

ICON OFFSHORE BERHAD
(201201011310 (984830-D)) (Incorporated in Malaysia)

**QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30th June 2024**

ICON OFFSHORE BERHAD (201201011310 (984830-D))
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

The Board of Directors of Icon Offshore Berhad ("ICON" or "the Group") announce the following unaudited condensed consolidated financial statements for the second quarter and period ended 30th June 2024 which should be read in conjunction with the audited financial statements for the financial year ended 31st December 2023.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|--|--|---|---|
| | CURRENT QUARTER ENDED (UNAUDITED) | CORRESPONDING QUARTER ENDED (UNAUDITED) | CURRENT PERIOD ENDED (UNAUDITED) | CORRESPONDING PERIOD ENDED (UNAUDITED) |
| | 30.06.2024 | 30.06.2023 | 30.06.2024 | 30.06.2023 |
| | RM | RM | RM | RM |
| Revenue | 56,816,034 | 55,806,365 | 87,358,841 | 99,131,522 |
| Cost of sales | (36,833,863) | (40,395,746) | (83,142,225) | (75,866,344) |
| Gross profit | 19,982,171 | 15,410,619 | 4,216,616 | 23,265,178 |
| Other income | 2,059,816 | 1,062,932 | 2,269,815 | 1,282,956 |
| Administrative expenses | (8,811,335) | (3,187,337) | (16,485,823) | (8,929,459) |
| Impairment on vessels (net) | - | (1,633,717) | - | (2,394,958) |
| Profit/(Loss) from operations | 13,230,652 | 11,652,498 | (9,999,392) | 13,223,717 |
| Finance costs | (3,111,517) | (4,168,194) | (6,396,327) | (8,013,671) |
| Profit/(Loss) before taxation | 10,119,135 | 7,484,303 | (16,395,719) | 5,210,046 |
| Taxation | (2,444,404) | (1,621,026) | (1,574,117) | (3,578,301) |
| Profit/(Loss) for the quarter/year | <u>7,674,731</u> | <u>5,863,277</u> | <u>(17,969,836)</u> | <u>1,631,745</u> |
| Other comprehensive income: | | | | |
| Items that will be classified subsequently to profit or loss: | | | | |
| Currency translation differences | (296,182) | 1,898,171 | 34,156 | 2,635,334 |
| Total comprehensive profit/(loss) for the quarter/year | <u>7,378,549</u> | <u>7,761,448</u> | <u>(17,935,680)</u> | <u>4,267,079</u> |

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (continued)

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|--|--|---|---|
| | CURRENT QUARTER ENDED (UNAUDITED) 30.06.2024 RM | CORRESPONDING QUARTER ENDED (UNAUDITED) 30.06.2023 RM | CURRENT PERIOD ENDED (UNAUDITED) 30.06.2024 RM | CORRESPONDING PERIOD ENDED (UNAUDITED) 30.06.2023 RM |
| Profit/(Loss) attributable to: | | | | |
| - Equity holders of the Company | 6,790,029 | 4,436,860 | (16,811,182) | 181,998 |
| - Non-controlling interests | 884,702 | 1,426,417 | (1,158,654) | 1,449,747 |
| | 7,674,731 | 5,863,277 | (17,969,836) | 1,631,745 |
| Total comprehensive Profit/(Loss) attributable to: | | | | |
| - Equity holders of the Company | 6,638,976 | 5,404,927 | (16,793,763) | 1,401,419 |
| - Non-controlling interests | 739,573 | 2,356,521 | (1,141,917) | 2,865,660 |
| | 7,378,549 | 7,761,448 | (17,935,680) | 4,267,079 |
| Profit/(Loss) per share attributable to the ordinary equity holders of the Company: | | | | |
| Basic/Diluted earnings/(loss) per share (sen) | 1.19 | 0.16 | (2.95) | 0.01 |

