OIL & GAS

AmInvestment Bank

LIANSON FLEET GROUP

(LFG MK EQUITY, LFG.KL)

21 Oct 2025

Game changer via Vietnam port foothold

Company Report

BUY

(Maintained)

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Rationale for report: Company Update

Price	**RM2.20**
Target Price	**RM3.00**
52-week High/Low	RM2.25/RM0.70

Key Changes

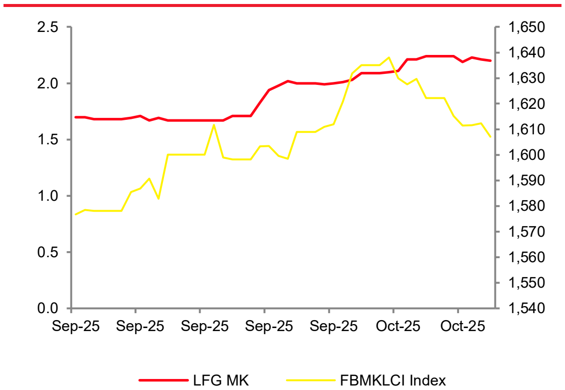
Target Price	⇧
EPS	⇔

YE to Dec	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	235.8	285.7	388.3	435.3
Core net profit (RM mil)	45.7	71.2	100.4	117.6
FD Core EPS (sen)	7.3	5.9	8.3	9.7
FD Core EPS growth (%)	(592.2)	(19.8)	41.0	17.1
Consensus Net Profit (RM mil)	-	81.5	90.7	93.4
DPS (sen)	-	4.0	4.8	5.7
PE (x)	30.0	37.4	26.5	22.7
EV/EBITDA (x)	25.1	12.7	8.6	7.3
Div yield (%)	-	2.4	2.9	3.4
ROE (%)	11.2	11.8	12.6	13.7
Net Gearing (%)	26.2	nm	nm	nm

Stock and Financial Data

Shares Outstanding (million)	1,117.9
Market Cap (RMmil)	2,380.6
Book Value (RM/Share)	1.24
P/BV (x)	1.8
ROE (%)	11.2
Net Gearing (%)	26.2
Major Shareholders	Liannex Maritime (52.3%) Yinson Offshore Services (16.8%)
Free Float	30.9
Avg Daily Value (RMmil)	5.0

Price performance	3mth	6mth	12mth
Absolute (%)	124.5	171.6	98.2
Relative (%)	113.0	153.4	102.9



Investment Highlights

Maintain BUY with a higher TP of RM3.00/share (post-full warrant conversion, +36% upside) from RM2.40/share previously as we raise our infra optionality by 15%, driven by two key developments i) the Vietnam port acquisition, a critical node in southern offshore wind energy transition corridor and ii) World Bank - Asian Development Bank (ADB) ASEAN Power Grid Financing Initiative amounting to US$12.5bil (RM53bil), which strengthens project bankability and funding visibility. Collectively, these events place LFG in a bright spot - its Vietnam port foothold enables participation in APG-linked opportunities, while multilateral financing enhances execution visibility. Backed by a stronger balance sheet (net cash, RM186mil disposal gains YTD), we believe LFG is evolving into ASEAN infra enabler, poised to capture multi-year growth from Vietnam's accelerating offshore wind investments.

- **Marking a strategic foothold in Vietnam.** LFG is acquiring 100% of Yinson Port Ventures (completion in 4Q25), which owns a 40% stake in PTSC Phu My Port located in Ba Ria-Vung Tau Province, Southern Vietnam – a cluster zone for offshore wind development. Studies by Equinor and BVG Associates highlight Phu My port as one of Vietnam's potential offshore wind manufacturing hubs, supported by its deepwater access (14.5 metre) and proximity to CS Wind's tower manufacturing facility. Even so, moderate upgrades to its quay and yard capacity are needed to accommodate offshore wind projects.

- **Plugging into APG value chain.** Phu My's deep-draft and fabrication capacity make it an ideal hub for HVDC cable loadouts. Our channel checks indicate that port operator signed a JDA with a Korean cable manufacturer to explore a submarine-cable plant at the port. While still in its feasibility stage, the collaboration underscores the port rising role within the APG ecosystem. Through this ports stake, LFG gains dual exposure, i) infra upside via the ports' role in offshore wind manufacturing and ii) operational upside through future opportunities into cable-laying offshore-support vessel services.

