



**DAYANG ENTERPRISE  
HOLDINGS BHD**

Company No. 200501030106 (712243-U)

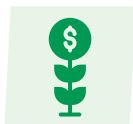


# FOCUS TOWARDS **EXCELLENCE**

ANNUAL REPORT 2021



# AT A GLANCE



RM **667,736** M  
Revenue



**1,311,958** M  
Shareholders' Equity



RM **(409,694)** M  
Loss Before Tax



**(27.81)** Sen  
Loss Per Share



RM **(316,585)** M  
Net Loss Attributable  
to Owners of the Company



RM **1.15**  
NTA Per Share



**2,323,290** M  
Total Assets



**(24.1)** %  
Return On Equity

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENT

This Annual Report contains some forward-looking statements in respect to the Dayang Group's financial condition, results of operations and business. These forward-looking statements represent Dayang Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Readers are hereby cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. In this respect readers must therefore not rely solely on these statements in making investment decisions regarding the Dayang Group. The Board and the Dayang Group shall not be responsible for any investment decisions made by the readers in reliance on those forward-looking statements.

Forward-looking statements speak only as of the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events that would arise in the interim of the publication of this Annual Report and the time of reading this Annual Report.



# FINANCIAL CALENDAR

Financial Year End **31 DECEMBER 2021**

## ANNOUNCEMENT OF RESULTS

First Quarter **24 MAY 2021**  
Second Quarter **20 SEPTEMBER 2021**  
Third Quarter **25 NOVEMBER 2021**  
Fourth Quarter **22 FEBRUARY 2022**

## PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Annual Report 2021 **21 APRIL 2022**  
Notice of Annual General Meeting **21 APRIL 2022**

# 16<sup>TH</sup> ANNUAL GENERAL MEETING

**Date** 19 May 2022

**Time** 10.00 a.m.

**Broadcast Venue** Naim Holdings Berhad,  
10th Floor, Wisma Naim,  
2 ½ Mile, Rock Road,  
93200 Kuching,  
Sarawak, Malaysia.



For more information  
visit our website

 [www.desb.net](http://www.desb.net)

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# CORPORATE INFORMATION

## Board of Directors

**DATUK HASMI BIN HASNAN**  
*Executive Chairman*

**DATUK LING SUK KIONG**  
*Executive Deputy Chairman*

**TENGGU DATO' YUSOF BIN  
TENGGU AHMAD SHAHRUDDIN**  
*Managing Director*

**JOE LING SIEW LOUNG  
@ LIN SHOU LONG**  
*Deputy Managing Director*

**JEANITA ANAK GAMANG**  
*Executive Director*

**KOH EK CHONG**  
*Independent Non-Executive Director*

**GORDON KAB  
@ GUDAN BIN KAB**  
*Independent Non-Executive Director*

**ALI BIN ADAI**  
*Independent Non-Executive Director*

**HASMAWATI BINTI SAPAWI**  
*Independent Non-Executive Director*

**CHIN HSIUN**  
*Independent Non-Executive Director*

**CHEN KING YU**  
*Non-Independent  
Non-Executive Director*

### REGISTERED OFFICE AND HEAD OFFICE

Sublot 5 – 10, Lot 46, Block 10,  
Jalan Taman Raja, MCLD,  
98000 Miri Sarawak, Malaysia.  
Tel : 085-420185  
Fax : 085-421654

### SHARE REGISTRAR

Tricor Investor & Issuing House  
Services Sdn Bhd  
Unit 32-01, Level 32, Tower A, Vertical  
Business Suite, Avenue 3,  
Bangsar South, No 8, Jalan Kerinchi,  
59200 Kuala Lumpur, Malaysia.  
Tel : 603-27839299  
Fax : 603-27839222

### PRINCIPAL BANKERS

Malayan Banking Berhad  
United Overseas Bank Berhad  
RHB Bank Berhad

### INCORPORATION

10 October 2005  
Under the Companies Act 1965

### COMPANY SECRETARY

Bong Siu Lian (MAICSA 7002221)  
(SSM PC No. 201908001493)

### LEGAL ADVISOR

Messrs. Alvin Chong & Partners  
Advocates  
Lot 176 & 177, 2<sup>nd</sup> Floor,  
Jalan Song Thian Cheok,  
93100 Kuching Sarawak, Malaysia.  
Tel : 082- 410111

### AUDITORS

KPMG PLT (LLP0010081-LCA)  
Level 2, Lee Onn Building  
Jalan Lapangan Terbang  
93250 Kuching, Sarawak, Malaysia.

### STOCK EXCHANGE LISTING

Main Market  
Bursa Malaysia Securities Berhad  
Listed on 24 April 2008  
Stock Code: 5141  
Stock Name: Dayang

### GROUP OPERATION

**HEAD OFFICE**  
Sublot 5 – 10, Lot 46, Block 10,  
Jalan Taman Raja, MCLD,  
98000 Miri, Sarawak, Malaysia.

### BRANCH OFFICE

Unit 2-16-01, Tower 2, VSQ @ PJCC,  
Jalan Utara, 46200 Petaling Jaya,  
Selangor, Malaysia.

### PROJECT TEAM OFFICE

Lot 1785, Block 5, MCLD,  
Jalan Persatuan, Lorong 9, Krokop,  
98000 Miri, Sarawak, Malaysia.

### MIRI WAREHOUSE

Lot 1973, Jalan Maigold,  
Desa Senadin Industrial Park,  
P.O Box 2033, 98008 Miri, Sarawak,  
Malaysia.

### LABUAN WAREHOUSE YARD 1

Lot No. CL2053118752, Kg Ranca  
Ranca, District of Labuan, 87000  
Labuan Federal Territory, Malaysia.

### LABUAN FABRICATION YARD 2

Lot CL 10599, Jalan Ranca-Ranca,  
Ranca Ranca Industrial Estate,  
87000 Labuan Federal Territory,  
Malaysia.

### LABUAN FABRICATION YARD 3

Lot 3, CL205384407, Off Jalan Patau  
Patau, 87000 Labuan Federal  
Territory, Malaysia.

### LABUAN YARD 4

Lot No. 205007969, Jalan Bebuloh,  
Kg. Sungai Bedaun, 87019 Federal  
Territory of Labuan, Malaysia.

### ADMINISTRATIVE/LOGISTIC OFFICE

Lot C8, Block C, 1st Floor, Cyber  
Square, Lorong Cyber Square,  
Jalan Kepayan, 88250 Kota  
Kinabalu, Sabah, Malaysia.

### BINTULU WAREHOUSE/ FABRICATION YARD

\* Tenancy Expiring Date - 31 May 2022  
Lot 3061, Block 26, Kidurong Light  
Estate, Kemena Land District,  
97000 Bintulu, Sarawak, Malaysia.

\* Occupation Permit Date - 17 February 2022

Lot 3476 & 3477, Block 20,  
Kemena Land District,  
Kidurong Industrial Area Phase 2  
(Kinda II) SESCO Road,  
97000 Bintulu, Sarawak, Malaysia.

