shareholders of MTTSL, MTT Shipping and ICS Depot Services Sdn. Bhd. ("ICSD") at an issue price of RM1.00 per Share to facilitate the Proposed Acquisitions (as defined herein).



**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad ("MTTSL" or the "Company") and its combining entities (collectively, the "Group")**

Pro Forma Financial Position and the notes thereon

**2. Pro forma adjustments to the Pro Forma Financial Position****2.3 Pro Forma II - Proposed Pre-IPO Exercise (continued)****2.3.1 Proposed Acquisitions****(i) Proposed Acquisition of MTT Shipping**

The Company had on 17 October 2025, entered into a conditional share sale agreement with the existing shareholders of MTT Shipping to acquire the entire issued share capital of MTT Shipping of RM10,000,000 comprising 10,000,000 ordinary shares for an aggregate purchase consideration of RM1,500,919,000, to be satisfied by the issuance of 1,500,919,000 new Shares at an issue price of RM1.00 per Share to the existing shareholders of MTT Shipping.

**(ii) Proposed Acquisition of ICSD**

The Company had on 17 October 2025, entered into a conditional share sale agreement with the existing shareholders of ICSD to acquire 71.35% equity interest in ICSD comprising 2,588,393 ordinary shares for an aggregate purchase consideration of RM28,266,402, to be satisfied by the issuance of 28,266,402 new Shares at an issue price of RM1.00 per Share to the existing shareholders of ICSD except for Peony Investment S.A..

The Proposed Acquisitions will be accounted for using book value accounting. Under book value accounting, the difference between the consideration paid and the share capital of the acquiree is accounted for as merger reserve.

|   | <b>Proposed<br/>Acquisition of<br/>MTT Shipping<br/>RM'000</b> | <b>Proposed<br/>Acquisition of<br/>ICSD<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---|--|--|-------------------------|
| Consideration paid                              | 1,500,919  | 28,267   | 1,529,186               |
| Less: Share capital of the<br>acquired entities | (10,000)   | (2,589)  | (12,589)                |
| <b>Merger reserve</b>                           | <b>1,490,919</b>   | <b>25,678</b>  | <b>1,516,597</b>        |

**2.2.3 Proposed Subdivision**

After the completion of the Proposed Acquisitions, and in conjunction with the Proposed Listing, the Company proposes to subdivide its enlarged total number of 1,529,185,408 Shares into 1,866,500,000 Shares.





**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad ("MTTSL" or the "Company") and its combining entities (collectively, the "Group")**

Pro Forma Financial Position and the notes thereon

**2. Pro forma adjustments to the Pro Forma Financial Position (continued)****2.3 Pro Forma III - Proposed IPO**

The Proposed IPO entails the initial public offering of 633,500,000 Shares in the Company ("Issue Share(s)"), representing approximately 25.3% of the Company's enlarged issued Shares at an indicative price of RM[•] per Issue Share raising gross proceeds of approximately RM[•].

There will be no offer for sale of existing Shares under the Proposed IPO and all funds raised under the Proposed IPO will accrue entirely to the Company.

The estimated listing expenses in relation to the Proposed IPO comprise the following:

|   | RM'000 |
|---|--------|
| Professional fees   | [•]    |
| Fees payable to authorities                               | [•]    |
| Brokerage fee, underwriting commission and placement fees | [•]    |
| Other incidental charges                                  | [•]    |
|   | [•]    |

The total listing expenses to be borne by the Company is estimated to be RM[•] and has been accrued in trade and other payables. As at 30 April 2025, the Group has not paid any estimated listing expenses. Out of the total estimated listing expenses, approximately RM[•] directly attributable to the Proposed Public Issue will be debited against the share capital of the Company, and the remaining listing expenses of RM[•] will be charged to the profit or loss of the Group.

