



LIANSON FLEET GROUP

(LFG MK EQUITY, LFG.KL)

17 Sep 2025

Company Report

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Transforming into an energy & power infra play
BUY

(Maintained)

Rationale for report: Initiation

Price RM1.67
Fair Value RM2.40
52-week High/Low RM1.76/RM0.70

Key Changes

Fair value ⇄
EPS ⇄

YE to Dec	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	235.8	285.7	402.3	448.4
Core net profit (RM mil)	45.7	71.2	105.9	121.5
FD Core EPS (sen)	7.3	5.9	8.7	10.0
FD Core EPS growth (%)	(592.2)	(19.8)	48.7	14.7
Consensus Net Profit (RM mil)	-	81.5	90.7	93.4
DPS (sen)	-	4.0	5.1	5.9
PE (x)	22.8	28.4	19.1	16.7
EV/EBITDA (x)	19.4	10.8	7.0	6.0
Div yield (%)	-	2.4	3.0	3.5
ROE (%)	11.2	11.8	13.3	14.1
Net Gearing (%)	26.2	nm	nm	nm

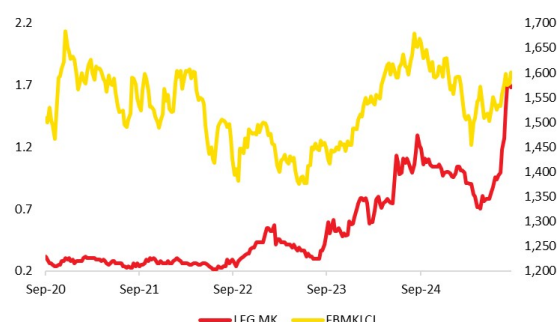
Stock and Financial Data

Shares Outstanding (million)	1,082.1
Market Cap (RMmil)	1,807.1
Book Value (RM/Share)	1.24
P/BV (x)	1.3
ROE (%)	11.2
FY24 Net Gearing (%)	26.2

Major Shareholders	Liannex Maritime (52.3%) Yinson Offshore Services (16.8%)
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Free Float	30.9
Avg Daily Value (RMmil)	2.8

Price performance	3mth	6mth	12mth
Absolute (%)	111.4	73.1	36.9
Relative (%)	101.7	60.6	40.2



Investment Highlights

We initiate coverage on Lianson Fleet Group (LFG) with a **BUY** and target price (TP) of RM2.40/share (assuming full conversion of warrants), offering 44% upside. While most local peers remain trapped in offshore support vessel (OSV) cycles and an overcrowded market, LFG is repositioning as an ASEAN energy and power infrastructure enabler. Its strategy is anchored on three pillars: (1) disciplined capital recycling by cutting OSV exposure (only sell at profit), (2) strategic entry into Vietnam and Indonesia's robust energy sector and (3) long-term transformation into a regional power and infrastructure contractor via ASEAN Power Grid opportunities. With a clean balance sheet (net cash) and reinstated dividends, LFG offers near-term resilience and structural growth.

- Asset recycling in a crowded OSV space.** Instead of chasing volatile spot markets (ASEAN rate: USD20–35k/day), LFG is monetising older tonnage and aim to recycle cash into higher-return ventures. Latest disposals generated RM93mil, proving its ability to extract value from non-core assets. We believe these funds ought to be deployed into energy and power infrastructure.
- Potential entry into Vietnam and Indonesia's robust energy sector via partnerships.** LFG can leverage on its healthy, long-term relationships with these state-linked oil companies - built since the early 2000s. The strategic logic is twofold: LFG provides access to Malaysia, while they open the doors into their energy and power ecosystems. This symbiotic entry strategy differentiates LFG from local OSV peers (MY-centric). Assuming this partnership takes off into energy-related services (ex-OSV & FSOs/ FPSOs), this venture could potentially add RM31mil-RM361mil p.a. to future profits, transforming its earnings profile through multi-year cashflows.
- ASEAN Energy Infrastructure Ambition.** We believe LFG could also position ASEAN's cross-border power grid build-out, expected to add >15 interconnections by 2035. Subsea EPCC (Engineering, Procurement, Construction, Commissioning) & marine logistics are natural adjacencies for its fleet. LFG could credibly pivot into the subsea power cable-related operator-contractor roles, adding a secular growth angle rarely seen in regional OSV names. This venture will add cumulative PAT of RM1bil by FY2034F.
- Valuation & Risks.** We value LFG on a blended approach: 8x PE for OSV, 9x PE for marine + 13-17x PE for energy/power infra optionality, translating to RM2.40/share. Our TP embeds scenarios for new energy contracts in Vietnam and Indonesia and infra awards under the ASEAN Power Grid. Key risks are execution of strategic partnership, regulatory hurdles in Vietnam/Indonesia, and persistent OSV oversupply. However, LFG's stronger balance sheet, cash discipline, and pivot into higher-growth segments offer downside protection.

Investment Thesis

Pivoting beyond OSVs: ASEAN energy infrastructure proxy

LFG's transformation story rests on capital discipline and strategic partnerships. Unlike traditional OSV operators that expand fleets into oversupplied markets and weighed down by elevated debts and high gearing issues, LFG is net cash and is harvesting cash through asset disposals, maintaining a leaner fleet, and redeploying capital into higher-return ventures.

This disciplined stance reduces OSV related downside risks. Its pivot from OSV into other potential O&G services (i.e. drilling, LNG shipping) through a potential strategic partnership represents a strategic move and step-change in its risk-reward profile, giving access to Vietnam and Indonesia's O&G services markets and positioning LFG as a bridge into Malaysia.

Why Now?

The Southeast Asia (SEA) drilling cycle is at an inflection point. Malaysia's Petronas has launched its MBR25 bid round with Discovered Resource Opportunity (DRO) developments, Vietnam's Block B gas is nearing Final Investment Decision (FID), and Indonesia plans >750 infill wells in 2025. At the same time, OSV supply is tightening as reactivation potential diminishes (average age of reactivated vessels ~15 years), creating a short window where disciplined operators like LFG can extract profits before recycling assets.

Strategic Differentiation

Three elements set LFG apart from peers:

- 1. Capital Recycling Discipline** – Unlike peers chasing vessel utilization and de-gear, LFG sells non-core OSVs at peak asset values. LFG is now net cash.
- 2. Partnership Model** – Strategic partnerships via JVs addresses risk and balance sheet issues, provide a fast-pass into O&G ventures (ex-OSV, FSO, FPSO) in new markets, while also creating reciprocal benefits across Vietnam-Malaysia-Indonesia.
- 3. Energy Infrastructure Pivot** – ASEAN Power Grid (APG) cable-laying ambition positions LFG in structural growth markets (EPCC, subsea infra).