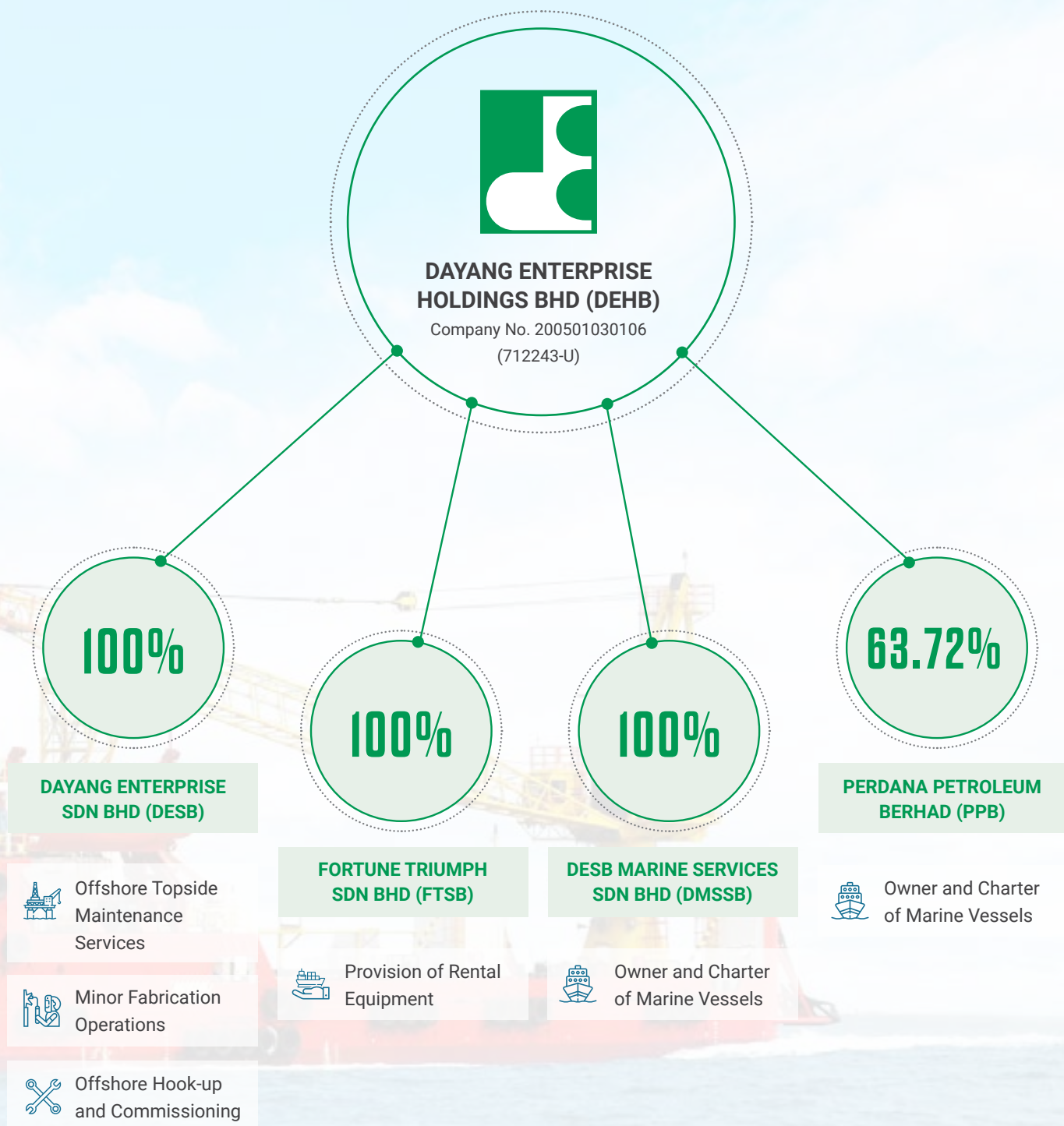
### DESB KEMAMAN YARD

04 – 01, KSB Phase 1, Kemaman  
Supply Base, 24007 Kemaman,  
Terengganu Darul Iman, Malaysia.

### TELONG KALONG YARD

PT 8229, Kawasan Perindustrian  
Telok Kalong, 24000 Kemaman,  
Terengganu Darul Iman, Malaysia.

# CORPORATE STRUCTURE



# CORPORATE MILESTONES

2021

2020

**CERTIFICATION OF APPRECIATION GIVEN BY SSB SME**

- In recognition of tireless effort and contribution towards SAFE delivery of Sarawak 2021 Topside Major Maintenance Campaign

**CEO CONTRACTOR AWARD GIVEN BY PTTEP**

- Recognition of achieving SSHE Performance Excellence for 1 year (Total manhours is greater than 50,000 hours in 2020) from Mr. Phongsthom Thavisin- Chef Executive officer

**CERTIFICATION OF APPRECIATION GIVEN BY KPOC**

- Excellence performance & service for KBB deck coating structure campaign using “Blast One” vapour blasting equipment. Completed in 14 days ahead of schedule with good quality and safely delivered.

**2 FOCUS RECOGNITION BY PETRONAS CARIGALI**

- Focus recognition to Construction team for successfully repair WLP-A LP Head pin hole leak, by working extended hours, committed and corporative in realizing the rectification plan and doing it safe and timely.
- DESB has been supporting many projects & turnarounds often as the main drivers. DESB has contributed towards Bayan & D18 maintenance strategy by realizing value optimization through prudent planning, procurement & execution.

**CERTIFICATION OF APPRECIATION GIVEN BY REPSOL OIL & GAS MALAYSIA LIMITED**

- Gratitude and appreciation for supporting operations during MCO.

2014

**RECOGNITION GIVEN BY SHELL MALAYSIA**

- Safety Partnership & Collaboration Recognition 2014.

**AWARD GIVEN BY FORBES ASIA**

- Best Under a Billion, The Region’s Top 200 Small & Midsize Companies.

**AWARD GIVEN BY NATURAL RESOURCES & ENVIRONMENT BOARD, SARAWAK**

- Merit Award, Large Industries (Oil & Gas), the 6<sup>th</sup> Sarawak Chief Minister Environmental Awards.

**CERTIFICATE GIVEN BY MURPHY SARAWAK OIL CO. LTD**

- Appreciation on HSSE contributions towards Murphy Sarawak Oil Co. Ltd’s excellent safety record with zero LTI from July 2013 to August 2014.

**5 LETTER OF APPRECIATION GIVEN BY PETRONAS CARIGALI SDN BHD**

- Appreciation for good performance on job completion without LTI and ahead of schedule for D35 September Turnaround 2014.
- Appreciation for good performance on job completion without LTI for Betty October Turnaround 2014.
- Appreciation for good performance on job completion without LTI for Bokor August Turnaround 2014.
- Appreciation for good performance on job completion without LTI and ahead of schedule for Temana June Turnaround 2014.
- Appreciation for good performance on job completion without LTI and ahead of schedule for Baram June Turnaround 2014.

**LETTER OF APPRECIATION GIVEN BY JABATAN KESELAMATAN DAN KESIHATAN WILAYAH PERSEKUTUAN LABUAN**

- Appreciation for Implementation of program code of practice on the prevention and management of HIV / AIDS in the workplace-2001 and code of practice on the prevention and eradication of drug abuse, alcohol and substance abuse in the workplace-2005.

**NOTES:** SKO : Sarawak Operation PMO : Peninsular Malaysia Operation LTI : Loss Time Injury  
 UAUC : Unsafe Act & Unsafe Condition TRCF : Total recordable injury case frequency

# CORPORATE MILESTONES

## 2019

### MIRI CITY MAYOR AWARDS 2019

- Corporate categories.

### 2 FOCUSED RECOGNITIONS BY PETRONAS CARIGALI SDN BHD

- Demonstrating strong commitment and cooperation in HSE, work execution, communication & rapport and teamwork during TETA19 (Temana Turnaround 2019)
- Demonstrating relentless effort and ownership by proactively conducting UDAT session in collaboration with BSE and BTS23 for all vessels prior to mobilization to their respective location.

## 2018

### 3 FOCUSED RECOGNITION BY PETRONAS CARIGALI SDN BHD

- DESB D35-A Mtce TEAM - High ownership on HSE and openness to accept intervention by client.
- Provision of Maintenance, Construction & Modification for PCSB, Baronia Rejuvenation - Contributing to the safe and successful delivery of the Project
- On 17.04.18 assisted to put out a fire on MV Geos & Dayang Zamrud had provided assistance in medical care & given new PPEs and shelter for all 38 rescued crews.

### AWARD GIVEN BY CP3 BARONIA REJUV

- Best Project HSE  
In appreciation towards outstanding achievement for Offshore Project (28.10.18)

### 2 AWARDS GIVEN BY SHELL MALAYSIA

- Grand Prize Winner in Best Safety Leadership Initiative Category.
- Grand Prize Winner in Best Continuous Improvement Category.

### 2 RECOGNITIONS BY MURPHY

- In recognition of DAYANG ENTERPRISE SDN BHD for Excellent HSSE Performance 2013-2017  
Contract: MURPHY/S12003  
1688 LTI-FREE DAYS with 2,000,000 SAFETY MANHOURS
- In recognition of DAYANG ENTERPRISE SDN BHD for the contribution towards Excellent HSSE Performance During SK GAS SHUT DOWN in September 2017.

## 2015

### AWARD GIVEN BY JX NIPPON OIL & GAS EXPLORATION (M) LTD

- Safe Completion of Helang 15S2 Shutdown 2015.

### CERTIFICATION OF APPRECIATION GIVEN BY PETROLIAM NASIONAL BERHAD (PETRONAS)

- Appreciation of actively participated in PCSB SKO Monthly Service Provider HSE Liaison for Year 2015.

### TESTIMONIAL OF ACHIEVEMENT GIVEN BY SHELL MALAYSIA

- A special commendation to the team for outstanding work in the implementation of the emergency rectification of the B11 Vent Header Rectification from 25th September 2014 to 07th October 2014 which was executed in a Safe and Secure manner with Ahead of Time delivery.

## 2016

### AWARD GIVEN BY JX NIPPON OIL & GAS EXPLORATION (M) LTD

- 2016 HSE Performance Award.

### FOCUSED RECOGNITION BY PETRONAS CALIGALI

- Being vigilant in close monitoring and complying with HSE plan and its implementation through out the Topside Major Maintenance (TSM) contract duration.

## 2017

### CERTIFICATION OF APPRECIATION GIVEN BY KPOC

- Certification of Appreciation in recognition of excellent performance for successfully rendered service in KPOC- KBB Turn Around April 2017 Campaign and LTI Free Safety Record for 87 days (194,496 Safety Manhours and 2,643 Care Cards).

### 3 FOCUSED RECOGNITION BY PETRONAS CALIGALI

- Successful and safe execution of the world's first TTESP-CD offshore pilot and achieve 1st Oil in May 2017.
- DESB have demonstrated high commitment and cooperation to ensure a successful First Integrated BSTAB 3 and 4 Shutdown in the History of BIF.
- Successful completion of Campaign No.1 (2016) for Baronia Rejuvenation Project safely and without LTI. This was made possible via good planning, team work, dedication and focus execution by the entire team.