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | UNAUDITED AS AT 30.06.2024 RM | AUDITED AS AT 31.12.2023 RM |
|---|--|--|
| Non-current assets | | |
| Property, plant and equipment | 488,456,033 | 492,008,149 |
| Cash and bank balances | 32,223,675 | - |
| Right-of-use assets | 189,546 | 469,287 |
| Deferred tax assets | 16,927,645 | 18,052,782 |
| | <u>537,796,899</u> | <u>510,530,218</u> |
| Current assets | | |
| Inventories | 3,764,736 | 4,271,023 |
| Trade receivables, other receivables and prepayment | 60,742,902 | 48,295,244 |
| Tax recoverable | 4,660,130 | 4,337,901 |
| Cash and bank balances | 53,627,943 | 147,358,131 |
| | <u>122,795,711</u> | <u>204,262,299</u> |
| Non-current asset held for sale | - | 11,934,000 |
| | <u>122,086,642</u> | <u>216,196,299</u> |
| Less: Current liabilities | | |
| Trade and other payables | 46,499,874 | 47,748,457 |
| Dividend payable | - | 27,081,874 |
| Lease liabilities | 250,607 | 504,987 |
| Borrowings | 35,426,930 | 248,795,659 |
| Taxation payable | 2,033,638 | 1,731,880 |
| | <u>84,211,049</u> | <u>325,862,857</u> |
| Net current assets/(liabilities) | 38,584,662 | (109,666,558) |
| Less: Non-current liabilities | | |
| Lease liabilities | 24,589 | 49,950 |
| Borrowings | 141,048,746 | - |
| Deferred tax liabilities | 23,643,351 | 23,485,306 |
| | <u>164,716,686</u> | <u>23,535,256</u> |
| | <u><u>411,664,875</u></u> | <u><u>377,328,404</u></u> |

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

| | UNAUDITED AS AT 30.06.2024 | AUDITED AS AT 31.12.2023 |
|---|---|---|
| | <u>RM</u> | <u>RM</u> |
| Equity attributable to equity holders of the Company | | |
| Share capital | 367,855,076 | 317,941,247 |
| Warrants reserves | 32,725,739 | 32,725,739 |
| Currency translation reserve | 3,098,615 | 3,081,196 |
| Share based payment reserve | 46,515 | 39,163 |
| Capital contribution reserve | 7,685,597 | 7,613,546 |
| Accumulated losses | (33,085,188) | (16,061,208) |
| Non-controlling interest | 33,338,521 | 31,988,721 |
| Total equity | <u>411,664,875</u> | <u>377,328,404</u> |

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to equity holders of the Company

| | Issued and fully paid ordinary shares | Attributable to equity holders of the Company | | | | | | Non-controlling interest | Total equity |
|---|---------------------------------------|---|------------------|------------------------------|-----------------------------|--|----------------------------------|--------------------------|--------------|
| | | Share capital | Warrants reserve | Currency translation reserve | Share based payment reserve | Non-distributable Capital contribution | Distributable Accumulated losses | | |
| Group | RM | RM | RM | RM | RM | RM | RM | RM | |
| At 1 January 2024 | 317,941,247 | 32,725,739 | 3,081,196 | 39,163 | 7,613,546 | (16,061,208) | 31,988,721 | 377,328,404 | |
| Loss for the financial year | - | - | - | - | - | (16,811,182) | (1,158,654) | (17,969,836) | |
| Currency translation differences, representing total income and expense recognised directly in equity | - | - | 17,419 | - | - | - | 16,737 | 34,156 | |
| Total comprehensive loss for the financial year | - | - | 17,419 | - | - | (16,811,182) | (1,141,917) | (17,935,680) | |
| Issuance of shares | 49,566,604 | - | - | - | - | - | - | 49,566,604 | |
| Issuance of shares under ESOS | 347,225 | - | - | (164,076) | - | - | - | 183,149 | |
| Employees' Share Grant Plan and Employees' Share Option Scheme | - | - | - | 171,428 | 72,051 | - | - | 243,479 | |
| Non-controlling interest on disposal of subsidiary | - | - | - | - | - | (212,798) | 2,491,717 | 2,278,919 | |
| At 30 June 2024 | 367,855,076 | 32,725,739 | 3,098,615 | 46,515 | 7,685,597 | (33,085,188) | 33,338,521 | 411,664,875 | |