Financial Upside

OSV + marine transport + asset recycling suggests stable earnings, but the new O&G ventures into upstream energy could lift margins from group operating profit margin from 28% to 36%. Scenario modelling shows potential earnings of 3-year CAGR of 40% by FY27. A re-rating from OSV peer multiples (8-10x PE) to hybrid infra valuations (13–20x PE) underpins our TP.

Conclusion

We see LFG as a hidden gem in ASEAN's energy chain, bridging cyclical offshore services with structural infrastructure growth. Its disciplined capital approach reduces downside, while its pivot from OSV into other O&G services and power grid ambitions provide transformational upside. We rate LFG with BUY recommendations, with TP RM2.40/share based on a blended PE rerating framework.

Valuation approach

We apply a blended valuation:

1. Core OSV earnings at 8x PE, in line with 5-year peers' average.
2. Marine Transportation at 9x PE, modest premium to OSV over charter contracts cover of 1-2 years and committed renewals.
3. New energy services at 13x PE, in line with local peers' average.
4. Infrastructure optionality at 17x PE

This reflects the structural uplift potential once the strategic regional partnership JVs and ASEAN Power Grid roles materialise.

OSV + Marine Transportation + Cost Discipline

- OSV segment contributes stable cash flows with 65-70% vessel utilisation and blended charter rate of RM80k/day.
- Asset recycling adds RM60m p.a. in proceeds.
- Balance sheet kicker with full conversion of warrants (expiry Feb 2028, RM0.825) which adds RM107mil cash.
- Marine transportation: From FY26, meaningful contribution of RM39m p.a. to earnings.
- Group earnings 3-year CAGR (FY24-FY27F) of 40%,
- OSV + Marine TP: RM0.80/share.

Energy Services - Strategic partnerships in energy services via JVs in SEA

- We assign value to LFG's entry into Vietnam and/ or Indonesia's energy services markets
- We assume a conservative six new rigs activation FY2027F-FY2034F.
- Group operating profit margin expands from 28% to 36% in FY2027. Expected to add RM31mil-RM361mil p.a. to future profits
- To remain prudent, we probability-weight at 50%, adding RM0.80/share to TP.

Infrastructure - ASEAN Power Grid Cable Laying

- Structural entry into Vietnam and Indonesia's energy and power infrastructure business.
- Tapping into ASEAN Power Grid pipeline of 18 prioritised interconnections, progressive build out through 2030s, with full integration by 2045.
- Assume RM11bil APG-linked orderbook by FY2034F (5% share of RM210bil (US\$50bil) APG capex pool) and PAT margin of 10%
- With orderbook recognition over 8-year S-curve, average PAT of RM141mil p.a. and cumulative PAT of RM1.13bil by FY2034F.
- To remain prudent, we probability-weight at 40%, adding RM0.80/share.
- Potential rerating to 17-20x PE as infra orders book accelerate.

Investment Implications

At RM1.67/share (current market price), the market is valuing only the core fleet while assigning little value to potential contributions from new energy services or infrastructure.

On a post-warrant conversion basis (1,212mil shares, with RM107mil cash proceeds), our OSV + marine transport implies RM0.80/share, the new energy services lifts this to RM1.60/share, and the infrastructure adds a further RM0.80/share, to arrive at RM2.40/share.

While we probability-weight execution risks in our SOTP inputs, we adopt the full blended TP of RM2.40/share to reflect the transformational optionality embedded in LFG's strategy, implying 44% upside to current levels.

EXHIBIT 1: SOTP VALUATIONS

Segment	Metric	PAT	Valuation (RM mil)
OSV	8x PE × FY26F	67	539
Marine	9x PE × FY26F	39	347
Energy services	PV of (13x PE × earnings steady state) × 50%	552	950
Infra	17x PE × Avg PAT × 40%	141	956
Equity Value			2,792
(+) Cash (full conversion of warrants)			107
Adjusted Equity Value (post-conversion)			2,899
Shares Outstanding (full conversion)			1,212
Target Price (RM/share)			2.40
Current Market Price* (RM/share)			1.67
Upside/(Downside)			44%

Source: AmlInvestment Bank, * as at 12th Sept 2025

Metrics Rationale

OSV - We peg at 8x PE, in line with 5-year oil and gas services equipment (OGSE) peers average.

This is fair given its cyclical nature, with oversupply capping utilisation at 75%-80%. While day rates are stable, upside is limited.

The valuation reflects a balance of risk and stability with disciplined balance sheet helps cap downside risk.

Marine - We peg at 9x PE, modest premium to OSV, reflecting 1–2-year charter cover & visible renewals, which provide earnings stability & reduce volatility compared to spot OSV exposure.

Energy Services - We peg at 13x PE benchmarked to local peer services average.

We apply 13x PE, consistent with local peers' (ex-OSV) averages through the cycle.

Given progressive earnings ramp-up in accordance with assets activation, we apply multiples to steady state earnings, then discounted it at a 14% Cost of Equity to present value.

To reflect execution and partnership risks, we probability-weight at 50% until formal tie-up.

Infrastructure - We peg at 17x PE on mid-cycle PAT, risk weighted at 40% until tie-up.

We apply 17x PE to ASEAN Power Grid scope given sovereign counterparties (government-backed) which typically carry lower default risk from advanced billings.

Multi-year orderbook provides earnings visibility, warrant premium vs cyclical one-off EPC jobs.

To remain prudent, we probability-weight at 40%, until formal tie-up.

Risk assessments

Market Risk: The offshore support vessel (OSV) segment remains exposed to oversupply dynamics, with more than 200 vessels reactivated globally since 2022. While Southeast Asia day rates have improved to USD20–35k/day for AHTS and USD15–25k/day for PSVs, utilisation remains capped around 75–80%. This creates a ceiling for earnings in the OSV segment and raises the risk of margin compression should new capacity flood the market.

For LFG, the risk is mitigated by its deliberate strategy to reduce OSV exposure through asset sales. By monetising older tonnage at attractive valuations and recycling proceeds into higher-return ventures, LFG avoids being trapped in the cyclical nature of the OSV market while still retaining a leaner fleet to capture opportunistic demand.

Execution Risk: LFG's entry into Vietnam and/ or Indonesia's energy and infrastructure markets hinge on the successful collaborations with the state's NOCs. Integration risk arises from differences in operating practices, local regulations, and project management standards. Large-scale EPCC or drilling contracts are complex and subject to delays, overruns, or disputes if coordination fails.

To mitigate this, LFG's partnership model is structured to be mutually beneficial: LFG provides the NOC access into Malaysia, while they enable LFG's entry into Vietnam and Indonesia. This reciprocity improves alignment of incentives and reduces the risk of one-sided dependency. Furthermore, LFG's track record of operational discipline in OSVs demonstrates a culture of cost control and focus, which bodes well for execution in new verticals.