### AWARD GIVEN BY SHELL MALAYSIA

- Shell Malaysia Safety Award - Silver Award for Upstream Category.

# CORPORATE MILESTONES

## 2010

### CERTIFICATE GIVEN BY CHIEF MINISTER'S

- For being the finalist of the Sarawak Chief Ministers' Environmental Award (CMEA) 2010. Large Enterprise Category (Oil & Gas).

### AWARD GIVEN BY MURPHY OIL & GAS

- In recognition of Dayang Enterprise SDN BHD for their employees contribution towards excellent HSE performance which resulted in 2 years LTI Free operation for KIKEH, Malaysia.

### AWARD GIVEN BY SHELL MALAYSIA-SSB/SSPC

- Celebrating 3 Years Goal Zero.

### 4 CERTIFICATE GIVEN BY PETRONAS CARIGALI

- Certification of Appreciation in recognition of Excellent Performance for services successfully rendered to Petronas Carigali-SBO in SAMARANG/SUMANDAK INTEGRATED SHUTDOWN 2010 with Early Completion of All Shutdown Activities by 1 day and LTI Free Safety Record (40,044 manhours and 124 UAUC).
- Certification of Appreciation in recognition of Excellent Performance for services successfully rendered to Petronas Carigali-SBO in EWG-A Blasting/Painting and Structural/Piping Replacement Activities (2009 – 2010) with LTI Free Safety Record (70,752 manhours and 474 UAUC).
- Certification of Appreciation for Active UAUC reporting (Oct 2009 – Feb 2010).
- Certification of Appreciation for Active UAUC Reporting (October 2009 – February 2010).

### NOTES:

SKO : Sarawak Operation

PMO : Peninsular Malaysia Operation

TRCF : Total recordable injury case frequency

LTI : Loss Time Injury

UAUC : Unsafe Act & Unsafe Condition

## 2011

### APPRECIATION BY PETRONAS CARIGALI SDN BHD

- Appreciation note for safe Northern and Southern turnaround.

### APPRECIATION BY MURPHY OIL & GAS CO LTD.

- Appreciation for the support DESB on the DIVERTER valves change out.

### CERTIFICATE GIVEN BY IQNET AND SIRIM QAS INTERNATIONAL

- Implemented and maintains a Quality management system which fulfils the requirement of the following standards ISO 9001:2008 for the following activities provisions of general topside construction and maintenance services to the oil and gas industry.

### CERTIFICATE GIVEN BY SIRIM QAS INTERNATIONAL

- Implemented a Quality Management System complying with ISO 9001: 2008 Quality Management System requirement.

## 2012

### APPRECIATION BY MURPHY OIL & GAS

- MURPHY'S Contractor Engagement Session.

### CERTIFICATE GIVEN BY PETRONAS CARIGALI SDN BHD

- Certification of Appreciation Dayang Enterprise SDN BHD for best Contractor Performance SCM-Contractors Management Sharing session 2012.

## 2013

### 3 LETTER OF APPRECIATION GIVEN BY PETRONAS CARIGALI SDN BHD

- Appreciation note for the safe and successful Temana 2013 October Turnaround Execution.
- Appreciation note for Southern Turnaround on September 13 (P1 Closure).
- Appreciation note for Temana Turnaround.



# NURTURING EMPOWERED WORKFORCE



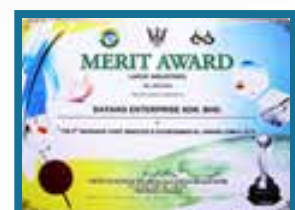
# KEY ACHIEVEMENTS/ AWARDS



# KEY ACHIEVEMENTS/ AWARDS



**NOTES:**  
 SKO Sarawak Operation  
 PMO Peninsular Malaysia Operation



# 5 YEARS FINANCIAL HIGHLIGHTS

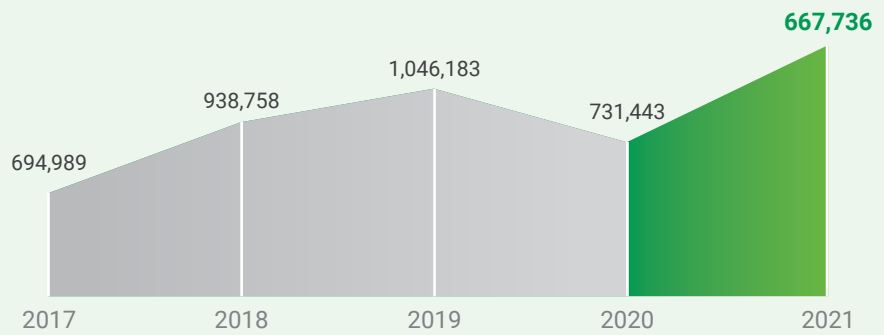
		2017	2018	2019	2020	2021
Revenue	(RM'000)	694,989	938,758	1,046,183	731,443	<b>667,736</b>
Gross Profit	(RM'000)	212,382	382,481	493,323	232,174	<b>81,348</b>
Profit Before Tax	(RM'000)	(66,502)	212,138	329,462	88,470	<b>(409,694)</b>
Profit After Tax	(RM'000)	(153,182)	143,983	221,854	32,562	<b>(435,680)</b>
Gross Profit Margin	(%)	30.6	40.7	47.2	31.7	<b>12.2</b>
Profit Before Tax Margin	(%)	(9.6)	22.6	31.5	12.1	<b>(61.4)</b>
Return of Equity	(%)	(15.1)	14.3	16.1	3.8	<b>(24.1)</b>

The above historical summary may not be comparable across the periods due to change in the Group Structure.

**667,736 MIL**



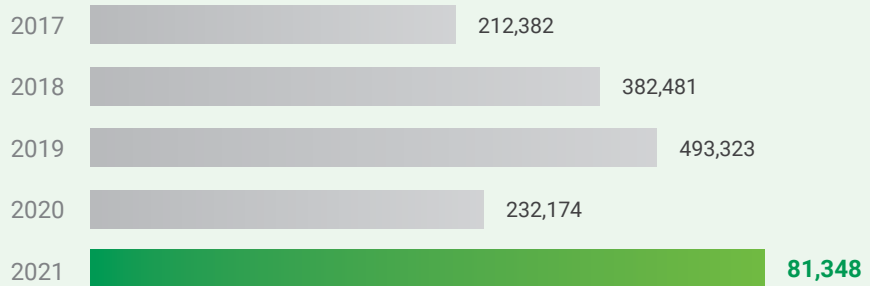
**REVENUE**  
(RM'000)



**81,348 MIL**



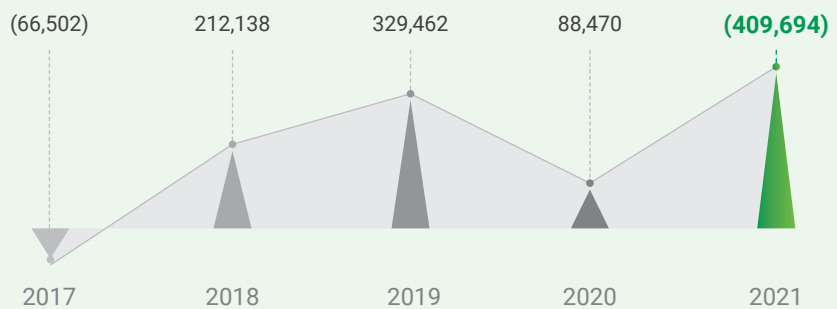
**GROSS PROFIT**  
(RM'000)



**(409,694 MIL)**



**PROFIT BEFORE TAX**  
(RM'000)

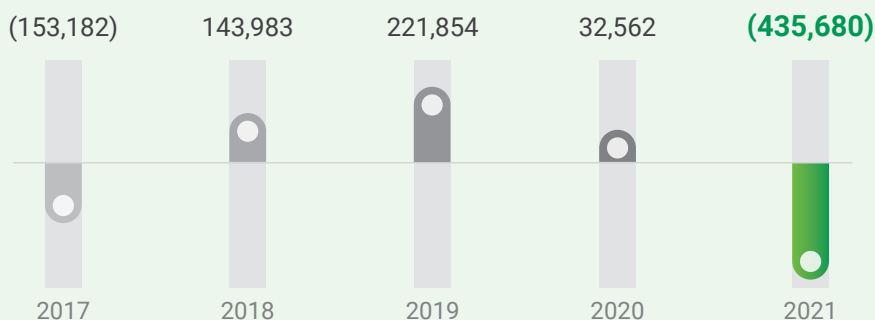


# 5 YEARS FINANCIAL HIGHLIGHTS

**(435,680 MIL)**



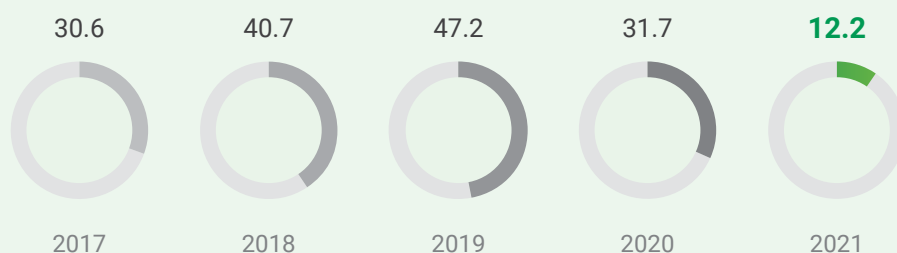
**PROFIT AFTER TAX**  
(RM'000)