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

| <u>Group</u> | <u>Attributable to equity holders of the Company</u> | | | | | | | |
|---|--|-----------------------------------|---|--|---------------------------------------|-------------------------------------|--|-------------------------|
| | <u>Issued and fully paid ordinary shares</u> | | | | <u>Non-distributable</u> | <u>Distributable</u> | <u>Non- controlling interest</u> | <u>Total equity</u> |
| | <u>Share capital</u> RM | <u>Warrants reserve</u> RM | <u>Currency translation reserve</u> RM | <u>Share based payment reserve</u> RM | <u>Capital contribution</u> RM | <u>Accumulated losses</u> RM | <u>RM</u> | <u>RM</u> |
| At 1 January 2023 | 1,147,277,391 | 32,725,839 | 2,180,272 | 123,664 | 6,420,484 | (823,835,512) | 37,630,137 | 402,522,275 |
| Profit for the financial year | - | - | - | - | - | 4,856,178 | 1,860,402 | 6,716,580 |
| Currency translation differences, representing total income and expense recognised directly in equity | - | - | 900,924 | - | - | - | 865,595 | 1,766,519 |
| Total comprehensive income for the financial year | - | - | 900,924 | - | - | 4,856,178 | 2,725,997 | 8,483,099 |
| Issuance of shares under ESOS | 663,426 | - | - | (301,776) | - | - | - | 361,650 |
| Employees' Share Grant Plan and Employees' Share Option Scheme | - | - | - | 340,939 | 1,069,398 | - | - | 1,410,337 |
| Dividend | - | - | - | - | - | (27,081,874) | (8,367,413) | (35,449,287) |
| Capital Reduction | (830,000,000) | - | - | - | - | 830,000,000 | - | - |
| Warrant Exercised | 430 | (100) | - | - | - | - | - | 330 |
| Reclass from Share Base Payment Reserve to Capital Contribution | - | - | - | (123,664) | 123,664 | - | - | - |
| At 31 December 2023 | <u>317,941,247</u> | <u>32,725,739</u> | <u>3,081,196</u> | <u>39,163</u> | <u>7,613,546</u> | <u>(16,061,208)</u> | <u>31,988,721</u> | <u>377,328,404</u> |

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | CURRENT PERIOD ENDED (UNAUDITED) 30.06.2024 RM | CORRESPONDING PERIOD ENDED (UNAUDITED) 30.06.2023 RM |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before taxation | (16,395,719) | 5,210,046 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 27,978,756 | 26,601,683 |
| Depreciation of right-of-use assets | 279,742 | 272,014 |
| Interest expense | 6,396,327 | 8,013,671 |
| Interest income | (340,850) | (622,222) |
| Impairment loss on vessels | - | 2,394,958 |
| Unrealised gain on foreign exchange | 75,416 | (3,637,670) |
| (Loss)/Gain on disposal of vessel | 243,479 | (51,816) |
| Operating profit before working capital changes | 18,237,151 | 38,180,664 |
| Changes in working capital: | | |
| Decrease in inventories | 506,286 | 1,898,487 |
| Increase in receivables | (12,447,659) | (11,090,693) |
| Increase in payables | 3,235,246 | 9,212,268 |
| Cash generated from operations | 9,531,024 | 38,200,726 |
| Tax paid | (328,499) | (1,206,910) |
| Tax refund | 17,094 | 1,478,657 |
| Net cash generated from operating activities | 9,219,619 | 38,472,475 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceed from disposal of property, plant and equipment | 12,213,238 | - |
| Purchase of property, plant and equipment | (24,442,611) | (12,335,603) |
| Proceed received from disposal of subsidiary | 2,280,000 | - |
| Interest received | 340,850 | 622,215 |
| Net cash used in investing activities | (9,528,211) | (11,713,381) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of lease liabilities | (340,066) | (272,014) |
| Repayment of borrowings | (17,595,757) | (7,767,438) |
| Interest paid | (11,555,105) | (5,192,001) |
| Issuance of shares | 183,149 | 178,500 |
| Decrease/(Increase) in deposits pledged as security | 24,795,332 | (8,300,335) |
| Dividend paid | (27,081,874) | - |
| Dividend paid to non-controlling interest | (4,500,000) | - |
| Net cash used in financing activities | (36,094,321) | (21,353,288) |
| Effects of changes in foreign exchange rates | (227,956) | 155,374 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (36,711,181) | 5,561,180 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 79,631,583 | 85,705,304 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 42,920,402 | 91,266,484 |
| Deposit pledged as security | 42,931,216 | 71,062,406 |
| CASH AND BANK BALANCES | 85,851,618 | 162,328,890 |

