



TAS OFFSHORE BERHAD

200801008892 (810179-T)

2025

ANNUAL REPORT



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CORPORATE MISSION AND PHILOSOPHY



Our Corporate Mission

To build Quality Price Competitive Vessels in an Environmental Friendly Work Place so as to deliver Exceptional Value to our Customers and Stakeholders.

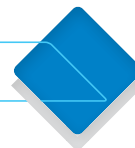
Our Philosophy

Value our customers' feedbacks and improve the quality of our vessels and services to cater for their present and future needs.

Aim to grow our market share and to maximise the returns on investment for our shareholders.

Assume our role as a responsible corporate citizen by sharing and growing with the community in a tangible way through corporate social responsibility.

Care for the well-being of our employees through attractive remuneration and fringe benefits, providing relevant trainings to enhance their knowledge and career advancement, and a safe and conducive working environment.



CORPORATE INFORMATION



BOARD OF DIRECTORS

Datu Haji Mohammed Sepuan Bin Anu
Independent Non-Executive Chairman

Datuk Lau Nai Hoh
Non-Independent Managing Director

Lau Choo Chin
Non-Independent Deputy Managing Director

Lau Choo Kuang
Non-independent Executive Director

**Datin Patinggi Datuk Amar Hajah Jamilah
Binti Haji Anu**
Independent Non-Executive Director

Ling Hang Ngee
Senior Independent Non-Executive Director

Yong Leh Ying
Independent Non-Executive Director

COMPANY SECRETARY

Pauline Kon Suk Khim
(MAICSA No. 7014905)
(CCM Practicing Certificate No 202008001607)

REGISTERED AND HEAD OFFICE

Lot 199, Jalan Sg Maaw
Sg Bidut, 96000 Sibul
Sarawak
Tel : +6084 310 211
Fax : +6084 319 139
Website : www.tasoffshore.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
Tel : +603 7890 4700
Fax : +603 7890 4670

AUDITORS

Folks DFK & Co (AF 0502)
12th Floor, Wisma Tun Sambanthan
No. 2, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel : +603 2273 2688
Fax : +603 2274 2688

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

STOCK NAME

TAS

STOCK CODE

5149



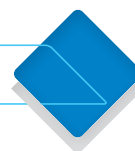
CORPORATE PROFILE

TAS Offshore Berhad (“TAS”) was incorporated on 18 March 2008 and listed on the Main Market of Bursa Malaysia Securities Berhad on 28 August 2009. It commenced operations as an investment holding company through the acquisition of Tuong Aik Shipyard Sdn. Bhd. on 3 April 2009. Through its wholly-owned subsidiaries, Tuong Aik Shipyard Sdn. Bhd., TAS is involved in shipbuilding and ship repairing activities.

The principal business activity of TAS is shipbuilding and its secondary business is in the provision of ship repair services. TAS has in place all the resources and facilities including engineers and skilled workers, and machineries and equipment for the construction of vessels in compliance with the standards of International Classification Societies at its shipyard located along the river bank of Igan River at Sungai Bidut, Sibul.

TAS has in its records, constructed tugboats, harbour tugs, anchor handling tugs (AHT), anchor handling tug supply vessels (AHTS), landing craft, utility/support vessels, barges, garbage collection crafts, flotsam retrieval crafts, ferries and workboats.





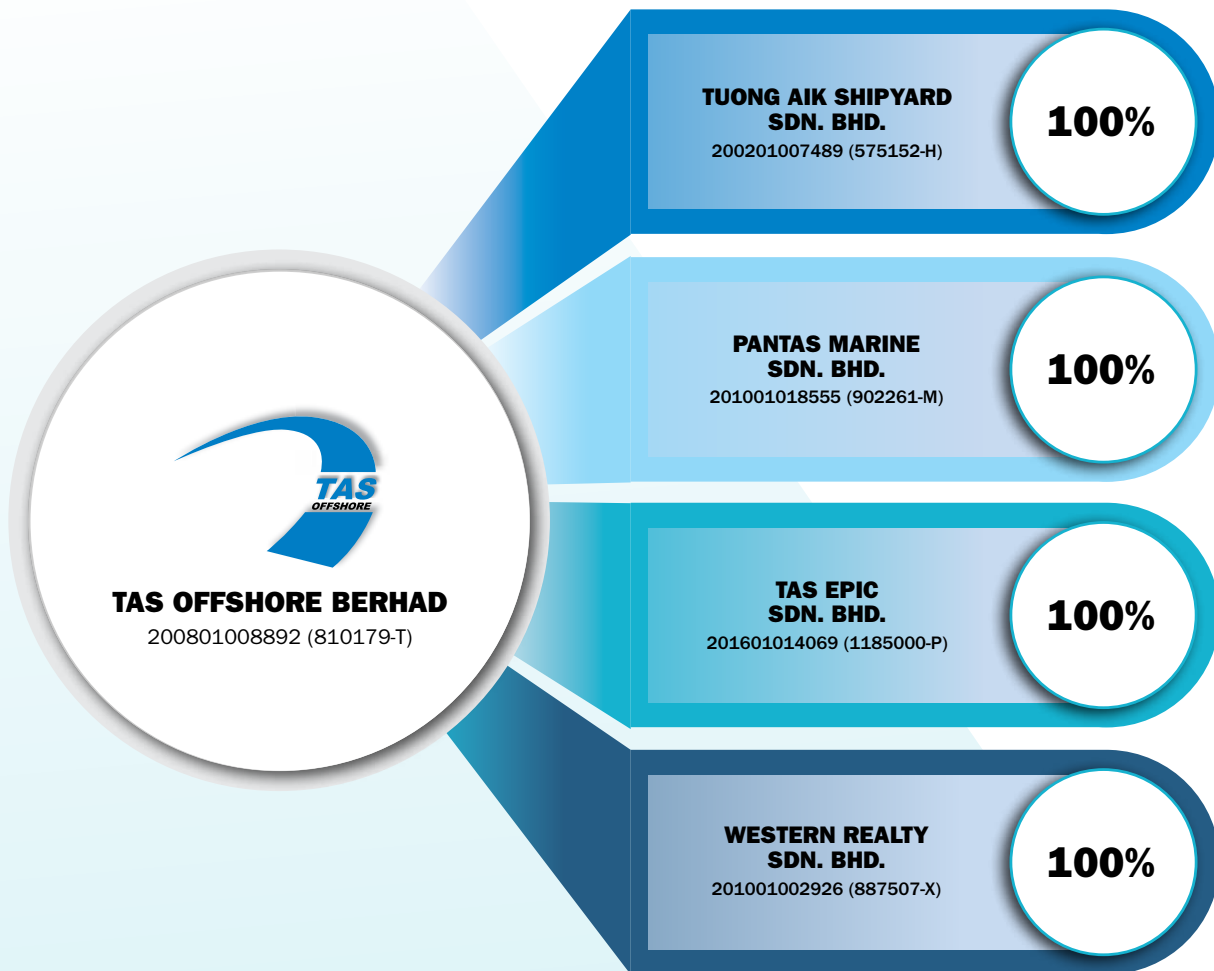
FIVE-YEAR FINANCIAL HIGHLIGHTS

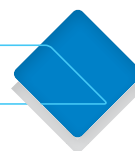
	FYE2021 RM '000	FYE2022 RM '000	FYE2023 RM '000	FYE2024 RM '000	FYE2025 RM '000
GROUP REVENUE & PROFIT					
Revenue	34,903	57,499	36,126	72,388	145,168
Profit/(Loss) Before Taxation	2,831	(806)	16,829	12,800	23,378
Net Profit/(Loss) For The Financial Year	1,887	(1,517)	15,276	9,664	17,555
EQUITY ATTRIBUTABLE TO OWNERS					
Share Capital	117,640	117,640	117,640	117,640	117,640
Treasury Shares	(1,913)	(303)	(365)	(365)	(365)
Other Reserves	(22,719)	(25,651)	(22,056)	(15,969)	(2,722)
FINANCIAL STATISTICS					
Basic Earnings/(Loss) per Share (Sen)	1.08	(0.86)	8.54	5.40	9.81
Net Assets per Share (RM)	0.53	0.51	0.53	0.57	0.64
Gearing Ratio	0.11	0.07	0.08	0.10	0.10





CORPORATE STRUCTURE





DIRECTORS' PROFILE



Datu Haji Mohammed Sepuan Bin Anu

Independent Non-Executive Chairman
Member of Audit Committee



Male



79



Malaysian

Datu Haji Mohammed Sepuan Bin Anu has served as the Independent Non-Executive Chairman since 17 July 2014.

He holds a Bachelor of Science (Hons) degree in Agricultural Engineering from Cranfield University, United Kingdom, which he obtained in 1977. His career began in 1968 as an Assistant Agriculture Officer in the Department of Agriculture Sarawak. In 1994, he was appointed as the Director of the Integrated Agriculture Development Project Samarahan. From 2001 to 2006, he held the position of Director of Agriculture. In 2007, he became the Agriculture Advisor in the Ministry of Modernisation of Agriculture Sarawak. Additionally, he served as a distinguished member of the Public Services Commission Malaysia from 2011 to 2014.

He is also the brother of the Independent Non-Executive Director of the Group, Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu. Except as disclosed herein, he has no family relationship with the major shareholder of TAS and has no conflict of interest with the Group.



Datuk Lau Nai Hoh

Non-Independent Managing Director
Member of Remuneration Committee



Male



74



Malaysian

Datuk Lau Nai Hoh, the founder of TAS Group, has been a significant force as the Non-Independent Group Managing Director since his appointment on 18 March 2008.

With a track record spanning over 32 years in the marine industry, his expertise has been instrumental in shaping the Group's success. His journey began in 1977 when he established Tuong Aik (Sarawak) Sdn. Bhd., primarily focusing on marine coatings and marine hardware. In the 1990s, he expanded the company's operations to include shipbuilding and ship repairs. This strategic move led to the establishment of Tuong Aik Shipyard Sdn. Bhd. in 2002, specializing in building tugboats designed to support operations in the mining, timber, and oil and gas sectors. His visionary leadership not only drives the company's strategic direction but also reflects his unwavering commitment to its growth and prosperity.

In January 2024, he was awarded the EOYS Awards 2023 under Master Entrepreneur category organised by the Ministry of International Trade, Industry and Investment Sarawak, in association with Sarawak Chamber of Commerce & Industry and Ernst and Young. This is a prestigious award to honour and acknowledge exceptional entrepreneurial talent and leadership.

He is the major shareholder in TAS Offshore Berhad and also the father of Lau Choo Chin, the Deputy Managing Director, and Lau Choo Kuang, the Non-Independent Executive Director of the Company.

He is deemed interested in the transactions entered into with the related parties which are carried out in the ordinary course of business, as detailed in the notes to the financial statements. Except as disclosed therein, he has no personal interest in any other business arrangement with the Group.



Directors' Profile (cont'd)



Lau Choo Chin

Non-Independent Deputy Managing Director



Male



50



Malaysian

Mr Lau Choo Chin has been instrumental in driving the Group's growth since his appointment on 18 March 2008.

He graduated with a Diploma in Marketing Management from the Institute of Marketing Malaysia in 2001. Prior to joining Tuong Aik Shipyard Sdn. Bhd. in 2005, he demonstrated exceptional capabilities during an impressive 8-years tenure at Tuong Aik (Sarawak) Sdn. Bhd. With over 28 years in shipbuilding and project management, he has cultivated a deep understanding of the industry, particularly in the oil and gas sector. Currently, he is an Executive Committee Member of Association of Marine Industries of Malaysia. His notable achievements include capturing the Middle-East market and spearheading the development of engineering design for mining, timber and oil and gas vessels.

He is the son of Datuk Lau Nai Noh, the Non-Independent Managing Director, and the brother of Mr Lau Choo Kuang, the Non-Independent Executive Director of the Company.

He is deemed interested in the transactions entered into with the related parties which are carried out in the ordinary course of business, as detailed in the notes to the financial statements. Except as disclosed therein, he has no personal interest in any other business arrangement with the Group.



Lau Choo Kuang

Non-Independent Executive Director



Male



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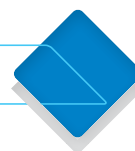
Malaysian

Mr Lau Choo Kuang was appointed as a Non-Independent Director of the Group on 11 January 2023.

He graduated with a Diploma from ACG Senior College, New Zealand in 2004. Currently, he is the Procurement and Inventory Manager at Tuong Aik Shipyard Sdn. Bhd. since 2005. Prior to this, he served as a Project Assistant at Tuong Aik (Sarawak) Sdn. Bhd. from 2002 to 2005. Throughout his career, his expertise has revolved around sourcing of goods, vendors selection, contracts negotiation and inventory control.

He is the son of Datuk Lau Nai Noh, the Non-Independent Managing Director, and the brother of Mr Lau Choo Chin, the Non-Independent Deputy Managing Director of the Company.

He is deemed interested in the transactions entered into with the related parties which are carried out in the ordinary course of business, as detailed in the notes to the financial statements. Except as disclosed therein, he has no personal interest in any other business arrangement with the Group.



Directors' Profile (cont'd)



Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu

Independent Non-Executive Director

Chairman of Nomination Committee
Member of Audit Committee



Female



70



Malaysian

Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu was appointed as an Independent Non-Executive Director of the Company on 11 January 2023.

She graduated with a Diploma from MARA Institute of Technology Sabah in 1975. She has a strong background in public service, having served as a Member of the Sarawak State Legislative Assembly from 2017 to 2021. She was the Chairperson of the Association of Wives of Ministers and Assistant Ministers of Sarawak (SABATI) from 2014 to 2017, actively contributing to community welfare. Currently, she is a Member of the Board of Trustees for Yayasan Jaznan, an organisation supporting Malaysians in need and promoting education among underprivileged students and orphans. In addition thereto, she is the Patron of Yayasan Aids Malaysia, Sarawak and Sabah, and Chairperson for Lembaga Amanah Kebajikan Islam Lundu. She also has a long-standing commitment to healthcare by being actively involved in the Sarawak Heart Foundation as a Member of the Board of Trustees since 1996.

She is the sister of the Independent Non-Executive Chairman, Datu Haji Mohammed Sepuan Bin Anu. Except as disclosed herein, she has no family relationship with any other Director or major shareholder of TAS and has no conflict of interest with the Group.



Ling Hang Ngee

Senior Independent Non-Executive Director

Chairman of Audit Committee
Member of Remuneration Committee
Member of Nomination Committee



Male



46



Malaysian

Mr Ling Hang Ngee was appointed as an Senior Independent Non-Executive Director of the Company on 11 January 2023.

He holds certifications as a Certified Public Accountant (FCPA) from CPA Australia and a Chartered Accountant (C.A.) from the Malaysia Institute of Accountants. Furthermore, he earned a Bachelor of Economics (Hons) degree in 2000 and a Bachelor of Commerce in Accounting and Finance degree in 1999 from the University of Tasmania. Currently, he is a Partner at Crowe Malaysia PLT, where he has been actively contributing his invaluable expertise since 2015. Prior to this role, he served as a Senior Manager at Crowe Malaysia PLT from 2011 to 2015 and as an Audit Manager at Hii & Lee from 2004 to 2010.

He has no family relationship with any Director or major shareholder of TAS and has no conflict of interest with the Group.



Directors' Profile (cont'd)



Yong Leh Ying

Independent Non-Executive Director

Chairman of Remuneration Committee

Member of Audit Committee

Member of Nomination Committee



Male



61



Malaysian

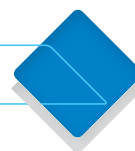
Mr Yong Leh Ying was appointed as an Independent Non-Executive Director of the Company on 11 January 2023. He is the Chairman of Remuneration Committee and a member of Nomination Committee and Audit Committee.

He holds a Diploma in Civil Engineering from the Federal Institute of Technology. His career began at Kejuruteraan Awan Cang Ceng (M) Sdn Bhd in Bintulu, where he started as a Project Coordinator for the Shell Middle Distillate Synthesis Plant (SDMS). His dedication earned him a promotion as the Contract & Planning Manager for Malaysia Liquefied Gas (MLNG 2) project under Sarawak Shell Berhad. Since 1994, he embarked on an entrepreneurial journey and founded his own business in construction, oil palm estate and telecommunications services industry.

He has no family relationship with any Director or major shareholder of TAS and has no conflict of interest with the Group.

Notes:

- None of our Directors has been convicted of any offences within the past 5 years and no public sanction or penalty was imposed by the relevant regulatory bodies on our Directors during the financial year.
- Directors' attendance at Board meetings is listed on page 44 of this Annual Report.



MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the Annual Report of TAS Offshore Berhad and its Group of Companies (**“the Group”** or **“TAS”**) for the financial year ended 31 May 2025 (**“FYE2025”**).



Performance Review

The Group delivered a strong performance in FYE2025, achieving revenue of RM145.17 million, more than double the RM72.39 million recorded in FYE2024. This growth was driven primarily by robust tugboat sales to Indonesia and Singapore. Profit after taxation rose 81.6% year-on-year to RM17.55 million from RM9.66 million, while earnings per share improved to 9.81 sen. Net assets per share increased to 64.05 sen from 56.64 sen in the previous year.

Reflecting our commitment to rewarding shareholders, the Board declared an interim dividend of 2.0 sen per ordinary share during the year. Adding to this achievement, our subsidiary, Tuong Aik Shipyard Sdn. Bhd., was honoured with the MATRADE Best Exporter Award in the Mid-Tier Company (MTC) Category at the Sarawak Export Day 2025. This recognition underscores the Group's growing export capabilities and reinforces our strong positioning in international markets.



Message to Shareholders (cont'd)

Industry Outlook

Indonesia remains our largest market, contributing approximately 95% of Group revenue in FYE2025. Its reliance on tugboats and barges for inter-island transport, coupled with abundant natural resources, underpins steady demand for our vessels.

According to Expert Market Research, the Indonesian barge fleet market is projected to expand at a compound annual growth rate (CAGR) of 4.70% between 2025 and 2034. Strong fundamentals in the mining sector, particularly coal and nickel, together with rising energy demand, population growth, and continued government investment in maritime infrastructure, are expected to drive long-term industry growth.

Future Prospects

During the year, the Group secured 19 new shipbuilding contracts from Indonesia worth RM232.09 million, with deliveries scheduled between FYE2025 and FYE2027. As at 31 May 2025, our outstanding order book stood at RM278 million, providing strong revenue visibility and reinforcing confidence in our future performance.

Looking ahead, we are well-positioned to benefit from resilient demand in Indonesia's mining and transportation sectors. While the global environment remains uncertain, shaped by geopolitical tensions, trade challenges, and the energy transition, the Group's order book, industry recognition, and trusted client relationships provide a solid foundation. We will continue strengthening operational capabilities, capturing opportunities, and delivering long-term value for shareholders.

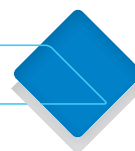
Appreciation

On behalf of the Board, I extend our sincere appreciation to our clients, business partners, and shareholders for their continued trust and support. I also wish to thank our management and employees for their commitment and contributions to the Group's success.

Together, we look forward to building on this momentum and delivering stronger results in the year ahead.

Datu Haji Mohammed Sepuan Bin Anu
Chairman





MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Group's Business and Operations

Our Group's principal revenue driver is shipbuilding, which contributed 99.39% of total FYE2025 revenue, with the remaining 0.61% derived from investing activities. Our shipyard is well-equipped and staffed with experienced engineers and skilled workers who construct vessels in compliance with the standards of the International Association of Classification Societies.

In FYE2025, deliveries focused exclusively on tugboats to capitalise on buoyant demand in our core markets of Indonesia, which accounted for 95.57% of revenue, and Singapore, which contributed the remaining 4.43%. Nonetheless, our historical track record in constructing ferries, barges, anchor handling vessels, utility/support vessels, and other specialized crafts reflects a diversified product capability, providing the Group with flexibility to respond to evolving customer needs and market opportunities.

Review of Financial Results and Financial Condition

For FYE2025, our Group achieved revenue of RM145.17 million, marking a significant increase of RM72.78 million or 100.54% compared to RM72.39 million in FYE2024. This growth was driven by a higher volume of vessel deliveries.

Profit before tax stood at RM23.38 million in FYE2025, compared to RM12.80 million in the preceding year, driven by increased shipbuilding activities.

Inventories increased by 4.06% to RM98.69 million as new orders and the build-up of work-in-progress outpaced the reduction from completed deliveries. Trade and other receivables declined 66.59% to RM12.94 million, driven by strong collections from completed contracts. Trade and other payables increased 66.56% to RM35.14 million, reflecting higher procurement of raw materials and subcontractor services for ongoing projects.

Capital Expenditure Requirements, Capital Structure, and Resources

To support our growing order book, the Group acquired several parcels of land to expand operational capacity. Working capital requirements are financed through a combination of internally generated funds and bank borrowings. For significant capital expenditure or business expansion, the Group may consider raising funds through the equity market or exploring synergistic joint ventures with reliable partners.

Known Trends and Events

The barge transportation market is expected to see sustained growth as global trade volumes rise, demand for bulk commodities increases, and more industries seek greener logistics solutions. Barges are an efficient and environmentally friendly mode of transport, capable of moving large volumes of cargo in fewer trips, thereby reducing both fuel consumption and carbon emissions.

Simultaneously, Indonesia's mining sector, propelled by vast reserves of coal and nickel, continues to underpin tugboat demand. Domestic coal consumption targets for 2025 stand at 239.7 million tonnes, 32.2% above 2024, while nickel's role in electric-vehicle battery production enhances long-term volume potential. Although global decarbonisation initiatives and renewed interest in nuclear power present long-term headwinds for fossil-fuel-related maritime transport, Indonesia's archipelagic geography and resilient bulk-freight flows continue to support demand. The transition is expected to be gradual, sustaining demand for tugboats and barges in the short to medium term.





Management Discussion and Analysis (cont'd)

Review of Operation Activities

During FYE2025, we completed and delivered 20 tugboats valued at RM144.28 million to shipowners in Indonesia and Singapore.

As at 31 May 2025, our outstanding order book stood at RM278 million. These orders are scheduled for delivery in 2026 and 2027 and are expected to contribute positively to future financial performance. The strong order book underscores our capability to meet growing client demand while remaining focused on safeguarding shareholder value.

Anticipated or Known Risks

Despite strong fundamentals, several risks could affect the Group's operating environment. These include:

- Environmental and social risks: Mining-related activities may heighten concerns over ecological impacts, occupational safety, and labour practices.
- Regulatory and policy risks: Indonesia's long-term net zero commitment and potential changes in mining or energy regulations could affect demand for coal-related shipping.
- Market risks: Global decarbonisation efforts and nuclear adoption may gradually reduce demand for fossil-fuel-related shipping.
- Geopolitical and trade risks: External shocks, trade disruptions, or regional instability could impact commodity flows and shipping demand.
- Sustainability expectations: Increasing ESG requirements from regulators, customers, and financiers may raise compliance and operational costs.



While these risks present challenges, the Group remains resilient, supported by strong client relationships and by our demonstrated capability in multi-vessel construction beyond tugboats, which enhances flexibility to adapt to market changes and focus on transportation sectors with enduring demand.

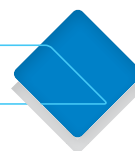
Forward-looking Statement

We will continue to focus on serving the transportation and mining industries in the short to medium term.

According to Business Research Insights, the global tugboat market is estimated at approximately USD7.17 billion in 2025 and is projected to reach USD7.47 billion in 2026. It is forecasted to expand at a CAGR of about 4.15%, reaching approximately USD10.34 billion by 2034. By market segment, harbour tugboats account for 58%, deep sea tugboats 24%, river tugboats 13%, and others 5%.

Given our specialisation in tugboat construction, strong client base in Indonesia, and a committed order book, we are well-positioned to capture market growth and deliver sustained revenue and profit expansion. At the same time, our proven track record in building a wide variety of vessels, from ferries to anchor handling tugs and support vessels, provides strategic flexibility to adapt to evolving demand and broaden revenue opportunities beyond the tugboat segment, thereby strengthening long-term shareholder value.





SUSTAINABILITY STATEMENT

Introduction

TAS Offshore Berhad (“TAS” or “the Company”), together with its subsidiaries (“the Group”, “we”, or “our”), continues to chart its course in the shipbuilding and repair industry with a clear focus on delivering vessels that are high in quality and built within an environmentally conscious work environment. Guided by our mission to deliver exceptional value to both customers and stakeholders, we integrate sustainability at the core of our operations.

This Sustainability Statement (“Statement”) for the Financial Year 2025 (“FY2025”) outlines the Group’s ongoing efforts to embed environmental, social, and governance (“ESG”) principles into our business strategies and daily practices. We remain steadfast in our ambition to evolve into a sustainability-driven organisation that creates long-term value while supporting responsible industrial progress.