**12.2 %**



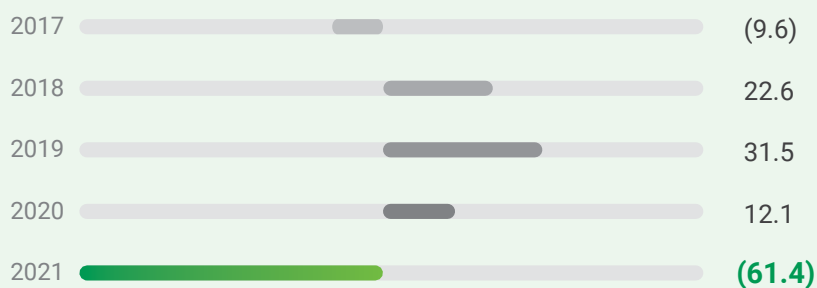
**GROSS PROFIT MARGIN**  
(%)



**(61.4 %)**



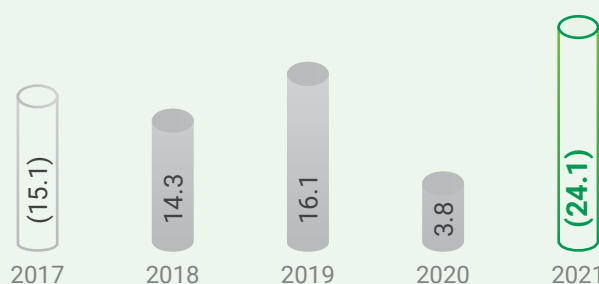
**PROFIT BEFORE TAX MARGIN**  
(%)



**(24.1 %)**



**RETURN OF EQUITY**  
(%)



# BOARD OF DIRECTORS' PROFILE



**DATUK HASMI BIN HASNAN**  
Executive Chairman

Nationality	Malaysian
Age	68
Gender	Male

Datuk Hasmi Bin Hasnan was appointed Executive Chairman of Dayang Enterprise Holdings Bhd on 29 February 2008 and resigned on 23 December 2015. He was re-appointed Executive Chairman of the Company on 1 September 2018.

He graduated with a BSc in Estate Management from the London South Bank University, UK in 1978. He is a Senior Certified Valuer with International Real Estate Institute, USA and a member of International Real Estate Federation (FIABCI).

He began his career in 1979 as a valuer in the Land and Survey Department of Sarawak. Since 1982, he has been involved in a wide range of businesses, including valuation, project management, property development and management, construction, timber, manufacturing, trading and publishing. In June 1993, he was appointed the Managing Director of Naim Land Sdn Bhd and in July 2003, he became the Managing Director of Naim Holdings Berhad and has since been the main driving force behind Naim Group's growth and expansion.

He was awarded the Property Man of the Year for 2008 by the International Real Estate Federation (FIABCI) in Kuala Lumpur.

He is the Managing Director of Naim Holdings Berhad and a Non-Independent Non-Executive Director in Perdana Petroleum Berhad.



**DATUK LING SUK KIONG**  
Executive Deputy Chairman

Nationality	Malaysian
Age	76
Gender	Male

• Member of Risk Management Committee

Datuk Ling Suk Kiong is the founder of Dayang Group of Companies. He established Dayang Enterprise Sdn Bhd in 1980. He was appointed Executive Deputy Chairman of Dayang Enterprise Holdings Bhd on 29 February 2008. He has been instrumental in the growth and development of the Group. He brings with him more than thirty (30) years of experience in the Oil and Gas Industry and is mainly responsible for the overall strategic business direction of the Group.

Datuk Ling was appointed as a Non-Independent Non-Executive Director of Perdana Petroleum Berhad on 12 December 2012 and on 24 August 2015, he assumed the position of Executive Chairman until 23 June 2020. He is also a director in several private limited companies in Malaysia.

He was awarded the Sarawak State Entrepreneur of The Year Award 2009 in Kuching representing the Sarawak Chinese Chamber of Commerce and Industry category.

Datuk Ling was conferred the "Outstanding Entrepreneurship Award" for Outstanding and Exemplary Achievements in Entrepreneurship on 13 April 2014 at the Asia Pacific Entrepreneurship Awards 2014 held in Brunei Darussalam.

On 13th September 2014, Datuk Ling was conferred the award of Panglima Gemilang Bintang Kenyalang (P.G.B.K) which carries the title "DATUK" by Tuan Yang Terutama Yang Di-Pertua Negeri Sarawak Tun Pehin Sri Haji Abdul Taib Mahmud in conjunction with His Excellency's 78th Birthday.

Datuk Ling Suk Kiong is the father of Mr Joe Ling Siew Loung @ Lin Shou Long, who is the Deputy Managing Director of Dayang.

## BOARD OF DIRECTORS' PROFILE



### TENGGU DATO' YUSOF BIN TENGGU AHMAD SHAHRUDDIN

*Managing Director*

Nationality	Malaysian
Age	59
Gender	Male

• Chairman of Corporate Social Responsibility Committee

• Member of Risk Management Committee

Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin, was appointed Managing Director of Dayang Enterprise Holdings Bhd on 29 February 2008. He graduated in 1984 from the University of Toledo in the United States of America with a Bachelor of Science Degree majoring in Civil Engineering.

Upon his graduation he joined Modal Bina Sdn Bhd as a Project Engineer. Subsequently in 1988, he took up the position as Sales Engineer with Mobil Oil Malaysia Sdn Bhd. In 1991, he established Hexamas Sdn Bhd.

He was appointed as Director of Dayang Enterprise Sdn Bhd in 1993. He was also appointed as Managing Director of Perdana Perdana Petroleum Berhad on 18 August 2020 until 1 October 2021. He also holds directorship in Fortune Triumph Sdn Bhd and several other private limited companies in Malaysia.



### JOE LING SIEW LOUNG @ LIN SHOU LONG

*Deputy Managing Director*

Nationality	Malaysian
Age	49
Gender	Male

• Member of Risk Management Committee

Mr Joe Ling Siew Loung @ Lin Shou Long, was appointed Deputy Managing Director of Dayang Enterprise Holdings Berhad on 29 February 2008. He graduated from University of Western Australia in 1993 with a Bachelor Degree in Engineering. In 1999, he obtained a Master of Business Administration degree from the same university.

He began his career in 1994 when he joined Sarawak Shell and Sabah Shell as a Trainee Engineer. In 1995, he joined POG EP. Fochi Joint Venture as an Office Engineer. Subsequently in 1995, he joined Daiken Sarawak Sdn Bhd as a Production Engineer.

He joined Dayang Enterprise Sdn Bhd in 1997 as a Project Engineer. In 2004, he was appointed Assistant to the General Manager. In 2008, he was promoted to the role of Deputy Managing Director. He is currently responsible for overseeing and monitoring the management and operations of Dayang Group. He also holds directorship in Fortune Triumph Sdn Bhd and DESB Marine Services Sdn Bhd, subsidiaries of Dayang Enterprise Holdings Bhd.

Mr Joe Ling Siew Loung @ Lin Shou Long is the son of Datuk Ling Suk Kiong who is the Executive Chairman and substantial shareholder of Dayang.

# BOARD OF DIRECTORS' PROFILE



## JEANITA ANAK GAMANG

*Executive Director*

Nationality	Malaysian
Age	49
Gender	Female

Ms Jeanita Anak Gamang, was appointed Executive Director of Dayang Enterprise Holdings Bhd on 5 January 2012. She obtained a Diploma in Electrical Engineering from Mara Institute of Technology, Shah Alam in 1995.

Ms Jeanita began her career in 1997 as a Trainee Engineer in Dayang Enterprise Sdn Bhd, a subsidiary of Dayang Enterprise Holdings Bhd. From 1999 onwards, she has held the position of Head of Administration responsible for all matters related to administrative and recruitment of office personnel. She was appointed as a Director of Dayang Enterprise Sdn Bhd in 2006 and DESB Marine Services Sdn Bhd in 2020.



## ALI BIN ADAI

*Independent Non-Executive Director*

Nationality	Malaysian
Age	66
Gender	Male

• Chairman of Joint Remuneration & Nomination Committee

• Member of Audit Committee

Encik Ali Bin Adai was appointed Independent Non-Executive Director of Dayang Enterprise Holdings Bhd on 3 March 2014 and was appointed Chairman of the Board on 25 February 2016. On 1 September 2018, he was re-designated as Independent Non-Executive Director of the Company. He graduated with a Bachelor of Art degree from University of Guelph, Canada.