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134**

1. BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the requirements of MFRS 134, “Interim Financial Reporting”, paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirement (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31st December 2023.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31st December 2023, except on the following:

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial year beginning after 1st January 2023.

- MFRS 17 ‘Insurance Contracts’ and its amendments
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements - Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
- International Tax Reform - Pillar Two Model Rules Amendments to MFRS 112

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial year beginning after 1st January 2024.

- Amendment to MFRS 16, Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current and Non-current
- Amendments to MFRS 107 and MFRS 7 “Supplier Finance Arrangements”
- Amendments to MFRS 121 ‘The effects of changes in foreign exchange rates’ - Lack of exchangeability

None of these are expected to have a significant effect on the consolidated financial statements of the Group.

2. SEASONAL/CYCLICAL FACTORS

The principal activities of the Group are vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries. Group performances are subject to the adverse weather conditions such as the monsoon season in the first and fourth quarter of the year.

3. UNUSUAL ITEMS

No unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the quarter ended 30th June 2024.

4. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimate of amounts reported in the prior financial year that have a material effect in the quarter ended 30th June 2024.

5. DEBT AND EQUITY SECURITIES

There were no debt and equity securities issued in the quarter ended 30th June 2024.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

6. DIVIDEND PAID

No dividend was declared and paid during the current quarter. In the prior quarter, the interim single-tier dividend was paid by the Group amounted to RM27.1 million on 9 January 2024 in respect to the financial year ended 2023.

7. SEGMENT RESULTS AND REPORTING

7.1 Geographical Information

The Group operations are carried out predominantly in Malaysia. Revenue earned by the Group analysed by the location of its external customers is as follows:

| | INDIVIDUAL QUARTER | | | | CUMULATIVE PERIOD | | | |
|----------------|-----------------------------|------------|-----------------------------------|------------|----------------------------|------------|----------------------------------|------------|
| | CURRENT QUARTER ENDED | | CORRESPONDING QUARTER ENDED | | CURRENT PERIOD ENDED | | CORRESPONDING PERIOD ENDED | |
| | 30.06.2024 | | 30.06.2023 | | 30.06.2024 | | 30.06.2023 | |
| | % | RM | % | RM | % | RM | % | RM |
| Revenue | | | | | | | | |
| Malaysia | 78% | 40,232,353 | 62 | 34,860,367 | 73% | 64,123,634 | 63 | 62,184,068 |
| Brunei | 22% | 16,583,681 | 38 | 20,945,998 | 27% | 23,235,207 | 37 | 36,947,454 |
| Total | 100% | 56,816,034 | 100 | 55,806,365 | 100% | 87,358,841 | 100 | 99,131,522 |