Geopolitical/ Regulatory Risks: Vietnam & Indonesia both operate under regulatory frameworks that require significant local content and government approvals for energy and infrastructure projects. Licensing regimes, environmental clearances and local labour requirements could delay the start of projects or increase costs. Political shifts such as changes in energy policy, foreign participation rules, or state-owned enterprise directives could also create uncertainty.

To address this, LFG has pursued a joint-venture approach, embedding itself with the state's NOCs as local partners to ensure compliance and alignment with government priorities. In Indonesia, local partnerships and compliance with cabotage and manpower requirements will be critical. By diversifying its presence across Malaysia, Vietnam, and Indonesia, LFG reduces the concentration of political risk in any one country.

Financial Risk: Expansion into power-related EPCC, and energy infrastructure is capital-intensive, requiring upfront investment in assets, equipment, and potential joint-venture commitments. At the same time, LFG's LNG shipping and infra ventures may involve long payback periods. This raises the risk of balance sheet strain if growth is pursued too aggressively.

However, LFG's strong financial position provides a buffer: FY24 net gearing of 0.26x, cash balances of RM124mil (1QFY2025), and RM107mil cash potential from full warrant conversion (Feb-2028). Asset recycling has underscored management's capital discipline, while the reinstatement of dividends reflects confidence in cash-flow resilience. In practice, the company is positioned to fund growth initiatives without compromising balance sheet resilience. Importantly, by pursuing asset-light partnerships and JVs, LFG limits direct capex exposure while still capturing upside from regional growth.

Conclusion: While risks remain inherent in LFG's transition from a pure-play OSV operator to an ASEAN energy infrastructure player, they are manageable within its current strategy. Asset recycling reduces market risk, partnerships mitigate execution and political challenges, and a robust balance sheet limits financial risk. Taken together, these measures provide confidence that LFG can execute its transformation while keeping downside risks contained.

Thesis 1: Capital Recycling Discipline

Asset recycling in a crowded OSV space.

The Southeast Asia OSV market remains oversupplied, with Clarksons data showing AHTS dayrates still capped at USD20–35k/day despite utilisation above 75%. Westwood notes that more than 200 vessels have re-entered service since 2022, reinforcing a ceiling on rate recovery. Larger PSVs (>4,000 dwt) enjoy firmer demand, particularly for drilling campaigns, but the oversupply of smaller units continues to dilute pricing power. Compounding this, by 2027 half the global OSV fleet will be over 15 years old, raising survey and capex burdens for owners.

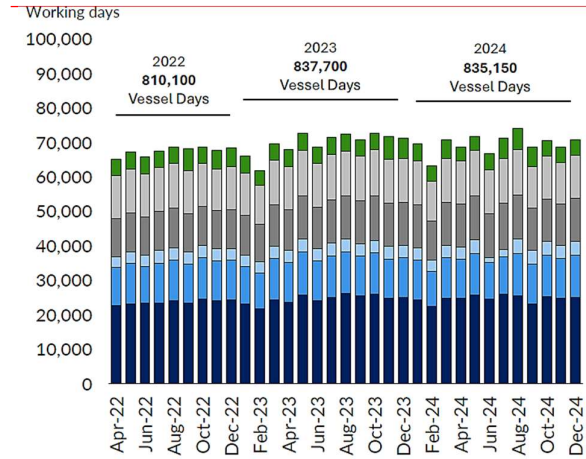
Instead of chasing volatile spot markets, LFG has monetised older tonnage, with recent disposals generating RM93mil, proving its ability to extract value from non-core assets. This disciplined stance reduces OSV-related downside risks and allows redeployment of capital into higher-return ventures. We believe these funds ought to be channelled into energy and power-related infrastructure, where growth visibility and contract-backed economics offer a more structural re-rating opportunity.

Earnings ramp from RM44mil (FY24) to RM123mil (FY27E) (+40% CAGR), driven by a leaner OSV portfolio and a growing, contract-backed marine transportation contribution post-Liannex acquisition. Marine transportation adds a defensive layer under constantly high utilisation and long-term charters, lifting earnings visibility while OSV cyclicality is tempered by asset recycling and higher-quality deployment.

On the balance sheet, LFG's net cash position has steadily grown to RM8.1mil in 2Q25. Further upside is expected from the potential conversion of 129.9mil warrants (expiring Feb 2028, exercise price RM0.825/share), which could add RM107mil to the group's coffers.

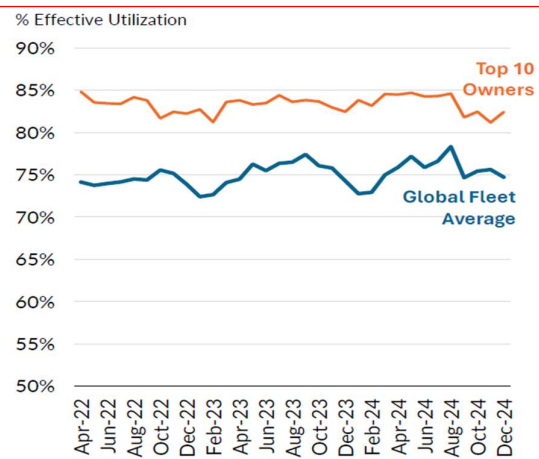
Reflecting its stronger financial footing, the group reinstated its dividend. The group declared a first interim dividend of 1.0 sen/share (~RM10.8mil) in May 2025, which was paid in August, followed by a second interim dividend of 1.0 sen/share (~RM10.8mil) declared in August 2025. At the current share price of RM1.67, this implies a forward FY27F dividend yield of around 3.5%.