Encik Ali was employed with CIMB Bank Berhad as the Regional Director for East Malaysia (Sabah and Sarawak) until his retirement on 31 March 2013. He was responsible for managing 29 branches and for developing CIMB's Retail, Commercial and Enterprise Banking businesses in East Malaysia.

He is also an Independent Non-Executive Director of Ta Ann Holdings Berhad and ABM Fujiya Berhad.



## BOARD OF DIRECTORS' PROFILE



### **GORDON KAB @ GUDAN BIN KAB**

*Independent Non-Executive Director*

Nationality	Malaysian
Age	66
Gender	Male

• Chairman of Risk Management Committee

• Member of Audit Committee

• Member of Corporate Social Responsibility Committee

Gordon Kab @ Gudan Bin Kab was appointed Non-Independent Executive Director of Dayang Enterprise Holdings Bhd on 29 February 2008. He was re-designated as Non-Independent Non-Executive Director on 2 December 2013 and as Independent Non-Executive Director on 3 December 2015. He graduated from Loughborough University of Technology, England United Kingdom, with a B.Sc (Hon.) degree in Civil Engineering.

He has over thirty (30) years of working experience in both Oil and Gas and the Construction industries. He gained extensive experience with Sarawak Shell Berhad for fifteen (15) years and Sime Darby Berhad's Oil and Gas Engineering Division, Esteem Century Sdn Bhd.

In mid May 2000, he was engaged by Cahya Mata Sarawak Berhad as a Senior Project Manager (Central Procurement Unit) and then as Senior Project Manager for PPES Works (Sarawak) Sdn Bhd (Northern Region Operation). He then moved on to PPES Marine Resources Sdn Bhd as an Operations Manager in the Deep Sea Fishing Division in charge of vessels management and support.

He was engaged by Naim Group of Companies from 2006 to 2009 as Senior Head of Construction, in charge of the operation and execution of major infrastructure, engineering projects and building/institutional complexes and was later appointed as Vice President for the Oil & Gas Division.



### **KOH EK CHONG**

*Independent Non-Executive Director*

Nationality	Malaysian
Age	61
Gender	Male

• Chairman of Audit Committee

• Member of Joint Remuneration & Nomination Committee

Koh Ek Chong was appointed as Independent Non-Executive Director on 2 December 2013. He is an accountant by profession. Mr Koh joined Hii King Hiong & Co in 1985 and is now one of the practicing partners. He is a Fellow member of the Association of Chartered Certified Accountants (UK), a member of Malaysian Institute of Accountants, associate member of the Chartered Tax Institute of Malaysia and a certified member of the Financial Planner Association of Malaysia.

Mr Koh was a City Councillor of Miri City Council since 2004 till 2013. He was awarded "Ahli Bintang Sarawak" (ABS) in 2008 and "Darjah Utama Yang Amat Mulia Bintang Kenyalang Sarawak" with the title "Pegawai Bintang Kenyalang (PBK)" on 12 September 2015 by the Tuan Yang Terutama Yang di-Pertua Negeri Sarawak. Mr Koh is an Ahli Kehormat of Ikatan Relawan Rakyat Malaysia with honorary title of LT KOLONEL (Kehormat) RELA. He also serves as the executive committee (EXCO) member in various nongovernmental (NGO) associations and is appointed a member of the Special Committee by the Public Services Commission of Malaysia in January 2014.

He is an Independent Non-Executive Director of Shin Yang Shipping Corporation Berhad.

# BOARD OF DIRECTORS' PROFILE



**HASMAWATI BINTI SAPAWI**  
Independent Non-Executive Director

Nationality	Malaysian
Age	54
Gender	Female

• Member of Joint Remuneration & Nomination Committee

Hasmawati Binti Sapawi was appointed Independent Non-Executive Director of Dayang Enterprise Holdings Bhd on 3 January 2020.

She holds a Bachelor of Arts (Hons, Economics) Canada, a Master of Business Administration, Australia and a Master of Environmental Management (Development Planning), Malaysia. She started her career as an Economist in the Investment Division at Land Custody & Development Authority (PELITA) from November 1992 to December 2005 before serving the Sarawak State Financial Secretary's Office.

Puan Hasmawati joined the State Financial Secretary's Office in January 2006, and presently she is holding the post of the Deputy State Financial Secretary. Prior to that she served as the Director of the Corporate Services & Investment Division at the State Financial Secretary Office (Sarawak) handling corporate finance and investment activities. She sits on the board of several state government-linked companies.



**CHIN HSIUN**  
Independent Non-Executive Director

Nationality	Malaysian
Age	54
Gender	Male

Mr Chin Hsiun was appointed Independent Non-Executive Director of Dayang Enterprise Holdings Bhd on 3 January 2020. He graduated with a Bachelor degree in LLB (Hons) from University of Sheffield and is a Barrister at Law from Lincoln's Inn, England.

He was admitted as Advocate and Solicitor to the High Court of Brunei Darussalam in 1996, and the following year, admitted as Advocate and Solicitor to the High Court of Malaya having completed his pupillage with Messrs Allen & Gledhill Advocates and Solicitors, Kuala Lumpur in 1997. He is currently practicing as an Advocate to the High Court of Sabah and Sarawak, at Sarawak since 1997 and is the managing partner of Yong Wong and Chin Advocates, Miri since 2004.

Mr Chin has vast experience in litigation, from industrial court matters to corporate disputes including corporate set up and registration of venture companies apart from the regular practice of conducting sale and purchase legal documentation, conveyancing and banking documentation. He also sits as appointed legal advisor to several registered societies and associations on societies and related matters.

He was also appointed as Miri City Councilor from the period 2013 to 2019.

## BOARD OF DIRECTORS' PROFILE



### CHEN KING YU

*Non-Independent Non-Executive Director*

Nationality	Malaysian
Age	44
Gender	Male

Mr Chen King Yu, was appointed as Non-Independent Non-Executive Director of Dayang Enterprise Holdings Bhd on 27 April 2021. He holds a Bachelor Degree in Commerce from the University of Melbourne, Australia.

Mr Chen has 18 years of experience in oil and gas sector and business reorganization in Malaysia as well as overseas. His work experience spans across a wide spectrum from auditing, corporate finance, business development, oil projects and operations as well as oil trading. He also has direct experience in property development, shopping mall management and education field.

Mr Chen joined Naim Group as Chief Operating Officer of Strategy Planning and New Business on 1 February 2021.

### ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

**1. Family relationship with any director and major shareholders**

Save for Joe Ling Siew Loung @ Lin Shou Long who is the son of Datuk Ling Suk Kiong, there are no other family relationship with the Directors and/or major shareholders of the Company.

**2. Nationality**

All Directors of the Company are Malaysians.

**3. Any conflict of interest with the Company or its subsidiaries**

None of the Directors have any conflict of interest with the Company or its subsidiaries.

**4. Convictions of offences (within the past 5 years, other than traffic offences)**

None of the Directors have been convicted for any offences.

**5. Attendance of Board Meetings**

The details of Directors' Board Meetings during the financial year are set out on page 61 in the Corporate Governance Overview Statement.

# KEY SENIOR MANAGEMENT



**ALIAS BIN MAT LAZIN**  
Senior Project Manager

Nationality	Malaysian
Age	53
Gender	Male

**Education:**

- Bachelor Degree in Mechanical Engineering From Hanyang University of South Korea.
- Master in Project Management from Universiti Teknologi Malaysia.
- Member of Board of Engineers Malaysia.

**Experiences:**

With over 25 years of experience in the Oil and Gas industry, he has vast experience in the field of engineering, onshore and offshore construction, tender strategies, business planning and operational performance.

He began his career with Hyundai Engineering and Construction Co. Limited as a Junior Field Engineer. Determined and energetic, he was subsequently given the trust to lead the Business Development of the company's Plant Division. Through the years, he has served in local and international companies in various positions. In 2009, he joined Dayang Enterprise Sdn Bhd as a Project Manager tasked with the responsibility of establishing Dayang's Hook-Up and Commissioning (HUC) Division. Since then, he has successfully led the team in venturing into new segments which includes Engineering, Procurement, Construction and Commissioning (EPCC) and Pre-Commissioning and Decommissioning Activities in the Oil and Gas sector.

He is currently responsible to lead the Dayang's Business Planning and Operational Performance overseeing all contracts for Peninsular Malaysia and International Operations, and leading the Fleet Operations and Chartering Division of Perdana Petroleum Berhad.

Encik Alias is currently an Executive Director of Perdana Petroleum Berhad. He does not have any family relationships with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



**SUKI ANAK ADIR**  
Senior Project Manager

Nationality	Malaysian
Age	51
Gender	Male

**Education:**

- Bachelor Degree in Chemical Engineering with 1st class Honours From University of Wales, Swansea.
- Member of Board of Engineers Malaysia.

**Experiences:**

With over 25 years of experience in the Oil and Gas industry, he has vast experience in the field of engineering, onshore and offshore construction and maintenance, tender strategies, planning and operational performance.