8. TAXATION

| | INDIVIDUAL QUARTER | | | | CUMULATIVE PERIOD | | | |
|---|-----------------------------|--|-----------------------------------|--|----------------------------|--|----------------------------------|--|
| | CURRENT QUARTER ENDED | | CORRESPONDING QUARTER ENDED | | CURRENT PERIOD ENDED | | CORRESPONDING PERIOD ENDED | |
| | 30.06.2024 | | 30.06.2023 | | 30.06.2024 | | 30.06.2023 | |
| | RM | | RM | | RM | | RM | |
| Current tax | (15,331) | | (254,160) | | 117,818 | | (107,731) | |
| Deferred tax | 2,459,735 | | 1,875,186 | | 1,456,299 | | 3,686,032 | |
| Tax expense for the financial period/year | 2,444,404 | | 1,621,026 | | 1,574,117 | | 3,578,301 | |
| Effective tax rate | 24% | | 22% | | 10% | | 69% | |

Current quarter tax is at the statutory tax rate of 24% while prior year tax rate is lower due to tax credit deriving from the loss entity.

9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group as at 30th June 2024

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**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

10. CAPITAL COMMITMENTS

The Group capital commitments not provided for in the interim financial statements as at the end of the period are as follows:

| | AS AT 30.06.2024 | AS AT 30.06.2023 |
|---|-----------------------------|-----------------------------|
| | RM | RM |
| Approved and contracted capital expenditure commitments | 25,231,218 | 3,903,192 |

11. SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered related if the party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

On 26 March 2024, Liannex Maritime Sdn. Bhd. acquired 272,000,000 ordinary shares in the Company from Hallmark Odyssey Sdn. Bhd. via a direct business transaction. With effect from 26 March 2024, the Directors regard Liannex Maritime Sdn. Bhd., a company incorporated in Malaysia as the immediate holding company, and Liannex Corporation (S) Pte Ltd, a company incorporated in Singapore as the ultimate holding company.

The related parties of, and their relationships with the Company as at 30th June 2024 are as follows:

| <u>Related parties</u> | <u>Relationship</u> |
|----------------------------------|------------------------------|
| Liannex Corporation (S) Pte Ltd | Ultimate holding company |
| Liannex Maritime Sdn Bhd | Immediate holding company |
| Yayasan Ekuiti Nasional | Ultimate holding foundation |
| Ekuiti Capital Sdn Bhd | Intermediate holding company |
| E-Cap (Internal) Three Sdn. Bhd. | Intermediate holding company |
| Hallmark Odyssey Sdn. Bhd. | Immediate holding company |
| Sempena Fokus Sdn Bhd | Fellow subsidiary |
| Icon Ship Management Sdn. Bhd. | Subsidiary |
| Icon Fleet Sdn. Bhd. | Subsidiary |
| Icon Offshore Group Sdn. Bhd. | Subsidiary |

11.1 Significant related party balances

There are no significant related party balances arising from normal business transactions.

11.2 Significant related party transactions

There are no significant related party transactions arising from normal business transactions.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

12. FAIR VALUE MEASUREMENTS

The table below shows the carrying amounts and fair value of the borrowings, by valuation method. The different levels have been defined 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).

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

The fair values of the borrowings are estimated using the income approach, by discounting the cash flows based on the market interest rates of a comparable instrument. This is a Level 2 fair value measurement.

| | Carrying amount | | Fair Value | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| | AS AT 30.06.2024 | AS AT 31.12.2023 | AS AT 30.06.2024 | AS AT 31.12.2023 |
| | RM | RM | RM | RM |
| Fixed rate term loans | - | 64,649,664 | - | 54,294,476 |

13. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the quarter ended 30th June 2024. All the property, plant and equipment were stated at cost less accumulated depreciation and accumulated impairment losses.

14. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

There were no other material events subsequent to the end of the quarter.