EXHIBIT 2: GLOBAL OSV ACTIVITY DAYS



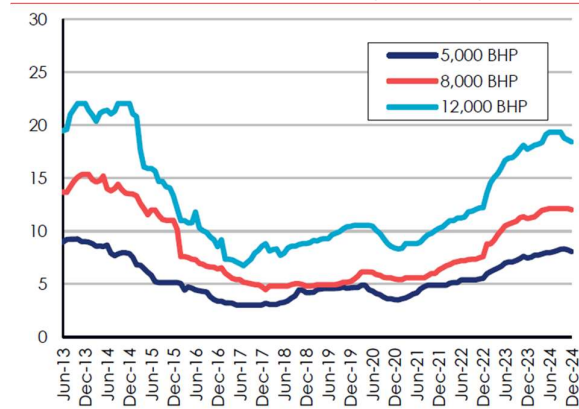
Source: Westwood, AmlInvestment Bank

EXHIBIT 3: GLOBAL OSV FLEET UTILISATION



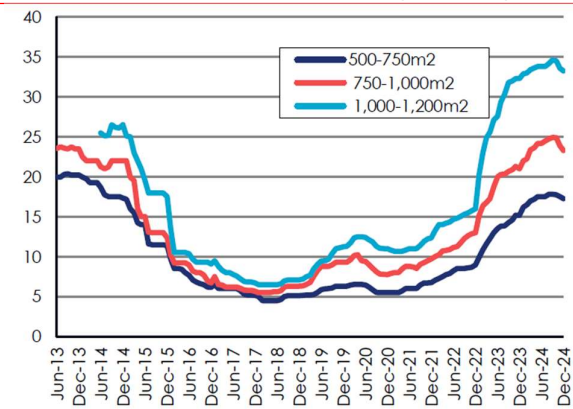
Source: Westwood, AmlInvestment Bank

EXHIBIT 4: AHTS SEA TERM RATES (\$,000/DAY)



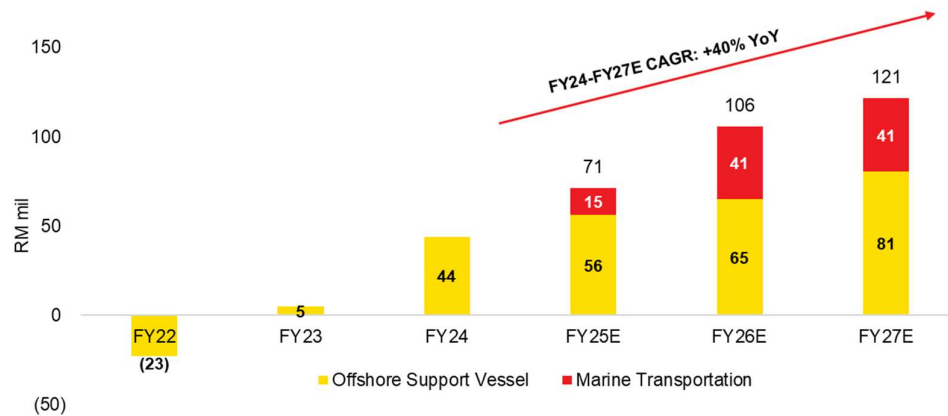
Source: Clarkson, AmlInvestment Bank

EXHIBIT 5: PSV SEA ASIA TERM RATES (\$,000/DAY)



Source: Clarkson, AmlInvestment Bank

EXHIBIT 6: OSV+ MARINE TRANSPORT EARNINGS PROJECTION



Source: AmlInvestment Bank

Thesis 2: JVs with strategic partners in SEA O&G market unlocks growth

Accelerating the exploration activities and strategic partnerships in Vietnam and/ or Indonesia as the structural energy growth engine.

Among the SEA countries, Vietnam's exploration and appraisal drilling activity is set to accelerate from 2025, with well counts rising sharply from just 1–2 wells per year in 2022–24 to 6–7 wells annually in 2025–26, led by PetroVietnam with JX Nippon, Zarubezhneft, and Cuu Long JOC. Vietnam's ongoing bidding rounds are extending into frontier basins such as Song Hong and Phu Khanh, alongside Nam Con Son and Cuu Long basins. With up to six blocks open or planned in Nam Con Son alone, the government is deliberately widening the exploration footprint. This signals a multi-year upcycle in near-field exploration, with PetroVietnam at the centre of activity.

Development, in fill and workover drilling activity jumps from low 2023–24 levels to a sharp surge in 2025 (~50–55 wells) dominated by VietSovPetro, then stays elevated in 2026 as the mix pivots to Phu Quoc JOC (Block B gas) with contributions from Cuu Long JOC, Murphy, Hoan Vu—a clear signal of multi-year, production-focused demand for jack-ups, workover units and OSV support

Against this backdrop, regional jack-up demand is expected to remain elevated at 35–40 rig-years in 2025–27, providing a resilient baseline for offshore support and drilling services.

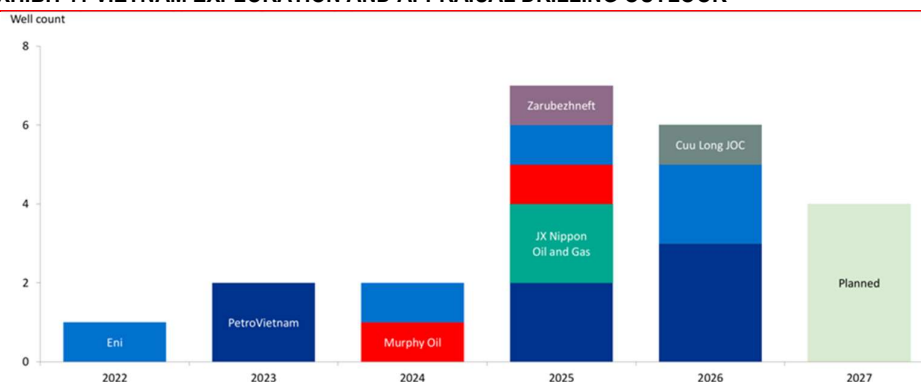
This opportunity may be one of the key appeals for LFG. This translates into clear line-of-sight demand for jack-up-linked services and a direct commercial pathway via its PetroVietnam partnership; should it decide to move into this O&G segment. A credible cash-flow bridge to its broader ASEAN energy strategy.

We model MYR/USD at 4.20, Brent normalising in a US\$66-75/bbl band, and a tight SEA jack-up balance with contracted rigs rising into the low-40s against a marketed fleet in the mid-40s.

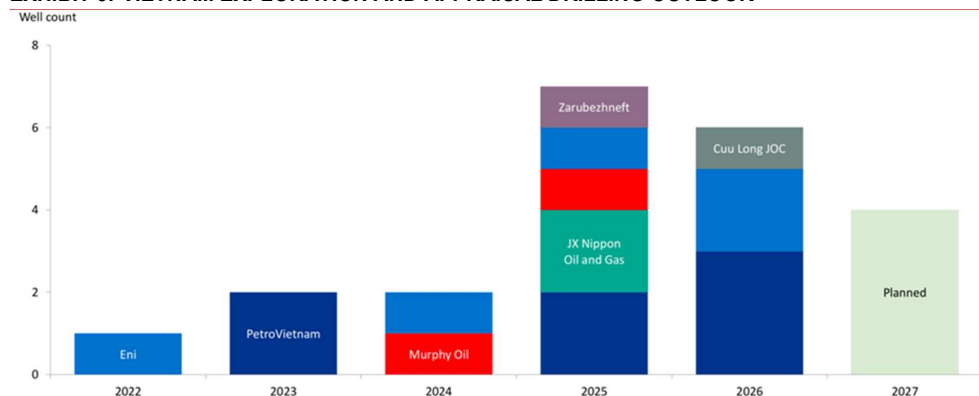
Based on our estimate, assuming the partnerships activate rigs progressively from 1 to 6 units from FY27F-FY34F, runs 87–99% utilisation and escalates day rates by 6% p.a. from US\$85k/day to US\$128k/day. On these inputs, drilling revenue lifts from RM128mil (US\$30mil) in the first year to RM1.0bil (US\$243m) in FY2034, with EBITDA rising from RM75mil to RM677mil and PAT of RM31mil to RM361mil.