- **Funding boost via ASEAN Power Grid Financing Initiatives.** The ADB has pledged to mobilise US$10bil (RM42bil) through loans and blended instruments, while the World Bank commits an additional US$2.5bil (RM11bil) for technical and project preparation support. The dedicated financing facility for APG reduces LFG's financing risks and elevates the bankability of large inter-regional energy transmission projects.

- **Valuation & Risks.** We roll forward our valuation to FY27F EPS, applying a blended approach: 8x PE for OSV, 9x PE for Marine, 13x PE for Energy and 17x PE for Infra optionality, yielding a TP of RM3.00/share (36% upsid e). Our TP embeds scenarios for regional energy contracts and infra awards under the ASEAN Power Grid**.** Risks include execution delays, regulatory and policy shifts, and rising capex requirements.

EXHIBIT 1: SOTP VALUATIONS

Segment	Metric	PAT	Valuation (RM mil)
OSV	8x PE × FY27F	77	614
Marine	9x PE× FY27F	41	368
Energy services	PV of (13x PE × steady state earnings) × 50%	552	950
Infra	17x PE × Avg PAT × 65%	141	1,554
	Equity Value		3,486
	(+) Cash (full conversion of warrants)		107
	Adjusted Equity Value (post-conversion)		3,593
	Shares Outstanding (full warrants conversion)		1,212
	Target Price (RM/share)		**3.00**
	Current Market Price* (RM/share)		2.20
	Upside/(Downside)		36%

*Source: AmInvestment Bank, * as of 17th Oct 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 65% over financing clarity and port acquisition (v.40% previously) 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 65%, until formal tie-up.

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 30 Sept 2025, LFG's OSV fleet stands at 21 vessels (after four disposals YTD), comprising 16 Anchor Handling Tug & Supply (AHTS) vessels, three Platform Supply Vessels (PSVs), and two Accommodation Workboats (AWBs). Notably, its PSVs Icon Amara, Icon Amira, and PTSC Huong Giang are Malaysia's first locally built diesel-electric propulsion PSVs, underscoring LFG's technological edge. LFG remains a top 10 OSV player in Malaysia and Southeast Asia by fleet count. The group also expanded into marine transport segment through the acquisition of 39 shipping assets (34 tugs & barges and five bulk carriers), strengthening its logistics footprint across Southeast Asia.

Investment thesis and catalysts

Capital recycling discipline. Monetises older OSVs (realised RM186mil YTD) 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 Power Grid ambition. 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 RM3.00 TP on a blended basis: 8x PE for the core OSV earnings, 9x PE for marine transport, 13x PE for Energy and 17x PE for Infra 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 A

Vietnam port landscape and offshore wind potential

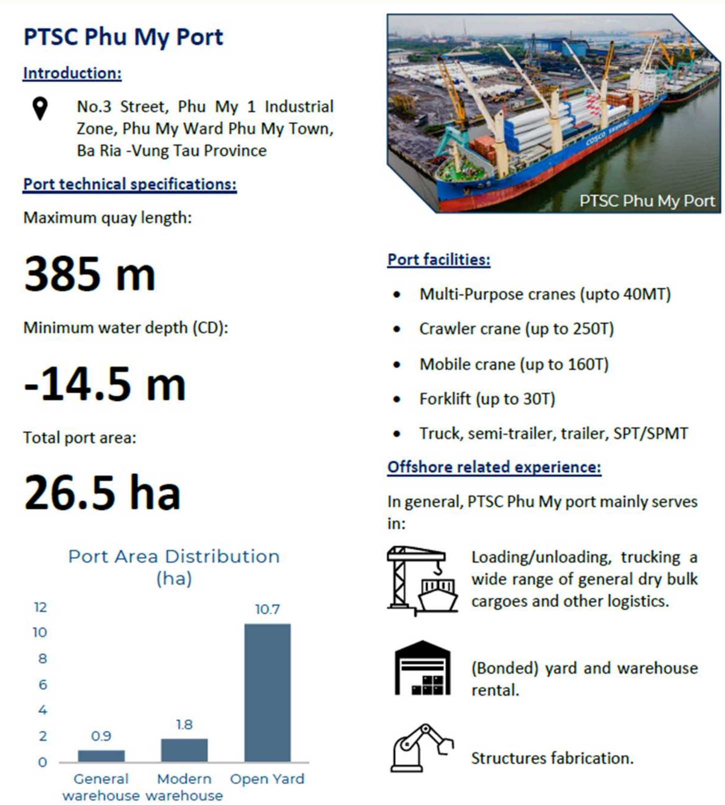
Vietnam has over 3,000 km of coastline and 320 designated ports, though many are small inland ports with shallow access. The country's 44 seaports are concentrated around Hai Phong (north), Da Nang (central), and Ho Chi Minh City (south), which handles 70% of national throughput. While port quality trails regional peers such as China and Thailand, Vietnam's southern region—particularly Ba Ria–Vung Tau and Phu My—offers strategic deepwater access for offshore industries.

