

CHIEF STRATEGY & SUSTAINABILITY OFFICER'S MESSAGE

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Chief Strategy & Sustainability Officer

Dear Stakeholders,

We remained focused on executing our Enterprise Strategy to deliver the MISC 2030 Ambition, amid heightened uncertainty and policy fragmentation in global energy markets. The Group strengthened portfolio resilience through prudent capital deployment while advancing energy transition initiatives where clear commercial pathways exist. This ensured that investment decisions remain aligned with long-term value creation, enabling the Group to operate effectively despite market volatility.

STRATEGIC EXECUTION THROUGH VOLATILITY

The operating environment remained complex, shaped by geopolitical conflicts and evolving trade measures across major economies. Security-related disruptions diverted trade routes and extended voyage distances, affecting tonne-mile demand and fleet deployment, while protectionist policies resulted in broader trade uncertainty.

Market conditions varied across our business segments and, accordingly, required disciplined and differentiated responses. In the LNG shipping sector, persistent vessel oversupply and timing gaps in new liquefaction capacity weighed on rates, necessitating strategic fleet optimisation. In response to market uncertainty and complexity in the petroleum shipping sector, we prioritised a secured income strategy to insulate earnings from volatility. In the offshore sector, robust FPSO demand across key producing regions supported project opportunities, with Lease and Operate (L&O) projects more common in the Asia Pacific, while Engineering, Procurement and Construction (EPC) and Build-Operate-Transfer (BOT) projects were more prevalent in Africa and South America. We selectively pursued these opportunities in line with our execution capabilities and risk appetite.

In addition, regulatory developments progressed unevenly across jurisdictions. In Europe, the European Union advanced FuelEU Maritime, introducing carbon intensity limits for marine fuels and including shipping under the EU Emissions Trading System (EU ETS), requiring operators to surrender CO₂ emissions allowances. At the global level, while the IMO approved the draft Net-Zero Framework (NZF), the deferral of voting on the adoption of its mid-term measures, including the GHG Fuel Intensity (GFI) standard and market-based measures to October 2026, prolonged uncertainty, affecting the pace and direction of responses across the maritime industry.

EXECUTING THE MISC 2030 AMBITION

In 2025, the priority was on strengthening the Resilient Core to enhance financial resilience, while progressively advancing new energy and decarbonisation initiatives.

Investment decisions prioritised opportunities supported by long-term charter contracts that provide earnings visibility. Participation in emerging value chains was progressed selectively, anchored on regulatory clarity, technological readiness and economic sustainability.

SP1 Resilient Core

During the year, the Group secured projects across all business segments, reinforcing future earnings through a diversified portfolio. We also focused on project delivery and selective capital recycling to rejuvenate our ageing fleet with more modern vessels.

Fleet rejuvenation within the GAS Business segment advanced with the delivery of seven new LNGCs during the year, with a further five deliveries scheduled through 2026. The new, more efficient vessels in the fleet are contracted under long-term employment, replacing expired charters for older steam LNGCs.

Within the Petroleum & Products segment, the Group secured dual-fuel Suezmax vessels under long-term charters as part of its fleet renewal. Dual-fuel capability provides a practical pathway to improve efficiency and fuel flexibility while maintaining commercial competitiveness, in line with the industry's gradual shift toward alternative fuels.

In the Offshore segment, the market continues to present opportunities across multiple regions. During the year, MISC secured an FPU project in Brunei under a lease, operate and maintain arrangement, marking the Group's entry into the country's offshore market.

Meanwhile, the Marine & Heavy Engineering segment's strategic transformation efforts focused on strengthening its core operating model and enhancing project execution capability, positioning the segment to navigate an increasingly uncertain operating environment, capture new opportunities and unlock the full potential of its yard operations.

SP2 Profitable New Energy Business

In the energy space, MISC focused on strengthening its readiness in emerging low-carbon value chains through targeted technical validation by securing AiPs for an ammonia FPSO concept and an ammonia dual-fuel LR2 tanker. We also progressed the LCO₂ value chain through partnerships. The Group secured a long-term time charter for an LCO₂ carrier with Northern Lights JV DA in January 2026, in partnership with K Line, marking its first commercial entry into the carbon transport value chain.

Within MHB, we have progressed work on the Kasawari CCS and offshore substation platforms under TenneT's 2GW Programme. In February 2026, through AET, the Group signed a shipbuilding agreement for its first hybrid-electric ethanol-ready dynamic positioning shuttle tanker (DPST), further strengthening transition-ready fleet capabilities.

SP3 Decarbonisation

Decarbonisation remains an integral component of MISC's strategy, reflecting our commitment to reducing emissions and responding to evolving regulatory requirements. In 2025, we achieved a 7% year-on-year reduction in shipping fleet GHG emissions intensity, demonstrating clear progress in achieving our MISC 2030 Ambition. The improvement was supported by strategic fleet optimisation and deployment of emissions reduction initiatives implemented during the year.

We continued to prioritise practical initiatives that improve emissions performance while maintaining commercial discipline, advancing our decarbonisation pathway in line with customer adoption and policy developments. In parallel, fleet rejuvenation efforts continued, replacing older tonnage with more modern, energy-efficient vessels to improve operational efficiency and further reduce emissions intensity.

Please refer to pages 56 to 93 for more information in our Strategic Review section.

INTEGRATING SUSTAINABILITY INTO STRATEGIC DECISION-MAKING AND OVERSIGHT

MISC maintains a robust investment risk assessment and capital allocation framework to support investment decisions, with sustainability considerations embedded across ambitions, priorities and risk assessments. In FY2025, further enhancements have been made through the adoption of IFRS Sustainability Disclosure Standards (IFRS S1 and S2), enhancing the systematic consideration of sustainability-related risks and opportunities in strategic, investment and capital deployment decisions.

To support this integration, we strengthened governance by sharpening the Board Sustainability & Risk Committee's (BSRC) oversight of sustainability risks and opportunities. The Committee also oversees the identification, prioritisation and monitoring of these risks, with regular reporting enabling timely intervention and strengthened accountability.

Concurrently, environmental, social and governance considerations have been formally embedded within the Group's Enterprise Risk Management (ERM) framework, with material Sustainability Risks and Opportunities (SROs) assessed alongside traditional business risks. This integrated approach enables consistent prioritisation, clearer escalation and improved visibility of sustainability-related exposures and opportunities, reinforcing disciplined risk management and effective oversight at both Board and management levels.

Following the conclusion of the Sustainability Strategy 2021–2025, the Group refreshed its strategic direction to support the next phase of growth. The Sustainability Strategy 2026–2030 builds on progress achieved to date and is anchored on three pillars, namely, Impact, Inclusion and Integrity, guiding how MISC strengthens organisational resilience, creates shared value and upholds robust governance and ethical conduct.

CLEAR PRIORITIES, DISCIPLINED EXECUTION

Geopolitical and regulatory uncertainties are expected to persist into 2026, shaping a more complex and less predictable operating environment, including recent developments in the Middle East influencing trade flows, energy markets and shipping dynamics. In this context, we will remain agile in calibrating our approach, ensuring the continued resilience of our Enterprise Strategy while delivering progress towards the MISC 2030 Ambition.