With an asset-light model, we reckon that it would be prudent for the potential JVs to lease first rather than owns rigs outright, which are capital intensive. This avoids front-loaded capex and shortens payback versus asset-owning peers. We value the drilling segment at 12× P/E, in line with local driller averages.

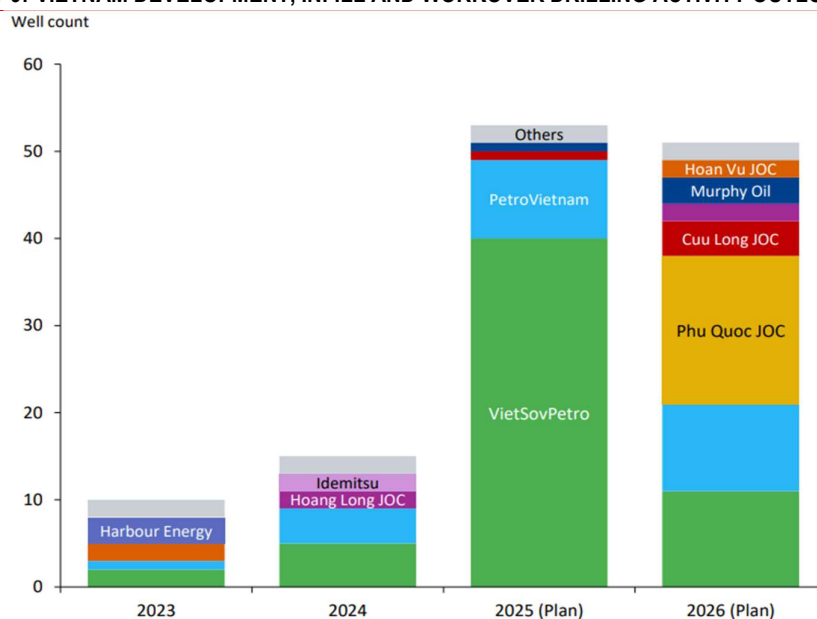
EXHIBIT 7: VIETNAM EXPLORATION AND APPRAISAL DRILLING OUTLOOK



Source: Rystad Energy, Southeast Asia Oil and Gas Solution, AmlInvestment Bank

EXHIBIT 8: VIETNAM EXPLORATION AND APPRAISAL DRILLING OUTLOOK

Source: Rystad Energy, Southeast Asia Oil and Gas Solution, AmInvestment Bank

EXHIBIT 9: VIETNAM DEVELOPMENT, INFILL AND WORKOVER DRILLING ACTIVITY OUTLOOK

Source: Rystad Energy, Southeast Asia Oil and Gas Solution, AmInvestment Bank

EXHIBIT 10: AM ASSUMPTION

Key Assumption	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E
Utilisation rate	98%	99%	97%	95%	93%	91%	89%	87%
Dayrate (USDk/day)	85	90	95	101	107	113	120	128
Active Rigs	1	2	3	4	4	5	5	6

Source: AmInvestment Bank

EXHIBIT 11: AM EQUITY VALUE ESTIMATE

Steady state PAT (RM mil)	552
PE multiple (x)	13
Equity value/Market cap (RM mil)	7,176
Present Value (RM mil)	1,900
Present Value (Probability-weighted: 50%)	1,330

Source: AmInvestment Bank

Thesis 3: ASEAN Energy Infrastructure Ambition

ASEAN Energy Infrastructure as a long-term growth aspiration.

Vietnam is positioning itself as a regional clean power export hub by 2035, with more than 15 new interconnections. Flagship projects include the 2.3 GW offshore wind farm linked via subsea cables to Malaysia and Singapore. The project, led by PTSC with TNB and Sembcorp as offtakers, is expected to generate 10.5 TWh annually, transmitting power across borders through the ASEAN Power Grid framework.

For LFG, this is a tangible entry point into the power infrastructure operations. Subsea cable manufacturing, laying, EPCC, transmission and related logistics are natural adjacencies to its fleet, allowing the company to extend beyond OSVs into higher-value infrastructure roles. With its SEA strategic partners, LFG is well positioned to credibly compete in subsea power cable-related tenders, capturing demand from regional cross-border grid projects.

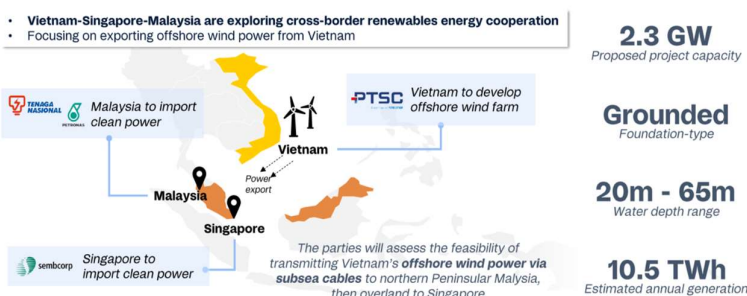
On our estimates, this venture could add RM1bil cumulative PAT over FY2027–FY2034, assuming an orderbook estimate of RM10bil. While we probability-weight infra at 40% in our SOTP, these developments highlight the strategic relevance of infra optionality as the ASEAN Power Grid shifts from concept to execution.

Beyond the financial contribution, entry into subsea infrastructure embeds a secular growth angle rarely available to OSV-centric peers, supporting a re-rating in valuation multiples as project visibility improves.