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30th June 2024, the Group did not have any material contingent liabilities or assets.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30th June 2024

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS**

1. ANALYSIS OF PERFORMANCE

1.1 Review of performance for the current quarter (Quarter ended 30th June 2024) against the prior year corresponding quarter (Quarter ended 30th June 2023):

(i) Revenue

The Group revenue increased by RM1.0 million or 2%, from RM55.8 million in the prior year corresponding quarter to RM56.8 million in the current quarter, mainly due to higher charter rates. However overall utilisation for the current quarter was lower at 63% as compared to 79% in the prior year corresponding quarter. This was due to the planned maintenance.

(ii) Profit after taxation

The Group recorded profit after taxation of RM7.7 million in the current quarter compared to profit after tax of RM5.9 million in the prior year corresponding quarter. The significant increase in the profit after taxation was due to higher revenue of RM1.0 million backed by increase of other income and lower financing and depreciation costs.

1.2 Review of performance for the current quarter (Quarter ended 30th June 2024) against the preceding quarter (Quarter ended 31st March 2024):

| | INDIVIDUAL QUARTER | |
|------------------|---|---|
| | CURRENT QUARTER ENDED <u>30.06.2024</u> RM | PRECEDING QUARTER ENDED <u>31.03.2024</u> RM |
| Revenue | 56,816,034 | 30,542,807 |
| Profit after tax | 7,674,731 | (25,644,567) |

The Group revenue increased by RM26.3 million or 86% from RM30.5 million in the preceding quarter ended 31st March 2024 to RM56.8 million in the current quarter ended 30th June 2024 mainly due to higher utilisation of vessels (63% vs 50%) and higher daily charter rates.

The Group profit after tax in the current quarter of RM7.7 million increased compared to the loss after tax of RM25.6 million in preceding quarter as a result of higher revenue and higher other income. The preceding quarter was adversely affected by provisions relating to replacement vessel and impairment of receivables.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

2. PROSPECTS FOR THE GROUP

The Group foresees stronger performance for the current financial year supported by sustainable crude oil prices and strong oil & gas activity. The Group remains committed to its core business strategies by focusing on operational improvement, cost optimisation and stronger financial performance.

As at 30th June 2024, the Group's Order Book remains healthy at RM358.1 million for its OSV Segment with Long Term Contracts representing 94% of the Order Book.

Today, the Company also announced that it had entered into series of binding terms sheets in relation to the proposed acquisitions of businesses involved in the OSV operations, marine transportation services and transportation infrastructure, operating within the Southeast Asia region. These businesses are set to expand ICON's asset base and boost its future earnings, capitalising on the ongoing positive momentum in the O&G sector.

3. PROFIT FORECAST

Not applicable as the Group did not publish any profit forecast.

4. QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

There was no qualification to the preceding audited annual financial statements for the financial year ended 31st December 2023.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

5. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before taxation is stated after charging/(crediting):

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|--|--|--|---|---|
| | CURRENT QUARTER ENDED 30.06.2024 RM | CORRESPONDING QUARTER ENDED 30.06.2023 RM | CURRENT PERIOD ENDED 30.06.2024 RM | CORRESPONDING PERIOD ENDED 30.06.2023 RM |
| Depreciation of property, plant and equipment | 11,873,113 | 14,325,927 | 27,978,756 | 26,601,683 |
| Depreciation of right-of- use assets | 139,872 | 136,008 | 279,742 | 272,014 |
| Interest income | (131,405) | (493,243) | (340,850) | (622,222) |
| Interest expense | 3,111,517 | 4,168,194 | 6,396,327 | 8,013,671 |
| Impairment loss on vessels | - | 1,633,717 | - | 2,394,958 |
| Gain on disposal of vessel | - | (51,816) | - | (51,816) |
| Realised (gain)/loss on foreign exchange | (54,532) | - | (202,852) | - |
| Unrealised loss/(gain) on foreign exchange | 266,402 | (3,300,794) | 75,416 | (3,637,670) |

Other than as presented in the condensed consolidated statements of comprehensive income and as disclosed above, there were no impairment of other assets or any other exceptional items for the current quarter under review.