Reporting Standards

In preparing this Statement, we have referred to a range of recognised guidelines, standards, and frameworks to ensure alignment with current best practices. These include:

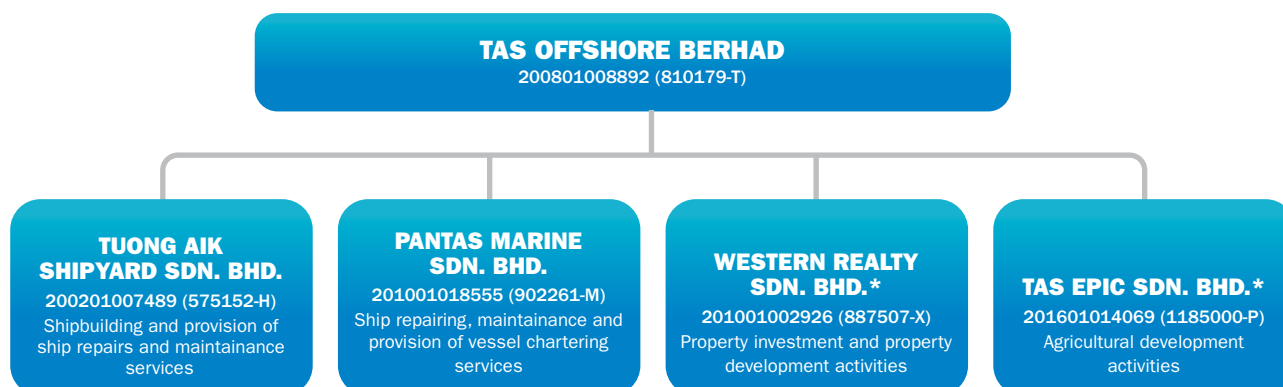
- Bursa Malaysia’s Main Market Listing Requirements;
- Sustainability Reporting Guide, 3rd Edition (“SRG”);
- Global Reporting Initiative (“GRI”) 2021; and
- Malaysian Code on Corporate Governance, updated in April 2021.

Acknowledging the increasing importance of climate-related disclosures, the Group is gradually aligning its reporting with the relevant standards. As part of our commitment to transparency and accountability, we are enhancing our data collection and reporting processes, with the goal of initiating National Sustainability Reporting Framework (“NSRF”) that is aligned with climate disclosures commencing in FY2026.

Reporting Scope

This Sustainability Statement highlights the key sustainability initiatives and performance of TAS Offshore Berhad and its subsidiaries throughout the financial year spanning 1 June 2024 to 31 May 2025.

The scope of this Sustainability Statement covers the two (2) business divisions – Shipbuilding and provision of ship repairs and maintenance services and provision of vessel chartering services – for the following active subsidiaries:



* Dormant



Sustainability Statement (cont'd)

Feedback

We welcome and highly value the perspectives of our stakeholders regarding this Statement. Your feedback, suggestions, and inquiries play a vital role in helping us enhance our sustainability efforts. Should you have any comments or questions about the contents of this Statement, please reach out to us at sustainability@tasoffshore.com.

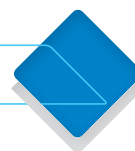
Sustainability Governance

At TAS, sustainability is integrated into governance, with the Board setting strategy, Senior Management translating it into plans, and Operational Management implementing and monitoring initiatives. Sustainability matters are reviewed at both Management and Board levels to ensure effective oversight. The distribution of responsibilities within our sustainability governance structure is as follows:



In FY2025, TAS's governance and management teams actively monitored the progress of sustainability action plans.

- Board of Directors:** Oversaw strategic issues, including revenue performance, regulatory compliance, health and safety, resource allocation, and the alignment of Enterprise Risk Management (ERM) with ESG priorities.
- Senior Management:** Focused on materiality assessments, GHG measurement, staff training, and sustainability reporting.
- Operational Management:** Tracked implementation at the subsidiary level, ensuring progress against sustainability commitments and action plans.



Sustainability Statement (cont'd)

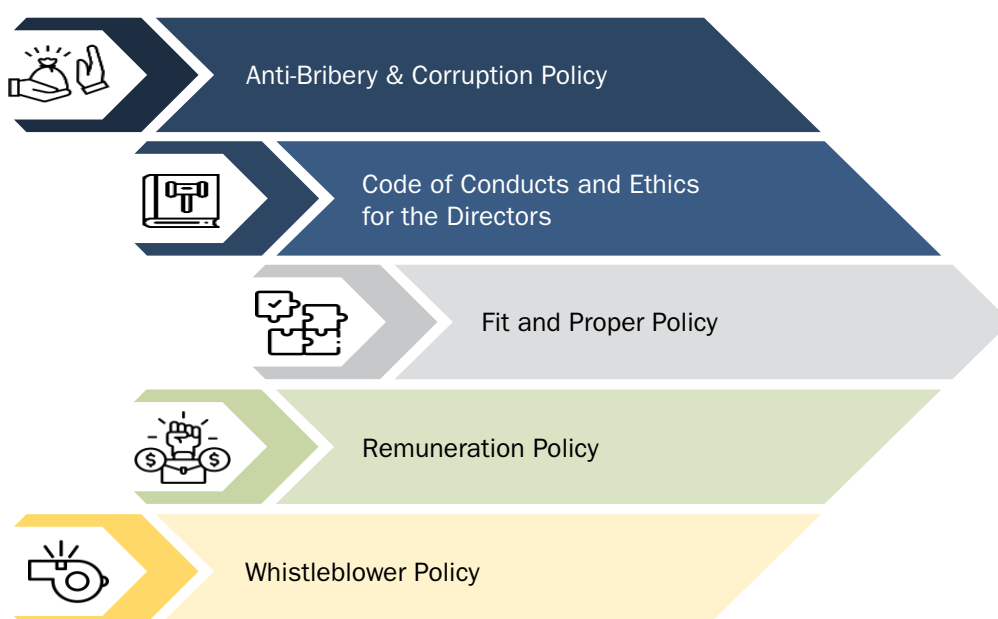
Sustainability Policy

The Sustainability Policy defines the Group's principles and priorities on sustainability. It also provides a channel to communicate our commitment to responsible sustainability practices to stakeholders. The following outlines the Group's aim to:

Sustainability Policy Objective	
Environment	- Integrate and prioritise practices that promote the conservation of natural resources by optimising, reuse and recycling wherever possible. - Ensure the efficient and responsible use of energy and water. - Inculcate behaviour and develop good environmental work practices among our employees.
Social	- Provide a safe, healthy and conducive workplace for our employees. - Provide equal opportunities in training and development as well as career growth. - Provide fair and competitive remuneration and benefits to our employees. - Plan and organise training programmes and relevant job skills training to address competency gaps in the workforce. - Comply with all applicable labour, employment, and human rights legislation. - Create long-term positive impacts in the community, focusing on education, job opportunities, community enrichment & well-being of the environment.
Governance	- Uphold good governance, ethical behaviour, professionalism and integrity in our business practices. - Ensure employees at all levels carry out their duties and responsibilities with accountability, honesty, and integrity, and in accordance with the Group's policies and procedures. - Ensure compliance with applicable laws and regulations whilst ensuring the attainment of business objectives.

Governance Excellence Policies and Guidelines

TAS is committed to maintaining effective corporate governance, supported by internal policies and guidelines that guide the management of ESG responsibilities. Key policies include:



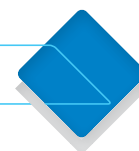


Sustainability Statement (cont'd)

Stakeholder Management

TAS prioritises stakeholder engagement to deliver long-term sustainable value, using ongoing collaboration to understand expectations, build trust, and align strategic priorities. The summary outlines engagement platforms, key concerns, and our responses.

Key Stakeholders	Frequency of Engagement	Methods of Engagement	Areas of Concern	Our Response
Government and Regulators	• Ongoing	• Legal compliance	• Commitment to regulatory and statutory compliance	• Anti-Corruption, page 24
	• Ad-hoc	• Inspection by local authority • Regular reporting and submission	• Timely reporting and resolution of issues • Maintenance of corporate governance and best business practice	• Legal and Regulatory Compliance, page 25-26
Employees	• Annually	• Annual performance review	• Talent recruitment and retention	• Labour Practices and Standards, page 30-31
	• Ongoing	• Daily operations • Meeting or discussion • Training and development	• Employees engagement • Learning and development	• Learning and Development, page 33-34
	• Ad-hoc	• Employment agreements • Job description		• Occupational Health and Safety, page 34
Board of Directors	• Quarterly	• Board meetings	• Economic sustainability	• Economic Performance, page 23
	• Ongoing	• Appointment letters • Training and development	• Corporate governance and ethics	• Anti-Corruption, page 24
Shareholders/ Investors/ Financiers	• Annually	• Annual general meetings • Annual reports	• Economic sustainability • Transparency and profitability	• Economic Performance, page 23
	• Quarterly	• Board meetings • Interim reports	• Company growth and value chain	• Legal and Regulatory Compliance, page 25-26
	• Ad-hoc	• Investor briefings • Circulars and news releases to shareholders	• Compliance and governance	• Anti-Corruption, page 24



Sustainability Statement (cont'd)

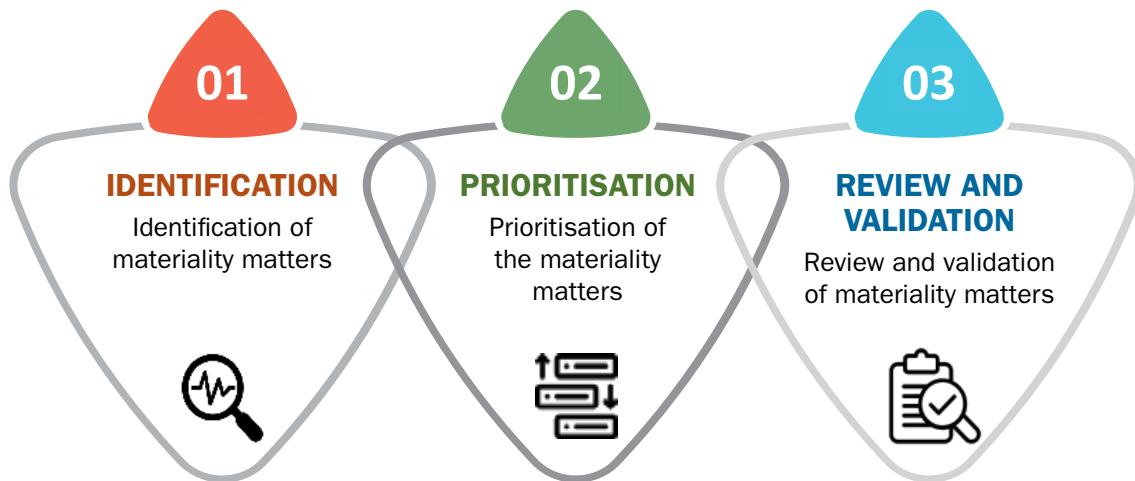
Key Stakeholders	Frequency of Engagement	Methods of Engagement	Areas of Concern	Our Response
Clients/ Customers (Purchasers)	Ad-hoc	- Proposal/Quotations - Customer needs and requirements - Agreements - Customer visits	- Market place - Product selection - Sustainable products of high quality - Customer experience - Relationship with clientele	Economic Performance, page 23
Industry Peers/ Contractors/ Suppliers/ Business Partners	Ongoing	- Supply of goods and services - Enquiry and feedback channels - Meeting and discussion with the suppliers	- Economic sustainability - Conformity of products and services - Compliance with terms and condition of transaction	- Economic Performance, page 23 - Supply Chain Management, page 25
	Annually	Supplier analysis and assessment	Engaging continuously with suppliers	
	Ad-hoc	Contractor training	Transparency and objectivity in procurement practices	
Local Communities/ Non-Governmental Organisation ("NGO")	Ongoing	Local community initiatives	Corporate social responsibility	Local Communities, page 35
	Ad-hoc	- Donation and sponsorship - Participation in job fairs and events	- Donations and financial aids - Contribution to social enhancement	



Sustainability Statement (cont'd)

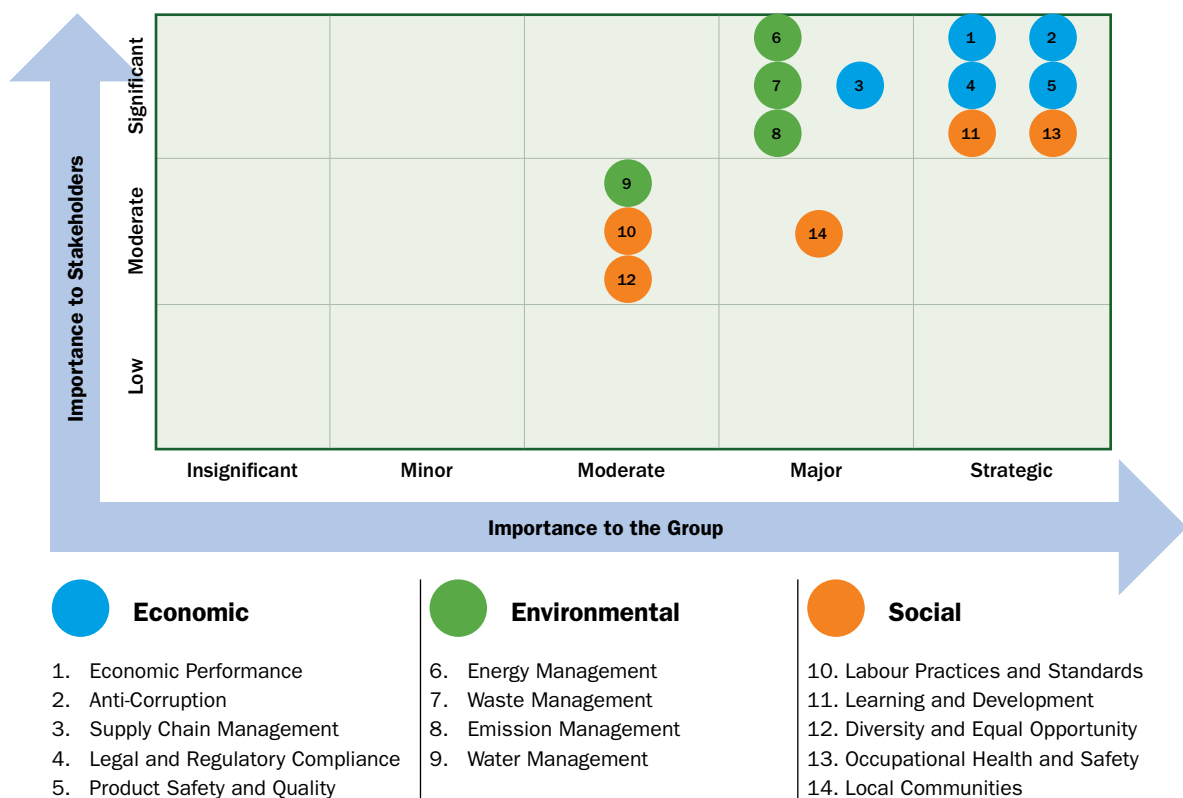
Sustainability Material Matters

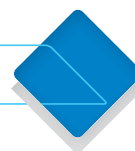
TAS applies materiality as a framework to identify and prioritise ESG issues that are most significant to the business and its stakeholders, enabling focused action on high-impact areas and alignment with long-term sustainability objectives.



In FY2024, TAS conducted a materiality assessment to validate the relevance of its key ESG matters. The assessment was reviewed by Senior Management and endorsed by the Board in September 2024, taking into account the Sustainability Reporting Guide (3rd Edition) and changes in the business landscape.

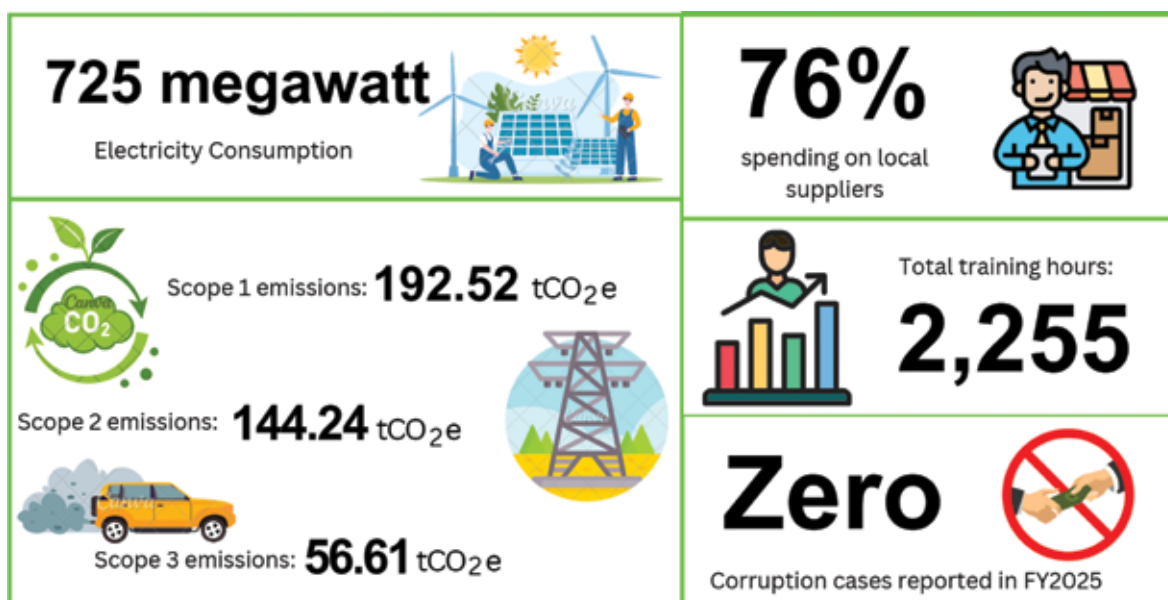
The Materiality Matrix will be reviewed as and when necessary.





Sustainability Statement (cont'd)

Sustainability Highlights for FY2025



Risk, Opportunity and Management Action Plans

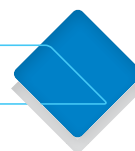
Our materiality assessment identified key sustainability risks and opportunities for our business and stakeholders, enabling us to develop proactive strategies. Below is a summary of the opportunities and risks linked to our material topics.

Material Topics	Risks	Opportunities
Economy		
Economic Performance	Liquidity risk	- Market expansion - Enhanced reputation
Anti-Corruption	Corruption risk	- Enhance trust and credibility of stakeholders - Strengthen the corporate governance practices in the organisation
Supply Chain Management	- Non-performing vendors - High reliance on key suppliers/contractors - Supply chain disruptions	- Improved supplier and vendor relationship - Able to meet and maintain standards towards ESG aspects
Legal and Regulatory Compliance	- Fines and penalties imposed by authorities - Loss of business opportunities	- Improved stakeholder trust - Gain competitive advantage - Enhanced reputation
Product Safety and Quality	Consumer harm	- Increased customer satisfaction - Product innovation and differentiation



Sustainability Statement (cont'd)

Material Topics	Risks	Opportunities
Environmental		
Energy Management	Environmental risk	- Encourage innovation in energy-efficient technologies and practices - Cost saving benefits
Waste Management	Non-compliance to local business/statutory/regulatory requirements	- Minimise waste generation - Reduce the use of non-renewable sources - Cost saving benefits
Emission Management	Environmental risk	Minimise emissions generation
Water Management	Environmental risk	Water conservation
Social		
Labour Practices and Standards	- Non-Compliance with statutory/regulatory labour requirements - High employee turnover	- Talent attraction and retention - Reduced turnover and recruitment costs - Better workplace culture
Diversity and Equal Opportunity	- Limited career development - Challenge to attract talent from diverse background	- Ability to contribute diverse ideas, improving quality of decision - Improved employee engagement
Learning and Development	Skills gap	- Talent retention - Improved productivity and employees' performance
Occupational Health and Safety	- Safety risk - Employee disengagement risk - Non-compliance to local business/statutory/regulatory requirements	- Safe workplace culture - Greater customers' confidence and trust in the Company
Local Communities	Non-compliance to rules and regulations	Ability to build strong relationship with local communities



Sustainability Statement (cont'd)

ECONOMIC

ESG Areas	Sustainability Target	FY2025 Performance
Economic Performance	- Target Revenue of RM100 million - Target Profit Before Tax ("PBT") of RM12 million	- Reported a revenue of RM145 million in FY2025 - PBT of RM23 million
Anti-Corruption	- Zero corruption and bribery cases 100% of employees who received training on anti-corruption	- Zero corruption and bribery cases reported 52.9% employee received training on anti-corruption
Supply Chain Management	70% of spending on local suppliers 30% of materials sourced from ESG-compliant suppliers by 2027	- Achieve 76% of spending on local suppliers 49% of materials sourced from ESG-compliant suppliers
Legal and Regulatory Compliance	- Zero case of non-compliance to environmental and non-environmental regulations - Zero fine imposed by authorities - Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero cases of non-compliances to environmental and non-environmental regulations including zero complaints concerning customer privacy and losses of customer data
Product Safety and Quality	- Achieving 100% of significant product and service categories for which health and safety impacts are assessed for improvement - Zero incidents concerning the health and safety impacts of products and services to shipyard workers and customers	Zero incident relating to health and safety impacts of products and services

1.1 Economic Performance

As a Malaysian shipbuilding company, we prioritise economic sustainability to ensure business continuity, strengthen our market position, and support the broader community.

Our Approach

The Group manages financial performance strategically, aligning economic goals with sustainability through planning, tracking, and reporting. Key priorities include customer retention, securing recurring contracts, and expanding into specialised shipbuilding markets for long-term growth.

Our Performance

In FY2025, our economic performance reflected business resilience and a commitment to sustainable growth, with revenue growth over FY2024 largely driven by increased activity in our shipbuilding division.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Revenue	RM100 million	RM'000	36,126	72,388	145,168
Profit Before Tax ("PBT")	RM12 million	RM'000	16,829	12,800	23,378



Sustainability Statement (cont'd)

1.2 Anti-Corruption

The Group prioritises protecting business and stakeholder interests by operating ethically, responsibly, and sustainably, guided by core values of accountability, transparency, integrity, and sustainability.

Our Approach

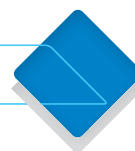
The following outlines the frameworks and policies that guide the Group's responsible business practices:

Framework / Policies	Description
Anti-Bribery and Corruption Policy	The Group upholds a zero-tolerance approach to bribery and corruption through its Anti-Bribery and Corruption (ABC) Policy, which sets clear behavioural standards and guides employees in identifying and managing related risks. To promote transparency and accessibility, the ABC Policy is publicly available on our corporate website at www.tasoffshore.com.
Whistleblower Policy	The Group's Whistleblower Policy, offers a secure channel for employees and the public to report concerns, with assurances of protection for whistleblowers. Reports can be made verbally or in writing to: - Group Managing Director, Datuk Lau Nai Hoh launaihoh@tasoffshore.com, or - Chairman of Audit Committee, Mr Ling Hang Ngee anthonylingTAS@gmail.com. The policy is accessible on our website at www.tasoffshore.com.
Code of Conducts and Ethics for the Directors	The Code of Conduct and Ethics for Directors sets out the expected standards of behaviour for all Board members, ensuring their actions align with the Company's values and protect its business interests.

Our Performance

In FY2025, 52.9% of employees across management, executive and non-executive level participated in ABC training, demonstrating the Group's commitment to ethical practices. While no formal corruption risk assessments were carried out during the year, we are pleased to report zero incidents of bribery or corruption occurred. The Group remains committed to zero tolerance and enhancing awareness and accountability.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Corruption case reported and action taken	Zero cases of bribery and corruption cases	Number	0	0	0
Percentage of employee received training on anti-corruption:	100% of employees received training on ABC	Percentage (%)	0	0	
a) Management					a) 11.8
b) Executive					b) 17.6
c) Non-executive					c) 23.5



Sustainability Statement (cont'd)

1.3 Supply Chain Management

As a shipbuilding and ship repairing services company, we acknowledge our supply chain's environmental, social, and economic impact. Our procurement prioritises local suppliers to support regional businesses and promote sustainable growth.

Our Approach

Our supply chain strategy emphasises sustainability and minimising environmental and social impacts. We prioritise local suppliers to support the local economy and currently assess them on quality, delivery, cooperation, support, and pricing. Starting this financial year 2025, we gradually incorporate ESG criteria into our supplier evaluations.

Our Performance

TAS demonstrated its commitment to supporting local businesses, with 76% of our spending directed towards local suppliers, and we remain dedicated to supporting local vendors.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Proportion of spending on local suppliers	70% of spending on local suppliers	Percentage (%)	57	72	76
Proportion of raw materials /components sourced from ESG-compliant suppliers	30% of materials sourced from ESG-compliant suppliers by 2027	Percentage (%)	0	0	49

1.4 Legal and Regulatory Compliance

Legal and regulatory compliance underpins our sustainability strategy, ensuring operations meet standards and reflect our commitment to ethical conduct, social responsibility, and environmental stewardship.

Our Approach

Our vessels meet strict international maritime standards from bodies like Bureau Veritas, Nippon Kaiji Kyokai, ABS, and Germanischer Lloyd, while complying with environmental laws such as the Environmental Quality Act 1974. Client data privacy, including designs and sensitive commercial information, is secured through IT controls, encryption, and incident management protocols.