**2.4 Pro Forma IV - Use of proceeds**

The total gross proceeds from the Proposed Public Issue of RM[•] are intended to be used as follows:

|   | RM'000 |
|---|--------|
| Purchase of vessels <sup>(1)</sup>        | [•]    |
| Estimated listing expenses <sup>(2)</sup> | [•]    |
|   | [•]    |

**Notes:**

- (1) The Group has earmarked RM[•] of the total gross proceeds for the purchase of vessels. After 30 April 2025, instalment payments from internally generated funds totalling RM118,437,000 will be made for the purchase of four (4) vessels-in-construction with contractual binding agreements before the Proposed IPO. Upon completion of the Proposed IPO, RM[•] from the total gross proceeds will be used to pay the remaining estimated amounts for the said four (4) vessels-in-construction. Capital expenditure without contractual binding arrangements are not reflected in the Pro Forma Financial Position.
- (2) The estimated listing expenses in relation to the Proposed IPO comprise the following:

|   | RM'000 |
|---|--------|
| Professional fees   | [•]    |
| Fees payable to authorities                               | [•]    |
| Brokerage fee, underwriting commission and placement fees | [•]    |
| Other incidental charges                                  | [•]    |
|   | [•]    |

The total listing expenses to be borne by the Company is estimated to be RM[•]. As at 30 April 2025, the Group has not paid any estimated listing expenses. Out of the total estimated listing expenses, approximately RM[•] directly attributable to the Proposed Public Issue will be debited against the share capital of the Company, and the remaining listing expenses of RM[•] will be charged to the profit or loss of the Group.



**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad ("MTTSL" or the "Company") and its combining entities (collectively, the "Group")**

Pro Forma Financial Position and the notes thereon

**2. Pro forma adjustments to the Pro Forma Financial Position (continued)****2.5 Proposed Employees' Share Option Scheme ("Proposed ESOS")**

In connection with the Proposed IPO in conjunction with the Proposed Listing, the Company proposes to establish and implement an employees' share option scheme ("ESOS") which involves the granting of ESOS options to eligible Directors and employees of MTTSL and its subsidiaries which are not dormant ("ESOS Group").

The Proposed ESOS will be administered by the nomination and remuneration committee and governed by the by-laws governing the ESOS. The salient features of the Proposed ESOS are as follows:

- (i) The total number of Shares which may be made available under the Proposed ESOS shall not exceed in aggregate 5.0% of the total number of issued Shares (excluding treasury shares, if any) at any one time during the duration of the Proposed ESOS.
- (ii) The Company intends to offer the first tranche up to 42,300,000 ESOS options, representing about 1.7% of the Company's enlarged issued Shares upon the Proposed Listing, to the eligible Directors and employees of the ESOS Group.
- (iii) The ESOS options shall vest over four (4) tranches of 25%, commencing from the completion of the Proposed Listing, for the period as shown below. The share-based payment expenses in relation to the ESOS options is to be recognised over the vesting period of the options.

|       | <b>Tranche</b>          | <b>Vesting period (from the completion of the Proposed Listing)</b> |
|-------|-------------------------|---|
| (i)   | 1 <sup>st</sup> tranche | 6 months  |
| (ii)  | 2 <sup>nd</sup> tranche | 1 year  |
| (iii) | 3 <sup>rd</sup> tranche | 2 years   |
| (iv)  | 4 <sup>th</sup> tranche | 3 years   |

- (iv) The Proposed ESOS shall be in force for a period of five (5) years commencing from the effective date with an option of renewing for another five (5) years, provided that the Proposed ESOS shall not exceed in aggregate ten (10) years from the effective date.

The Proposed ESOS is not illustrated in the Pro Forma Financial Position as the ESOS options will only be vested from the completion of the Proposed Listing.