6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

- (a) As per announcement dated 18 October 2022, the Company completed all the corporate proposals for disposal of 101 Perisai Pacific 101, a jack up rig by ICON CAREN (L) Inc on 22 November 2022 in accordance with the term and conditions contained in the SPA:

The following table summarises the utilisation of proceeds from the disposal:-

| Purpose | Estimated Timeframe for Utilisation (months) | Proposed Utilisation (RM '000) | Actual Utilisation (RM '000) | Variance (RM '000) |
|---|---|---|---|-------------------------------|
| (i) Redemption and discharge of existing mortgage over the Rig | 1 month | 159,200 | 159,968 | (768) |
| (ii) Distribution to shareholder of ICON | 6 months | 180,000 | 181,225 | (1,225) |
| (iii) General corporate and working capital requirement | 24 months | 40,119 | - | 40,119 |
| (iv) Estimation expenses in relation to the Proposed Disposal | Immediate | 14,571 | 13,732 | 839 |
| TOTAL | | 393,890 | 354,925 | 38,965 |

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

7. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds from drawdown (net of transaction costs) amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

| | AS AT 30.06.2024 | AS AT 31.12.2023 |
|------------------------------|-----------------------------|-----------------------------|
| | RM | RM |
| Short term: | | |
| <u>Secured</u> | | |
| Bank borrowings | | |
| - term loans | 24,960,725 | 238,328,251 |
| Redeemable preference shares | 10,466,205 | 10,467,408 |
| | 35,426,930 | 248,795,659 |
| Long-term: | | |
| <u>Secured</u> | | |
| Bank borrowings | | |
| - term loans | 141,048,746 | - |
| | 141,048,746 | - |
| Total borrowings | 176,475,676 | 248,795,659 |

As at 31 December 2023, long-term borrowings of RM202,937,467 were classified as short-term borrowings due to a technical breach of a covenant of several loans with a bank. The Group has on 28 February 2024 received the waiver from complying with the said loan covenant for the year ended 31 December 2023 and as of that date borrowings totaling RM179,039,607 have been reclassified to long-term borrowings. Should the waiver letter be received before year-end, short-term borrowings of RM202,937,467 would have been reclassified to long-term borrowings resulting in the Group being in a net current asset position of RM61,887,950.

The Group has on 28 February 2024 received the waiver from complying with the said loan covenant for the year ended 31 December 2023 and as of that date borrowings totaling RM179,039,607 have been reclassified to long-term borrowings.

As at 30th June 2024, the Group has provided bank guarantees, tender bonds and bid bonds amounting to RM6.4 million primarily due to the tendering for new contracts, as financial guarantee for the performance of our charter contracts by ICON's subsidiaries and corporate guarantees for loans obtained by ICON's subsidiaries. All borrowings of the Group are denominated in MYR.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

8. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter ended 30th June 2024.

9. CHANGES IN MATERIAL LITIGATION

(i) Icon Offshore Group Sdn. Bhd. vs Sapura Offshore Sdn. Bhd.

Icon Offshore Group Sdn. Bhd. (“IOG”), a wholly-owned subsidiary of Icon Offshore Berhad, had on 21 February 2022 filed a winding up petition at Shah Alam High Court pursuant to Sections 464(1)(b), 465(1)(e) and 466(1)(a) of the Companies Act 2016 against Sapura Offshore Sdn. Bhd. (“Sapura Offshore”) due to the failure on the part of the Respondent to pay the total sum of RM3,620,085 to IOG.