Our Performance

We are proud to have maintained zero instances of non-compliance with both environmental and non-environmental regulations.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Number of non-compliances to environmental and non-environmental regulations	Zero non-compliances to environmental and non-environmental regulations	Number	0	0	0



Sustainability Statement (cont'd)

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Number of fines imposed by authorities	Zero fines imposed by authorities	Number	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

1.5 Product Safety and Quality

We focus on building high-quality, cost-competitive vessels in an environmentally responsible manner, prioritising safety and quality to deliver exceptional value to customers and stakeholders.

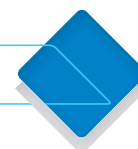
Our Approach

As a testament to our commitment to excellence, our vessels comply with stringent international maritime standards set by classification bodies such as Bureau Veritas, Nippon Kaiji Kyokai, ABS, and Germanischer Lloyd. We maintain ISO 9001 Quality Management System (QMS) certification, renewed every three years. Working alongside our outsourced designers, we leveraged advanced Computer-Aided Design (CAD) technology to produce detailed and precise vessel designs, ensuring the highest standards of quality and workmanship.

Our Performance

In upholding product quality, we perform regular health and safety assessments on all vessels, incorporate customer feedback, and comply with the Safety of Life at Sea ("SOLAS") Convention. In FY2025, we recorded zero health or safety incidents, including no product recalls.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Percentage of product and service assessed for health and safety impacts	100% of significant product and service categories assessed for health and safety impacts	Percentage (%)	100	100	100
Number of incidents concerning the health and safety impacts of products and services to shipyard workers and customers	Zero incidents concerning the health and safety impacts of products and services to shipyard workers and customers	Number	0	0	0



Sustainability Statement (cont'd)

ENVIRONMENTAL

ESG Areas	Sustainability Target	FY2025 Performance
Energy Management	Maintain the electricity consumption to 1% of total revenue (activity based)	0.50% for FY2025
Emission Management	Reduce carbon emissions by 5% by 2030	Increase by 342% for FY2025
Waste Management	Maintain the waste consumption to 1% of total revenue (activity based)	0.003% for FY2025
Water Management	Maintain water consumption to 0.1% of total revenue (activity based)	0.02% for FY2025

2.1 Energy Management

Effective energy management is essential in enabling the Group to reduce costs, optimise operations, and lower its carbon footprint, contributing to overall environmental sustainability.

Our Approach

As a shipbuilder, we focus on reducing electricity consumption at our shipyard and offices through measures such as upgrading to LED lighting and optimising air-conditioning settings. We conduct environmental awareness briefings occasionally to encourage sustainable practices among employees.

In FY2025, our total energy consumption was 5,623 GJ, representing an 11% increase from FY2024, mainly due to higher business activity.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Electricity consumption	–	kWh	410,272	750,898	724,848
Fuel (Petrol)	–	Litre	17,323	18,593	16,202
Fuel (Diesel)	–	Litre	28,218	45,047	63,176
Total energy consumption	–	GJ	3,125	5,063	5,623
Percentage of electricity consumption to total revenue (activity-based)	Maintain electricity consumption to 1% of total revenue (activity-based)	Percentage (%)	1.14	1.04	0.50

Notes:

1. Conversion factors:

1 kWh of electricity	0.0036 GJ
1 litre of diesel	0.04 GJ
1 litre of petrol	0.03 GJ

2. The data for fuel consumption in FY2025 is in respect of 12 company cars and 1 company motorcycle.



Sustainability Statement (cont'd)

2.2 Waste Management

At TAS, we prioritise effective waste management in our shipbuilding operations, handling domestic, hazardous, and non-hazardous waste to minimise environmental impact, improve efficiency, comply with regulations, and engage positively with local communities.

Our Approach

To support sustainability, we apply Reduce, Reuse, and Recycle principles, including digital storage, double-sided printing, and minimising disposable items like bottled water.

Our Performance

With effective of 1 Jun 2024, we began collecting data to improve our waste management practices, reflecting its importance in our sustainability efforts. The table below presents the waste data collected for the current year.

Financial Year (FY)	FY2025		
Waste Type	Reuse	Recycle	Landfill
Batteries (kg)	–	530	–
Scrap Metal (kg)	–	794	627
Average Plastics (kg)	96	16	25
Board (kg)	103	374	34
Paper (kg)	96	177	14
Wood (kg)	305	910	145
Total	600	2,801	845

FY2025 marks our first year of disclosing waste management data, and we are committed to continuing this practice to enhance transparency and improve environmental performance.

2.3 Emission Management

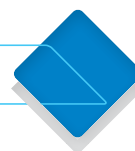
Managing Greenhouse Gas (GHG) emissions is a key focus for our shipbuilding operations, helping reduce costs and enabling the Group to benefit from sustainable, low-carbon development.

Our Approach

TAS is committed to reducing Scope 1, 2, and 3 GHG emissions to lower our environmental footprint.

Scope 1 emissions from fuel use and company vehicles are managed through efficiency and maintenance, while Scope 2 emissions from electricity are addressed via energy-efficient practices and the integration of renewable energy sources into operations.

In FY2025, we began tracking Scope 3 emissions from employee commuting and business travel, with plans to improve data accuracy and develop targeted reduction strategies.



Sustainability Statement (cont'd)

Our Performance

TAS has set a target to reduce GHG emissions by 5% by FY2030. In FY2025, total emissions amounted to 393.37 tCO₂e, an increase from the previous year, mainly due to higher business activity impacting Scope 1 and Scope 2, as well as expanded data coverage for Scope 3.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Scope 1	–	tCO ₂ e	40.5	38.6	192.52
Scope 2	–	tCO ₂ e	71.4	50.4	144.24
Scope 3	–	tCO ₂ e	–	–	56.61
Total Emission	–	tCO ₂ e	111.9	89.0	393.37
Percentage reduction in carbon emissions	Reduce carbon emissions by 5% by 2030	Percentage (%)	14	-20	342

Notes:

1. Scope 1 emission factors are sourced from GHG Conversion Factors for Company Reporting for Greenhouse Gas Emissions for 2023, 2024 and 2025, published by Department of Energy Security and Net Zero and Department of Business Energy & Industrial Strategy.
2. Scope 2 emission factors for electricity grids in Sarawak are sourced from the 2021 Sarawak Energy Berhad (“SEB”) Annual and Sustainability Reports.
3. Scope 3 data collection only started in FY2025.

2.4 Water Management

Efficient water management is a key priority for TAS, ensuring responsible use of resources, supporting environmental stewardship, and promoting the Group’s long-term sustainability.

Our Approach

TAS has initiated water conservation measures such as self-closing taps, leak inspections, water usage monitoring, and rainwater harvesting for shipyard cleaning. We continue to explore further improvements to reduce water use and support sustainable water management.

Our Performance

In FY2025, our total water consumption amounted to 26,706 kilolitres, reflecting an overall increase from 10,776 kilolitres in FY2023. Despite this increase, the percentage of water consumption to total revenue showed only minimal fluctuation, moving from 0.03% in FY2023 to 0.02% in FY2025. This year, the disclosure reflects the corrected unit of measurement to ensure clarity and consistency in reporting.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Water consumption	–	‘000 Litre	10,776	19,934	26,706
Percentage of water consumption to total revenue (activity-based)	Maintain water consumption at 0.1% of total revenue	Percentage (%)	0.03	0.03	0.02



Sustainability Statement (cont'd)

SOCIAL

ESG Areas	Sustainability Target	FY2025 Performance
Labour Practices and Standards	- Zero cases of human rights violation - Maintain monthly employee turnover rate: a) Management: <4% b) Yard worker: <7%	- Zero case of human rights violation - Average monthly employee turnover rate for FY2025 were as follows: a) Management: 0.9% b) Yard worker: 2.3%
Learning and Development	- Achieving 10 average training hours per employee per year for executive level and above - Allocate a budget of RM15,000 for training and development	- Achieved 43 average training hours per employee for FY2025 - Spent RM41,325 for training and development in FY2025
Diversity and Equal Opportunity	- At least 1 female at Board level - Achieve percentage of gender ration 70% male and 30% female	1 female Board member - The workforce comprises of 84% male and 16% female employees
Occupational Health and Safety	- Zero cases of non-compliance to OSHA regulation - Zero cases of fatalities	- Zero cases of non-compliance to OSHA regulation for FY2025 - Zero cases of fatalities for FY2025
Local Communities	- Achieve one (1) community engagement activity - Allocate a budget of RM50,000 in community engagement activities	4 financial contribution or donation to charitable organisation or events during FY2025 - RM 38,000 spent on local communities in FY2025

3.1 Labour Practices and Standards

TAS values its employees as key to success, committing to fair labour practices and an inclusive, supportive work environment that promotes well-being, engagement, and long-term business sustainability.

Our Approach

Talent Attraction and Retention

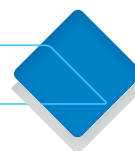
We are committed to nurturing and developing local talent through continuous initiatives focused on training, education, and skill enhancement. At TAS, we prioritise attracting and retaining employees by offering competitive remuneration, fringe benefits, opportunities for career advancement, and a supportive work environment. These efforts are essential to building a skilled and committed workforce that supports our long-term growth and sustainability.

Employee Engagement

TAS engages employees through formal and informal initiatives, such as feedback sessions, and social gatherings, to foster open communication, a collaborative culture, and stronger engagement.

Compensation and Benefits

We maintain a structured remuneration and reward system, regularly benchmarking salaries against local market standards. Employee performance is evaluated based on individual and business objectives set with Head of Department. Compensation and benefits for full-time and permanent staff are as follows:



Sustainability Statement (cont'd)



Our Performance

During FY2025, we onboarded 28 new employees. The annual turnover rate decreased to 20% (FY2024: 25%), reflecting enhancements in our workplace safety culture and good employee welfare benefits.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Overall Employee Turnover Rate	–	Percentage (%)	14	25	20
Average monthly employee turnover rate	Maintain monthly employee turnover rate: a) Management:<4% b) Yard worker:<7%	Percentage (%)	a) 1.5 b) 1.5	a) 1.4 b) 2.8	a) 0.9 b) 2.3
Number of employee turnover by employee category:	–	Number			
a) Management			a) 1	a) 0	a) 0
b) Executive			b) 2	b) 2	b) 1
c) Non-executive			c) 4	c) 14	c) 17
Proportion of contract/temporary staff	–	Percentage (%)	29	56	39
Number of substantiated complaints concerning human rights violations	Zero cases of human rights violation	Number	0	0	0



Sustainability Statement (cont'd)

3.2 Diversity and Equal Opportunity

TAS considers Board and employee diversity essential for sustainable governance, committing to equal opportunities and fostering innovation through varied backgrounds, experiences, and perspectives.

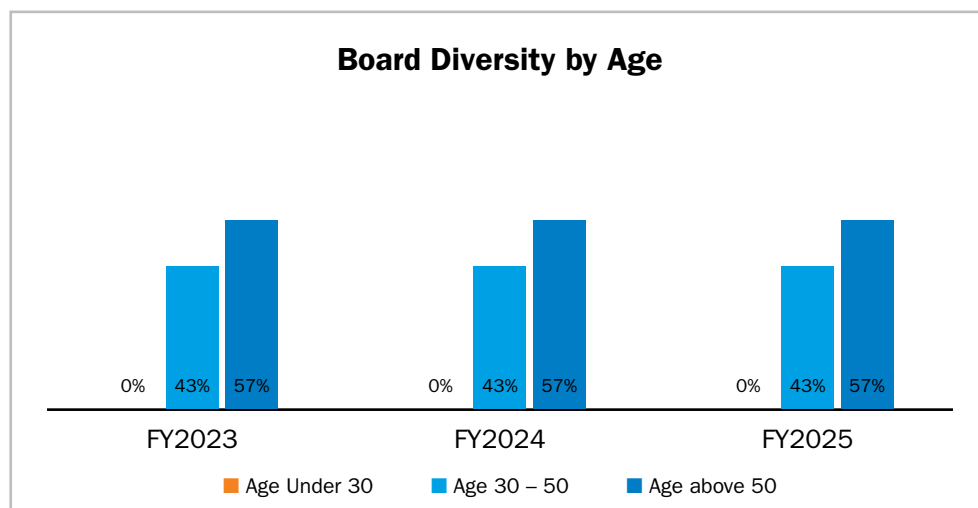
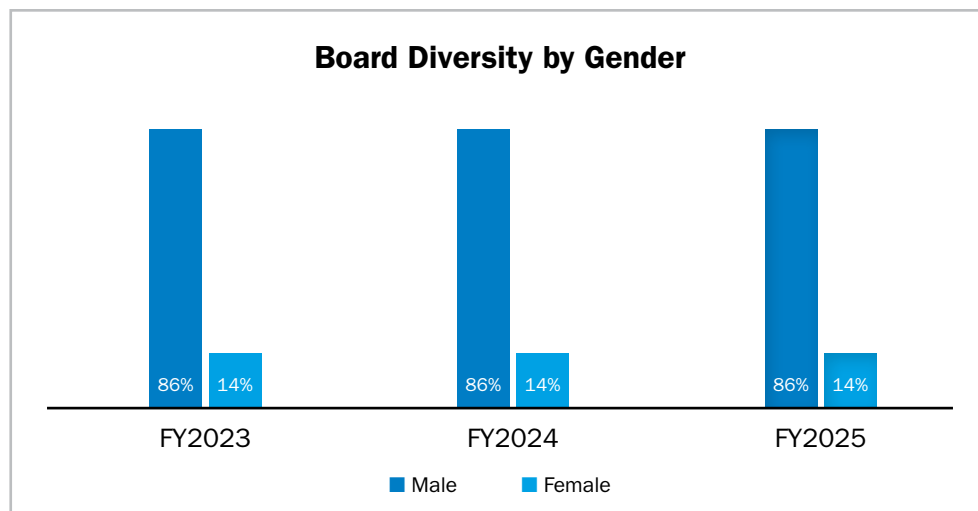
Our Approach

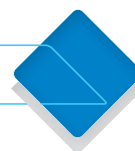
We foster a diverse and inclusive organisation by bringing together individuals of different genders, ages, ethnicities, and backgrounds, ensuring the Group reflects and understands the needs of our stakeholders, customers, and communities.

Our Performance

Board Composition

The diagrams below show the Board's gender and age composition. In FY2025, the Board has 7 members, with 6 male and 1 female directors. 57% of the members were over 50, reflecting deep experience, while 43% are aged 30–50. Despite challenges in reaching 30% female representation due to the industry's low female participation, TAS remains committed to improving gender diversity by identifying qualified female candidates.





Sustainability Statement (cont'd)

Employee Composition

Employee Composition by Gender

Year	Management		Executive		Non-Executive	
	Male	Female	Male	Female	Male	Female
FY2023	50%	50%	71%	29%	89%	11%
FY2024	50%	50%	63%	37%	95%	5%
FY2025	60%	40%	65%	35%	94%	6%

Employee Composition by Age

Year	Management			Executive			Non-Executive		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
FY2023	0%	38%	62%	0%	86%	14%	21%	63%	16%
FY2024	0%	38%	62%	6%	81%	13%	39%	50%	11%
FY2025	0%	40%	60%	12%	76%	12%	41%	46%	13%

In FY2025, TAS had 90 employees, with 84% male and 16% female representation, and aims to achieve a more balanced gender ratio in the future. Our workforce spans diverse backgrounds, skills, ages, and ethnicities, enhancing our ability to create lasting environmental, economic, and social value.

3.3 Learning and Development

TAS prioritises continuous learning and development, investing in employees to enhance skills, foster innovation, and support personal growth and sustained competitiveness.

Our Approach

We embrace continuous learning as essential for embedding sustainability and supporting employee excellence. Training needs are assessed, and programmes are offered across all levels in FY2025, covering soft skills, mandatory operations, technical skills, sustainability awareness, and health and safety.

Our Performance

In FY2025, TAS conducted 2,255 hours of training for 10 management, 17 executives, and 63 non-executive staff, covering topics such as ESG corporate training, E-invoicing implementation, and safety courses.

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Training hours by employee category:	—	Hours			
a) Management			a) 176	a) 242	a) 370
b) Executive			b) 146	b) 563	b) 726
c) Non-executive			c) 155	c) 263	c) 1,159



Sustainability Statement (cont'd)

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Average training hours per employee	10 average training hours per employee per year for executive level and above	Hours	15	34	43
Amount spent for training and development	Allocate a budget of RM 15,000 for training and development	RM	5,102	10,068	41,325

3.4 Occupation Health and Safety

We prioritise excellence in Quality, Health, Safety, and Environment (HSE), aiming to create a safe and supportive workplace while preventing injuries and illnesses. This commitment protects employees, enhances operational efficiency, and fosters sustainable growth.

Our Approach

The Group's Occupational Safety and Health Policy underpins safe operations through structured measures and an OHSMS aligned with the Occupational Safety and Health (Amendment) Act 2022 and ISO 45001:2018. The OSH Committee carried out four meetings during the financial year under review, promoting safety & health awareness, identifying hazards, reviewing safety programs, conducting inspections and recommending corrective actions.

Our Performance

In FY2025, TAS achieved 144,131 man-hours without any lost time injuries (LTI). Prioritising safety protects our employees, ensures smooth operations, and fosters a strong safety culture vital to the organisation's success and reputation.

Health and Safety Training

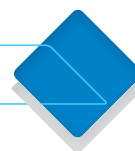
	FY2023	FY2024	FY2025
Number of employees trained on health and safety standards	38	35	71

Work-related Injuries

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Total Hours Worked ¹	–	Number	80,559	133,097	144,131
Number of cases of non-compliance to OSHA regulation	Zero cases of non-compliance to OSHA regulation	Number	0	0	0
Number of Fatalities	Zero cases of fatalities	Number	0	0	0

Note:

1. The total work hours excluded contract work hours.



Sustainability Statement (cont'd)

3.5 Local Community

TAS prioritises community development, engaging with local stakeholders to empower communities, enhance livelihoods, and create inclusive opportunities for long-term shared success.

Our Approach

TAS approaches community engagement with values of shared growth, accountability, and meaningful participation, integrating social responsibility into business practices. In FY2025, we contributed RM38,000 through sponsorships and donations to charities, non-profits, and educational institutions. Key highlights are outlined below:

Sustainability Indicator	Sustainability Target	Measurement Unit	FY2023	FY2024	FY2025
Total amount invested where the target beneficiaries are external to TAS	Allocate a budget of RM 50,000 in community engagement activities	RM	3,000	40,337	38,000
Total number of beneficiaries of the investment in communities	1 beneficiary of the investment in communities	Number	1	6	4

Going Forward

Looking ahead to FY2026, TAS remains committed to advancing sustainability by strengthening its existing practices and efforts through the implementation of the Sustainability Policy.



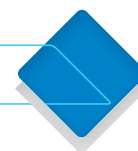


Sustainability Statement (cont'd)

Performance Data

The following table summarises our performance for FY2023 to FY2025:

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Anti-Bribery and Anti-Corruption				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	0	0	11.8
Executive	Percentage	0	0	17.6
Non-Executive	Percentage	0	0	23.5
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	57	72	76
Energy Management				
Bursa C4(a) Total energy consumption	kW/h	410,272	750,898	724,848
Waste Management				
Bursa C10(a)(i) Total Waste Generated – Total waste diverted from disposal	Metric Tonne	-	-	3.401
Bursa C10(a)(ii) Total Waste Generated – Total waste directed to disposal	Metric Tonne	-	-	0.845
Emission				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	40.5	38.6	192.52
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	71.4	50.4	144.24
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	tCO ₂ e	-	-	56.61
Water Management				
Bursa C9(a) Total volume of water used	'000 Litre	10,776	19,934	26,706
Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards (Internal & External training)	Number	38	35	71



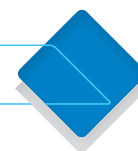
Sustainability Statement (cont'd)

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Labour Practices and Standards				
Bursa C6(a) Total hours of training by employee category				
Management	Number	176	242	370
Executive	Number	146	563	726
Non-Executive	Number	155	263	1,159
Bursa C6(b) Percentage of employees that are contractors or temporary Staff	Percentage	29	56	39
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	1	0	0
Executive	Number	2	2	1
Non-Executive	Number	4	14	17
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0	0	0
Diversity and Equal Opportunities				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Management – Male	Percentage	50	50	60
Management – Female	Percentage	50	50	40
Executive – Male	Percentage	71	63	65
Executive – Female	Percentage	29	37	35
Non-Executive – Male	Percentage	89	95	94
Non-executive – Female	Percentage	11	5	6
Below 30 years old – Management	Percentage	0	0	0
30 to 50 years old – Management	Percentage	38	38	40
Above 50 years old – Management	Percentage	62	62	60
Below 30 years old – Executive	Percentage	0	6	12
30 to 50 years old – Executive	Percentage	86	81	76
Above 50 years old – Executive	Percentage	14	13	12
Below 30 years old – Non-Executive	Percentage	21	39	41
30 to 50 years old – Non-Executive	Percentage	63	50	46
Above 50 years old – Non-Executive	Percentage	16	11	13



Sustainability Statement
(cont'd)

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Bursa C3(b) Percentage of Directors by gender and age group				
Male members	Percentage	86	86	86
Female members	Percentage	14	14	14
Below 30 years old	Percentage	0	0	0
30 to 50 years old	Percentage	43	43	43
Above 50 years old	Percentage	57	57	57
Community / Society				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	3,000	40,337	38,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1	6	4
Data Privacy and Security				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0



Sustainability Statement (cont'd)

GRI Content Index

Statement of use: TAS Offshore Berhad has reported information cited in this GRI content index for the period of 1 June 2024 to 31 May 2025 in accordance with the GRI Standards.

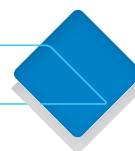
GRI 1 used: GRI 1: Foundation 2021

GRI Standard	Disclosure Item	Section Reference	Page
GRI 2: General Disclosure 2021			
1. The organisation and its reporting practices			
2-1	Organisation details	Introduction, Reporting Scope	15
2-2	Entities included in the organisation's sustainability reporting	Reporting Scope	15
2-3	Reporting period, frequency and contact point	Reporting Scope	15
2-4	Restatements of Information	Stated throughout where relevant, FY2025 Performance Overview and Targets for FYE 31 December 2024 ("FY2025"), Performance Data and Target	23,27 & 30
2-5	External assurance	No external assurance was conducted on this report	–
2. Activities and workers			
2-6	Activities, value chain and other business relationship	Stakeholder Management, Supply Chain Management	18 & 25
2-7	Employees	Diversity and Equal Opportunities	32
3. Governance			
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	16
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	16
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	16
2-15	Conflict of interest	Anti-Bribery and Corruption	24
2-16	Communication of critical concerns	Feedback	16
2-17	Collective knowledge of the highest governance body	Labour Practices and Standards – Training and Development	33
4. Strategy, policies and practices			
2-26	Mechanism for seeking advice and raising concerns	Whistleblowing	24



Sustainability Statement (cont'd)

GRI Standard	Disclosure Item	Section Reference	Page
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Management	18
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Sustainability Material Matters	20
3-2	List of material topics	Sustainability Material Matters	20
3-3	Management of material topics	FY2025 Performance Overview and Targets for FYE 31 December 2024 ("FY2025"), Risk, Opportunities and Management Action Plans	21
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Supply Chain Management	25
GRI 205: Anti-Corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	Anti-Bribery and Corruption	24
205-3	Confirmed incidents of corruption and actions taken	Anti-Bribery and Corruption	24
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Energy Management	27
302-4	Reduction of energy consumption	Energy Management	27
GRI 303: Water and Effluent 2016			
303-5	Water consumption	Water Management	29
GRI 305: Emissions 2016			
305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	Emission	28
GRI 306: Waste 2020			
306-3	Waste generated	Waste Management	28
306-4	Waste diverted from disposal	Waste Management	28
306-5	Waste directed to disposal	Waste Management	28
GRI 401: Employment			
401-1	New employee hires and employee turnover	Labour Practices and Standards - Turnover and Recruitment of Employees	30



Sustainability Statement (cont'd)

GRI Standard	Disclosure Item	Section Reference	Page
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Health and Safety	34
403-5	Worker training on occupational health and safety	Health and Safety	34
403-9	Work-related injuries	Health and Safety	34
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Labour Practices and Standards – Training and Development	33
404-2	Programs for upgrading employee skills and transition assistance programs	Labour Practices and Standards – Training and Development	33
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunities	32
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security	25



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of TAS Offshore Berhad (“TAS” or “the Company”) is committed to upholding the highest standards of corporate governance through accountability, transparency, integrity and sustainability across the Company and its subsidiaries (“the Group”). The Board’s primary objective is to enhance and protect shareholders’ value while safeguarding the interests of all stakeholders.

The Board presents this Corporate Governance Overview Statement (“this Statement”) to provide stakeholders with insights into TAS’ corporate governance practices for the Financial Year Ended 31 May 2025 (“FYE2025”).

This Statement has been prepared in accordance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is guided by the Malaysian Code on Corporate Governance 2021 (“MCCG”). This Statement should be read together with the Company’s Corporate Governance Report 2025, which is available on the Company’s website at www.tasoffshore.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board is primarily responsible for determining the Company’s strategic objectives and policies, as well as monitoring the progress towards achieving these objectives. The Board is guided by the principles and practices set out in the approved Board Charter which ensures that all Board members are aware of their specific functions, duties and responsibilities when acting collectively and individually on behalf of the Company.

