

CHAIRMAN'S MESSAGE

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DATUK ABU HURAIRA ABU YAZID
Chairman,
Independent Non-Executive Director

Dear Stakeholders,

In 2025, the Group operated in a complex and unpredictable environment, against the backdrop of geopolitical volatility, shifting trade dynamics and changing regulatory expectations. The Board steered the organisation with prudence and clarity through rigorous oversight and agile judgement. The commitment, professionalism and resilience demonstrated by our people enabled MISC to navigate these challenges and deliver sustained progress.

NAVIGATING COMPLEXITY IN A SHIFTING GLOBAL LANDSCAPE

The year was marked by heightened geopolitical tensions and economic uncertainty, affecting global energy and shipping markets. Trade and policy developments shifted global trade flows and shipping patterns, while evolving maritime and climate-related frameworks added complexity to investment decisions.

Against this challenging landscape, the Board maintained close oversight of these developments to ensure key risks were carefully identified and assessed. These considerations were moulded into our strategic choices, including our decisions on capital allocation throughout the year.

A strong focus was maintained on operational safety and risk management. In facing shifting trade routes and heightened operational complexity, the protection of our seafarers and shore-based personnel was treated as fundamental. Safety, regulatory compliance and operational discipline remained non-negotiable priorities.

In this context, management's execution of the Enterprise Strategy was closely guided to advance the MISC 2030 Ambition. Emphasis was placed on earnings stability, balance sheet strength and prudent risk management. This ensured our commercial strategies were responsive to market conditions while safeguarding the Group against downside risks.

Guided by this approach, progress continued across the three pillars of the MISC 2030 Ambition.

Within the Resilient Core, we delivered seven LNG carriers (LNGCs) to QatarEnergy, secured contracts for two very large ethane carriers (VLECs) and two LNG dual-fuel Suezmax tankers, and extended our offshore footprint in Brunei through MISC's first Floating Production Unit (FPU) contract with PETRONAS Carigali Brunei Ltd. (PCBL). Success was also achieved by Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) when it secured contracts with Vestigo Petroleum Sdn. Bhd. (VESTIGO) for three wellhead platform Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) projects.

Our advance into the Profitable New Energy Business remained measured and partnership-led, enabling the Group to build technical capabilities while mitigating execution risks. The incorporation of a liquefied carbon dioxide (LCO₂) carrier development joint venture and the achievement of Approvals in Principle (AIPs) for an ammonia-fuelled LR2 tanker and an ammonia FPSO, further strengthened our readiness to participate in emerging low-carbon value chains.

Within Decarbonisation, the Group sustained its emissions reduction trajectory, achieving a 36% reduction in greenhouse gas (GHG) emissions intensity across our shipping operations from the 2008 baseline, driven by continued operational efficiency initiatives.

“ Sustainability reporting and performance measurement were further strengthened during the year to align with emerging global standards, including the International Sustainability Standards Board (ISSB) framework, reinforcing our commitment to transparent and decision-useful disclosures. ”

Supported by the capability of our people across the global network and agility of our business, these efforts contributed to the Group's solid financial performance in FY2025.

BALANCING RETURNS WITH FINANCIAL PRUDENCE

Despite ongoing market volatility, the Group recorded higher net profit before tax of RM1,862.0 million and operating cash flow of RM5,656.1 million. The improvement reflects the durability of our earnings base and the methodical approach embedded in our capital management. The strong cash generation supported the Board's decision to declare a higher dividend of 38 sen per share, reaffirming the Board's promise to sustainable shareholder returns while maintaining financial strength.



A **38 sen dividend per share** was declared, an increase from the previous year, reaffirming the Board's commitment to sustainable shareholder returns.

STRENGTHENING OVERSIGHT THROUGH ROBUST GOVERNANCE

Strong governance and active Board stewardship underpin the Group's stability, enabling systematic oversight of portfolio decisions, major project approvals and capital allocation. This is guided by principles of independence, professionalism and objectivity, and supported by enhanced related party and conflict of interest governance practices.

Throughout the year, we fostered constructive challenge within the Board and its Committees to ensure that decision-making processes remained rigorous and balanced. This culture of open dialogue strengthens accountability and reinforces the quality of strategic judgement.



CHAIRMAN'S MESSAGE



We enhanced our integrity and accountability frameworks, including the formalisation of Directors' Conflict of Interest procedures and updated Guidelines on Related Party Transactions and Recurrent Related Party Transactions for MISC Group, to support informed and independent judgement while safeguarding stakeholder trust.