Case Management was held on 8 June 2022 wherein IOG was informed that Sapura Offshore had obtained Ex-parte Restraining Order for 9 months and would expire on 10 March 2023. On 8 March 2023, there was another Case Management and Sapura Offshore has obtained another Ex-parte Restraining Order for 3 months and the next Case Management is fixed on 11 June 2023. Further extension of Restraining Order has been obtained by Sapura Offshore on 6 June 2023 for 9 months until 10 March 2024 and next management Case Management is fixed on 14 March 2024. Prior to the Case Management which was fixed on 14 March 2024, Sapura group has obtained an Ex-parte Restraining Order dated 7 March 2024 for another 3 months until 10 June 2024. As such the Court has now fixed the matter for case management on 14 June 2024. Further extension of Ex-parte restraining order dated 7 June 2024 was obtained by Sapura group for another 9 months extension until 10 March 2024 and next management meeting is fixed on 17 March 2025.

(ii) Icon Offshore Group Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd.

Icon Offshore Group Sdn. Bhd., a wholly-owned subsidiary of Icon Offshore Berhad, had on 24 February 2022 initiated an action towards Sapura Pinewell Sdn. Bhd. (“Sapura Pinewell”) for an amount outstanding of RM2,842,272 due to failure on Sapura Pinewell to pay the amount outstanding. A Judgment in Default was entered wherein Sapura Pinewell has to pay IOG the total sum of RM2,842,272 together with the interest at the rate of 1% on the outstanding amounts for each invoices from date of maturity until date of judgment and interest at the rate of 5% on RM2,842,272 from date of judgment until full settlement.

Upon failure of Sapura Pinewell to comply with the payment pursuant to the Judgment in Default and noting the Restraining Order was granted by the High Court of Malaya to Sapura Energy and its subsidiaries which includes Sapura Pinewell under Sections 366 and 368 of the Companies Act 2016. Case Management was held on 8 June 2022 wherein IOG was informed that Sapura Pinewell had obtained Ex-parte Restraining Order for 9 months and would expire on 10 March 2023. On 8 March 2023, there was another Case Management and Sapura Pinewell has obtained another Ex-parte Restraining Order for 3 months and the next Case Management is fixed on 11 June 2023. Further extension of Restraining Order has been obtained by Sapura Pinewell on 6 June 2023 for 9 months until 10 March 2024 and next management Case Management is fixed on 14 March 2024. Prior to the Case Management which was fixed on 14 March 2024, Sapura group has obtained an Ex-parte Restraining Order dated 7 March 2024 for another 3 months until 10 June 2024. As such the Court has now fixed the matter for case management on 14 June 2024. Further extension of Ex-parte restraining order dated 7 June 2024 was obtained by Sapura group for another 9 months extension until 10 March 2024 and next management meeting is fixed on 17 March 2025.

10. DIVIDEND

The Board of Directors has declared an interim single-tier dividend of 5 sen per ordinary share for the preceding financial year ended 31 December 2023 approximately RM27.1 million. The interim single-tier dividend was paid on 9 January 2024.

No interim dividend has been proposed or declared for the current period of financial year ended 31 December 2024.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

11. EARNINGS PER SHARE (“EPS”)

The basic (loss)/earnings per share (EPS) has been calculated based on the consolidated profit attributable to equity holders of the Company and divided by the weighted number of ordinary shares in issue.

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|---|---|--|--|
| | CURRENT QUARTER ENDED 30.06.2024 | CORRESPONDING QUARTER ENDED 30.06.2023 | CURRENT PERIOD ENDED 30.06.2024 | CORRESPONDING PERIOD ENDED 30.06.2023 |
| Profit/(Loss) attributable to equity holders (RM) | 6,790,029 | 4,436,860 | (16,811,182) | 181,998 |
| Weighted average number of ordinary shares in issue | <u>569,290,571</u> | <u>2,706,181,154</u> | <u>569,290,571</u> | <u>2,706,181,154</u> |
| Basic/Diluted Earnings/(loss) per share(EPS) (sen) | <u>1.19</u> | <u>0.16</u> | <u>(2.95)</u> | <u>0.01</u> |

BY ORDER OF THE BOARD

Dato' Sri Hadian Hashim
Managing Director
30th Aug 2024