Ports in Vung Tau and Phu My have long supported oil and gas fabrication, capable of accommodating large structures and heavy loadouts. The area hosts key players such as Vietsovpetro, PTSC, and Alpha ECC, all with proven experience in offshore engineering and direct quayside access.

CS Wind, Vietnam's leading turbine tower manufacturer, operates from Phu My, within 3 km of ports such as Thi Vai General Port, Saigon International Terminals, and PTSC Phu My Port—the latter serving as a logistics node for offshore-wind construction.

Developers and supply-chain partners view the Vung Tau–Phu My cluster as a preferred offshore-wind construction and logistics base, thanks to its deep-draft capacity, fabrication ecosystem, sheltered coastal conditions, and existing heavy-industry infrastructure. These features position Phu My Port as a critical staging and loadout hub for Vietnam's future offshore-wind projects.

EXHIBIT 2: PHU MY PORTS PROFILE



Source: OWC Consulting

EXHIBIT 3: PORT ASSESSMENT RESULTS (#1)

TABLE 18.4: PORT ASSESSMENT RESULTS

Criteria	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Vinashin Shipyard, Van Phong Bay	Vietsovpetro Port	Tan Cang Cat Lai Terminal	Tien Sa Port	PTSC Port	Tan Cang-Cai Mep Terminal	Thi Vai General Port	SITV	Cam Ranh Port	PTSC Phu My Port	PTSC Dinh Vu	VICT	Hiep Phuoc Port	Nghe Tinh	Duong Dong Port
Space—construction port	5	5	5	5	5	5	5	5	5	5	5	5	5	5	3
Space—manufacturing port	5	5	5	5	5	5	5	5	5	5	5	5	5	5	3
Quay length	5	5	5	5	5	5	5	5	5	4	5	5	3	2	1
Quayside UDL/bearing capacity	4	4	3	3	4	3	2	2	3	2	3	3	3	3	2
Storage area UDL/bearing capacity	4	5	4	4	4	3	3	3	4	3	3	4	3	3	3
Channel depth	5	3	5	5	3	5	5	5	5	5	4	5	4	2	5
Channel width	5	3	5	5	3	5	5	5	5	5	4	5	4	2	5
Crane capacity—turbines	4	5	3	2	5	3	3	2	2	3	2	3	2	2	1
Crane capacity—foundations	4	5	3	2	5	3	2	2	2	2	2	3	2	2	1
Overhead clearance	5	5	5	5	5	5	5	5	5	5	5	1	1	5	5
SPMT	4	5	4	4	5	4	3	4	4	4	4	4	4	4	2
Mobile crane	4	5	4	4	5	4	4	4	4	4	4	4	4	4	2
Crawler crane	4	5	4	4	5	4	4	4	4	4	4	4	4	4	2
Other facilities	5	5	4	4	5	4	4	4	2	4	4	4	3	3	1
Construction port rating	42	40	39.6	39.2	39	38.6	37.2	37.2	37.2	36.4	36.2	35.6	29.2	28.2	26.6
Manufacturing port rating	42	40	39.6	39.2	39	38.6	37.2	37.2	37.2	36.4	36.2	35.6	29.2	28.2	26.6