The Board has the following major responsibilities:

a) Strategic Direction

The Board establishes the vision and strategic objectives of the Group. The Board reviews operational performance quarterly to ensure consistency with the Group’s strategic direction and objectives.

b) Overall Management

The Board oversees the conduct of the Group’s business to ensure effective management and long-term sustainability. The Executive Directors are delegated with the relevant authority for managing the Group’s business operations.

c) Risk Management and Internal Control

The Board has delegated oversight of the Group’s risk management and internal control systems to the Audit Committee. The Audit Committee ensures the effectiveness and adequacy of these systems through an established risk management framework that provides ongoing process for identifying, evaluating and managing significant financial risks faced by the Group.

d) Succession Planning

The Board ensures high standards in the appointment, development and assessment of Directors through effective succession planning. The Nomination Committee monitors and evaluates Board performance to facilitate continuous improvement and succession planning.



Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

e) Corporate Governance

The Board ensures the adoption of corporate governance practices are in line with the principles of transparency, sustainability, accountability and integrity to protect and enhance shareholders' value. To strengthen governance practices, the Board has established the Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, Whistleblowing Policy and Sustainability Policy to ensure ethical business conduct and providing stakeholders with appropriate channels to raise genuine concerns.

f) Sustainability Management

The Board, together with the Management, recognises its responsibility for achieving sustainable long-term business growth to enhance shareholder and stakeholder value. This commitment extends from Board level through senior management to ensure consistent implementation of sustainable practices throughout the Group.

The Group's sustainability initiatives are set out in the Sustainability Statement within this Annual Report.

2. Board Committees

The Board has established three (3) committees to enhance governance effectiveness, each operating under distinct Terms of Reference:

- (a) Audit Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

These committees enhance decision-making through focused deliberation within their respective areas of expertise. After careful deliberation, the committees present their findings and recommendations to the Board. It is important to note that while the committees operate under their approved Terms of Reference, the ultimate decision-making authority remains with the Board, except for specific matters expressly delegated to these committees.

The Terms of Reference of the committees are reviewed by the Board as and when necessary.

3. Board Leadership

The positions of the Chairman and Managing Director are clearly segregated to ensure an appropriate balance of power, authority and accountability. The Chairman is an Independent Non-Executive Director, while the Managing Director leads the Group's operational activities.

The Board has delegated management of the Group's operations to the Managing Director who possesses comprehensive knowledge of the business and leads the Senior Management team in daily operations and implementation of Board-approved strategies and policies. The Managing Director is supported by management committees across various functions.

Management authority operates within approved limits of authority embedded in the Group's control systems. The Board reviews the delegation of authority to the Managing Director as necessary.



Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. Board Commitment

The Board demonstrates commitment to the Company through active attendance and participation at Board and Committee meetings throughout the year.

Details of the attendance of Directors are set out below:

Name of Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Datu Haji Mohammed Sepuan Bin Anu	5/5	5/5	–	–
Datuk Lau Nai Hoh	5/5	–	–	1/1
Lau Choo Chin	4/5	–	–	–
Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu	5/5	5/5	1/1	–
Ling Hang Ngee	5/5	5/5	1/1	1/1
Yong Leh Ying	5/5	5/5	1/1	1/1
Lau Choo Kuang	5/5	–	–	–

5. Board Administration

The Board is supported by a qualified Company Secretary who ensures compliance with meeting procedures and all applicable rules and regulations are complied with. Board deliberations, conclusions and resolutions are properly recorded by the Company Secretary and maintained in the Company's Minutes Book.

The Company Secretary performs statutory duties under the Companies Act 2016 and provides sound governance advice. All Board members have unlimited access to the professional advice and services of the Company Secretary.



Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

6. Board Composition

The Board comprises seven (7) members: three (3) Executive Directors and four (4) Independent Non-Executive Directors. This composition complies with the Listing Requirements and the MCGG. The diverse backgrounds of Board members provide a comprehensive mix of skills, knowledge and experience to ensure various perspectives are considered in Board deliberations.

In accordance with the MCGG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. To retain an Independent Director beyond this period, the Board must justify and seek shareholders' approval through a two-tier voting process. The Company has consistently complied with this recommendation since the MCGG's effective date on 28 April 2021.

The Board values boardroom diversity, recognising its contribution to broader perspectives and insights. While mindful of the MCGG recommendation for minimum 30% women representation, the Board maintains that Director selection should be based solely on merit, skills and experience, ensuring all appointments are free from discrimination.

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the first Annual General Meeting of the Company after their appointment. Thereafter, an election of Directors shall take place every year where one-third (1/3) of the Directors for the time being or, if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall retire but shall be eligible for re-election; provided always that all Directors shall retire from office at least once in every three (3) years.

The Board has established a Directors' Fit and Proper Policy to ensure appointed or re-elected Directors possess the necessary integrity, competency and commitment. The Nomination Committee executes this policy, with periodic review by the Board. The policy is available on the Company's website.

During the financial year, the Nomination Committee has carried out the following activities:

- reviewed and assessed the required size, composition, mix of skill, experience and other qualities of the Board;
- assessed the effectiveness of the Board as a whole, the contribution of each Director and the Board Committees;
- recommended to the Board for continuation of the services of the Directors who were due for retirement;
- reviewed the terms of office of Audit Committee and the performance of the Audit Committee and each of its members to determine whether they have carried out their duties in accordance with their Terms of Reference; and
- facilitated training programmes for the Directors.

Following its annual review on 9 September 2025, the Nomination Committee confirmed that the current Board size and composition, with its wide range of technical, management and accounting experience, is appropriate for effective Board functioning.

Independent Non-Executive Directors play a particularly important role in ensuring independence of judgement and objectivity in Board deliberations, considering the long-term interests of the Group, shareholders and stakeholders.

The Board has appointed Mr Ling Hang Ngee as Senior Independent Non-Executive Director. As Chairman of the Audit Committee, he serves as spokesperson for all Independent Non-Executive Directors and provides a channel for stakeholders to convey concerns.



Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

7. Board Training

All the Directors have completed the Mandatory Accreditation Programme Part I and II ("MAP") as prescribed by the Listing Requirements of Bursa Securities. During FYE2025, the Directors have attended the following training to better equip themselves to carry out their duties and responsibilities:

Directors	Courses	Date of Attendance
Datu Haji Mohammed Sepuan Bin Anu	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19 November 2024
	• Sarawak Export Day 2025	2 & 3 July 2025
Datuk Lau Nai Hoh	• Anti-Bribery and Anti-Corruption Management	18 July 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19 November 2024
Lau Choo Chin	• Anti-Bribery and Anti-Corruption Management	18 July 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19 November 2024
Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu	• Anti-Bribery and Anti-Corruption Management	11 September 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19 November 2024
	• 2025 Sarawak Budget Conference	3 & 4 December 2024
Ling Hang Ngee	• MPERS: Understand Current and Future Requirements	17 & 18 July 2024
	• National Tax Conference 2024	22 & 23 July 2024
	• Anti-Bribery and Anti-Corruption Management	11 September 2024
	• Case Study-Based MFRS Seminar: A Technical Booster on the Three Critical Standards MFRS/IFRS 9, 15 and 16	9 & 10 October 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19 November 2024
	• 2025 Budget Seminar	4 December 2024
Yong Leh Ying	• Anti-Bribery and Anti-Corruption Management	11 September 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19 November 2024
Lau Choo Kuang	• Anti-Bribery and Anti-Corruption Management	18 July 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	18 & 19 November 2024



Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

8. Remuneration

The Group's Remuneration Policy is designed to attract and retain Directors necessary for the successful operation of the Group.

The Remuneration Committee recommends the framework and package for Executive Directors to the Board. The Board determines Executive Directors' remuneration as a whole with the Directors concerned abstaining from deliberations in respect of their own remuneration.

In formulating the remuneration policy and package, the Remuneration Committee takes into consideration the Directors' responsibilities, individual and corporate performance and remuneration benchmarks within the industry.

The remuneration package for the Executive Directors and Independent Non-Executive Directors consists of the following:

- Salaries

Executive Directors' salaries reflect their responsibilities, functions and performance, benchmarked against comparable roles in similar organisations. Annual reviews are conducted to ensure salaries are on par with performance, responsibilities and market trends.

- Fees

Fees for Independent Non-Executive Directors are determined by the Board and subject to the shareholders' approval at the Annual General Meeting.

- Allowances for Independent Non-Executive Directors

Meeting Allowances are paid to Independent Non-Executive Directors for attendance at Board and Board Committee meetings.

- Bonus and Other Benefits

Bonus and incentives are paid to the Executive Directors based on individual and corporate performance in accordance with the Group's Remuneration Policy.



Corporate Governance Overview Statement
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

8. Remuneration (Cont'd)

A summary of remuneration provided to the Directors for the FYE 2025 distinguishing between Executive and Non-Executive Directors, with categorisation into appropriate components is set out below:

	Fees		Salaries		Meeting Allowances		Bonus and Other Benefits		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
	Company	Group	Company	Group	Company	Group	Company	Group	Company	Group
Executive Directors										
Datuk Lau Nai Hoh	–	–	110,562	1,105,620	–	–	71,117	473,368	181,679	1,578,988
Lau Choo Chin	–	–	54,158	541,584	–	–	46,741	266,645	100,899	808,229
Lau Choo Kuang	–	–	36,600	366,000	–	–	32,661	171,639	69,261	537,639
Non-Executive Directors										
Datu Haji Mohammed Sepuan Bin Anu	53,000	53,000	–	–	7,300	7,300	–	–	60,300	60,300
Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu	42,000	42,000	–	–	6,300	6,300	–	–	48,300	48,300
Ling Hang Ngee	44,000	44,000	–	–	8,000	8,000	–	–	52,000	52,000
Yong Leh Ying	42,000	42,000	–	–	6,800	6,800	–	–	48,800	48,800
TOTAL	181,000	181,000	201,320	2,013,204	28,400	28,400	150,519	911,652	561,239	3,134,256



Corporate Governance Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Audit Committee was established by the Board to assist in fulfilling statutory and fiduciary responsibilities with regard to the financial reporting process, reviewing the scope and results of internal and external auditing processes, monitoring the effectiveness of internal controls and risk management systems.

The Audit Committee comprises four (4) Independent Non-Executive Directors, with the Chairman being a member of the Malaysian Institute of Accountants. The structure of the composition is consistent with the Listing Requirements of Bursa Securities.

Chairman:

Ling Hang Ngee

Senior Independent Non-Executive Director

Members:

Datu Haji Mohammed Sepuan Bin Anu

Independent Non-Executive Director

Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu

Independent Non-Executive Director

Yong Leh Ying

Independent Non-Executive Director

More details on the activities of the Audit Committee can be found in the Audit Committee Report on pages 53 to 55 of this Annual Report. The Terms of Reference of the Audit Committee is available on the Company's website at www.tasoffshore.com.

2. Risk Management and Internal Control

The Board recognises that effective risk management and internal control are fundamental aspects of corporate governance, management and operations.

The Board maintains overall responsibility for identifying, assessing, managing and monitoring material business risks to safeguard shareholders' investments and the Group's assets.

Detailed information on risk management and internal control is set out in the Statement on Risk Management and Internal Control on pages 51 and 52 of this Annual Report.



Corporate Governance Overview Statement (cont'd)

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

1. Communication with Stakeholders

The Company recognises the importance of maintaining transparency and effective communication with the shareholders, stakeholders and investors by keeping them informed of all developments concerning the Group. The Board is committed to ensuring timely, accurate and appropriate dissemination of information on the operations, activities and performance of the Group to its shareholders, stakeholders and investors.

The Company strictly adheres to the disclosure requirements stipulated in the Listing Requirements of Bursa Securities by ensuring material and market-sensitive information is not disclosed before official announcement to Bursa Securities for public release.

2. Conduct of General Meetings

The Company's General Meetings serve as the primary communication channel with shareholders. At each General Meeting, shareholders are encouraged and given sufficient time and opportunity to participate in the proceedings to raise questions and participate in discussions pertaining to the operation and financial aspects of the Group. Shareholders may seek clarifications on the Group's performance and major development as well as the proposed resolutions. All Board members, Senior Management and the Company's External Auditors are available to address relevant questions raised at the meeting.

In line with good corporate governance practice, the Company issues notice of the Annual General Meeting more than twenty-eight (28) days prior to the meeting date. The Company holds Annual General Meetings at easily accessible venues for the convenience of the shareholders.

The Company Secretary ensures that the minutes of the 18th Annual General Meeting, which includes the questions raised by the shareholders together with the response by the Company and the outcome of the voting results, are made available to the shareholders within thirty (30) business days after the Annual General Meeting on the Company's website.

This Statement is made in accordance with the resolution of the Board of Directors dated 9 September 2025.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to maintaining a sound system of risk management and internal control in the Group to safeguard shareholders' interests and the Group's assets. The following statement outlines the nature and scope of the risk management and internal control of the Group.

Board's Responsibility

The Board of Directors is responsible for the Group's risk management and internal control system including the establishment of a control environment and framework and reviewing the adequacy, effectiveness and integrity of the system. The system of risk management and internal control covers, inter alia, financial and operational activities, compliance controls and various risk areas identified. Because of the limitations that are inherent in any system of risk management and internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board is of the view that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group and has received the same assurance from the Managing Director and Group Accountant.

Key Processes on Risk Management and Internal Control

The main features of the Group's risk management and internal control system and the key processes that have been applied in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

Internal Audit

The Group has outsourced the Internal Audit function. To ensure independent and impartial appraisal, the Internal Auditor is given unrestricted access to all records, information, property, personnel and other relevant resources of the TAS Group. The Internal Audit review covers all the key functional areas and processes of the Group.

The Internal Auditor independently reviews and evaluates the adequacy and integrity of the internal controls put in place and the risk management processes and reports the findings together with any remedial recommendations directly to the Audit Committee. The Audit Committee considers the Internal Audit Report before making necessary recommendations to improve the risk management and internal control system to the Board of Directors periodically or as and when the situation requires.

Risk Management

The Board has formalised the risk management policy and control framework which is embedded in the Group's management system. The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group to ensure that all high risks are adequately addressed at various levels within the Group. The above exercise is monitored by the Management with the assistance of the Internal Auditor. A Risk Management Report is compiled and submitted to the Audit Committee which has been entrusted by the Board to assist with its risk management responsibility. Such processes and procedures have been put in place for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.



Statement on Risk Management and Internal Control (cont'd)

Key Processes on Risk Management and Internal Control (Cont'd)

Risk Management (Cont'd)

Each department in the Group is responsible for the identification and assessment of its significant risks. The identified risks are assessed for the likelihood of the risks occurring and the effect of impact. A risk rating [from 1 (lowest risk) to 9 (highest risk)] is then accorded to each of the risks identified. The control effectiveness is considered and further risk control measures or action plans are taken to mitigate the risks to the desired level.

The above exercise is monitored by the Risk Management Working Committee and reported to the Audit Committee. The Risk Management Report is reviewed by the Audit Committee to ensure the adequacy and integrity of the system of internal control before making necessary recommendations to the Board of Directors. Emphasis is placed on reviewing and updating the significant risks affecting the business and business sustainability including policies and procedures by which these risks are managed.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosure requirements of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement is made in accordance with the resolution of the Board of Directors dated 9 September 2025.



AUDIT COMMITTEE REPORT

Chairman:

Ling Hang Ngee

Senior Independent Non-Executive Director

Members:

Datu Haji Mohammed Sepuan Bin Anu

Independent Non-Executive Director

Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu

Independent Non-Executive Director

Yong Leh Ying

Independent Non-Executive Director

Composition

The Audit Committee comprises four (4) Independent Non-Executive Directors, with the Chairman being a member of the Malaysian Institute of Accountants. This composition complies with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Audit Committee held five (5) meetings during the financial year under review, with the following attendance record:

Name of Director	Attendance
Ling Hang Ngee	5/5
Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu	5/5
Datu Haji Mohammed Sepuan Bin Anu	5/5
Yong Leh Ying	5/5

Summary of Works of the Audit Committee

In line with the terms of reference of the Audit Committee, the following works were carried out by the Committee during the Financial Year Ended 31 May 2025 ("FYE2025"):

- Reviewed and discussed with the Management the quarterly unaudited financial results of the Group, focusing on matters affecting the Group's performance significantly, compliance with the provisions of the Companies Act 2016, the applicable accounting standards, Listing Requirements and other relevant regulatory requirements, before recommending them to the Board for approval and subsequent release to Bursa Securities;
- Reviewed and discussed the annual report and the audited financial statements of the Company and the group with the Management as to their compliance with the provisions of the Companies Act 2016, the applicable accounting standards, Listing Requirements and other relevant regulatory requirements before recommending them to the Board for approval and subsequent release to Bursa Securities;
- Reviewed the annual Internal Audit Plan and the audit programme with the Internal Auditors to ensure adequate audit coverage of the key risk areas;
- Discussed the Internal Auditors' Reports, their major findings and recommendations and the Management's response in addressing the issues raised to ensure that the associated risks were adequately addressed;
- Reviewed or appraised the performance of the Internal Auditors before recommending their re-nomination to the Board;



Audit Committee Report (cont'd)

Summary of Works of the Audit Committee (Cont'd)

In line with the terms of reference of the Audit Committee, the following works were carried out by the Committee during the Financial Year Ended 31 May 2025 ("FYE2025"): (Cont'd)

- (f) Reviewed and discussed with the External Auditors, their annual audit planning memorandum encompassing areas of focus, key audit matters to be included in the auditors' report, audit methodology and time-table and audit materiality prior to commencement of their annual audit for the FYE2025;
- (g) Reviewed and discussed with the External Auditors and the Management, the significant audit findings and recommendations by the External Auditors and any significant audit issues arising therefrom;
- (h) Appraised the performance and evaluated the independence and objectivity of the External Auditors in providing their services and made recommendations to the Board on their re-appointment and the quantum of audit fees;
- (i) Met with the External Auditors twice without the presence of the Management for discussions of additional matters in relation to audit issues noted in the course of their audit;
- (j) Reviewed quarterly the related party transactions within the Company or the Group to ensure that the transactions were on normal commercial terms which were not detrimental to the interests of the minority;
- (k) Reviewed quarterly the Risk Management Report from the Risk Management Working Committee, any significant risks, mitigation actions and made relevant recommendations to the Board for necessary actions;
- (l) Reviewed the Statement on Risk Management and Internal Control to be published in the Annual Report; and
- (m) Reviewed the Environmental, Social and Governance ("ESG") strategies, policies and performance targets to ensure compliance with regulatory requirements, stakeholder expectations and sustainability best practices.



Audit Committee Report (cont'd)

Internal Audit Function

The Company has appointed an external firm to carry out the Internal Audit function.

The Internal Audit is responsible for the independent assessment of the adequacy and effectiveness of the internal control systems in place in anticipation of the risk exposures of key business processes. It also provides assurance on the systems and recommends improvements to the systems if necessary, to enable the Group to achieve its corporate objectives.

The main activities carried out by the Internal Auditors comprised:

- (a) Reviewing and appraising the adequacy, effectiveness and application of accounting, financial, operational and other controls, recommending improvement in control and promoting effective control in the Group at a reasonable cost;
- (b) Ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- (c) Ascertaining the extent to which the Group's assets are accounted for and safeguarded from losses;
- (d) Appraising the reliability and usefulness of data and information generated for management;
- (e) Reviewing the Risk Management Report from the Risk Management Working Committee; and
- (f) Assessing the implementation and effectiveness of the ESG initiatives and performance targets of the Group to ensure robust internal controls, accurate data reporting and compliance with applicable sustainability standards and regulations.

For the FYE2025, the Audit Committee conducted a comprehensive evaluation of the Group's internal audit function and internal controls as outlined in the audit plan. The Committee concluded that the internal audit function was effective and adequate in providing independent assurance on the Group's risk management, internal controls and governance processes. The review of internal controls revealed them to be generally effective; however, in areas where weaknesses were identified, the Internal Auditors recommended enhanced measures, which the Committee reviewed and oversaw to strengthen the Group's control environment.

The costs incurred on the Internal Audit function in respect of FYE2025 were RM39,600.



STATEMENT ON DIRECTORS' RESPONSIBILITY

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

In preparing the financial statements, the Directors have:

- (i) adopted appropriate accounting policies, which are applied consistently;
- (ii) ensured that all applicable accounting standards have been complied with;
- (iii) made judgements and estimates that are reasonable and prudent; and
- (iv) prepared financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company and the Group keep accounting records that disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable approved accounting standards.

The Directors are also responsible for taking reasonable steps to prevent and detect fraud and other irregularities to safeguard the assets of the Group.

Status of Utilisation of Proceeds Raised from Corporate Proposals

There were no corporate proposals during FYE2025.

Material Contracts

There was no material contract entered into by the Company or its subsidiaries involving the interest of the Directors, or major shareholders either still subsisting at the end of FYE2025 or entered into since the end of the previous financial year.

Recurrent Related Party Transactions

The related party transactions are disclosed on pages 118 and 119 of this Annual Report.

Audit and Non-Audit Fees

Details of the audit and non-audit fees paid or payable to the Company's External Auditors, Messrs. FOLKS DFK & Co. for the FYE2025 are as follows:

	Company RM	Group RM
Statutory audit fees	40,000	40,000
Non-audit fees	3,000	3,000
<i>*Review of Statement on Risk Management and Internal Control</i>		
	43,000	43,000

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities and details of its subsidiaries are set out in Note 5.1 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year attributable to owners of the Company	17,554,557	2,272,676

RESERVES AND PROVISIONS

There were no material transfers made to or from reserves and provisions during the financial year ended 31 May 2025 other than as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, on 5 May 2025, the Directors declared a single-tier interim dividend of two (2) sen per ordinary share amounting to RM3,577,156, in respect of the financial year ended 31 May 2025 which was paid on 18 June 2025.

No final dividend has been recommended by the Directors in respect of the financial year ended 31 May 2025.

SHARE CAPITAL

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

TREASURY SHARES

By an ordinary resolution passed at the Annual General Meeting held on 30 October 2024, the shareholders of the Company renewed the Directors' authority for the Company to repurchase its own shares up to ten percent (10%) of its issued and paid-up share capital.

There were no shares repurchased during the financial year. The shares previously repurchased are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016. None of the treasury shares were resold or cancelled during the financial year.

As at 31 May 2025, the Company held a total number of 1,144,199 treasury shares at a total carrying amount of RM365,335. Further details of the treasury shares are disclosed in Note 14 to the financial statements.



Directors' Report (cont'd)

DIRECTORS OF THE COMPANY

The names of the Directors during the financial year and during the period from the end of the financial year to the date of this report are as follows :-

Datu Haji Mohammed Sepuan Bin Anu
Datuk Lau Nai Hoh
Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu
Lau Choo Chin
Lau Choo Kuang
Ling Hang Ngee
Yong Leh Ying

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

Datin Hii Kiong Thai
Ng Cheng Lee

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in the ordinary shares of the Company and its subsidiaries during the financial year were as follows :-

Shareholdings in the Company

Names of Directors	Number of ordinary shares			Balance at 31.05.2025
	Balance at 01.06.2024	During the financial year Acquired	Disposed	
Datu Haji Mohammed Sepuan Bin Anu				
- Direct interest	15,375	–	–	15,375
Datuk Lau Nai Hoh				
- Direct interest	92,788,812	–	(30,750,000)	62,038,812
- Indirect interest *	1,292,849	10,750,000	–	12,042,849
Lau Choo Chin				
- Direct interest	419,231	10,000,000	–	10,419,231
- Indirect interest *	41,000	–	–	41,000
Lau Choo Kuang				
- Direct interest	20,500	10,000,000	–	10,020,500
Yong Leh Ying				
- Direct interest	377,050	–	–	377,050

* Interest held by spouses and children treated as interest of the Directors in accordance with Section 59(11) (c) of the Companies Act 2016



Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in the ordinary shares of the Company and its subsidiaries during the financial year were as follows :- (Cont'd)

Shareholdings in a wholly-owned subsidiary, Pantas Marine Sdn. Bhd.

Names of Directors	Balance at 01.06.2024	Number of ordinary shares		Balance at 31.05.2025
		During the financial year Acquired	Disposed	
Datuk Lau Nai Hoh, Lau Choo Chin and Lau Choo Kuang - Indirect interest **	2,000,000	5,000,000	—	7,000,000

** Through interest held in the Company

By virtue of their shareholdings in the Company, Datuk Lau Nai Hoh, Lau Choo Chin and Lau Choo Kuang are deemed to be interested in the shares of the other wholly-owned subsidiaries of the Company, namely Tuong Aik Shipyard Sdn. Bhd., Western Realty Sdn. Bhd. and TAS Epic Sdn. Bhd. for which there were no movements in interests in the shares held during the financial year.

Other than as disclosed above, no other Directors in office at the end of the financial year held any interests in shares in the Company and its subsidiaries during the financial year.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefits (other than those disclosed in the *Directors' Remuneration* section below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest other than by virtue of transactions entered into in the ordinary course of business and as disclosed in Note 28 to the financial statements.