He began his career with EJ Joint Venture Sdn Bhd as a Field/Project Engineer in 1995. He involved in onshore and offshore construction, maintenance and hook up and commissioning, holding various positions such as planning engineer, Construction Engineer and Base Superintendent. In 2002, he joined Dayang Enterprise Sdn Bhd as a Project/Workpack Engineer for various Petronas Carigali Sdn Bhd maintenance contracts in PMO and SBO. He was promote to a Project Manager in 2007 to manage the Topside Major Maintenance (TMM) Contract for SBO until 2010. In late 2010 he was assigned to manage Petronas's SKO Topside Structural Maintenance (TSM) Contract until 2017. He continued to manage the current Offshore Modification, Construction and Maintenance (MCM) Contract for Petronas Carigali Sdn Bhd, Sarawak Operation. Since then, he has successfully led the team in managing the maintenance contracts and venturing into new segments which includes Engineering, Procurement, Construction and Commissioning (EPCC) in the Oil and Gas sector.

Mr Suki does not have any family relationships with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT



### ZAIM HUSNI OMAR

*Head of Corporate Affairs*

Nationality	Malaysian
Age	51
Gender	Male

#### Education:

- Master of Business Administration (Finance & Investment) from International Islamic University, Malaysia.
- Bachelor of Business Administration (Finance) from International Islamic University, Malaysia.
- Graduate Diploma of Applied Finance and Investment from Financial Services Institute of Australasia (Finsia).
- Executive Diploma in Investment Analysis from MARA University of Technology (UiTM).

#### Experiences:

Began his career in 1995 as an investment analyst with Permodalan Nasional Berhad (PNB) and later was appointed as a fund manager in 2001 to manage PNB Proprietary fund, Sekim Amanah Saham Bumiputera and Amanah Saham Malaysia.

In 2008, he joined Mara Incorporated Sdn Bhd as a senior manager supervise Corporate Finance and Investment division.

Before joined Dayang Enterprise Holding Berhad, he was a Senior General Manager with MTD Capital Berhad oversee the group business activities and investment. Prior to that he was a Finance Director with WZR Property Sdn Berhad and Vice President, Strategic Planning of Bank Pembangunan Berhad.

With extensive experiences in field of corporate and investment, he is currently Head of Corporate Affairs for Dayang Group.

Encik Zaim does not have any family relationships with any Directors and/or major shareholders nor any conflict of interest with the company. He has no conviction for the last five years (other than traffic offences) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



### WA HUI BING

*Senior Corporate Finance*

Nationality	Malaysian
Age	38
Gender	Female

#### Education:

- Bachelor of Commerce (Accounting and Finance) from Curtin University of Technology, Malaysia
- Chartered Accountant of Chartered Accountants Australia
- Member of Malaysian Institute of Accountants

#### Experiences:

Ms Wa Hui Bing was appointed as the Senior Corporate Finance of Dayang Enterprise Holdings Bhd on 23 September 2020.

She graduated from Curtin University of Technology, Malaysia in 2007 with a Bachelor of Commerce Degree, major in Accounting and Finance. She is a Chartered Accountant of Chartered Accountants Australia and a member of Malaysian Institute of Accountants. Prior to joining the Dayang Group, she has more than 10 years of working experience in accounting and auditing in various industries via Ernst & Young PLT. Her professional experiences include accounting, audit and assurance.

Ms Wa does not have any family relationships with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years (other than traffic offences, if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## CHAIRMAN'S STATEMENT

### Dear Valued Shareholders,

On behalf of the Board of Directors, it is my honour and privilege to present the Annual Report for Dayang Enterprise Holdings Bhd ("the Group") for the financial year ended 31 December 2021.



## CHAIRMAN'S STATEMENT

The on-going Covid-19 pandemic remained a key challenge throughout 2021. The spread of the Delta and Omicron variants in Malaysia led to the lockdowns and the implementation of the phased National Recovery Plan ("NRP") in the second half of 2021. Against this backdrop, it proved to be another difficult year for the oil and gas industry.

Nonetheless, there was some optimism as economic activities began to pick up due to the success of the Covid-19 vaccination programmes and easing of the movement restrictions throughout the country.

For the financial year ended 2021 ("FY2021"), the Group recorded a lower revenue of RM667.7 million compared to RM731.4 million in 2020. The overall profitability of the Group was significantly affected by our vessel-chartering subsidiary, Perdana Petroleum Berhad ("PPB") which recorded a lower utilisation of 44% in 2021 compared to 53% recorded in 2020. PPB also changed its accounting policy on the useful lives of 8 Anchor handling Tug Services ("AHTS") from 25 years to 15 years and undertook a mark-



to-market exercise to determine the value of these assets. As a result, the Group recorded a one-off depreciation charge of RM41.3 million and impairment charges of RM349.8 million on property, plant and equipment and goodwill.

Despite the current adverse operating environment, I am pleased to report that the Group generated RM160.8 million of operating cash flow for the year in review, with a net cash position of RM339.7 million. The Group remained on a strong footing fundamentally, both financially and operationally, enabling us to pursue new growth opportunities.

The Group will continuously strive to improve its profitability and remain as a cost-efficient service provider for the industry, without compromising on health and safety standards. We will also monitor closely the current operating environment, with greater emphasis on capital preservation, cashflow management and cost containment.

Last but not least, I am also happy to report that the Board of Directors approved a dividend per share of 1.5 sen or RM17.37 million to shareholders and was distributed on 10 December 2021.

I would like to take this opportunity to express my upmost appreciation and gratitude to all members of the Board, management team and employees for the undivided commitment and dedication.

Moving forward, we are confident that the Group shall continue to accomplish better results.

Yours sincerely,

**Datuk Hasmi Bin Hasnan**  
Executive Chairman.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Dear Valued Shareholders,

When we entered 2021, we had expected it to be a better year than 2020. We believed that we had a better understanding of Covid-19 virus and how to work in a pandemic environment and together with the government vaccination programme, it would be a positive factor for our Group as more manpower can be deployed to execute our existing contracts. However, we were proven wrong as the intense spread of the virus and the constant and rapid changes to the standard operating procedures (“SOP”) caused additional execution challenges to us and hence affected both our productivity and profitability.





## MANAGEMENT DISCUSSION AND ANALYSIS

At the beginning of 2021, we received significant “Work Orders” (Purchase Orders) that could signal our Group’s come back especially at the back of a stable and improved crude oil price. However, towards the end of the second quarter, high Covid-19 infection rate nationwide caused another Movement Control Order (“MCO”) to be implemented by the Government. As such our Group were unable to mobilise our crew for offshore execution and some activities that were supposed to be implemented were halted. The matter got worse when State Governments implemented enhanced SOPs to contain the infection.

Despite the challenges in 2021, the Group together with its clients and suppliers was able to continue with its activities to complete some works through implementation of various safety measures. It is worth to note that during the year under review, the Group successfully fabricated and installed a 50-meter inter-platform bridge weighing 130MT at Baram Oil Field with 66,208 man-hours without Lost Time Injury (LTI) which was a new milestone for the Group.

For the year under review, the topside maintenance division has been performing well. The division recorded a



revenue of RM419.51 million compared to RM521.02 million reported in 2020, representing a 62.83% of Group revenue compared to 71.23% recorded in 2020. The Hook-Up And Commissioning (“IHUC”) division has reported a growth from 7.52% of Group revenue in year 2020 to 21.38% in year 2021. For the Marine Division, the vessel utilisation rate dropped significantly to 44% compared to 53% recorded in 2020 mainly due to stop-work orders issued by clients due to Covid-19 infections at work vessels. During the financial

year, we also recorded a significant compression on our operating margin due to additional Covid related costs and inability to step up on work progress.

The Group will remain committed and continue to uphold our motto of focus towards excellence and deploying resources efficiently. With valuable assets and strong competitive advantages, particularly untainted track records, the Group shall continue to secure more contracts in the future.



# MANAGEMENT DISCUSSION AND ANALYSIS



The Group remained committed and continue to uphold our motto of focus towards excellence and deploying resources efficiently.



## FINANCIAL REVIEW

For the financial year 2021, the Group registered a net loss after tax of RM435.68 million on revenue of RM667.74 million against net profit after tax of RM32.56 million recorded in 2020. The loss was mainly attributed to non-cash expenses, including impairment loss on property, plant and equipment (“PPE”), impairment loss on goodwill and one-off additional depreciation charges due to the change in accounting treatment of 8 Anchor Handling Tug Supply (“AHTS”) useful life from 25 years to 15 years.

Despite the loss recorded during the year, the financial fundamental of the Group remained robust with debt to equity ratio at 0.40. At the same time, the operating free cash flow remain strong with outstanding liquidity position.