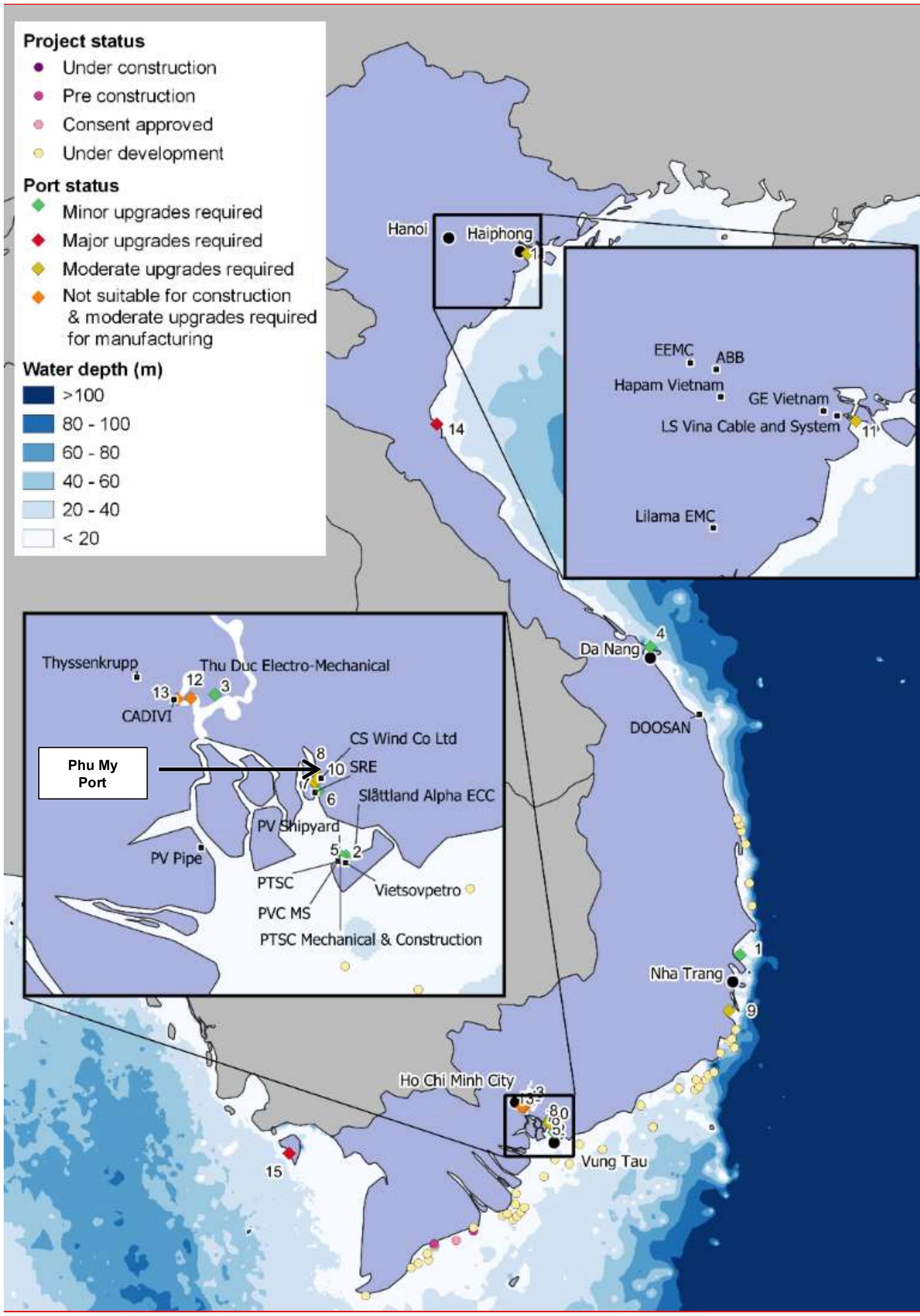
Source: Equinor and BVG Associates, World Bank Group, AmInvestment Bank

EXHIBIT 4: PORT ASSESSMENT RESULTS (#2)