Directors' Report (cont'd)

DIRECTORS' REMUNERATIONS

The remunerations received or receivable by the Directors of the Company from the Company and its subsidiaries during the financial year are as follows :-

	Received or receivable from		
	The Company RM	Subsidiaries RM	Total RM
Fees	181,000	–	181,000
Other remunerations	310,889	2,573,017	2,883,906
Estimated value of benefits-in-kind	69,350	–	69,350
	561,239	2,573,017	3,134,256

No indemnity was given to nor was there any insurance effected for the Directors or officers of the Group and of the Company during the financial year.

AUDITORS' REMUNERATION

The remuneration paid or payable to the auditors of the Group and of the Company for the financial year is RM106,400 and RM43,000 respectively.

No indemnity was given to nor was there any insurance effected for the auditors during the financial year.

OTHER STATUTORY INFORMATION

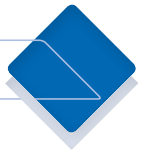
- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.



**Directors' Report
(cont'd)**

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the Directors are not aware of any circumstances :-
- (i) which would render the amount written off for bad debts and the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) which would render the values of current assets in the financial statements of the Group and of the Company misleading;
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
 - (iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (c) As at the date of this report, there does not exist :-
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors :-
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.



Directors' Report (cont'd)

AUDITORS

The auditors, Messrs. Folks DFK & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
DATUK LAU NAI HOH

Director

.....
LAU CHOO CHIN

Director

Sibu, Sarawak

9 September 2025



STATEMENTS OF FINANCIAL POSITION

AS AT 31 MAY 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	4	33,245,567	19,590,396	–	–
Investments in subsidiaries	5	–	–	82,500,004	77,500,004
Other investments	6	30,086,613	30,862,364	28,239,530	29,077,632
Deferred tax assets	7	4,306,131	4,484,312	62,529	35,632
Amount due from subsidiaries	8	–	–	10,000,000	12,650,000
		67,638,311	54,937,072	120,802,063	119,263,268
Current Assets					
Other investments	6	792,358	1,047,381	792,358	1,047,381
Inventories	9	98,690,532	94,842,665	–	–
Contract assets	10	9,405,582	–	–	–
Trade and other receivables	11	12,939,867	38,727,682	2,000	2,000
Amount due from subsidiaries	8	–	–	1,486,905	1,127,635
Tax recoverable		639,466	196,742	141,951	159,593
Cash and bank balances	12	15,861,036	5,114,805	391,372	1,473,817
		138,328,841	139,929,275	2,814,586	3,810,426
Total Assets		205,967,152	194,866,347	123,616,649	123,073,694

The annexed notes form an integral part of the financial statements.



Statements of Financial Position (cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Company					
Share capital	13	117,640,472	117,640,472	117,640,472	117,640,472
Treasury shares	14	(365,335)	(365,335)	(365,335)	(365,335)
(Accumulated losses)/Retained profits		(2,722,384)	(15,969,180)	2,255,171	3,632,711
Total Equity		114,552,753	101,305,957	119,530,308	120,907,848
Non-current Liabilities					
Bank borrowings (Secured)	15	6,076,755	383,549	–	–
Retirement benefits	16	2,605,396	1,484,673	260,540	148,468
Deferred tax liabilities	7	1,782,120	1,828,553	–	–
		10,464,271	3,696,775	260,540	148,468
Current Liabilities					
Trade and other payables	17	35,144,900	21,100,513	248,645	228,800
Contract liabilities	10	36,915,069	55,082,237	–	–
Bank borrowings (Secured)	15	5,313,003	9,674,776	–	–
Dividend payable		3,577,156	1,788,578	3,577,156	1,788,578
Taxation		–	2,217,511	–	–
		80,950,128	89,863,615	3,825,801	2,017,378
Total Liabilities		91,414,399	93,560,390	4,086,341	2,165,846
Total Equity and Liabilities		205,967,152	194,866,347	123,616,649	123,073,694

The annexed notes form an integral part of the financial statements.



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	18	145,167,877	72,388,106	3,886,808	1,079,300
Cost of sales	19	(114,623,030)	(55,860,337)	–	–
Gross profit		30,544,847	16,527,769	3,886,808	1,079,300
Other income		3,180,590	2,166,211	621,275	1,688,084
Administrative expenses		(10,119,102)	(5,637,573)	(1,892,652)	(1,056,611)
Reversal of/(Additional) impairment losses for financial assets		69,182	5,000	(197,851)	–
Operating profit		23,675,517	13,061,407	2,417,580	1,710,773
Finance costs	20	(297,892)	(261,237)	–	–
Profit before taxation	21	23,377,625	12,800,170	2,417,580	1,710,773
Taxation	23	(5,823,068)	(3,136,095)	(144,904)	(107,222)
Profit for the financial year		17,554,557	9,664,075	2,272,676	1,603,551
Other comprehensive income, net of tax					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefit obligations		(730,605)	–	(73,060)	–
		(730,605)	–	(73,060)	–
Total comprehensive income for the financial year		16,823,952	9,664,075	2,199,616	1,603,551
Attributable to owners of the Company :					
- Profit for the financial year		17,554,557	9,664,075	2,272,676	1,603,551
- Total comprehensive income for the financial year		16,823,952	9,664,075	2,199,616	1,603,551
Earnings per share attributable to ordinary equity holders of the Company (Sen) :					
- Basic	24	9.81	5.40		

The annexed notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

Group	Attributable to Owners of the Company			
	Non-Distributable	Distributable		Total RM
	Share Capital RM	Treasury Shares RM	(Accumulated Losses)/ Retained Profits RM	
2025				
Balance at 1 June 2024	117,640,472	(365,335)	(15,969,180)	101,305,957
Profit for the financial year	–	–	17,554,557	17,554,557
Remeasurement of defined benefit obligations	–	–	(730,605)	(730,605)
Total comprehensive income for the financial year	–	–	16,823,952	16,823,952
Transactions with owners of the Company				
Dividends declared/paid (Note 25)	–	–	(3,577,156)	(3,577,156)
Balance at 31 May 2025	117,640,472	(365,335)	(2,722,384)	114,552,753
2024				
Balance at 1 June 2023	117,640,472	(365,335)	(22,056,099)	95,219,038
Profit for the financial year, representing total comprehensive income for the financial year	–	–	9,664,075	9,664,075
Transactions with owners of the Company				
Dividends declared/paid (Note 25)	–	–	(3,577,156)	(3,577,156)
Balance at 31 May 2024	117,640,472	(365,335)	(15,969,180)	101,305,957

The annexed notes form an integral part of the financial statements.



Statements of Changes in Equity
(cont'd)

Company	Attributable to Owners of the Company			
	Non-Distributable	Distributable		Total RM
	Share Capital RM	Treasury Shares RM	Retained Profits RM	
2025				
Balance at 1 June 2024	117,640,472	(365,335)	3,632,711	120,907,848
Profit for the financial year	–	–	2,272,676	2,272,676
Remeasurement of defined benefit obligations	–	–	(73,060)	(73,060)
Total comprehensive income for the financial year	–	–	2,199,616	2,199,616
Transactions with owners of the Company				
Dividends declared/paid (Note 25)	–	–	(3,577,156)	(3,577,156)
Balance at 31 May 2025	117,640,472	(365,335)	2,255,171	119,530,308
2024				
Balance at 1 June 2023	117,640,472	(365,335)	5,606,316	122,881,453
Profit for the financial year, representing total comprehensive income for the financial year	–	–	1,603,551	1,603,551
Transactions with owners of the Company				
Dividends declared/paid (Note 25)	–	–	(3,577,156)	(3,577,156)
Balance at 31 May 2024	117,640,472	(365,335)	3,632,711	120,907,848

The annexed notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities				
Profit before taxation	23,377,625	12,800,170	2,417,580	1,710,773
<i>Adjustments for :-</i>				
Depreciation of property, plant and equipment	1,974,926	1,593,026	–	–
Defined benefit cost	159,400	152,739	15,940	15,274
Income from unit trust funds	(874,677)	(866,029)	(864,842)	(816,293)
Dividend from a subsidiary	–	–	(3,000,000)	–
Impairment losses for placements in debt instruments measured at amortised cost	197,851	–	197,851	–
Reversal of impairment losses for trade receivables	(267,033)	(5,000)	–	–
Loss/(Gain) on changes in fair value of :				
- investments measured at fair value through profit or loss	831,085	(1,279,108)	885,960	(1,228,916)
- derivative instruments	–	(9,119)	–	–
Gain on disposal of :				
- property, plant and equipment	–	(18,367)	–	–
- investments measured at fair value through profit or loss	(10,809)	(37,445)	(10,809)	(37,995)
Property, plant and equipment written off	599	4,779	–	–
Inventories written off	25,989	39,319	–	–
Interest expense	396,510	368,510	–	–
Interest income	(127,735)	(459,672)	(630,888)	(684,180)
Unrealised loss/(gain) on foreign exchange	2,211,365	(337,000)	–	–
Waiver of debts	(10,650)	(162,479)	–	–
Operating profit/(loss) before working capital changes	27,884,446	11,784,324	(989,208)	(1,041,337)
Increase in inventories	(3,873,856)	(37,771,305)	–	–
(Increase)/Decrease in contract assets	(9,405,582)	2,515,459	–	–
(Decrease)/Increase in contract liabilities	(18,167,168)	23,415,305	–	–
Decrease/(Increase) in trade and other receivables	24,768,233	(18,760,724)	–	26,647
Increase in trade and other payables	14,216,739	6,975,870	19,845	86,800
Cash generated from/(utilised in) operations	35,422,812	(11,841,071)	(969,363)	(927,890)

The annexed notes form an integral part of the financial statements.



Statements of Cash Flows
(cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash generated from/(utilised in) operations	35,422,812	(11,841,071)	(969,363)	(927,890)
Interest paid	(27,299)	(31,330)	–	–
Interest received	105,769	97,854	608,922	421,173
Tax paid, net of tax refunded	(8,112,389)	(4,343,475)	(125,000)	(125,000)
Net cash from/(used in) operating activities	27,388,893	(16,118,022)	(485,441)	(631,717)
Cash flows from investing activities				
Subscription to additional shares issued by a subsidiary (Note 5.2)	–	–	(5,000,000)	–
Withdrawals of/(Placements in) fixed deposits	–	10,549,085	–	8,173,335
Dividend received from a subsidiary	–	–	3,000,000	–
Interest received on fixed deposits	–	292,412	–	193,601
Income from investments in unit trust funds	866,228	804,523	858,754	759,020
Acquisition of property, plant and equipment (Note 27.1)	(15,510,696)	(1,768,480)	–	–
Proceeds from disposal of property, plant and equipment	–	350,000	–	–
Investments in unit trust funds	(981,722)	(7,713,278)	(974,246)	(7,667,776)
Redemption of/(Placements in) debt instruments	16,336	(500,000)	16,336	(500,000)
Proceeds from disposal of investments in unit trust funds	1,000,000	7,240,135	1,000,000	6,090,198
Net repayment from/(advances to) subsidiaries	–	–	2,290,730	(5,976,045)
Net cash (used in)/from investing activities	(14,609,854)	9,254,397	1,191,574	1,072,333
Cash flows from financing activities				
Dividend paid	(1,788,578)	(1,788,578)	(1,788,578)	(1,788,578)
Net drawdown of bank borrowings (Note 27.2)	590,338	2,511,814	–	–
Interests paid on bank borrowings	(369,211)	(337,180)	–	–
Net cash (used in)/from financing activities	(1,567,451)	386,056	(1,788,578)	(1,788,578)



Statements of Cash Flows (cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net increase/(decrease) in cash and cash equivalents	11,211,588	(6,477,569)	(1,082,445)	(1,347,962)
Cash and cash equivalents at beginning of financial year	5,114,805	11,122,621	1,473,817	2,821,779
Effect of changes in foreign exchange rates	(1,086,452)	469,753	–	–
Cash and cash equivalents at end of financial year	15,239,941	5,114,805	391,372	1,473,817
Cash and cash equivalents at end of financial year comprised :				
Cash and bank balances (Note 12)	15,861,036	5,114,805	391,372	1,473,817
Bank overdraft (Note 15)	(621,095)	–	–	–
	15,239,941	5,114,805	391,372	1,473,817

The annexed notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

- 31 MAY 2025

1. GENERAL INFORMATION

TAS Offshore Berhad is a public company limited by shares, incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and the principal place of business is located at Lot 199, Jalan Sg. Ma'aw, Sg. Bidut, 96000 Sibu, Sarawak.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 5.1.

These financial statements comprised the financial statements of the Group and the financial statements of the Company and they are presented in Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors on 9 September 2025.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

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

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of material accounting policy information.

The accounting policies applied by the Group and the Company are consistent with those applied in the previous financial year other than the application of the amendments to MFRSs as disclosed in Note 2.2 below.

2.2 Application of Amendments to MFRSs

During the financial year, the Group and the Company have applied the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are effective for accounting period beginning on or after 1 June 2024 :-

Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7 - Supplier Finance Arrangements

The initial application of the amendments to MFRSs did not have any significant impact on the Group's and the Company's financial statements for the current and prior financial periods.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 New MFRSs and Amendments to MFRSs That Are In Issue But Not Yet Effective

The Group and the Company have not early adopted the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective :-

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 - Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7:

- Amendments to the Classification and Measurement of Financial Instruments
- Contracts Referencing Nature-dependent Electricity

Annual Improvements to MFRS Accounting Standards - Volume 11 :

- Amendments to MFRS 1 *First-time Adoption of Malaysia Financial Reporting Standards*
- Amendments to MFRS 7 *Financial Instruments : Disclosures*
- Amendments to MFRS 9 *Financial Instruments*
- Amendments to MFRS 10 *Consolidated Financial Statements*
- Amendments to MFRS 107 *Statement of Cash Flows*

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 19 *Subsidiaries without Public Accountability : Disclosures*

Effective for annual periods beginning on or after a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will apply the above new MFRSs and amendments to MFRSs that are applicable once they become effective and their adoption is not expected to have any material impact on the Group's and on the Company's financial statements in the period of initial application, other than as disclosed below.

MFRS 18 *Presentation and Disclosure in Financial Statements*

The new MFRS 18 will replace MFRS 101 *Presentation of Financial Statements* while retaining many of the requirements in MFRS 101 with limited changes. The key changes introduced by MFRS 18 are as follows :-

- (a) Classification of income and expenses into three new defined categories namely operating, investing and financing.
- (b) Two new required subtotals namely operating profit and profit before financing and income taxes.
- (c) Disclosures of management-defined performance measures ("MPMs") in a single note, including:
 - a statement that the MPMs reflect management's view; and
 - an explanation of why the MPMs are reported and how they are calculated.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 New MFRSs and Amendments to MFRSs That Are In Issue But Not Yet Effective (Cont'd)

MFRS 18 Presentation and Disclosure in Financial Statements (Cont'd)

The key changes introduced by MFRS 18 are as follows :- (Cont'd)

- (d) Enhanced requirements for aggregation and disaggregation of information in the financial statements.

The new standard is to be applied retrospectively and it will affect the presentation and disclosure of information but it will not impact the recognition and measurement of items in the financial statements of an entity.

2.4 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group :-

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred for the acquisition of an acquiree is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their acquisition-date fair values. Acquisition-related costs are recognised as an expense in the periods in which the costs are incurred.

Goodwill on new acquisitions is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non-controlling interests and the acquisition-date fair value of any previously held equity interest is recognised immediately in profit or loss as a gain from bargain purchase.

For each new business combination, non-controlling interests are measured either at their fair value at the acquisition date or at the non-controlling interests' proportionate share of the subsidiary's identifiable net assets.

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

2.6 Foreign Currencies

2.6.1 Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates i.e. the entity's functional currency. The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.6.2 Foreign currency transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. The investments are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets. On disposal of such investments, the difference between the net disposal proceeds and the net carrying value of the investments is recognised as a gain or loss on disposal in the Company's profit or loss.

2.8 Property, Plant and Equipment

Items of property, plant and equipment are initially stated at cost. Cost initially recognised includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use. All property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Freehold land and capital work-in-progress are not depreciated. All other property, plant and equipment are depreciated on the straight-line basis so as to write-off the cost of the assets to their residual values over their estimated useful lives. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The estimated useful lives of the Group's property, plant and equipment are as follows :-

Buildings and workers' quarters	10 to 50 years
Office furniture, fittings and equipment	5 to 10 years
Plant and machinery	5 to 10 years
Motor vehicles	5 years
Jetty and road	10 to 20 years

The residual values and useful lives of assets are reviewed at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. Property, plant and equipment are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Contract Assets and Contract Liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date. Contract assets are reviewed for impairment in accordance with the Group's accounting policy on impairment as disclosed in Note 2.14.1.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. In the case of construction contracts, contract liability is the excess of billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Group has billed or has collected payment before the goods are delivered or services are provided to the customers.

2.10 Contract Costs

Contract costs are recognised as an asset when the following criteria are met :-

- (a) In relation to incremental costs of obtaining a contract, the Group recognises the costs as an asset if the Group expects to recover those costs.
- (b) In relation to costs to fulfil a contract, the Group recognises the contract costs as an asset (i) if they relate directly to a contract or to an anticipated contract that the Group can specifically identify; (ii) when the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (iii) if the costs are expected to be recovered.

These assets are initially measured at cost and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration expected to be received less the remaining costs expected to be incurred. A reversal of impairment loss is recognised in profit or loss when the impairment conditions no longer exist or have improved. The increased carrying amount does not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

2.11 Inventories

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

Costs of raw materials and consumables comprise the original costs of purchase and incidental costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress, costs include costs of direct materials, direct labour and attributable production overheads.

The cost of raw materials and consumables is determined using the weighted average cost method whereas cost of work-in-progress and completed vessels is determined using specific identification of their individual costs.

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



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial Assets

The Group recognises all financial assets in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting. A regular way purchase or sale is a purchase or sale of a financial asset that requires delivery of asset within the time frame established generally by regulation or convention in the marketplace concerned. Trade date accounting refers to :-

- the recognition of an asset to be received and the liability to pay for it on the trade date i.e. the date the Group commits itself to purchase or sell an asset; and
- derecognition of an asset that is sold, the recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

2.12.1 Classification

The Group classifies its financial assets into the following measurement categories depending on the business models used for managing the financial assets and the contractual cash flow characteristics of the financial assets :-

- (a) at amortised cost;
- (b) fair value through other comprehensive income; and
- (c) fair value through profit or loss.

The Group's financial assets comprised financial assets at amortised cost and financial assets at fair value through profit and loss and it does not have financial assets at fair value through other comprehensive income as at the end of the current and previous reporting periods. The classification of financial assets are disclosed in Note 32.1.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial Assets (Cont'd)

2.12.2 Measurement

At initial recognition, trade receivables without a significant financing component are measured at their transaction price when they are originated.

Other financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets at fair value through profit or loss are expensed to profit or loss when incurred.

Subsequent measurements of the Group's financial assets are described below :-

(a) Financial assets at amortised cost

A financial asset that is a debt instrument is measured at amortised cost if both of the following conditions are met and it is not designated as at fair value through profit or loss at initial recognition :-

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are subsequently measured at amortised cost using the effective interest method less any impairment losses. Interest income, gains or losses on derecognition, foreign exchange gains or losses and impairment are recognised in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

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

A financial asset that is a debt instrument is measured at FVTPL if it does not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI"). This includes all derivative financial assets.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL that otherwise meets the criteria for amortised cost or FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair value of financial assets at FVTPL and interest or dividend income are recognised in profit or loss.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial Assets (Cont'd)

2.12.3 Derecognition of financial assets

The Group derecognises a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset without retaining control or transfers substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2.13 Cash and Cash Equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed banks with original maturities of 3 months or less and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts. The statements of cash flows are prepared using the indirect method.

2.14 Impairment

2.14.1 Financial assets and contract assets

The Group recognises loss allowance for expected credit losses ("ECLs") on :-

- (a) financial assets measured at amortised cost;
- (b) financial guarantee contracts; and
- (c) contract assets.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months i.e. a 12-month ECL. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default i.e. a lifetime ECL.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 Impairment (Cont'd)

2.14.1 Financial assets and contract assets (Cont'd)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Refer to Note 32.2(a)(ii) for further details.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow in its entirety or a portion thereof.

An impairment loss in respect of financial assets measured at amortised cost and contract assets is recognised in profit or loss and the carrying amount of the assets is reduced through the use of an allowance account.

2.14.2 Non-financial assets

The carrying amounts of non-financial assets (other than inventories, contract assets and assets arising from costs to obtain and fulfil a contract and deferred tax assets) are reviewed for impairment at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised if the carrying amount of an asset or a cash generating unit ("CGU") exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss in the period in which it arises.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 Share Capital

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared on or before the reporting date are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

2.16 Treasury Shares

Shares repurchased by the Company are held as treasury shares and are measured and carried at the cost of purchase. Treasury shares are presented in the financial statements as a set-off against equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Should such shares be re-issued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable retained profits.

2.17 Financial Liabilities

The Group recognises all financial liabilities in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instruments.

2.17.1 Classification and measurement

Financial liabilities are initially measured at fair value minus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial liabilities at fair value through profit or loss are expensed to profit or loss when incurred.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

(a) Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL upon initial recognition or derivatives that are liabilities.

A financial liability is classified as held for trading if :-

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 Financial Liabilities (Cont'd)

2.17.1 Classification and measurement (Cont'd)

(a) Financial liabilities at fair value through profit or loss ("FVTPL") (Cont'd)

After initial recognition, financial liabilities at FVTPL are measured at fair value with any gains or losses arising from changes in fair value recognised in profit or loss. If a financial liability is designated as at FVTPL, the change in fair value that is attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining change in fair value of the liability is presented in profit or loss. The net gains or losses recognised in profit or loss do not include any exchange differences or interest paid on the financial liability. Exchange differences and interest expense on financial liabilities at FVTPL are recognised separately in profit or loss as part of other income or other expenses.

(b) Financial liabilities at amortised cost

All financial liabilities, other than those categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

A gain or loss on financial liabilities at amortised cost is recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2.17.2 Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligation specified in the contract is extinguished. When an existing financial liability is exchanged with the same lender on substantially different terms or the terms of an existing liability is substantially modified, they are accounted for as an extinguishment of the original financial liability and a new financial liability is recognised. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in profit or loss.

2.18 Offsetting Financial Instruments

Financial assets and financial liabilities are offset when the Group has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are measured at the higher of (i) the amount determined in accordance with the expected credit loss model under MFRS 9 *Financial Instruments*; and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*. The loss allowance on financial guarantee contracts, if any, is recognised as a provision and is reported under current liabilities.

2.20 Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency risks.

Derivatives are initially recognised at fair value at the date the derivative contract is entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset and derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The Group has not designated any derivatives as hedging instruments.

Embedded derivatives

Embedded derivatives are separated from host contract and accounted for separately if the host contract is not a financial asset and when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Employee Benefits

2.21.1 Short-term employee benefits

Wages, salaries and social security contributions, paid annual and sick leave, bonuses and non-monetary benefits are recognised as an expense in profit or loss or included in the costs of assets, where applicable, in the period in which the associated services are rendered by employees of the Group.

2.21.2 Post-employment benefits

(a) Defined contribution plans

The Group provides post-employment benefits by way of contribution to defined contribution plans operated by the relevant authorities at the prescribed rates.

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are recognised as an expense in profit or loss in the period to which the contributions relate or included in the costs of assets, where applicable.

(b) Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans and under which the pension benefits payable to employees are usually determined by reference to employee's earning and/or length of service.

The Group operates an unfunded defined benefit final salary plan for eligible employees.

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date together with adjustments for actuarial gains or losses and past service cost. The present value of the defined benefit obligation is determined on an annual basis by independent qualified actuaries using the Projected Unit Credit Method.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise and will not be reclassified to profit or loss.

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service cost is recognised as an expense in profit or loss in the period of a plan amendment or curtailment.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Employee Benefits (Cont'd)

2.21.3 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for those benefits. The Group recognises termination benefits at the earlier of (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the Group recognises costs for a restructuring.

Termination benefits falling over more than twelve (12) months after the end of the reporting period are discounted to present value.

2.22 Provisions

Provisions are recognised when the Group has a present legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the amount of a provision due to passage of time is recognised as finance cost.

2.23 Income Taxes

Tax expense is the aggregate amount of current and deferred taxes. Current and deferred taxes are recognised as income or expense in profit or loss except to the extent that the taxes relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity or a business combination.

Current tax is the expected tax payable on the taxable profit for the year and is calculated using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised, using the liability method, on temporary differences at end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and the amounts attributed to those assets and liabilities for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting profit nor taxable profit or loss.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.23 Income Taxes (Cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the end of the reporting period are used to determine deferred tax.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.24 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, production or preparation of qualifying assets until they are ready for their intended use or sale are capitalised as part of the cost of those assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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

2.25 Leases as a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

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

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset of the Group comprises acquired leasehold land which is included under the line item of Property, Plant and Equipment (Note 4) and is depreciated over the remaining lease period of between 13 and 60 years.