## PROSPECTS

Fellow shareholders,

Moving forward, we are cautiously optimistic that the outlook for financial year 2022 would be stronger with improving economic activities, barring any further Covid-19 related disruption, step-up in the vaccination programme including booster shots, stable crude oil price and lifting of travel restrictions throughout the country by the Malaysian Government. Our operations will be busy with substantial new and carried over from 2021 work orders. We are expecting our clients to initiate extensive capital expenditure to increase their productivity with emphasis on maintenance activities. Concurrently, the Group is continuously participating in the new contract bids by oil majors and are expecting to secure additional contracts given our outstanding track record and financial position.

Thank you.

**TENGGU DATO' YUSOF BIN TENGGU AHMAD SHAHRUDDIN**  
Group Managing Director



# SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

## FOCUS TOWARDS EXCELLENCE

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We are pleased to present Dayang's Annual Environmental, Social and Governance ("ESG") Report. Dayang purpose of playing a leadership role in driving social and economic development across the region, is aligned with the fundamental ESG principles of sustainable and ethical business practices. In this report, you will find many shared value between our various stakeholders and the communities in which we operate through our day-to-day business activities. Our theme "**Focus Towards Excellence**" highlights our efforts to continue progress towards a sustainable future. The theme has been consistent and it's our driving force to our excellence. With the on-going material and technology advancements in the industry, we provide engineering and value-added design as a key component of our services and sustainability progress. At Dayang, sustainability is the way we manage and operate our business to best serve our customers, care for the environment, secure profits and drive long term prosperity.

We are pleased to present our sustainability performance, which summarises our ESG performance, accomplishments and challenges over the past year. The 2021 edition of the Sustainability Report ("SR") increases our disclosure of key ESG areas and cross-references supplementary materials in our Annual Report 2021.

# SUSTAINABILITY STATEMENT

## Scope

Dayang SR for the year 2021 has been prepared in accordance with the Global Reporting Initiatives (“GRI”) standards. This covered the reporting period from 1 January 2021 to 31 December 2021 with five years of comparative historical data.

Our daily operations aligned business performance with a commitment to ESG encompassing the elements as below :

### OPERATION BUSINESS PERFORMANCE COMMITMENT



#### REDUCE THE ENVIRONMENTAL FOOTPRINT OF OUR OPERATIONS.

- Transport materials in a manner that minimizes community and environmental impacts.
- Reduce fuel, energy, water and other resources needed to move each ton-mile of freight.
- Increase recycling and reuse efforts through waste minimization.
- Strive to manage the Dayang supply chain in consideration of environmental effects and good governance.



#### ENGAGE OPENLY ON SUSTAINABILITY ISSUES.

- Communicate regularly with customers, employees and external stakeholders on sustainability issues, goals and efforts.
- Provide opportunities to customers, suppliers, employees and communities to actively participate in sustainability programs.
- Increase transparency and disclosure of our sustainability performance through our annual Corporate Social Responsibility Report and related sustainability disclosures.



#### SUPPORT SUSTAINABLE DEVELOPMENT.

- Collaborate with stakeholder and communities to grow sustainably, considering social, economic and environmental effects.
- Build innovative infrastructure to support operations and minimize resource use.



### REPORTING STANDARDS - REPORTING SCOPE AND BOUNDARIES

Our SR focuses on Dayang’s sustainability practices in which we focus and highlight more on the ESG impacts of our activities and initiatives. Also, throughout this statement, we demonstrate our full commitment to integrating sustainability practices and preparing this statement pursuant to Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”), Sustainability Reporting Guide issued by the Bursa Malaysia and guided with guidelines issued by the GRI standards.

The contents of this Statement encompassed the Group’s key business operations, which comprised our core services. Through this report, we aim to provide our stakeholders with updated ESG information about Dayang. We assured our stakeholders that we are reporting fully, honestly and transparently and through increased transparency and disclosure, we build trust and strengthen the relationship with our stakeholders. This Statement emphasises the Group’s commitment towards ensuring that its business operations are carried out sustainably and responsibly, taking cognisance of the ESG implications it is exposed.

We valued stakeholders’ feedback on this report, which can be channeled to <https://www.desb.net>

We have sought external assurance for the past three years for this sustainability reporting; we will continue to improve our data collection and management system.

# SUSTAINABILITY STATEMENT

## ABOUT DAYANG

### VISION

To be a profitable leader in providing value-added services in a timely manner through an efficient and integrated approach.

### MISSION

- To create and develop critical path resources of the Group to achieve our objectives
- To maximize shareholders value
- To be a responsible corporate citizen

### CORE VALUES

Dayang's Codes of Ethics for Directors and employees govern the standards of conduct and performance expected. Dayang's Board commits itself and its Directors to ethical, businesslike and legal conduct, including proper use of authority and appropriate decorum when acting as Board members.



### WHO WE ARE

Dayang Enterprise Holdings Bhd ("Dayang") is an investment holding company that has three wholly-owned subsidiaries under its wing Dayang Enterprise Sdn Bhd ("DESB"), DESB Marine Services Sdn Bhd ("DMSSB") and Fortune Triumph Sdn Bhd ("FTSB").

Dayang acquired 94.8% of the issued and paid-up share capital of Perdana Petroleum Berhad ("PPB"), a company listed on the Main Board of Bursa Malaysia Securities Berhad after the completion of a takeover in August 2015. As of 31st March 2022, Dayang owned 63.71% controlling stake in PPB. The principal activity of PPB is the provision of marine support services for the Oil and Gas industry.

The company's operations commenced with DESB in 1980 whose initial business was the trading of hardware materials and supply of manpower for the offshore oil and gas industry.

This was, however expanded to include provisioning of maintenance services, fabrication operations, hook-up and commissioning and charter of marine vessels.

Since its inception, the company has been awarded numerous contracts including those by Petronas Carigali Sdn Bhd, Sarawak Shell Berhad / Sabah Petroleum Company Limited, Exxon Mobil Malaysia, Murphy Sarawak Oil Co. Ltd and Murphy Sabah Oil Co. Ltd, JX Nippon Oil & Gas Exploration (Malaysia) Limited, Repsol Oil & Gas Malaysia Limited, SEA Hibiscus Sdn Bhd, ROC Oil Malaysia (Holdings) Sdn Bhd, Kebangsaan Petroleum Operating Company Sdn Bhd and MDC Oil & Gas (SK320) Ltd.

In line with its emphasis on quality, DESB was accredited with an MS ISO 9001:2015-Quality Management System certified by SIRIM QAS International Sdn Bhd in June 2017.

Dayang also received the Grand Award from Exxon Mobil and Petronas Carigali, in recognition of safety excellence in 2004. Since 2002, Dayang has been the annual recipient of Petronas Carigali Certificate of Appreciation.

Dayang total employee in 2021 was 3,907 employees and recorded total group revenue of RM667.7 million for the financial year ended 31 December 2021, is widely recognised as a reputable provider of maintenance and support services within the oil and gas industry.

# SUSTAINABILITY STATEMENT

## OUR ESG APPROACH

As Dayang strives for continuing growth and success, our goal remains that our business activities create shareholder values and have a far-reaching positive impact on the communities in which we operate.

We believe we have an important role to play in addressing these challenges by helping our stakeholders achieve safe working platform. Our approach in addressing ESG issues generates values for our shareholders, our customers and ultimately the wider economies in which we operate.

Our approach is also underpinned by our Operating Philosophy of **Focus Towards Excellence** across the Group, we work proactively and diligently to monitor and reduce our environmental footprint, to ensure effective and ethical governance and to invest in ways that stimulate sustainable economic growth.

The SR outlines our commitment to each ESG area, shares our management approach and provides relevant examples that illustrate our programme.

## SUSTAINABLE DEVELOPMENT GOALS

With our commitment in achieving sustainable development, we have undertaken initiatives in order for us to reach our goals. Our Sustainable Development Goals (“SDG”) set mirrors our dedication in conducting a safe, healthy and environmentally friendly business for our workforce and workplace, at home or abroad, including the sites we are working on but with extra emphasis on the environment.

As part of our Corporate Governance, we have put into action, strategically designed initiatives to ensure the Group’s business operations all over the globe complies to ethical values and can bring benefit to the society, especially communities that are within the vicinity of our operations.

These initiatives are seen as our responsibility to portray the Group an organisation that operates in a way that recognises the central role that businesses play in improving the quality of life for a community.

## OUR CONTRIBUTION TOWARDS SUSTAINABLE DEVELOPMENT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UN SDGs”)









Achieving the 17 SDGs set by the United National General Assembly in 2015 to counter major global issues such as urbanization, climate change, resource scarcity, demographic and social change and global economic condition by the year 2030 entails contributions from governments, civil society and businesses.