EXHIBIT 12: VIETNAM-SINGAPORE MALAYSIA RENEWABLE ENERGY COOPERATION

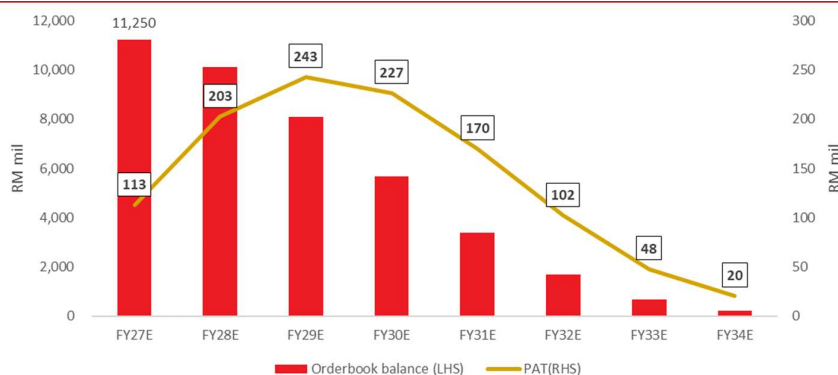
...affirming development plans to position Vietnam as a regional power export hub by 2035

Vietnam-Singapore-Malaysia Renewable Energy Cooperation – Power Export-Import Project from Vietnam



Source: Rystad Energy, AmlInvestment Bank

EXHIBIT 13: INFRASTRUCTURE S-CURVE PAT AND OUTSTANDING ORDERBOOK



Source: AmlInvestment Bank

EXHIBIT 14: AM INFRA SEGMENT EQUITY VALUE ESTIMATE

Average PAT (RM mil)	141
PE multiple (x)	17
Equity value/Market cap (RM mil)	2,391
Equity Value (Probability-weighted:40%)	956

Source: AmlInvestment Bank

Company profile

Lianson Fleet Group Berhad (LFG), formerly known as Icon Offshore Berhad, is a Malaysian public-listed company that underwent a rebranding, with the new name effective from 27 January 2025, and its securities began trading under Lianson Fleet Group Berhad on 7 February 2025.

LFG operates as an investment holding company, with its core business focused on owning/leasing and providing vessel chartering and ship management services to the oil and gas (O&G) industry. The company supports the entire offshore oil and gas life cycle, including transportation for oilfield supplies, equipment, and offshore personnel. LFG has over 30 years of experience in the Offshore Support Vessel (OSV) sector.

As of 31 March 2025, LFG's fleet includes 22 active OSVs and is set to expand significantly with 36 Marine Transportation Assets upon completion of strategic acquisitions. As of 31 January 2025, the OSV fleet comprised 24 vessels, specifically 18 Anchor Handling Tug & Supply Vessels (AHTS), 3 Platform Supply Vessels (PSVs), and 3 Accommodation Workboats (AWBs). The company highlights its PSVs (Icon Amara, Icon Amira, PTSC Huong Giang) as the first Malaysian-built electrical propulsion diesel-electric PSVs. LFG is recognized as a top 10 OSV player by fleet count in Malaysia and Southeast Asia.

Investment thesis and catalysts

Capital recycling discipline. Monetises older OSVs (realised US\$14.5m) instead of pursuing volatile SEA spot work (AHTS US\$20–35k/day), keeps the fleet lean, and redeploys proceeds into higher-return O&G ventures such as drilling and energy infrastructure to cut OSV cyclicality.

Vietnam and/ or Indonesia's strategic partnership platforms. Reciprocal access between Vietnam and Malaysia/Indonesia opens upstream work scopes and shifts earnings toward multi-year, contract backed cash flows, a clear differentiation vs pure OSV peers, with **RM31mil-RM361mil p.a** upside not in the base case.

ASEAN infrastructure optionality. Positions for the ASEAN Power Grid build-out (>15 interconnections by 2035); subsea cable laying, EPCC and marine logistics are natural adjacencies, and a partner led entry supports a credible regional cable laying role with **cumulative RM1bil** upside in FY2027F-FY2034F.

Valuation methodology

We derive RM2.40 TP on a blended basis: 8x PE for the core OSV earnings, 9x PE for marine transport and 13-17x PE for energy/power-infrastructure optionality.

The TP embeds upside from (i) Vietnam contracts via the PV platform and (ii) early wins in ASEAN Power Grid opportunities

Risk factors

Market Risk. The OSV segment faces oversupply. Although Southeast Asia rates have improved, utilisation remains capped around 75-80%, creating a ceiling for earnings and raising the risk of margin compression.

Execution Risk. Entry into Vietnam hinges on effective execution of PV partnerships. Differences in regulations and practices raise risks of delays or overruns in large infra contracts.

Geopolitical/Regulatory Risk. Vietnam and Indonesia impose local content and approvals that can delay projects, while political shifts may add uncertainty or increase costs.

Financial Risk. Expansion into new O&G services (i.e. drilling, LNG shipping) and infra is capital-intensive with long paybacks, risking balance sheet strain if pursued aggressively.

Appendix – Company background

Lianson Fleet Group Berhad (LFG), formerly known as Icon Offshore Berhad, is a Malaysian public-listed company that underwent a rebranding, with the new name effective from 27 January 2025, and its securities began trading under Lianson Fleet Group Berhad on 7 February 2025

Summary changes in shareholders: -

Previous Ownership (Prior to 26 March 2024):

- Hallmark Odyssey Sdn. Bhd. was the immediate holding company.
- Yayasan Ekuiti Nasional was the ultimate holding foundation.

Current Ownership:

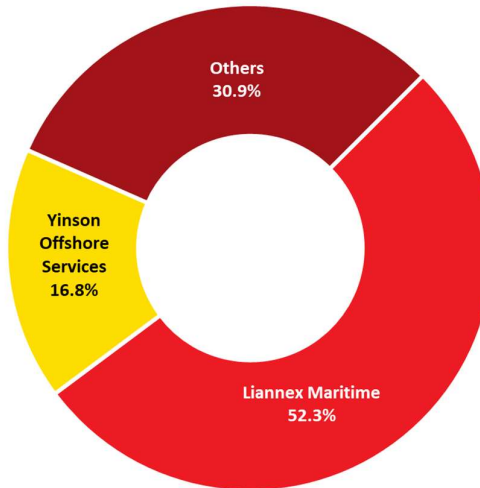
- On 26 March 2024, Liannex Maritime Sdn. Bhd., has acquired 272mil ordinary shares in the Company from Hallmark Odyssey Sdn Bhd, via a direct business transaction. Following the acquisition, Liannex Maritime Sdn. Bhd., a company incorporated in Malaysia gained control in the Group with an equity interest of 56.6%.

This change of control and the new management that took the helm in 2Q 2024, initiated a comprehensive turnaround plan for LFG

- On 31 January 2025, the Group completed the acquisition of Regulus Offshore and Yinson Camellia from Yinson Offshore Services Sdn Bhd, through the issuance of 154.5mil and 27.3mil new LFG shares, respectively. Accordingly, on 31 January 2025, Yinson Offshore Services Sdn. Bhd. has effectively gained an equity interest of 22.57% in the Company.
- On 21 July 2025, the Group completed the acquisition of Liannex Fleet and Yinson Power Marine from Liannex Corporation and Mr. Lim Han Weng ("LHW"), through the issuance of 206.8mil and 20.5mil new shares of LFG, respectively. Following completion, on 21 July 2025, Liannex Corporation and LHW has gained an equity interest of 19.11% and 1.89% respectively, in the Company.