#	Port	Suitability for Construction	Suitability for Manufacture	Comment
8	SITV (Phu My)	Suitable with moderate upgrades	Suitable with moderate upgrades	• Ownership: private • Location: Thi Vai River, inland • Good water depths (12 m) • Established container and cargo port • Potential for delivery and staging of imported turbine components • Major upgrades required to bearing capacity of quayside • Moderate upgrades required to bearing capacity of storage areas
9	Cam Ranh Port (Khanh Hoa Province)	Suitable with moderate upgrades	Suitable with moderate upgrades	• Ownership: government • Location: Cam Ranh, coastal • Good water depths (10 m) • General cargo port • Potential for delivery and staging of imported turbine components • Moderate upgrades required to bearing capacity of quayside • Minor upgrades required to bearing capacity of storage areas • Poor port facilities
10	PTSC Phu My Port (Phu My)	Suitable with moderate upgrades	Suitable with moderate upgrades	• Ownership: government • Location: Thi Vai River, inland • Good water depths (13 m) • General cargo port • Major upgrades required to bearing capacity and length of quayside • Moderate upgrades required to bearing capacity of storage areas • Moderate upgrades to channel depth and width

Source: Equinor and BVG Associates, World Bank Group, AmInvestment Bank

EXHIBIT 5: LOCATION OF POTENTIAL OFFSHORE WIND SUPPLIERS



Source: Equinor and BVG Associates, AmInvestment Bank

Appendix B

ASEAN Power Grid Financing Initiative

The Asian Development Bank (ADB), World Bank Group, and ASEAN have jointly launched the ASEAN Power Grid Financing Initiative (APGF) to accelerate regional power integration by 2045. The initiative supports ASEAN's goal of linking national electricity grids, upgrading domestic networks, and developing subsea interconnections across the region.

The ASEAN Interconnection Masterplan Study (AIMS) III estimates that US$764bil (RM3.2tril) in investment will be needed to achieve full grid integration with higher renewable-energy adoption. ASEAN's current 7.7 GW of cross-border interconnection capacity will need to more than double by 2040.

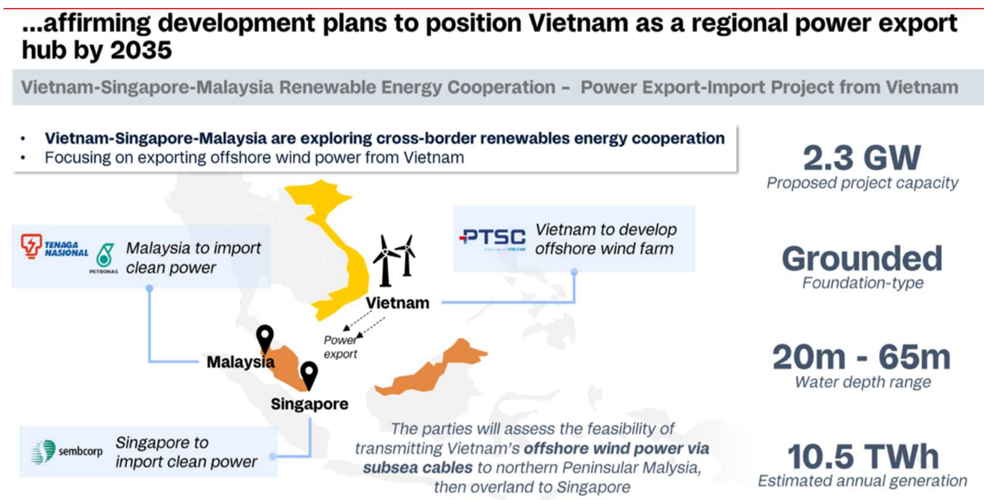
The ADB has pledged US$10bil (RM42bil) over the next decade (including US$6mil (RM25mil) in technical-assistance grants from ADB, the UK, EU, and others). The World Bank will contribute US$2.5bil (RM10.5bil) under its Accelerating Sustainable Energy Transition (ASET) program, plus a US$12.7mil (RM53mil) seed grant to the ASEAN Centre for Energy (ACE) for project preparation.

The APGF will mobilise public and private financing for cross-border power interconnections — both on land and subsea, supported by technical assistance, guarantees, PPP advisory services, and risk-mitigation tools. It will also establish the Partnership for ASEAN Connectivity on Energy (PACE) to coordinate donors, development banks, and private financiers.