The lease liability is initially measured at the present value of future lease payments at the commencement date. Lease payments comprise fixed lease payments (including in-substance fixed payments).

The future lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Group's incremental borrowing rate. This is the rate that the Group entities would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment over a similar term.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.25 Leases as a Lessee (Cont'd)

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and which is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group has elected not to recognise the right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.26 Revenue from Contracts with Customers

The Group recognises revenue from a contract with customer when it satisfies a performance obligation by transferring control of a promised good or service to the customer. Performance obligations may be satisfied over time or at a point in time. Revenue is measured based on the consideration specified in the contract which the Group expects to be entitled in exchange for transferring the good or service, excluding the amounts collected on behalf of third parties.

The Group recognises revenue from the following business activities :-

2.26.1 Sales of vessels

Depending on the terms of a contract with customer, control of the vessel under construction may transfer over time or at a point in time.

The Group satisfies a performance obligation over time and therefore transfers control of a vessel under construction over time if the Group's performance :-

- (a) does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date; or
- (b) creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) provide benefits that the customer simultaneously receives and consumes as the Group performs.

Where any one of the above conditions is met, the Group recognises revenue over time. Otherwise, revenue is recognised at a point in time when control of a completed vessel is transferred upon delivery and acceptance by the customer.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.26 Revenue from Contracts with Customers (Cont'd)

2.26.1 Sales of vessels (Cont'd)

If control of the vessel under construction transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group recognises revenue over time using the input method, which is based on the level of proportion that the construction costs incurred for work performed to-date bear to the estimated total costs for the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Revenue is the amount of transaction price agreed under a vessel sale agreement and variations in contract works. When it is probable that the contract cannot be fulfilled on time, liquidated ascertained damages will be estimated based on expected value method and deducted from the contract transaction price. An upfront deposit is collected from the customer upon the signing of vessel sale agreement and the remaining balance is to be collected upon the achievement of agreed milestones.

There is no significant financing component in contracts with customers as the payment term is less than twelve (12) months from the date of milestone payment or transfer of promised goods to customers. Therefore, no adjustment is made to the promised amount of consideration for the effects of time value of money.

2.26.2 Vessel repair services

Revenue from vessel repair services comprise multiple deliverables which are highly integrated and are therefore recognised as a single performance obligation. The Group recognises revenue from vessel repair services on an over time basis using an input method to measure the progress towards complete satisfaction of the service when the customer simultaneously receives and consumes the benefits from the services provided. Otherwise, revenue is recognised at point in time when the customer obtains control of the asset or services.

2.27 Revenue from other Sources and Other Income

2.27.1 Dividend income

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

2.27.2 Interest income

Interest income is recognised on an accrual basis using the effective interest method.



Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.28 Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the financial year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year, net of treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, net of treasury shares held, for the effects of all dilutive potential ordinary shares.

2.29 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group. Operating segment results are reviewed by the chief operating decision maker i.e. the Group Managing Director who makes decision about resources to be allocated to the segments and to assess their performance and for which discrete financial information is available.

2.30 Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and leasing transactions, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Fair value measurements are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows :-

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



Notes to the Financial Statements (cont'd)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Significant judgements made in the process of applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the management are of the opinion that any instances of application of judgement are not expected to have significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

3.2 Key sources of estimation uncertainty

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

(a) Recognition of revenue and costs from shipbuilding construction contracts

The Group recognises revenue from shipbuilding construction contracts over time or at a point in time depending on the terms of contracts with customers. Where revenue is recognised over time, the Group uses the input method also known as the percentage of completion method which is based on the proportion of contract costs incurred for work performed to-date bear to the estimated total costs for that contract.

Significant judgement is required in determining the percentage of completion, the extent of the contract costs incurred and the estimated total contract revenue and costs. Total contract revenue includes an estimation of the amount of variation works that are recoverable from customers. In making this judgement, the Group evaluates based on past experience of the management on similar contract work undertaken by the Group and the expertise of specialists.

The management also assess each construction contract individually to ensure that the recognition of revenue and profit is appropriate and that the amounts due from customers are recoverable. Significant judgement is required in determining and assessing whether the Group's customers would be able to fulfill their contractual obligations and take delivery of their respective vessels. The carrying amounts of the Group's contract assets and contract liabilities as at the end of the reporting period are disclosed in Note 10.



**Notes to the Financial Statements
(cont'd)**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
(CONT'D)**

3.2 Key sources of estimation uncertainty (Cont'd)

(b) Estimation of net realisable values of inventories - vessels

The net realisable values of vessels are assessed based on the management's best estimate of the latest selling prices after taking into consideration of the economic condition relevant to the industry and/or pricing of similar assets transacted by the Group and other industry players subsequent to the reporting period. Where appropriate, the Group engages independent external valuers to assess the net realisable values of its vessels. However, factors such as demand levels, technological advances and pricing competition may cause changes to the original estimate and which will impact the carrying amount of the vessels. The carrying amount of the Group's vessels as at 31 May 2025 was RM73,179,127 (2024 : RM76,763,626) as disclosed in Note 9.

(c) Impairment losses on receivables including amount due from subsidiaries

The Group and the Company make allowances for impairment losses on receivables based on their assessment that involves making assumptions about the default risk and expected loss rate of the counterparty and the collaterals held, if any. Significant judgement is required in making these assumptions and in determining the inputs used for impairment calculation. Where the actual outcome is different from the estimates, the difference will impact the carrying value of the receivables. The carrying amounts of the Group's trade and other receivables as at the end of the reporting period are disclosed in Note 11 and the amount due from subsidiaries to the Company is disclosed in Note 8.

(d) Depreciation of property, plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Management estimate the useful lives of these plant and equipment to be between 5 and 10 years. These are common life expectancies applied in the vessels construction, vessels chartering and transportation industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment, therefore the future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment as at the end of the reporting period are disclosed in Note 4.1.

(e) Impairment of property, plant and equipment

The Group assesses impairment of property, plant and equipment when the events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value after taking into account the costs to sell or expected value in use of the relevant assets.



Notes to the Financial Statements (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

4.1 The movements of property, plant and equipment during the financial year are as follows :-

Group 2025	Right-of-use assets		Buildings and workers' quarters	Plant and machinery	Motor vehicles	Jetty and road	Office equipment, furniture and fittings	Capital work-in- progress	Total
	Freehold land RM	Leasehold land RM							
Costs									
Balance at 1 June 2024	-	12,063,932	11,151,415	13,930,460	2,772,543	841,135	721,988	347,234	41,828,707
Additions	742,000	5,847,023	6,006,325	1,763,744	421,779	724,901	123,920	1,004	15,630,696
Write-off	-	-	-	(18,108)	-	-	(65,013)	-	(83,121)
Reclassification	-	(119,896)	-	-	-	-	-	119,896	-
Balance at 31 May 2025	742,000	17,791,059	17,157,740	15,676,096	3,194,322	1,566,036	780,895	468,134	57,376,282
Accumulated depreciation									
Balance at 1 June 2024	-	3,606,969	4,580,226	10,645,127	1,913,868	833,809	658,312	-	22,238,311
Charge for the financial year	-	398,841	514,989	595,755	381,020	43,546	40,775	-	1,974,926
Write-off	-	-	-	(17,750)	-	-	(64,772)	-	(82,522)
Balance at 31 May 2025	-	4,005,810	5,095,215	11,223,132	2,294,888	877,355	634,315	-	24,130,715
Net book value as at 31 May 2025	742,000	13,785,249	12,062,525	4,452,964	899,434	688,681	146,580	468,134	33,245,567
		(Note 4.2)	(Note 4.2)		(Note 4.3)	(Note 4.2)			

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

4.1 The movements of property, plant and equipment during the financial year are as follows :- (Cont'd)

Group (Cont'd)

2024

	Right-of-use assets		Buildings and workers' quarters		Plant and machinery		Motor vehicles		Slipway and jetty		Office equipment, furniture and fittings		Capital work-in-progress		Total
	Leasehold land	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Costs															
Balance at 1 June 2023	10,958,668	11,151,415	11,286,793	2,649,169	3,720,347	692,294	3,089,770	43,548,456							
Additions	772,850	-	713,335	123,374	-	58,199	100,722	1,768,480							
Disposal	-	-	(473,762)	-	-	-	-	(473,762)							
Write-off	-	-	(106,750)	-	(2,879,212)	(28,505)	-	(3,014,467)							
Transfer	332,414	-	2,510,844	-	-	-	(2,843,258)	-							
Balance at 31 May 2024	12,063,932	11,151,415	13,930,460	2,772,543	841,135	721,988	347,234	41,828,707							
Accumulated depreciation															
Balance at 1 June 2023	3,352,932	4,365,555	10,095,603	1,617,203	3,705,676	660,132	-	23,797,101							
Charge for the financial year	254,037	214,671	797,695	296,665	7,306	22,652	-	1,593,026							
Disposal	-	-	(142,128)	-	-	-	-	(142,128)							
Write-off	-	-	(106,043)	-	(2,879,173)	(24,472)	-	(3,009,688)							
Balance at 31 May 2024	3,606,969	4,580,226	10,645,127	1,913,868	833,809	658,312	-	22,238,311							
Net book value as at 31 May 2024	8,456,963	6,571,189	3,285,333	858,675	7,326	63,676	347,234	19,590,396							

(Note 4.3)

Notes to the Financial Statements (cont'd)



Notes to the Financial Statements (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- 4.2 A subsidiary, Pantas Marine Sdn. Bhd. ("PMSB"), had completed the acquisition of a parcel of leasehold land together with the buildings and a reinforced concrete jetty erected thereon ("the Property") during the the financial year for a total cash consideration of RM12,000,000.

The acquisition of the Property is partly financed by a term loan facility granted to PMSB, further details of which are disclosed in Note 15.1. Pending the issuance of a legal title over the Property, a deed of assignment has been created in favour of PMSB. The assets have been pledged as security for the term loan facility and their carrying amounts as at the end of the reporting period are as follows :-

	Group	
	2025 RM	2024 RM
Leasehold land	5,537,440	–
Buildings	5,706,009	–
Jetty and road	688,656	–
	11,932,105	–

- 4.3 Property, plant and equipment include the following assets acquired under hire-purchase arrangements :-

Group	Cost RM	Accumulated depreciation RM	Carrying amount RM	Current depreciation RM
2025				
Motor vehicles	1,192,000	(634,400)	557,600	238,400
2024				
Motor vehicles	1,270,000	(564,000)	706,000	254,000

- 4.4 Depreciation is charged to the profit or loss under the following line items :-

	Group	
	2025 RM	2024 RM
Administrative expenses	1,116,249	512,786
Cost of sales	858,677	1,080,240
	1,974,926	1,593,026



Notes to the Financial Statements (cont'd)

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	82,500,004	77,500,004

5.1 Details of subsidiaries

Details of the subsidiaries are as follows :-

Names of companies	Principal activities	Country of incorporation	Effective equity interest (%)	
			2025	2024
Tuong Aik Shipyard Sdn. Bhd. *	Shipbuilding and provision of ship repairs and maintenance services	Malaysia	100	100
Pantas Marine Sdn. Bhd. *	Ship repairing, maintenance and provision of vessel chartering services	Malaysia	100	100
Western Realty Sdn. Bhd. *	Property investment and property development activities - dormant during the financial year	Malaysia	100	100
TAS Epic Sdn. Bhd. *	Agricultural development activities - dormant during the financial year	Malaysia	100	100

* Not audited by Folks DFK & Co.

5.2 Subscription to additional shares issued by a subsidiary during the financial year

On 10 September 2024, the Company subscribed to an additional 5,000,000 new ordinary shares issued by Pantas Marine Sdn. Bhd. at an issue price of RM1 each. The subscription to new ordinary shares has no significant financial impact to the Group's financial statements for the current financial year.



Notes to the Financial Statements (cont'd)

6. OTHER INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current assets				
Investments in unit trust funds classified as financial assets at fair value through profit or loss	30,086,613	30,862,364	28,239,530	29,077,632
Current assets				
Placements in debt instruments measured at amortised cost	990,209	1,047,381	990,209	1,047,381
Less : Impairment losses	(197,851)	–	(197,851)	–
	792,358	1,047,381	792,358	1,047,381

7. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance at beginning of financial year	2,655,759	(202,965)	35,632	31,966
Recognised in profit or loss	(362,466)	2,858,724	3,825	3,666
Recognised in other comprehensive income	230,718	–	23,072	–
Balance at end of financial year	2,524,011	2,655,759	62,529	35,632

Presented after appropriate offsetting as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	4,306,131	4,484,312	62,529	35,632
Deferred tax liabilities	(1,782,120)	(1,828,553)	–	–
	2,524,011	2,655,759	62,529	35,632



Notes to the Financial Statements
(cont'd)

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting of balances are as follows :-

Group	As at 01.06.2024 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	As at 31.05.2025 RM
2025				
Deferred tax liabilities				
Property, plant and equipment	(1,447,832)	(142,225)	–	(1,590,057)
Right-of-use asset	(1,099,335)	24,985	–	(1,074,350)
	(2,547,167)	(117,240)	–	(2,664,407)
Deferred tax assets				
Retirement benefits	356,321	38,255	230,718	625,294
Other deductible temporary differences	4,846,605	(283,481)	–	4,563,124
	5,202,926	(245,226)	230,718	5,188,418
	2,655,759	(362,466)	230,718	2,524,011
2024				
Deferred tax liabilities				
Property, plant and equipment	(1,446,105)	(1,727)		(1,447,832)
Right-of-use asset	(1,124,320)	24,985		(1,099,335)
	(2,570,425)	23,258		(2,547,167)
Deferred tax assets				
Retirement benefits	319,664	36,657		356,321
Other deductible temporary differences	2,047,796	2,798,809		4,846,605
	2,367,460	2,835,466		5,202,926
	(202,965)	2,858,724		2,655,759

Notes to the Financial Statements
(cont'd)

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting of balances are as follows :- (Cont'd)

Company				
	As at 01.06.2024 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	As at 31.05.2025 RM
2025				
Deferred tax assets				
Retirement benefits	35,632	3,825	23,072	62,529
	As at 01.06.2023 RM	Recognised in profit or loss RM	Recognised in profit or loss RM	As at 31.05.2024 RM
2024				
Deferred tax assets				
Retirement benefits		31,966	3,666	35,632

8. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Non-current		
Interest bearing	10,000,000	12,650,000
Current		
Non-interest bearing	1,486,905	1,127,635
	11,486,905	13,777,635

The amounts due from subsidiaries are non-trade in nature, unsecured, repayable on demand and settlement is expected to be in cash. The amounts due have been classified as current and non-current based on the expected timing of settlement of debts.

Interest charged on interest-bearing amount due from a subsidiary during the financial year was calculated at rates ranging from 4.51% to 7.82% (2024 : 4.49% to 7.82%) per annum.



Notes to the Financial Statements (cont'd)

9. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials and consumable stores	21,923,521	17,344,919
Work-in-progress - vessels under construction	53,272,531	45,624,463
Completed vessels	19,906,596	31,139,163
Goods-in-transit	3,587,884	734,120
	98,690,532	94,842,665

Inventories recognised as an expense during the financial year amounted to RM86,522,487 (2024 : RM44,276,547). This expense is included under cost of sales of the Group's profit or loss.

10. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	2025 RM	2024 RM
Contract assets	9,405,582	–
Contract liabilities	(36,915,069)	(55,082,237)
	(27,509,487)	(55,082,237)

The contract assets and contract liabilities of the Group are analysed as follows :-

	Group	
	2025 RM	2024 RM
Balance at beginning of financial year	(55,082,237)	(29,151,473)
Progress billings issued during the financial year	(116,708,319)	(97,239,570)
Contract revenue recognised during the financial year	144,281,069	71,308,806
Balance at end of financial year	(27,509,487)	(55,082,237)

Contract assets relate to the Group's rights to consideration for work completed on vessels sold but not yet billed at the end of the reporting date. When progress billings are issued to customers, the contract assets are transferred to receivables where rights to consideration become unconditional.

Contract liabilities comprised deposits received from customers and the excess of progress billings issued over the cumulative revenue earned. Contract liabilities are recognised as revenue when performance obligations are satisfied by the transfer of control of promised goods or services to the customers.



Notes to the Financial Statements (cont'd)

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables (Note 11.1)	9,977,414	31,946,494	–	–
Other receivables, deposits and prepayments (Note 11.2)	2,962,453	6,781,188	2,000	2,000
	12,939,867	38,727,682	2,000	2,000

11.1 Trade receivables

The normal credit period of trade receivables relating to ship repairing activities is 60 days (2024 : 60 days). In respect of shipbuilding contracts, the debts arising are to be settled within a period of 7 days (2024 : 7 days) from the date the billings are rendered. Other credit terms are assessed and approved on a case-by-case basis.

The Group's exposure to credit risk and allowance on expected credit losses ("ECLs") for trade receivables are summarised below :-

2025

	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
Not credit impaired			
Current - Not past due	–	–	–
0 to 30 days past due	5,880,420	–	5,880,420
31 to 120 days past due	4,088,255	–	4,088,255
More than 120 days past due	86,542	(86,542)	–
	10,055,217	(86,542)	9,968,675
Credit impaired	463,295	(454,556)	8,739
	10,518,512	(541,098)	9,977,414

2024

	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
Not credit impaired			
Current - Not past due	–	–	–
0 to 30 days past due	22,121,828	–	22,121,828
31 to 120 days past due	4,927,790	–	4,927,790
More than 120 days past due	4,905,555	(23,000)	4,882,555
	31,955,173	(23,000)	31,932,173
Credit impaired	799,452	(785,131)	14,321
	32,754,625	(808,131)	31,946,494



Notes to the Financial Statements
(cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.1 Trade receivables (Cont'd)

The movements in the Group's allowance for ECLs during the financial year are as follows :-

	Lifetime ECLs RM	Credit impaired RM	Total RM
2025			
Balance at 1 June 2024	23,000	785,131	808,131
Net loss/(gain) on remeasurement of loss allowance	63,542	(330,575)	(267,033)
Balance at 31 May 2025	86,542	454,556	541,098
2024			
Balance at 1 June 2023	28,000	785,131	813,131
Net gain on remeasurement of loss allowance	(5,000)	–	(5,000)
Balance at 31 May 2024	23,000	785,131	808,131

The Group's trade receivables are denominated in the following currencies :-

	Group	
	2025 RM	2024 RM
Singapore Dollar	9,977,414	31,871,360
United States Dollar	–	75,134
	9,977,414	31,946,494



Notes to the Financial Statements (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.2 Other receivables, deposits and prepayments

These comprised :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits paid to shipbuilding suppliers and contractors (Note 11.2(a))	1,799,155	4,889,611	–	–
Deposits paid for acquisitions of land and buildings (Note 30)	344,862	1,544,862	–	–
Sundry deposits	7,940	6,540	2,000	2,000
Other receivables (Note 11.2(b))	518,975	38,981	–	–
	2,670,932	6,479,994	2,000	2,000
Prepayments	291,521	301,194	–	–
	2,962,453	6,781,188	2,000	2,000

(a) Deposits paid to shipbuilding suppliers and contractors

These comprised non-refundable deposits paid to suppliers for purchase of materials and equipment and initial payments paid to contractors in accordance with the terms of shipbuilding contracts. Such deposits will be used to offset against the costs of materials or contract services provided by the suppliers or contractors.

(b) Other receivables as at 31 May 2025 include a life insurance premium of RM500,672 that is refundable to the Group upon the expiration of the life insurance policy on 8 November 2029.

This life insurance relates to the security arrangement for term loan facilities granted to Pantas Marine Sdn. Bhd. ("PMSB") as further disclosed in Note 15.1. It is taken up in the name of a Director of the Company ("the Insured Person") and thereafter, assigned to the licensed bank. The life insurance premium is refundable in full as long as the Insured Person does not claim and the insurance remains in force until its expiry date.

(c) Other receivables, deposits and prepayments of the Group and of the Company are denominated in the following currencies :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	2,343,935	4,921,568	2,000	2,000
Singapore Dollar	583,175	371,286	–	–
United States Dollar	35,343	1,391,217	–	–
Japanese Yen	–	97,117	–	–
	2,962,453	6,781,188	2,000	2,000



Notes to the Financial Statements
(cont'd)

12. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash in hand	7,764	4,028	2,185	2,470
Cash at banks	15,853,272	5,110,777	389,187	1,471,347
	15,861,036	5,114,805	391,372	1,473,817

The cash at banks of the Group and of the Company as at the end of the reporting period amounting to RM1,223,890 and RM174,448 (2024 : RM1,707,831 and RM1,165,188) respectively carries an effective interest rate of 0.25% (2024 : 0.25% to 0.50%) per annum.

The Group's and the Company's cash and bank balances are denominated in the following currencies :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	1,601,312	2,298,980	391,372	1,473,817
Singapore Dollar	14,005,222	1,876,227	—	—
United States Dollar	254,456	939,516	—	—
Japanese Yen	46	82	—	—
	15,861,036	5,114,805	391,372	1,473,817

13. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount (RM)	
	2025	2024	2025	2024
Issued and fully paid-up ordinary shares				
Balance at beginning and at end of financial year	180,002,000	180,002,000	117,640,472	117,640,472

Ordinary shares of the Company have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company.



Notes to the Financial Statements (cont'd)

14. TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 30 October 2024, had renewed the Directors' authority for the Company to buy back its own shares up to ten percent (10%) of the total issued and paid-up share capital of the Company.

The balance of RM365,335 (2024 : RM365,335) comprised the cumulative cost of treasury shares acquired as at the end of the reporting period.

The number of treasury shares held by the Company as at 31 May 2025 was 1,144,199 (2024 : 1,144,199). The Company did not repurchase any of its own shares and none of the treasury shares were resold or cancelled during the current financial year (2024 : NIL). The shares repurchased are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016. As at 31 May 2025, the number of the Company's shares in issue after deducting treasury shares is 178,857,801 (2024 : 178,857,801) ordinary shares.

15. BANK BORROWINGS (SECURED)

	Group	
	2025 RM	2024 RM
Non-current		
Term loans (Note 15.1)	5,810,850	–
Hire-purchase (Note 15.3)	265,905	383,549
	6,076,755	383,549
Current		
Bank overdraft (Note 15.2)	621,095	–
Term loans (Note 15.1)	1,482,675	–
Hire-purchase (Note 15.3)	209,233	173,776
Revolving credit (Note 15.2)	3,000,000	3,000,000
Banker's acceptances (Note 15.2)	–	6,501,000
	5,313,003	9,674,776
	11,389,758	10,058,325



Notes to the Financial Statements
(cont'd)

15. BANK BORROWINGS (SECURED) (CONT'D)

15.1 Term loans

	Group	
	2025 RM	2024 RM
Term loan I with a facility limit of RM7,200,000 to part finance the acquisition of a property, repayable by 54 monthly instalments of RM136,000 each commencing from February 2025	6,772,736	–
Term loan II with a facility limit of RM540,000 to finance the premium for life insurance (Note 11.2(b)), repayable by 64 monthly instalments of RM9,605 each commencing from April 2025	520,789	–
	7,293,525	–

The term loans are repayable as follows :-

	Group	
	2025 RM	2024 RM
Current liabilities		
Within 1 year	1,482,675	–
Non-current liabilities		
Between 2 and 5 years	5,810,850	–
	7,293,525	–

The term loans are secured by a Deed of Assignment and Power of Attorney over the title of the assets as disclosed in Note 4.2, a corporate guarantee from the Company and an assignment of life insurance of a Director of the Company (Note 11.2(b)).

15.2 Bank overdraft, revolving credit and banker's acceptances

The bank overdraft, revolving credit and other credit facilities granted by a licensed bank to a subsidiary of the Group are secured by a facility agreement, a Deed of Assignment of Contract Proceeds and Power of Attorney to cover all shipbuilding contracts/agreements financed by the lending bank and a corporate guarantee from the Company.



Notes to the Financial Statements (cont'd)

15. BANK BORROWINGS (SECURED) (CONT'D)

15.3 Hire-purchase

	Group	
	2025 RM	2024 RM
Future minimum payments :		
- Within 1 year	226,016	194,884
- Between 2 and 5 years	277,113	406,574
	503,129	601,458
Future finance charges on hire-purchase	(27,991)	(44,133)
Present value	475,138	557,325
Payable within 1 year (under current liabilities)	(209,233)	(173,776)
Payable between 2 and 5 years (under non-current liabilities)	265,905	383,549

15.4 Interest rates

Interests on the borrowings utilised by the Group during the financial year were charged at the following rates :-

	2025 % per annum	2024 % per annum
Bank overdraft	7.82	–
Term loans	4.31 - 4.36	4.18 - 4.37
Hire-purchase	3.90 - 4.64	3.90 - 4.46
Revolving credit	5.06 - 5.47	5.28 - 5.39
Banker's acceptances	4.51 - 4.71	4.49 - 4.80

16. RETIREMENT BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Present value of unfunded defined benefit obligations	2,605,396	1,484,673	260,540	148,468

The Group implements an unfunded defined benefit plan for eligible Directors. The benefits are payable upon attaining normal retirement age of between 70 and 80 years old, death, or ill health. The actuarial valuation was performed on 19 May 2025. The weighted average duration of the defined benefit obligations as at the end of the reporting period is 11 years (2024 : 4 years).