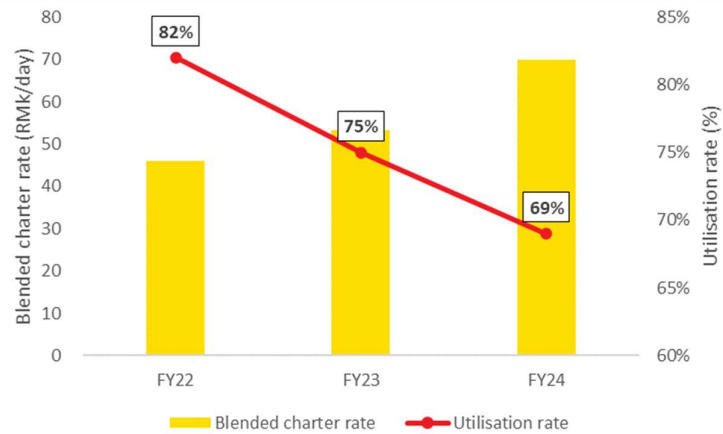
With the completion of the Liannex Fleet and Yinson Power Marine acquisitions, LFG has shifted from being a niche offshore support vessel (OSV) player into a broader marine logistics operator. This positions the group to capture steady demand from commodity and dry bulk transport, which is generally less cyclical than OSVs. The long-term charter arrangement with Liannex Corporation (running until 2027, with extension options) provides earnings visibility.

EXHIBIT 15: SHAREHOLDING STRUCTURE (%)



Source: LFG, AmInvestment Bank

EXHIBIT 16: FY22-FY24 VESSEL UTILISATION RATE AND BLENDED CHARTER RATE



Source: LFG, AmInvestment Bank

What is offshore support vessel?

OSVs provide logistical support services throughout the entire life cycle of offshore oil and gas projects, from exploration to the decommissioning stage. Wide array of services involves seismic survey, drilling operations support, towing, anchor handling & mooring, repair, accommodation facilities and transportation to platforms.

Exploration & Appraisal

OSVs are first deployed during exploration to support drilling activities. Their roles include rig positioning, anchor handling, towing units into place, and performing supply runs for personnel, fuel, equipment, and spares. They provide the essential logistical link between shore bases, drilling rigs, and offshore installations.

Field Development

If exploration confirms commercial reserves, full field development begins. OSVs then support installation vessels in laying pipelines, transporting heavy-lift assets, and delivering construction materials such as cement, pipes, drilling mud, water, and fuel. They also serve as standby safety and emergency response units. Development lead times from discovery to production typically extending beyond five years.

Production & Maintenance

Once production starts, OSVs play a central role in inspection, maintenance, and repair (IMR) to ensure system reliability. PSVs and AHTS vessels supply provisions, spares, and fuel while transporting crews between platforms and rigs. They also act as standby vessels to maintain safety during ongoing production operations.

Decommissioning

When fields mature and production is no longer viable, OSVs support decommissioning. Their tasks include transporting equipment, assisting in the removal of offshore infrastructure, and providing logistics to oil and gas operators during the dismantling phase.

What is marine transportation?

Marine transportation, in this context, refers to the movement of bulk and dry commodities by sea using tug-barge combinations and bulk carriers. Unlike offshore support vessels (OSVs), which serve short-term, project-based oil and gas operations, marine transport is anchored in long-term commodity flows such as coal, gypsum, construction materials, and other dry bulk cargo. These trades are typically contracted under time charters or long-term agreements, providing steady revenue visibility.

Tugboats

A tugboat is a small but powerful vessel designed to tow or push larger, non-powered vessels. In marine transportation, tugboats are paired with steel barges. Together, the tug-and-barge system provides a cost-efficient way to transport commodities.

Beyond their role in tug-barge combinations, tugboats are essential support vessels in ports and waterways. Their maneuverability and pulling power make them critical for guiding larger ships during docking, undocking, or navigating tight channels. In commercial fleets like Liannex's, tugboats are primarily deployed for towing and pushing barges, forming the backbone of short-haul marine transport.

Bulk carriers

Bulk carriers (or “bulkers”) are self-propelled ocean-going ships designed to transport large volumes of unpackaged bulk commodities such as coal, iron ore, grain, or cement over longer distances. They are equipped with cargo holds and, in some cases, on-board cranes for loading and unloading. Bulk carriers complement tug-barge operations by serving deep-sea routes and larger-scale commodity flows that require higher carrying capacity.

Steel Barges

A steel barge is a flat-bottomed, non-powered vessel built from steel, designed to carry large volumes of cargo over water. Unlike powered ships, barges rely on tugboats to tow or push them. Their flat deck and large open holds allow for easy loading and unloading, and their shallow draft makes them well-suited for coastal waters, rivers, and shallow ports where larger ships cannot operate.

EXHIBIT 17: LFG’S OFFSHORE SUPPORT VESSEL TYPE AND SPECS

No	Vessel name	Built Year	Type	Spec
1	Icon Ikhlas	2013	AHTS	5150 BHP
2	Icon Lotus	2013		5150 BHP
3	Icon Sophia	2013		5150 BHP
4	Icon Tigris	2013		5220 BHP
5	Icon Zara	2013		5150 BHP
6	Omni Marissa	2013		5500 BHP
7	Omni Stella	2013		5220 BHP
8	PTSC Lam Kinh	2011		5220 BHP
9	Tanjung Biru 1	2009		5220 BHP
10	Tanjung Dahan 1	2014		5444 BHP
11	Tanjung Dahan 2	2014		5444 BHP
12	Tanjung Puteri 1	2008		5444 BHP
13	Tanjung Sari	2009		5444 BHP
14	Yinson Hermes	2013		5150 BHP
15	Yinson Perwira	2014		10800 BHP
16	Icon Aliza	2016	AWB	5200 BHP
17	Icon Valiant	2013		5200 BHP
18	Kayra	2013		6000 BHP
19	Icon Amara	2014	PSV	6970 BHP
20	Icon Amira	2013		6970 BHP
21	PTSC Huong Giang	2009		5400 BHP