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**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad ("MTTSL" or the "Company") and its combining entities (collectively, the "Group")**

Pro Forma Financial Position and the notes thereon

**3. Effects on the Pro Forma Financial Position****(a) Movement in property, plant and equipment**

|   | <b>RM'000</b>    |
|---|------------------|
| Balance as at 30 April 2025                             | 1,771,317        |
| Effects of Pro Forma I:                                 |                  |
| - Instalments payments made for vessels-in-construction | 118,437          |
| <b>Pro Forma I, II and III</b>                          | <b>1,889,754</b> |
| Effects of Pro Forma IV:                                |                  |
| - Payments for vessels-in-construction                  | [•]              |
| <b>Pro Forma IV</b>                                     | <b>[•]</b>       |

**(b) Movement in cash and cash equivalents**

|  | <b>RM'000</b>  |
|--|----------------|
| Balance as at 30 April 2025                            | 235,410        |
| Effects of Pro Forma I:                                |                |
| - Instalment payments made for vessels-in-construction | (118,437)      |
| <b>Pro Forma I and II</b>                              | <b>116,973</b> |
| Effects of Pro Forma III:                              |                |
| - Proceeds from the Proposed Public Issue              | [•]            |
| <b>Pro Forma III</b>                                   | <b>[•]</b>     |
| Effects of Pro Forma IV:                               |                |
| - Payments for vessels-in-construction                 | [•]            |
| - Estimated listing expenses                           | [•]            |
| <b>Pro Forma IV</b>                                    | <b>[•]</b>     |

**(c) Movement in share capital**

|   | <b>Number of<br/>shares<br/>'000<br/>*</b> | <b>RM'000<br/>*</b> |
|---|--|---------------------|
| Balance as at 30 April 2025 / Pro Forma I                                       |  |                     |
| Effects of Pro Forma II:  |  |                     |
| - Proposed Acquisitions   | 1,866,500                                  | 1,529,186           |
| <b>Pro Forma II</b>   | <b>1,866,500</b>                           | <b>1,529,186</b>    |
| Effects of Pro Forma III:   |  |                     |
| - Shares issued under the Proposed Public Issue                                 | 633,500                                    | [•]                 |
| - Estimated listing expenses directly attributable to the Proposed Public Issue | -  | [•]                 |
| <b>Pro Forma III and IV</b>   | <b>2,500,000</b>                           | <b>[•]</b>          |

\* Denotes share capital of RM5 representing 5 ordinary shares



**12. FINANCIAL INFORMATION (Cont'd)****Attachment A****MTT Shipping and Logistics Berhad ("MTTSL" or the "Company") and its combining entities (collectively, the "Group")**

Pro Forma Financial Position and the notes thereon

**3. Effects on the Pro Forma Financial Position****(d) Movement in invested equity**

|   | <b>RM'000</b> |
|---|---------------|
| Balance as at 30 April 2025 / Pro Forma I | 12,589        |
| Effects of Pro Forma II:                  |               |
| - Proposed Acquisitions                   | (12,589)      |
| <b>Pro Forma II, III and IV</b>           | <b>-</b>      |

**(e) Movement in retained earnings**

|   | <b>RM'000</b> |
|---|---------------|
| Balance as at 30 April 2025 / Pro Forma I and II                        | 1,603,462     |
| Effect of Pro Forma III:  |               |
| - Estimated listing expenses charged to the profit or loss of the Group | [•]           |
| <b>Pro Forma III and IV</b>   | <b>[•]</b>    |

**(f) Movement in merger reserve**

|   | <b>RM'000</b>      |
|---|--------------------|
| Balance as at 30 April 2025 / Pro Forma I | -                  |
| Effect of Pro Forma II:                   |                    |
| - Proposed Acquisitions                   | (1,516,597)        |
| <b>Pro Forma II, III and IV</b>           | <b>(1,516,597)</b> |

**(g) Movement in trade and other payables**

|   | <b>RM'000</b> |
|---|---------------|
| Balance as at 30 April 2025/ Pro Forma I and II   | 94,792        |
| Effect of Pro Forma III:  |               |
| - Estimated listing expenses accrued  | [•]           |
| <b>Pro Forma III</b>  | <b>[•]</b>    |
| Effect of Pro Forma IV:   |               |
| - Reversal of accrued estimated listing expenses upon payment using proceeds from the Proposed Public Issue | [•]           |
| <b>Pro Forma IV</b>   | <b>94,792</b> |