Notes to the Financial Statements
(cont'd)

16. RETIREMENT BENEFITS (CONT'D)

The movements in the present value of employee benefits during the financial year are as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance at beginning of financial year	1,484,673	1,331,934	148,468	133,194
Recognised in profit or loss				
Current service costs	96,306	94,830	9,631	9,483
Interest on obligation	63,094	57,909	6,309	5,791
	159,400	152,739	15,940	15,274
Recognised in other comprehensive income				
Actuarial losses arising from :				
- changes in actuarial assumptions	730,780	–	73,078	–
- experience adjustments	230,543	–	23,054	–
	961,323	–	96,132	–
Balance at end of financial year	2,605,396	1,484,673	260,540	148,468

The amount recognised in profit or loss has been included under administrative expenses.

The significant actuarial assumptions used to determine the present value of the defined benefit obligations are as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Discount rate	4.30%	4.50%	4.30%	4.50%
Future average salary increases	5.00%	2.00%	5.00%	2.00%



Notes to the Financial Statements (cont'd)

16. RETIREMENT BENEFITS (CONT'D)

The sensitivity of the defined benefit obligations to changes in the significant actuarial assumptions is shown below.

	Increase/(Decrease) in defined benefit obligations			
	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Discount rate increases by 1%	(255,349)	(60,937)	(25,535)	(6,094)
Discount rate decreases by 1 %	302,734	71,703	30,273	7,170
Future average salary growth increases by 1%	311,241	109,757	31,124	10,976
Future average salary growth decreases by 1%	(267,240)	(95,956)	(26,724)	(9,596)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables (Note 17.1)	34,581,697	20,574,763	–	–
Other payables and accruals (Note 17.2)	563,203	525,750	248,645	228,800
	35,144,900	21,100,513	248,645	228,800

17.1 Trade payables

The Group's trade payables are denominated in the following currencies :-

	Group	
	2025 RM	2024 RM
Ringgit Malaysia	29,078,000	15,156,781
Singapore Dollar	2,312,308	1,326,229
United States Dollar	2,407,309	4,091,753
Yen	784,080	–
	34,581,697	20,574,763

The normal credit period of trade payables granted to the Group ranges from 7 to 90 days (2024 : 7 to 90 days).



Notes to the Financial Statements
(cont'd)

17. TRADE AND OTHER PAYABLES (CONT'D)

17.2 Other payables and accruals

These comprised :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	71,614	59,179	7,845	–
Accruals	491,589	466,571	240,800	228,800
	563,203	525,750	248,645	228,800

18. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers	144,281,069	71,308,806	–	–
Revenue from other sources :				
- Income from unit trust funds	864,842	816,293	864,842	816,293
- Interest from fixed deposits	–	193,601	–	193,601
- Interest from placement in debt instruments	21,966	69,406	21,966	69,406
- Dividend from a subsidiary	–	–	3,000,000	–
	145,167,877	72,388,106	3,886,808	1,079,300



Notes to the Financial Statements (cont'd)

18. REVENUE (CONT'D)

18.1 Disaggregation of revenue from contracts with customers

	Group	
	2025 RM	2024 RM
Nature of contracts with customers		
Shipbuilding contracts	144,281,069	71,308,806
Geographical markets		
Indonesia	137,895,424	60,948,696
Singapore	6,385,645	10,360,110
	144,281,069	71,308,806
Timing of recognition		
At a point in time	110,669,337	60,269,531
Over time	33,611,732	11,039,275
	144,281,069	71,308,806

Revenue from shipbuilding contracts recognised during the financial year includes RM42,722,820 (2024 : RM17,998,808) that was included in contract liabilities at the beginning of the reporting period.

18.2 Unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied performance obligations as of the end of the reporting period and the periods in which they are expected to be recognised are as follows :-

	Revenue recognition		
	At a point in time RM	Over time RM	Total RM
Group - 2025			
Within one year	152,926,739	8,235,678	161,162,417
Between one and two years	117,765,721	–	117,765,721
	270,692,460	8,235,678	278,928,138
Group - 2024			
Within one year	110,476,480	44,082,757	154,559,237
Between one and two years	20,098,624	–	20,098,624
	130,575,104	44,082,757	174,657,861

As a practical expedient, the Group has not disclosed the remaining performance obligations that have an original expected duration of one year or less or where the Group recognises revenue at the amount to which the Group has the right to invoice for services rendered.



Notes to the Financial Statements
(cont'd)

19. COST OF SALES

	Group	
	2025	2024
	RM	RM
Cost of shipbuilding contracts	114,623,030	55,860,337

20. FINANCE COSTS

	Group	
	2025	2024
	RM	RM
Interest on :-		
Bank overdrafts	27,299	31,330
Bankers' acceptances and revolving credits	222,941	239,379
Hire-purchase	24,891	30,586
Term loans	121,379	67,215
	396,510	368,510
Less : Finance costs recognised under cost of sales	(98,618)	(107,273)
	297,892	261,237



Notes to the Financial Statements (cont'd)

21. PROFIT BEFORE TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation is arrived at after charging :-				
Auditors' remuneration :				
- Annual statutory audit	103,400	91,400	40,000	40,000
- Non-audit fees	3,000	3,000	3,000	3,000
Defined benefit cost	159,400	152,739	15,940	15,274
Depreciation of property, plant and equipment	1,974,926	1,593,026	-	-
Property, plant and equipment written off	599	4,779	-	-
Impairment losses for placements in debt instruments measured at amortised cost	197,851	-	197,851	-
Inventories written off	25,989	39,319	-	-
Unrealised loss on foreign exchange	2,211,365	-	-	-
Loss on changes in fair value of investments measured at fair value through profit or loss	831,085	-	885,960	-
and crediting :-				
Income from unit trust funds	874,677	866,029	864,842	816,293
Gain on changes in fair value of derivative instruments	-	9,119	-	-
Gain on disposal of property, plant and equipment	-	18,367	-	-
Gain on foreign exchange :				
- realised	2,982,522	56,346	-	-
- unrealised	-	337,000	-	-
Gain on disposal of investments measured at fair value through profit or loss	10,809	37,445	10,809	37,995
Gain on changes in fair value of investments measured at fair value through profit or loss	-	1,279,108	-	1,228,916
Reversal of impairment losses for trade receivables	267,033	5,000	-	-
Interest income from :				
- fixed and short-term deposits with licensed banks	105,769	390,266	3,625	207,017
- placement in debt instruments	21,966	69,406	21,966	69,406
- a subsidiary	-	-	605,297	407,757
Dividend from a subsidiary	-	-	3,000,000	-
Waiver of debts	10,650	162,479	-	-



Notes to the Financial Statements
(cont'd)

22. DIRECTORS' REMUNERATIONS

The details of remunerations provided to the Directors of the Group and of the Company during the financial year are as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive Directors of the Company				
Salaries, allowances and bonus	2,376,804	1,942,314	237,680	194,231
Defined contribution plan - Employees Provident Fund	285,220	233,088	28,522	23,309
Defined benefit cost	159,400	152,739	15,940	15,274
Other benefits	34,082	31,480	347	306
Estimated value of benefits-in-kind	69,350	59,775	69,350	59,775
	2,924,856	2,419,396	351,839	292,895
Non-executive Directors of the Company				
Fees	181,000	169,000	181,000	169,000
Allowances and other benefits	28,400	36,300	28,400	36,300
	209,400	205,300	209,400	205,300
Executive Directors of the subsidiaries				
Salaries, allowances and bonus	149,940	146,440	-	-
Defined contribution plan - Employees Provident Fund	18,006	17,586	-	-
Other benefits	12,189	8,583	-	-
Estimated value of benefits-in-kind	6,900	4,800	-	-
	187,035	177,409	-	-
Non-executive Directors of the subsidiaries				
Fees	31,000	28,000	-	-
Allowances and other benefits	22,439	15,916	-	-
	53,439	43,916	-	-
Total remuneration	3,374,730	2,846,021	561,239	498,195



Notes to the Financial Statements (cont'd)

23. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax :				
- for the financial year	5,456,006	6,011,122	142,688	122,179
- under/(over) provision in prior financial year	4,596	(16,303)	6,041	(11,291)
	5,460,602	5,994,819	148,729	110,888
Deferred tax expense/(income) resulting from origination and reversal of temporary differences:				
- for the financial year	359,669	(2,855,827)	(3,825)	(3,666)
- prior financial year	2,797	(2,897)	–	–
	362,466	(2,858,724)	(3,825)	(3,666)
Total tax expense	5,823,068	3,136,095	144,904	107,222

A reconciliation of tax expense applicable to the profit before taxation at the applicable statutory tax rate to the tax expense at the effective income tax rate of the Group and of the Company is as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	23,377,625	12,800,170	2,417,580	1,710,773
Taxation at applicable statutory tax rate of 24% (2024 : 24%)	5,610,630	3,072,041	580,219	410,586
Tax effect in respect of :-				
Expenses that are not deductible in determining taxable profit	590,092	488,793	341,532	93,603
Income not subject to tax	(385,047)	(405,539)	(782,888)	(385,676)
Under/(Over) provision in prior financial year :				
- Current tax	4,596	(16,303)	6,041	(11,291)
- Deferred tax	2,797	(2,897)	–	–
Total tax expense	5,823,068	3,136,095	144,904	107,222



Notes to the Financial Statements (cont'd)

24. EARNINGS PER SHARE

24.1 Basic

The basic earnings per share is calculated on the Group's profit for the financial year attributable to ordinary equity holders of the Company of RM17,554,557 (2024 : RM9,664,075) and is based on the weighted number of ordinary shares outstanding during the financial year of 178,857,801 (2024 : 178,857,801).

24.2 Diluted

Diluted earnings per share is not presented as there are no dilutive potential ordinary shares outstanding as at 31 May 2025 (2024 : NIL).

25. DIVIDENDS DECLARED/PAID

Dividends declared and paid during the financial year are as follows :-

	Group and Company	
	2025	2024
	RM	RM
For the financial year ended 31 May 2025		
- A single-tier interim dividend of two (2) sen per ordinary share, declared on 5 May 2025 and paid on 18 June 2025	3,577,156	–
For the financial year ended 31 May 2024		
- First single-tier interim dividend of one (1) sen per ordinary share, declared on 26 September 2023 and paid on 30 October 2023	–	1,788,578
- Second single-tier interim dividend of one (1) sen per ordinary share, declared on 25 April 2024 and paid on 18 June 2024	–	1,788,578
	3,577,156	3,577,156



Notes to the Financial Statements (cont'd)

26. EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Staff costs comprised :-				
Salaries, wages and bonuses	5,550,576	4,424,072	271,712	230,403
Defined contribution plan - Employees Provident Fund	541,414	456,959	32,626	27,341
Defined benefit cost	159,400	152,739	15,940	15,274
Others	164,425	134,999	741	653
	6,415,815	5,168,769	321,019	273,671

The employee benefit expenses have been charged to the profit or loss under the following line items :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Administrative expenses	4,354,638	3,663,756	321,019	273,671
Cost of sales	2,061,177	1,505,013	–	–
	6,415,815	5,168,769	321,019	273,671

Included in employee benefit expenses are remuneration provided to Executive Directors of the Group and of the Company amounting to RM3,035,641 (2024 : RM2,532,230) and RM282,489 (2024 : RM233,120) respectively.

27. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

27.1 Acquisition of property, plant and equipment

	Group	
	2025 RM	2024 RM
Aggregate cost of property, plant and equipment acquired	15,630,696	1,768,480
Amount financed under hire-purchase financing	(120,000)	–
Cash purchase	15,510,696	1,768,480

The principal amount of instalment payments for property, plant and equipment acquired by hire-purchase financing are reflected as cash outflows from financing activities.



Notes to the Financial Statements
(cont'd)

27. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

27.2 Liabilities arising from financing activities

Changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes, during the financial year are analysed in the table below :-

	At beginning of financial year RM	Financing obtained RM	Net cash flows RM	At end of financial year RM
2025				
Term loans	–	–	7,293,525	7,293,525
Hire-purchase	557,325	120,000	(202,187)	475,138
Banker's acceptances	6,501,000	–	(6,501,000)	–
Revolving credit	3,000,000	–	–	3,000,000
	10,058,325	120,000	590,338	10,768,663
2024				
Term loan	3,001,913	–	(3,001,913)	–
Hire-purchase	780,598	–	(223,273)	557,325
Banker's acceptances	3,764,000	–	2,737,000	6,501,000
Revolving credit	–	–	3,000,000	3,000,000
	7,546,511	–	2,511,814	10,058,325

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or when both parties are under the common control of another party.

28.1 Transactions with related parties

Transactions with companies in which certain Directors have substantial interests are as follows :-

	Group	
	2025 RM	2024 RM
Expenditure incurred		
Purchase of marine paints	333	8,114
Purchase of raw materials	324,000	285,730



Notes to the Financial Statements (cont'd)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

28.1 Transactions with related parties (Cont'd)

Transaction between the Company and its subsidiary is as follows :-

	Company	
	2025	2024
	RM	RM
Interest charged to a subsidiary	605,297	407,757

28.2 Year-end outstanding balances with related parties

As at the end of the reporting period, the Group has no significant outstanding balances with its related parties other than the following indebtedness between the Company and its subsidiaries :-

	Company	
	2025	2024
	RM	RM
Amount receivable from subsidiaries	11,486,905	13,777,635

The terms and conditions of the above indebtedness are disclosed in Note 8.

No bad and doubtful debt expense has been recognised during the financial year in respect of amount due from the subsidiaries (2024 : NIL).



Notes to the Financial Statements (cont'd)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

28.3 Key management personnel compensation

Key management personnel of the Group comprise persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and include the Executive and Non-executive Directors.

The remunerations of the Directors and other key management personnel for the financial year are as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors				
Short-term employee benefits	2,835,854	2,378,033	447,427	399,837
Post-employment benefits - contribution to Employees Provident Fund	303,226	250,674	28,522	23,309
Defined benefit cost	159,400	152,739	15,940	15,274
Estimated value of benefits-in-kind	76,250	64,575	69,350	59,775
	3,374,730	2,846,021	561,239	498,195
Other key management personnel				
Short-term employee benefits	491,282	487,991	33,816	33,769
Post-employment benefits - contribution to Employees Provident Fund	55,973	55,745	4,032	4,032
Estimated value of benefits-in-kind	14,692	12,767	14,692	12,767
	561,947	556,503	52,540	50,568
Total	3,936,677	3,402,524	613,779	548,763

29. SEGMENT REPORTING

29.1 Operating Segment

The Group's operations comprise mainly of shipbuilding and ship repairing activities which collectively are considered as one business segment. Accordingly, the operating revenue and results of this segment are reflected in the Group's profit or loss. The segment assets and liabilities are as presented in the Group's statement of financial position.



Notes to the Financial Statements (cont'd)

29. SEGMENT REPORTING (CONT'D)

29.2 Geographical Information

In determining geographical segments of the Group, "Revenue" is based on the geographical location of customers and "Non-current assets" are based on the geographical location of the assets. The non-current assets do not include financial instruments and deferred tax assets.

	2025		2024	
	Revenue RM	Non-current assets RM	Revenue RM	Non-current assets RM
Malaysia	886,808	33,245,567	1,079,300	19,590,396
Indonesia	137,895,424	–	60,948,696	–
Singapore	6,385,645	–	10,360,110	–
	145,167,877	33,245,567	72,388,106	19,590,396

29.3 Major Customers

Revenue from transactions with major customers who individually accounted for 10 percent or more of the Group's revenue are summarised below :-

	2025 RM	2024 RM
Customer A	20,659,666	–
Customer B	19,366,878	19,589,706
Customer C	16,855,121	–
Customer D	16,607,148	11,832,131
Customer E	14,258,234	–
Customer F	13,042,854	12,635,048

30. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Authorised and contracted capital expenditure not provided for in the financial statements :		
- Acquisitions of land and buildings	1,201,055	12,001,055



Notes to the Financial Statements (cont'd)

30. CAPITAL COMMITMENTS (CONT'D)

30.1 Tuong Aik Shipyard Sdn. Bhd.

On 20 December 2022, Tuong Aik Shipyard Sdn. Bhd. ("TuongAik") entered in a sale and purchase agreement with a third party ("the Vendor") to acquire three (3) parcels of leasehold land ("the Land") all located in Sibu, Sarawak for a total cash consideration of RM2,300,000. The acquisition of one (1) parcel of the Land was completed in the financial year 31 May 2024 and recognised as property, plant and equipment under the category of leasehold land as disclosed in Note 4.1.

The completion of the acquisitions of the remaining two (2) parcels is conditional upon the Vendor obtaining the following :-

- (a) An extension of lease period;
- (b) The removal of existing encumbrances; and
- (c) A consent in writing from the local government.

(collectively referred to as "the Conditions Precedent")

As of the date of approval of these financial statements, part of the Conditions Precedent have yet to be fulfilled. The management expect the acquisition to be completed in the financial year ending 31 May 2026.

30.2 Pantas Marine Sdn. Bhd.

In the previous financial year, Pantas Marine Sdn. Bhd. ("PMSB") entered in a sale and purchase agreement to acquire a property for a total cash consideration of RM12,000,000. The acquisition was completed in December 2024 and recognised as property, plant and equipment. Refer to Note 4.2 above for further details.

31. CORPORATE GUARANTEE (UNSECURED)

	Company	
	2025	2024
	RM	RM
Corporate guarantees favouring licensed banks for facilities granted to subsidiaries :		
- Facility limit	55,417,000	44,277,000
- Amount utilised	10,964,620	9,551,000

As at the reporting date, no values were placed on the unsecured corporate guarantees provided by the Company as the Directors regard the value of the credit enhancement provided by the corporate guarantees to be minimal and the likelihood of default to be low.



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets of the Group include trade and other receivables, other investments, cash and bank balances.

Financial liabilities of the Group include trade and other payables and bank borrowings.

In respect of the Company, financial assets also include amount due from subsidiaries.

32.1 Categories of Financial Instruments

The Group's and the Company's financial instruments are categorised as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
<i>At fair value through profit or loss</i>				
Investments in unit trust funds	30,086,613	30,862,364	28,239,530	29,077,632
<i>At amortised cost</i>				
Placements in debt instruments	792,358	1,047,381	792,358	1,047,381
Trade receivables	9,977,414	31,946,494	–	–
Other receivables *	526,915	45,521	2,000	2,000
Amount due from subsidiaries	–	–	11,486,905	13,777,635
Cash and bank balances	15,861,036	5,114,805	391,372	1,473,817
	57,244,336	69,016,565	40,912,165	45,378,465
Financial liabilities				
<i>At amortised cost</i>				
Trade payables	34,581,697	20,574,763	–	–
Other payables and accruals	563,203	525,750	248,645	228,800
Bank overdraft	621,095	–	–	–
Term loans	7,293,525	–	–	–
Hire-purchase	475,138	557,325	–	–
Revolving credit	3,000,000	3,000,000	–	–
Banker's acceptances	–	6,501,000	–	–
	46,534,658	31,158,838	248,645	228,800

* Exclude deposits paid to shipbuilding suppliers and contractors, deposits paid for acquisitions of land and buildings and prepayments.



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management

The Group's financial instruments are subject to a variety of financial risks including currency risk, interest rate risk, credit risk, market risk, liquidity and cash flow risks.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its input material price, liquidity, interest rate, foreign exchange and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The Board is primarily responsible for the management of these risks and to formulate policies and procedures for the management thereof. The risks are managed by regular risk reviews, internal control systems, on-going formulation and adherence to financial risk policies and mitigated by insurance coverage where appropriate.

(a) Credit Risk

Credit risk is the risk of financial loss attributable to default on obligations by parties contracting with the Group. The Group's main exposure to credit risk is in respect of its trade and other receivables, investments in unit trust funds, placements in debt instruments and bank balances. The Company's exposure to credit risk includes amount due from subsidiaries and corporate guarantees given to licensed banks for credit facilities of subsidiaries as disclosed in Note 31.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. In addition, credit risk is minimised and monitored by limiting the Group's association to business partners with low creditworthiness.

The Group's bank balances and investments in unit trust funds are only placed with licensed banks and financial institutions and the management consider the risk of material loss in the event of non-performance by the financial counterparty to be unlikely.

The Group's maximum exposure to credit risk as at the end of the reporting period is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Company provides unsecured corporate guarantees to banks for facilities granted to subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and their ability to fulfill the financial obligations. The Company's maximum exposure to credit risk arising from the corporate guarantees provided is represented by the outstanding banking facilities utilised by the subsidiaries as at 31 May 2025 amounting RM10,964,620 (2024 : RM9,551,000) as disclosed in Note 31. The fair value of the financial liability in respect of the corporate guarantees provided has not been recognised in the Company's financial statements as the fair value on initial recognition was not material. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(i) Concentration of credit risk

As at the end of the reporting period, the Group has significant concentration of credit risk arising from the exposure to amount due from five (5) (2024 : three (3)) major customers amounting to RM9,368,033 (2024 : RM30,023,283) representing 94% (2024 : 94%) of total trade receivables.

The amount due from and settlement by these customers are closely monitored by the management on an on-going basis to ensure that the terms agreed by the customers are complied with.

(ii) Recognition and measurement of loss allowance on expected credit losses ("ECLs")

The Group has contract assets and the following financial assets which are subject to ECLs impairment model :-

- Trade receivables and other receivables;
- Placements in debt instruments; and
- Bank balances.

In respect of the Company, this includes the amount due from subsidiaries.

Bank balances have a low credit risk as they are placed with reputable banks and financial institutions with high quality external credit ratings. Consequently, no allowance for impairment loss has been provided for in the financial statements.

Trade receivables and contract assets

The Group applies the MFRS 9 simplified approach to measuring ECLs which uses a lifetime expected loss allowance on trade receivables and contract assets.

The Group has two types of trade receivables which comprise receivables from shipbuilding contracts and receivables from ship repairing services.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor is having significant financial difficulty and does not have sufficient cash flows to repay its debts. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The Group's exposure to credit risk and allowance on ECLs for trade receivables are disclosed in Note 11.1.

Trade receivables that are individually determined to be impaired comprised those customers who have defaulted on their payments and are considered to have financial difficulties in repaying their debts.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(ii) Recognition and measurement of loss allowance on expected credit losses ("ECLs") (Cont'd)

Trade receivables and contract assets (Cont'd)

Receivables and contract assets from shipbuilding contracts

The Group will withhold delivery of vessels to the customers until full settlement of the billings raised. When measuring ECLs, the assessment is performed on individual customer and the Group takes into account the cash flows expected from the realisation of the vessels held, the historical payment trends and the customer's financial strength. Contract assets which represent the unbilled work-in-progress will be grouped to the related trade receivables for the same types of contracts when assessing ECLs.

Receivables from ship repairing services

Trade receivables of this category are not collateralised. In measuring ECLs, the Group establishes a provision matrix that is based on the historical credit loss experience.

The historical loss rates are derived from the payment profiles of sales over a period of 36 months before 31 May 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts. The Group has identified the GDP of the country to be the most relevant factor and accordingly adjusts the historical loss rates based on expected change in this factor.

Where the credit risk of a debtor has increased significantly and past due more than 1 year, it is excluded from the provision matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the debtor.

Placements in debt instruments and other receivables

Impairment of placements in debt instruments and other receivables is recognised on the general approach within MFRS 9 using the forward-looking ECL model. The methodology used to determine the amount of impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets.

Loss allowance for a placement in debt instrument has been recognised due to default of payment by the counterparty as disclosed in Note 6. No loss allowance has been recognised for other receivables as the management assessed that the probability of default by other receivables is low.



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

(ii) Recognition and measurement of loss allowance on expected credit losses ("ECLs") (Cont'd)

Amount due from subsidiaries

The Company provides unsecured advances to subsidiaries and monitors their financial performances regularly.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. Since the Company is able to determine the timing of repayments of the advances, the Company considers the advances to be in default if the subsidiaries are not able to pay when demanded. This is normally evidenced by the subsidiaries' continuing losses and/or having a deficit in shareholders' fund.

The Company determines that the probability of default for the amount due from subsidiaries individually using internal information. The Company's exposure to credit risk on amount due from subsidiaries is disclosed in Note 8. No loss allowance has been recognised on the amount due from subsidiaries as the Company considers them as low credit risk.

(b) Liquidity and Cash Flow Risks

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments while cash flow risk is the risk of uncertainty of future cash flow amount associated with a monetary financial instrument.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. In view of prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital and capital expenditure requirements.