A fully connected ASEAN Power Grid would create thousands of jobs, enhance energy security, lower power costs, and unlock renewable-energy investment across Southeast Asia. Achieving this vision will require deep policy harmonisation, regulatory alignment, and sustained political commitment.

The APGF represents a historic milestone in ASEAN's regional energy integration, combining political will, multilateral expertise, and innovative financing to deliver a connected, reliable, and sustainable future for the region.

EXHIBIT 6: VIETNAM-SINGAPORE-MALAYSIA RENEWABLE ENERGY COOPERATION



Source: Rystad Energy, AmInvestment Bank

EXHIBIT 7: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	199.8	235.8	285.7	388.3	435.3
EBITDA	99.5	99.3	155.6	220.1	242.4
Depreciation/Amortisation	(54.6)	(58.9)	(71.9)	(98.6)	(98.6)
Operating income (EBIT)	44.9	40.4	83.6	121.4	143.8
Other income & associates	-	-	-	-	-
Net interest	(19.3)	(9.4)	(13.4)	(12.8)	(12.5)
Exceptional items	(12.8)	1.6	-	-	-
Pretax profit	**12.8**	**32.6**	**70.2**	**108.7**	**131.3**
Taxation	(6.2)	(6.4)	(16.9)	(26.1)	(31.5)
Minorities/pref dividends	(1.9)	17.9	17.9	17.9	17.9
Net profit	**4.8**	**44.0**	**71.2**	**100.4**	**117.6**
Core net profit	(8.1)	45.7	71.2	100.4	117.6

Balance Sheet (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	492.5	491.9	267.1	202.0	136.4
Intangible assets	-	-	-	-	-
Other long-term assets	18.1	55.7	55.7	55.7	55.7
Total non-current assets	**510.5**	**547.6**	**322.8**	**257.7**	**192.1**
Cash & equivalent	79.6	45.3	570.2	656.7	759.9
Stock	-	-	-	-	-
Trade debtors	48.3	97.7	118.3	160.8	180.3
Other current assets	88.3	10.2	10.2	11.0	11.2
Total current assets	**216.2**	**153.1**	**698.8**	**828.4**	**951.5**
Trade creditors	47.7	60.2	71.2	97.6	107.3
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**	**135.9**	**145.6**
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**	**823.7**	**889.3**
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	108.7	131.3
Depreciation/Amortisation	54.6	58.9	71.9	98.6	98.6
Net change in working capital	71.5	103.9	142.2	207.3	229.9
Others	(57.6)	(132.4)	(168.7)	(250.2)	(271.4)
Cash flow from operations	**81.2**	**63.0**	**115.6**	**164.3**	**188.4**
Capital expenditure	(23.2)	(56.6)	(33.2)	(33.5)	(33.1)
Net investments & sale of fixed assets	3.5	12.2	186.0	-	-
Others	(3.6)	22.3	-	-	-
Cash flow from investing	**(23.3)**	**(22.1)**	**152.8**	**(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)	(44.4)	(52.0)
Others	(14.2)	(11.2)	107.1	-	-
Cash flow from financing	**(62.9)**	**(74.5)**	**256.5**	**(44.4)**	**(52.0)**
Net cash flow	**(5.0)**	**(33.6)**	**525.0**	**86.4**	**103.3**
Net cash/(debt) b/f	**85.7**	**79.6**	**45.3**	**570.2**	**656.7**
Net cash/(debt) c/f	**79.6**	**45.3**	**570.2**	**656.7**	**759.9**

Key Ratios (YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	3.3	18.0	21.2	35.9	12.1
EBITDA growth (%)	53.3	(0.3)	56.7	41.4	10.1
Pretax margin (%)	6.4	13.8	24.6	28.0	30.2
Net profit margin (%)	2.4	18.7	24.9	25.9	27.0
Interest cover (x)	2.3	4.3	6.2	9.5	11.5
Effective tax rate (%)	48.3	19.7	24.0	24.0	24.0
Dividend payout (%)	569.9	-	44.2	44.2	44.2
Debtors turnover (days)	96	113	138	131	143
Stock turnover (days)	-	-	-	-	-
Creditors turnover (days)	77	84	84	79	86

Source: Company, AmInvestment Bank Bhd estimates

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