Governance enhancements also focused on strengthening Board effectiveness and oversight quality. This was reflected in our updated Terms of Reference, providing clearer delineation of responsibilities and structured review processes that improved alignment and accountability. An independent Board Effectiveness Evaluation provided further insights to strengthen Board composition, performance and dynamics.

Recognising the evolving regulatory, sustainability and geopolitical landscape, the Board continued investing in capability development through targeted training and focused learning sessions. These efforts ensured that the Board remains well equipped to oversee emerging risks, transition priorities and long-term strategic trade-offs.

 For more information, please refer to Corporate Governance Overview Statement on pages 172 to 195.

REINFORCING TRUST THROUGH GOVERNANCE AND REPORTING RECOGNITION

The Group's commitment to strong governance and transparent reporting was reflected in the recognitions received during the year, including awards at the National Corporate Governance & Sustainability Awards (NACGSA) 2025 and the National Annual Corporate Report Awards (NACRA) 2025. These recognitions affirm the Board's sustained focus on integrity, disclosure quality and accountability to stakeholders.

 **Ranked Top 20 Overall Excellence at NACGSA**, affirming our standards in governance and sustainability.

ADVANCING TRANSITION WITH PRUDENCE AND CREDIBILITY

The energy transition has evolved at an uneven pace due to fragmented policy direction, which has led to greater scrutiny over the costs involved in advancing decarbonisation pathways. In this environment, the Board's responsibility is to ensure meaningful progress while ensuring that decarbonisation initiatives advance in a measured and orderly manner, aligned with regulatory clarity, technological maturity and execution readiness.

CHAIRMAN'S MESSAGE

During the year, sustainability remained firmly embedded within our strategic and governance processes. As the Sustainability Strategy 2021–2025 approached its conclusion, the Board guided the development of the Sustainability Strategy 2026–2030 to ensure smooth continuity and alignment with the Group's long-term direction. We also formally published our Commitment to Net Zero GHG Emissions by 2050, reaffirming our intention to decarbonise across all aspects of our operations and value chain. This assurance aligns with internationally recognised frameworks, including the Paris Agreement, the United Nations Sustainable Development Goals (SDGs) and the International Maritime Organization (IMO)'s GHG reduction targets, ensuring that our transition pathway remains credible and globally relevant.

Sustainability reporting and performance measurement were further strengthened during the year to align with emerging global standards, including the International Sustainability Standards Board (ISSB) framework, reinforcing our commitment to transparent and decision-useful disclosures.

Beyond environmental priorities, we remain committed to nurturing future maritime professionals. Since 1977, Akademi Laut Malaysia (ALAM) has trained more than 15,000 seafarers to uphold professional standards across the sector. Our Cadet Sponsorship Programme equips local youth for maritime careers, strengthening Malaysia's talent pipeline and contributing to long-term industry resilience.

We also recognise the importance of sustained collaboration with customers, regulators and industry participants. These long-term partnerships underpin stability across the ecosystem and reinforce the reliability of the global energy supply chain in which MISC operates.

FORGING AHEAD RESPONSIBLY

Looking ahead, we remain confident in the strength of the Group's portfolio and its ability to adapt to a complex operating environment influenced by new developments in geopolitics, policy and regulations.

Our priority will be to sustain earnings quality, preserve balance sheet resilience and maintain execution excellence across the organisation. Transition initiatives will continue to advance in a measured manner, aligned with commercial viability and supported by organisational capability, ensuring that the Group is well positioned for future opportunities without compromising the integrity of its core operations.

Over the coming year, disciplined capital deployment, capability development and sound, independent judgement will anchor our priorities as we remain attentive to emerging risks and opportunities while safeguarding long-term value in the interests of all stakeholders.

APPRECIATION

On behalf of the Board, I thank our shareholders and stakeholders for their continued trust and support.

I also extend my appreciation to my fellow Board members for their counsel, constructive challenge and dedication to sound governance, and to the Executive Leadership Team for their focus on disciplined execution.

Above all, I wish to acknowledge the people of MISC across our operations, onshore and offshore. Your commitment, expertise and sense of responsibility enable the organisation to perform safely and reliably each day, sustaining our operational excellence and the trust placed in MISC by customers and partners worldwide.

As I mark my fifth and final year as Chairman, I take confidence in the strength of the governance framework, leadership team and organisational capability that will underpin the next phase of MISC's journey.