Notes to the Financial Statements
(cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(b) Liquidity and Cash Flow Risks (Cont'd)

Maturity Analysis

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows :-

	Maturity profile			Effective interest rate %
	Less than 1 year RM	More than 1 year and less than 5 years RM	Total RM	
Group				
2025				
Trade payables	34,581,697	–	34,581,697	–
Other payables	563,203	–	563,203	–
Bank overdraft	621,095	–	621,095	7.82
Term loans	1,767,394	6,269,122	8,036,516	4.31
Hire-purchase	226,016	277,113	503,129	3.90 - 4.64
Revolving credit	3,012,892	–	3,012,892	5.06
2024				
Trade payables	20,574,763	–	20,574,763	–
Other payables	525,750	–	525,750	–
Hire-purchase	194,884	406,574	601,458	3.90 - 4.46
Revolving credit	3,040,757	–	3,040,757	5.39
Banker's acceptances	6,574,501	–	6,574,501	4.59 - 4.65
Company				
2025				
Other payables	248,645	–	248,645	–
Corporate guarantees	10,964,620	–	10,964,620	–
2024				
Other payables	228,800	–	228,800	–
Corporate guarantees	9,551,000	–	9,551,000	–



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(c) Market Risk

Market risk is the risk that the value of financial instruments will fluctuate due to changes in market prices.

The Group's market risk exposure to currency and interest rate fluctuations are discussed under the respective risk headings.

(d) Currency Risk

The Group is exposed to foreign currency risk as a result of its normal trade activities when the currency denomination differs from its functional currency. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD") and United States Dollar ("USD"). Foreign exchange exposures in transactional currencies other than functional currencies of the Group are kept to an acceptable level. The movements in the rates of foreign currencies are monitored by the management and where considered necessary, the Group will enter into forward foreign currency exchange contracts to limit its exposure on foreign currency receipts and payments.

The Group does not speculate in foreign currency derivatives.

Exposure to currency risk

The foreign currency exposure profiles of financial assets and liabilities of the Group are as follows :-

	Denominated in foreign currency		
	SGD RM	USD RM	Total RM
<i>Functional currency : RM</i>			
2025			
Trade receivables	9,977,414	–	9,977,414
Other receivables	583,175	35,343	618,518
Cash and bank balances	14,005,222	254,456	14,259,678
Trade payables	(2,312,308)	(2,407,309)	(4,719,617)
	22,253,503	(2,117,510)	20,135,993



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(d) Currency Risk (Cont'd)

Exposure to currency risk (Cont'd)

The foreign currency exposure profiles of financial assets and liabilities of the Group are as follows :- (Cont'd)

	Denominated in foreign currency		
	SGD RM	USD RM	Total RM
Functional currency : RM			
2024			
Trade receivables	31,871,360	75,134	31,946,494
Other receivables	371,286	1,391,217	1,762,503
Cash and bank balances	1,876,227	939,516	2,815,743
Trade payables	(1,326,229)	(4,091,753)	(5,417,982)
	32,792,644	(1,685,886)	31,106,758

The Company is not exposed to currency risk as all of its financial assets and liabilities are denominated in its functional currency.

Currency risk sensitivity analysis

A 10 percent strengthening of the major foreign currencies against the functional currency, RM, at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	
	2025 RM	2024 RM
SGD	2,225,350	3,279,264
USD	(211,751)	(168,589)
	2,013,599	3,110,675

A 10 percent weakening of the foreign currencies against the RM currency at the end of the reporting period would have an equal but opposite effect on the profit or loss, assuming that all other variables remain constant.



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(e) Interest Rate Risk

The Group has interest rate risk in respect of its bank borrowings, investments in unit trust funds which investments are primarily in money market instruments and placements in debt instruments.

The Group's placements in debt instruments, hire-purchase financing, revolving credit and banker's acceptances are based on fixed rates while its bank overdraft, term loans and investments in unit trust funds are based on floating rates.

In respect of the Company, its interest rate risk includes the interest-bearing amount due from subsidiaries which are based on floating rates.

Market interest rate movements are monitored with a view to ensuring that the most competitive rates are secured and where appropriate borrowing arrangements and interest bearing instruments are restructured or reduced.

Exposure to interest rate risk

The interest rate exposure profile of the Group's and of the Company's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period is as follows :-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Floating rate instruments				
Financial assets				
Investments in unit trust funds	30,086,613	30,862,364	28,239,530	29,077,632
Amount due from subsidiaries	–	–	10,000,000	12,650,000
Financial liabilities				
Bank overdraft	(621,095)	–	–	–
Term loans	(7,293,525)	–	–	–
	22,171,993	30,862,364	38,239,530	41,727,632



Notes to the Financial Statements
(cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.2 Financial Risk Management (Cont'd)

(e) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

A 100 basis points increase in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Impact on profit or loss [Increase/(Decrease)]			
	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Floating rate instruments				
Financial assets				
Investments in unit trust funds	300,866	308,624	282,395	290,776
Amount due from subsidiaries	–	–	100,000	126,500
Financial liabilities				
Bank overdraft	(6,211)	–	–	–
Term loans	(72,935)	–	–	–

A 100 basis points drop in interest rates at the end of the reporting period would have an equal but opposite effect on the profit or loss, assuming that all other variables remain constant.

(f) Other Price Risk

The Group is exposed to price risk arising from its investments in unit trust funds which are classified as financial assets at fair value through profit or loss. These investments are managed by licensed asset management companies and the Group does not engage in any speculative trading in respect of those investments.



Notes to the Financial Statements (cont'd)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

32.3 Fair Value of Financial Instruments

(a) Financial instruments that are carried at fair value

The table below analyses financial instruments at the end of the reporting period which are measured at fair value by the various levels within a fair value hierarchy :-

	Fair value measurement using			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
2025				
Financial assets				
Investments in unit trust funds				
- Group	30,086,613	—	—	30,086,613
- Company	28,239,530	—	—	28,239,530
2024				
Financial assets				
Investments in unit trust funds				
- Group	30,862,364	—	—	30,862,364
- Company	29,077,632	—	—	29,077,632

The fair values of the investments in unit trust funds are determined by reference to market price at the end of the reporting period.

There were no transfers in between fair value levels during the financial year ended 31 May 2025 and 31 May 2024.

(b) Financial instruments that are not carried at fair value

The carrying amounts of the Group's and of the Company's other financial assets and financial liabilities measured at amortised cost are reasonable approximation of their fair values, either due to their short-term nature or that they are priced to market interest rates.



Notes to the Financial Statements (cont'd)

33. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base, to safeguard the Group's ability to continue as a going concern and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payout to shareholders, return capital to shareholders or issue new shares.

In the management of capital risk, the management takes into consideration the debt-to-equity ratio as well as the Group's working capital requirements.

The debt-to-equity ratio as at 31 May 2025 and 31 May 2024 is as follows :-

	Group	
	2025 RM	2024 RM
Trade and other payables	35,144,900	21,100,513
Bank borrowings	11,389,758	10,058,325
Less : Cash and bank balances	(15,861,036)	(5,114,805)
Net debts	30,673,622	26,044,033
Total equity	114,552,753	101,305,957
Debt-to-equity ratio	0.268	0.257

There were no changes in the Group's strategy and approach to capital management from the previous financial year.



STATEMENT BY DIRECTORS

We, **DATUK LAU NAI HOH** and **LAU CHOO CHIN**, being two of the Directors of **TAS OFFSHORE BERHAD** do hereby state on behalf of the Directors that in our opinion, the financial statements set out on pages 64 to 134 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
DATUK LAU NAI HOH

Director

Sibu, Sarawak

Date : 9 September 2025

.....
LAU CHOO CHIN

Director

STATUTORY DECLARATION

I, **HII CHAI HUNG**, being the Officer primarily responsible for the accounting records and financial management of **TAS OFFSHORE BERHAD** do solemnly and sincerely declare that the accompanying financial statements set out on pages 64 to 134 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Sibu in the state of)
Sarawak this 9 September 2025)

.....
HII CHAI HUNG

Before me,

.....
COMMISSIONER FOR OATHS



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAS OFFSHORE BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TAS OFFSHORE BERHAD, which comprise the statements of financial position as at 31 May 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 64 to 134.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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



Independent Auditors' Report (cont'd)

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from sales of vessels As disclosed in the Group's accounting policies, Note 2.26.1, depending on the terms of contract with customers, revenue from sales of vessels may be recognised at a point in time or over time basis. For a sale of vessel which is recognised using the over time basis, the progress of work done or percentage of completion as at the end of the reporting period is determined by reference to the proportion of contract costs incurred for work performed to-date bear to the estimated total contract costs. Management's estimates are used to evaluate the total contract cost to complete and total contract revenue for a vessel under construction. Note 18 to the financial statements discloses the revenue amounts recognised under the respective basis during the financial year. We considered revenue recognition from sales of vessels as a key audit matter due to the significant estimates used in the evaluation of revenue for recognition purpose and which could have a material impact on the Group's financial performance for the financial year.	The audit procedures include the following : ▪ Reviewed selected sales contracts with customers to understand their contractual terms especially on the performance obligations of the Group and ascertained whether the basis of revenue recognition used by the Group for each contract was consistent with its accounting policies; ▪ Obtained management estimates of the costs to complete for selected contracts in progress as at end of reporting period and compared these estimates to purchase contracts, suppliers' quotations or invoices, where applicable, to determine their reasonableness; ▪ Performed substantive test procedures over contract revenue and contract costs incurred by checking against the underlying supporting documents including contracts for sales and purchases; and ▪ Performed recomputation of the percentage of completion to assess the arithmetical accuracy of revenue and costs recognised for the current financial year and traced the revenue and costs recognised to the accounting records.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises information contained in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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



Independent Auditors' Report (cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.



Independent Auditors' Report (cont'd)

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5.1 to the financial statements.

Other Matters

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

FOLKS DFK & CO.
FIRM NO. : AF 0502
CHARTERED ACCOUNTANTS

Kuala Lumpur

Date : 9 September 2025

LEONG KOK TONG
NO. : 02973/11/2025 J
CHARTERED ACCOUNTANT



LANDED PROPERTIES OF THE GROUP

Location/ Address	Description/ Existing Use	Land Area (Acres)	Approx. Age of Building (Years)	Date of Revaluation	Tenure	Net Book Value as at 31.5.2025 (RM)
Lot 199 Block 1 Sibu Town District	Shipyards with 3-storey office, two 3-storey workers' quarters, two utility hangers cum workshop, store and a guardhouse	12.23	22	19.11.2008	Leasehold 60 years expiring in 2070	13,620,893
Lot 99 Block 1 Sibu Town District	Shipyards	0.89	N/A	N/A	Leasehold 99 years expiring in 2037	852,562
Lot 105 Sibu Town District	Shipyards	0.60	N/A	N/A	Freehold	742,000
Lot 780 Block 12 Buan Land District	Industrial land with buildings	35.51	32	03.07.2025	Lease- hold 60 years expiring in 2061	11,932,105



ANALYSIS OF SHAREHOLDINGS

as at 2 September 2025

SHARE CAPITAL

Issued share capital : 180,002,000 ordinary shares
 Class of shares : Ordinary shares
 Voting rights : One (1) vote per ordinary share

DISTRIBUTION SCHEDULE OF ORDINARY SHARES

Holdings	No. of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100 shares	366	14,504	0.01 *
100 – 1,000 shares	228	90,260	0.05
1,001 – 10,000 shares	1,318	5,834,051	3.26
10,001 – 100,000 shares	939	24,667,558	13.79
100,001 – less than 5% of issued shares	140	66,212,616	37.02
5% and above of issued shares	5	82,038,812	45.87
Total	2,996	178,857,801 #	100.00

* Less than 0.01 %

Excluding 1,144,199 ordinary shares bought back by the Company and retained as treasury shares based on Record of Depositors as at 2 September 2025.



Analysis of Shareholdings
(cont'd)

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Account Holder	No. of Shares Held	Percentage (%)
1.	Lau Nai Hoh	30,750,000	17.19
2.	Lau Nai Hoh	20,500,000	11.46
3.	Lau Nai Hoh	10,788,812	6.03
4.	Lau Choo Chin	10,000,000	5.59
5.	Lau Choo Kuang	10,000,000	5.59
6.	Universal Trustee (Malaysia) Berhad	6,645,400	3.72
7.	Maybank Nominees (Tempatan) Sdn Bhd	5,421,600	3.03
8.	Lau Siew Jeng	5,375,000	3.01
9.	Lau Siew Ling	5,375,000	3.01
10.	Wong Chee Sung	2,200,000	1.23
11.	AllianceGroup Nominees (Tempatan) Sdn Bhd	1,490,000	0.83
12.	Maybank Nominees (Tempatan) Sdn Bhd	1,329,000	0.74
13.	Public Nominees (Tempatan) Sdn Bhd	1,326,400	0.74
14.	Hii Kiong Thai	1,272,349	0.71
15.	Maybank Nominees (Tempatan) Sdn Bhd	1,245,272	0.70
16.	Soh Chee Ling	920,000	0.51
17.	Lau Hwa Sing	916,900	0.51
18.	RHB Nominees (Tempatan) Sdn Bhd	900,000	0.50
19.	Ng Teng Song	878,290	0.49
20.	CIMSEC Nominees (Tempatan) Sdn Bhd	867,122	0.49
21.	Cartaban Nominees (Asing) Sdn Bhd	836,800	0.47
22.	RHB Nominees (Tempatan) Sdn Bhd	800,000	0.45
23.	RHB Nominees (Tempatan) Sdn Bhd	554,000	0.31
24.	Loh Jia Min	532,700	0.30
25.	Ng Teng Song	523,775	0.29
26.	Phillip Nominees (Tempatan) Sdn Bhd	520,450	0.29
27.	Public Nominees (Tempatan) Sdn Bhd	512,900	0.29
28.	Loh Chwee Chew Mooring Services Private Limited	512,500	0.29
29.	Ling Kui Ling	511,500	0.28
30.	Kenanga Nominees (Asing) Sdn Bhd	502,332	0.28
Total		124,008,102	69.33



Analysis of Shareholdings (cont'd)

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders' interests in shares in the Company as per the Register of Substantial Shareholders as at 2 September 2025 are as follows: -

	Direct	No. of Ordinary Shares		Indirect	%
			%		
1. Datuk Lau Nai Hoh	62,038,812	34.69	12,042,849 ⁽ⁱ⁾	6.73	
2. Lau Choo Chin	10,419,231	5.83	41,000 ⁽ⁱⁱ⁾	0.02	
3. Lau Choo Kuang	10,020,500	5.60	—	—	

Note:

- (i) Deemed interested by virtue of the shareholdings of his spouse, Datin Hii Kiong Thai (1,272,349 shares) together with his children, Ms Lau Siew Ling (5,395,500 shares) and Ms Lau Siew Jeng (5,375,000 shares) in the Company.
- (ii) Deemed interested by virtue of the shareholdings of his spouse, Ms Christina Wong Siew Ping (41,000 shares) in the Company.

DIRECTORS' INTERESTS

The Directors' interests in shares in the Company as per the Register of Directors' Shareholdings as at 2 September 2025 are as follows: -

	Direct	No. of Ordinary Shares		Indirect	%
			%		
1. Datuk Lau Nai Hoh	63,038,812	34.69	12,042,849 ⁽ⁱ⁾	6.73	
2. Lau Choo Chin	10,419,231	5.83	41,000 ⁽ⁱⁱ⁾	0.02	
3. Lau Choo Kuang	10,020,500	5.60	—	—	
4. Datu Haji Mohammed Sepuan Bin Anu	15,375	0.01	—	—	
5. Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu	—	—	—	—	
6. Ling Hang Ngee	—	—	—	—	
7. Yong Leh Ying	377,050	0.21	—	—	

Notes:

- (i) Deemed interested under Section 8 of the Companies Act 2016 by virtue of his spouse and children's shareholdings in the Company.
- (ii) Deemed interested under Section 8 of the Companies Act 2016 by virtue of his spouse's shareholding in the Company.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 18th Annual General Meeting (“AGM”) of TAS Offshore Berhad (“the Company”) will be held at Tanahmas Hotel Sibul, Lot 277, Block 5, Jalan Kampung Nyabor, 96007 Sibul, Sarawak on Tuesday, 28 October 2025 at 9.00 a.m. to transact the following business: -

AGENDA

ORDINARY BUSINESS

- | | | |
|----|---|---|
| 1. | To lay before the meeting the Audited Financial Statements of the Company for the financial year ended 31 May 2025 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note (A) |
| 2. | To approve the payment of Directors’ fees up to an amount of RM300,000 in respect of the financial year ending 31 May 2026. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors’ benefits up to an amount of RM200,000 from the date of the passing of this Ordinary Resolution until the next AGM. | Ordinary Resolution 2 |
| 4. | To re-elect Mr Lau Choo Chin, being the Director who retires pursuant to Clause 91 of the Company’s Constitution and being eligible, offers himself for re-election. | Ordinary Resolution 3 |
| 5. | To re-elect Mr Yong Leh Ying, being the Director who retires pursuant to Clause 91 of the Company’s Constitution and being eligible, offers himself for re-election. | Ordinary Resolution 4 |
| 6. | To re-appoint Messrs. FOLKS DFK & Co. as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 5 |

SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolutions:

- | | | |
|---|--|------------------------------|
| 7. | Continuation in Office as Independent Non-Executive Director | Ordinary Resolution 6 |
| <p>“THAT approval be and is hereby given to Datu Haji Mohammed Sepuan Bin Anu who has served as an Independent Non-Executive Director for a cumulative term of more than eleven (11) years to continue to act as an Independent Non-Executive Director of the Company until 16 July 2026.”</p> | | |
| 8. | Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 7 |

“**THAT** the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”), to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall continue to be in force until the conclusion of the next AGM of the Company, subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Securities and approvals of the relevant authorities, where require (“General Mandate”).”



Notice of Annual General Meeting (cont'd)

9. Proposed Renewal of Authority for the Company to Purchase its Own Shares Ordinary Resolution 8 ("Proposed Share Buy-Back")

"THAT subject always to the Act, the Company's Constitution, the Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that: -

- (i) the aggregate number of shares to be purchased shall not exceed ten percent (10%) of the total number of issued shares of the Company at the time of purchase;
- (ii) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the total retained profits of the Company for the time being;

THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until: -

- (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all or part of the ordinary shares so purchased;
- (ii) retain all or part of the ordinary shares purchased as treasury shares as defined in Section 127 of the Act;
- (iii) distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) resell all or part of the treasury shares on the market of Bursa Securities;
- (v) transfer all or part of the treasury shares as purchase consideration;
- (vi) in such other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND FURTHER THAT the Directors of the Company be and are authorised to take all such steps as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."



Notice of Annual General Meeting (cont'd)

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Constitution of the Company.

By order of the Board

Pauline Kon Suk Khim
(MAICSA 7014905)
(CCM Practicing Certificate No. 202008001607)
Company Secretary
Date: 29 September 2025

Notes: -

- 1. For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 22 October 2025. Only a depositor whose name appears on the General Meeting Record of Depositors as at 22 October 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*
- 2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. A proxy may but need not be a member of the Company and a member may appoint any persons to be his/her proxy.*
- 3. To be valid, the proxy form, duly completed must be deposited at the registered office of the Company at Lot 199, Jalan Sungai Maaw, Sungai Bidut, P. O. Box 920, 96000 Sibul, Sarawak not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.*
- 4. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- 5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- 6. If the appointer is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.*



Notice of Annual General Meeting (cont'd)

EXPLANATORY NOTES:

(A) Audited Financial Statements

The Audited Financial Statements are laid before the shareholders for discussion only as they do not require shareholders' approval pursuant to Section 340(1) of the Companies Act, 2016. Hence, this matter will not be put forward for voting.

(B) Ordinary Resolution 1 and 2 Payment of Directors' Fees and Benefits

Section 230(1) of the Companies Act, 2016 requires the benefits payable to the Directors of the Company must be approved at a general meeting. Accordingly, shareholders' approval for the payment of the Directors' meeting attendance allowance and any other benefits of up to RM200,000 is sought.

(C) Ordinary Resolutions 3 and 4 Re-election of Directors Pursuant to Clause 91 of the Constitution of the Company

Clause 91 of the Company's Constitution provides that one-third (1/3) of the Directors for the time being who are subject to retirement shall retire from office, provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. The retiring director shall retain office until the close of the meeting at which he retires.

The Nomination Committee ("NC") has assessed the performance of Mr Lau Choo Chin and Mr Yong Leh Ying ("the retiring Directors") and are satisfied with the performance of the retiring directors and recommended their re-election to the Board. The Board supports the NC's recommendation for the retiring directors to be re-elected as directors of the Company.

The profiles of the retiring Directors are set out in the Board of Directors Profile of the 2025 Annual Report.

(D) Ordinary Resolution 6 Continuation in Office as Independent Non-Executive Director

The proposed resolution is to seek the shareholders' approval to retain Datu Haji Mohammed Sepuan Bin Anu who has served on the Board as an Independent Non-Executive Director for a cumulative term of more than eleven (11) years.

The Board through its NC had assessed the independence of Datu Haji Mohammed Sepuan Bin Anu. He has remained objective and independent in communicating his opinion and in contributing to the deliberation and decision-making of the Board and Board Committees. His length of services on the Board does not in any way interfere with his exercise of independent judgement and capability to act in the best interests of the Company. In addition, he has satisfied all the criteria of an Independent Director set out in Paragraph 1.01 of the Listing Requirements.

The retention of Datu Haji Mohammed Sepuan Bin Anu as Independent Non-Executive Director of the Company will be sought through a two-tier voting process in this AGM.

The proposed resolution, if passed, will enable Datu Haji Mohammed Sepuan Bin Anu to continue to act as Independent Director of the Company until 16 July 2026.



Notice of Annual General Meeting (cont'd)

(E) Ordinary Resolution 7

Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016

This Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot shares in the Company and to make or grant offers, agreements, rights or options in respect of new shares in the Company pursuant to the General Mandate obtained, up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM in 2026.

The renewal of this General Mandate, if approved, will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, to fund future investment project(s), working capital and/or acquisitions and to avoid any delay or costs involved in convening a general meeting for such issuance of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Seventeenth (17th) AGM held on 30 October 2024 and which will lapse at the conclusion of the Eighteenth (18th) AGM to be held on 28 October 2025.

(F) Ordinary Resolution 8

Proposed Share Buy-Back

The Proposed Ordinary Resolution 8, if passed, will authorise the Company to purchase up to ten percent (10%) of the issued and paid-up share capital of the Company through Bursa Malaysia Securities Berhad. This authority will, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company.

Please refer to the Statement to Shareholders dated 29 September 2025 for further details.

STATEMENT ACCOMPANYING NOTICE OF AGM

There is no person seeking election as a Director of the Company at this Eighteenth (18th) AGM.

Personal Data Privacy:

By submitting proxy form(s) appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TAS OFFSHORE BERHAD
Registration No. 200801008892 (810179-T)
(Incorporated in Malaysia)

No. of Shares held

PROXY FORM

I/We, of being
member/members of the abovenamed Company hereby appoint
of or failing him,
of
or *the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held at Tanahmas Hotel Sibul, Lot 277, Block 5, Jalan Kampung Nyabor, 96007 Sibul, Sarawak, on Tuesday, 28th day of October 2025 at 9.00 a.m. and, at any adjournment thereof for/against* the resolutions to be proposed thereat.

Resolution No	Ordinary Business	FOR	AGAINST
Ordinary Resolution 1	Approval for payment of Directors' fees		
Ordinary Resolution 2	Approval for payment of Directors' benefits		
Ordinary Resolution 3	Re-election of Mr Lau Choo Chin as Director		
Ordinary Resolution 4	Re-election of Mr Yong Leh Ying as Director		
Ordinary Resolution 5	Re-appoint Messrs. FOLKS DFK & Co. as Auditors for the ensuing year		
	Special Business		
Ordinary Resolution 6	Continuation as Independent Director – Datu Haji Mohammed Sepuan Bin Anu		
Ordinary Resolution 7	Authority to issue and allot shares		
Ordinary Resolution 8	The renewal of authority to purchase its own shares		

(Please indicate with an "X" or "√" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

The proportions of my holdings to be presented by my *proxy/our proxies are as follows:

	Numbers of Shares	Percentage
First-Named Proxy A		%
Second Named Proxy B		%
Total		100%

In case of a vote taken by a show of hands, the First Proxy A/Second Proxy B shall vote on *my/our behalf.
*Strike out whichever is not desired. (unless otherwise instructed the proxy may vote as he thinks fit)

Dated this day of 2025

Signature of Member(s)/Common Seal

Notes:

- To determine a member who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 22 October 2025. Only a depositor whose name appears on the General Meeting Record of Depositors as at 22 October 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting. A proxy may but need not be a member of the Company and a member may appoint any persons to be his/her proxy.
- To be valid, the proxy form, duly completed must be deposited at the registered office of the Company at Lot 199, Jalan Sungai Maaw, Sungai Bidut, P. O. Box 920, 96000 Sibul, Sarawak not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies that the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- If the appointer is a corporation, this form must be executed under its common seal or the hand of an officer or attorney duly authorised.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
TAS OFFSHORE BERHAD
Registration No. 200801008892 (810179-T)
Lot 199 Jalan Sungai Maaw
Sungai Bidut
P. O. Box 920
96008 Sibu Sarawak

1st fold here

TAS OFFSHORE BERHAD

200801008892 (810179-T)

Lot 199, Sungai Ma'aw Road,
Sg. Bidut, P.O. Box 920, 96008 Sibu, Sarawak, Malaysia.

Tel : 6-084-310211 | **Fax :** 6-084-319139

www.tasoffshore.com