Source: LFG, AmlInvestment Bank

EXHIBIT 18: LFG'S MARINE TRANSPORT VESSEL TYPE AND SPECS

No	Vessel name	Built Year	Type	Spec
1	Sinaran Bumi	2009	Flat Top Barge	300 FT 7512 T DWT
2	Sinaran Puteri	2014	Steel Barge	300 FT 7512 T DWT
3	Sinaran Pelangi	2014		300 FT 7512 T DWT
4	Sinaran Raya	2014		300 FT 7512 T DWT
5	Sinaran Bintang	2008		300 FT 7512 T DWT
6	Sinaran Indah	2013		300 FT 7512 T DWT
7	Sinaran Warni	2013		300 FT 7512 T DWT
8	Sinaran Gemilang	2014		300 FT 7919 T DWT
9	Sinaran Barat	2014		300 FT 7919 T DWT
10	Sinaran Baiduri	2014		300 FT 7919 T DWT
11	Sinaran Selatan	2014		300 FT 7919 T DWT
12	Sinaran Ceria	2016		300 FT 8539 T DWT
13	Sinaran Mesra	2016		300 FT 8539 T DWT
14	Sinaran Sejiwa	2015		300 FT 8539 T DWT
15	Sinaran Damai	2016		300 FT 8539 T DWT
16	Sinaran Riang	2016		300 FT 8539 T DWT
17	Sinaran Sejati	2024		N.A
18	Sinaran Mentari	2009	Tugboat	1518 kW / 2036 BHP
19	Sinaran Putera	2014		2000 BHP
20	Sinaran Langit	2014		2000 BHP
21	Sinaran Gilang	2015		2000 BHP
22	Sinaran Timur	2015		2000 BHP
23	Sinaran Intan	2015		2000 BHP
24	Sinaran Utara	2015		2000 BHP
25	Sinaran Setia	2013		2000 BHP
26	Sinaran Warna	2013		2000 BHP
27	Sinaran Cera	2016		2276 BHP
28	Sinaran Ikhlas	2020		2276 BHP
29	Sinaran Ramah	2016		2276 BHP
30	Sinaran Sehati	2016		2276 BHP
31	Sinaran Embun	2016		2276 BHP
32	Sinaran Aman	2016		2276 BHP
33	Sinaran Angkasa	2016		2276 BHP
34	Sinaran Bahagia	2016		2276 BHP
35	Lianson Dynamic	2006	Bulk Carrier	31094 GRT / 53163 T DWT
36	Lianson Hermes	2009		32474 GRT / 53163 T DWT
37	MV Moana	2012		32964 GRT / 56625 T DWT

Source: LFG, AmlInvestment Bank

EXHIBIT 19: ANCHOR HANDLING TUG SUPPLY (AHTS)



Source: Marine Traffic

EXHIBIT 20: ACCOMMODATION WORKBOAT (AWB)



Source: Marine Traffic

EXHIBIT 21: PLATFORM SUPPLY VESSEL (PSV)



Source: Marine Traffic

EXHIBIT 22: BULK CARRIER



Source: Marine Traffic

EXHIBIT 23: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	199.8	235.8	285.7	402.3	448.4
EBITDA	99.5	99.3	155.6	228.2	249.4
Depreciation/Amortisation	(54.6)	(58.9)	(71.9)	(98.6)	(98.6)
Operating income (EBIT)	44.9	40.4	83.6	129.6	150.8
Other income & associates	-	-	-	-	-
Net interest	(19.3)	(9.4)	(13.4)	(13.7)	(14.4)
Exceptional items	(12.8)	1.6	-	-	-
Pretax profit	12.8	32.6	70.2	115.9	136.4
Taxation	(6.2)	(6.4)	(16.9)	(27.8)	(32.7)
Minorities/pref dividends	(1.9)	17.9	17.9	17.9	17.9
Net profit	4.8	44.0	71.2	105.9	121.5
Core net profit	(8.1)	45.7	71.2	105.9	121.5
Balance Sheet (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	492.5	491.9	546.1	481.0	415.4
Intangible assets	-	-	-	-	-
Other long-term assets	18.1	55.7	55.7	55.7	55.7
Total non-current assets	510.5	547.6	601.8	536.7	471.1
Cash & equivalent	79.6	45.3	291.2	377.3	483.1
Stock	-	-	-	-	-
Trade debtors	48.3	97.7	118.3	166.6	185.7
Other current assets	88.3	10.2	10.2	11.0	11.3
Total current assets	216.2	153.1	419.8	554.9	680.2
Trade creditors	47.7	60.2	71.2	100.0	109.8
Short-term borrowings	248.8	35.2	35.2	35.2	35.2
Other current liabilities	29.3	3.0	3.0	3.0	3.0
Total current liabilities	325.9	98.5	109.5	138.3	148.1
Long-term borrowings	-	125.5	125.5	125.5	125.5
Other long-term liabilities	23.5	20.2	20.2	20.2	20.2
Total long-term liabilities	23.5	145.7	145.7	145.7	145.7
Shareholders' funds	345.3	439.9	767.7	826.7	894.5
Minority interests	32.0	16.6	(1.3)	(19.1)	(37.0)
BV/share (RM)	1.19	1.24	1.11	1.17	1.24
Cash Flow (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	12.8	32.6	70.2	115.9	136.4
Depreciation/Amortisation	54.6	58.9	71.9	98.6	98.6
Net change in working capital	71.5	103.9	142.2	214.5	235.0
Others	(57.6)	(132.4)	(168.7)	(262.6)	(277.2)
Cash flow from operations	81.2	63.0	115.6	166.4	192.7
Capital expenditure	(23.2)	(56.6)	(33.2)	(33.5)	(33.1)
Net investments & sale of fixed assets	3.5	12.2	(93.0)	-	-
Others	(3.6)	22.3	-	-	-
Cash flow from investing	(23.3)	(22.1)	(126.2)	(33.5)	(33.1)
Debt raised/(repaid)	(49.0)	(36.4)	-	-	-
Equity raised/(repaid)	0.4	0.2	180.9	-	-
Dividends paid	-	(27.1)	(31.5)	(46.9)	(53.7)
Others	(14.2)	(11.2)	107.1	-	-
Cash flow from financing	(62.9)	(74.5)	256.5	(46.9)	(53.7)
Net cash flow	(5.0)	(33.6)	246.0	86.0	105.9
Net cash/(debt) b/f	85.7	79.6	45.3	291.2	377.3
Net cash/(debt) c/f	79.6	45.3	291.2	377.3	483.1
Key Ratios (YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	3.3	18.0	21.2	40.8	11.5
EBITDA growth (%)	53.3	(0.3)	56.7	46.7	9.3
Pretax margin (%)	6.4	13.8	24.6	28.8	30.4
Net profit margin (%)	2.4	18.7	24.9	26.3	27.1
Interest cover (x)	2.3	4.3	6.2	9.4	10.4
Effective tax rate (%)	48.3	19.7	24.0	24.0	24.0
Dividend payout (%)	-	-	44.2	44.2	44.2
Debtors turnover (days)	96	113	138	129	143
Stock turnover (days)	-	-	-	-	-
Creditors turnover (days)	77	84	84	78	85

Source: Company, AmlInvestment Bank Bhd estimates

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