Aligning ourselves to the aspirations of the Malaysian Government, we have adopted these goals as part of our sustainability journey. We identified eight SDGs that the Group commits to support directly and/or indirectly as follows:



# SUSTAINABILITY STATEMENT

## SDG ADOPTION BY THE GROUP

SDG	Goals	Management Action
	Ensure healthy lives and promote wellbeing for all at all ages.	We are committed to creating a safe workplace and promoting healthy living amongst our employees, stakeholders and visitors.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	We provide highly intensive training and retraining to our staff due to the nature of our business hence always on the look out for potential development.
	Ensure access to affordable, reliable, sustainable and modern energy for all.	The transportation usage is largely powered by fossil fuels. A combination of engine and driveline development as well as transport system efficiency measures and renewable fuels can provide modern energy for us.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	We aim to create a workplace that is conducive to productivity and growth by providing job opportunities and equipping our employees with various training and development programmes.
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	We assist in the marine transportation and repair work for oil exploration companies. Also develop quality, reliable, sustainable and resilient infrastructure, including safety measures
	Ensure sustainable consumption and production patterns.	We have made efforts to develop and implement improved processes to reduce, reuse and recycle water and raw materials and , non-renewable minerals, other inputs, by-products and waste.
	Take urgent action to combat climate change and its impacts*	We have identified and evaluated climate change risks to the business (such as resource scarcity, resource price volatility, loss of life and property and business interruption) and take appropriate mitigating and adaptive action.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	We place ethics and integrity at the centre of our business operations and have policies in place towards embedding such values throughout our organisation.

# SUSTAINABILITY STATEMENT

## ESG PILLARS



### ENVIRONMENTAL

- Sustainability.
- Water usage and water safety.
- Use of natural resources.
- Waste and pollution.



### SOCIAL

- Social responsibility.
- Community support.
- Health and safety.
- Relationships With employees, suppliers, customers and communities.
- Equal opportunity and diversity.
- Economic inclusion.
- Stakeholder opposition.
- Ocean Sea Heritage destruction.



### GOVERNANCE

- Transparent and accountable corporate governance.
- Internal controls and assurance.
- Responsible corporate behavior and ethical decisionmaking.
- Executive remuneration.
- Shareholder rights and board diversity.

## LOCATION OF HEADQUARTERS & REGISTERED OFFICE - GRI 102-3, GRI 102-4

Sublot 5 – 10, Lot 46, Block 10, Jalan Taman Raja, MCLD, 98000 Miri Sarawak, Malaysia

## OUR VALUE CHAIN

There are four (4) core business of Dayang which comprises of the following:



### PROVISION OF MAINTENANCE SERVICE

Dayang’s subsidiary, DESB undertakes the overall provision of maintenance services, which focuses on the following areas:

- Maintenance of Topside structure
- Maintenance of pipes and valves and
- Electrical and instrumentation

The maintenance services are provided either on a routine or scheduled basis or during a breakdown or emergency, in which case maintenance works are undertaken due to fault or failure.



### FABRICATION OPERATION

Fabrication generally refers to the value added process of constructing structures out of various raw materials, primarily metal. Dayang undertakes engineering and fabrication services to meet the needs of its customers, including onshore fabrication of products such as pipe and valve systems, skids and other steel structures such as handrails and helideck extensions. Dayang has fabrication yards and warehouses located in Labuan, Kemaman, Miri and Bintulu.



### HOOK-UP & COMMISSIONING

Dayang also undertakes the provision of hook-up and commissioning for steel structures and electrical and instrumentation services as part of its supporting products and services to the oil and gas industry.

Some of the tasks related to hook-up and commissioning of electrical and instrumentation include electrical engineering; system design; equipment and system procurement; wiring including laying of new wires and cables; panel installation and wiring; and testing and commissioning.



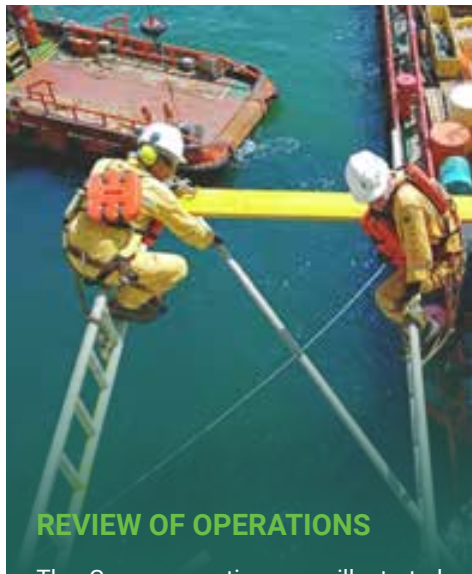
### CHARTER OF MARINE VESSELS

At present, Dayang possesses nine (9) marine vessels which are used to provide offshore accommodation for its personnel as well as work areas and equipments to facilitate the provision of its supporting products and services.

PPB, a 63.72% subsidiary of Dayang, owns sixteen (16) vessels consisting of eight (8) Anchor Handling Tug Supply Vessel (“AHTS”), six (6) accommodation work barges (“AWB”) and two (2) workboats (“WB”). Its core business encompasses the provision of offshore marine support services for the upstream oil and gas industry.



# SUSTAINABILITY STATEMENT



## REVIEW OF OPERATIONS

The Group operations are illustrated in the Management Discussion & Analysis (“MDA”) section in the Annual Report 2021.

## BUSINESS AND OPERATIONS REVIEW

Please refer to our MDA for further illustrations.

## OUR APPROACH TO DRIVING SUSTAINABILITY

Our approach to sustainability is based on our core values of excellence, united we achieve, integrity, humility and building relationship, supported by policies and procedures at Group level. We consistently embed sustainability into the core of our business. The following value-added sustainability framework forms the basis of Dayang’s steps to strengthen our approach to sustainability. We aim to work with contractors and suppliers that perform in an economically, environmentally and socially responsible way, as set out in our Business Principles. Dayang’s Supplier Principles covered our requirements for suppliers in business integrity, health and safety, social performance and labour and human rights.

## SUSTAINABILITY STRATEGY

### 1. As a Public Listed Company

- As a Public Listed Company, we are pre-emptive of the sustainability matters mainly on the economic value creation for the shareholders and stakeholders;
- We plan to elevate sustainability in the Group governance, through engaging in direct Board oversight and accountability over environmental and social issues, more diversity and special expertise on Board and linking executive and other employees compensation to sustainability goals;
- We want to robust regular dialogues with key company stakeholders on sustainability challenges, including employees, investors, suppliers and consumers; and
- We are in progress to open reporting on sustainability strategies, goals and accomplishments.

### 2. As a service provider

- We are in progress to develop systematic performance improvements to achieve environmental neutrality and other sustainability goals across the entire value chain, including operations, supply chains and products.
- We always provide quality service to all of the clients as they are part of our valued stakeholders.

## GOVERNANCE OF THE SUSTAINABILITY

Being a Public Listed Company, Dayang complied with the Standards of Corporate Governance (“CG”) practices and being closely monitored under the leadership of our Board of Directors, as guided by the Malaysian Code on Corporate Governance 4<sup>th</sup> Edition.

In line with sustainability, The Board has the ultimate responsibility to ensure that the sustainability efforts are embedded in the strategic direction of the Group. We have established a Corporate Sustainability Committee (“CSC”), to oversee the formulation, implementation and effective management of our sustainability matters in line with the strategies. The CSC is also supported by various working groups responsible for implementing the initiatives within the organization.

The governance of our sustainability agenda is a continuous effort to the Group as it enables the business to effectively embed sustainability measures.

## STRATEGIES AND DIRECTIONS

Despite the challenging operating environment, Dayang continues to practice prudence and stay focused on delivering quality growth, while being watchful of emerging risks. The Group is fully committed to uphold responsible financing, which is reflected through its prudent infrastructure transformation as well as sustainability in its supply chain.

# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS



### 1. OBJECTIVES & SCOPE

Dayang undertook a materiality study within the top management and middle management to determine the objectives and scope of the sustainability reporting. Our scope and boundaries covers all our entities and operations in Malaysia.

### 2. IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS

The process initiated with sustainability issues relevant to the Group and its stakeholders. In generating the list, the Group assesses the operating environment and emerging trends affecting our sectors and conducted a study across a broad range of references to identify the relevant sustainability issues. The references include Bursa Malaysia’s Sustainability Reporting Guide and Toolkits and international standards such as the Global Reporting Initiative Standards.

Moving forward to 2022, we would intensify our efforts to undertake a review of material factors and sustainability matters to ensure that our understanding of both the current and future risks and opportunities facing our markets are adequately addressed, as well as to gather stakeholders’ perspectives and ensure we are responding to their needs. As we update our material factors, we will continue to evolve our management approach to ensure that we are addressing them in a holistic and integrated manner. This may involve developing new policies and procedures, implementing various initiatives, measures and action plans.

### Our Material Factors

As we monitor, manage and report on a wide variety of issues, the key to our approach is focusing our resources on material sustainability risks and opportunities that are associated with each material factor. Understanding our key priorities allow us to set our time, resources and investment to the best use.

The materiality process involved several steps, including:

Identification of potential material topics by reviewing GRI aspects, benchmarking against key corporate peers and analyzing past reports, which reflects the feedback from customers, community representatives and employees generally.



Inventory of aspects and topics most important to external stakeholders, customers and their supply chain vendors, based upon requests, surveys and ongoing engagement during the reporting period.

In an effort to navigate the Group towards sustainable business growth and success, we have carried out an assessment of the material sustainability matters which are most significant to the Group as well as to our various stakeholders. This material matters assessment enables us to identify, assess and prioritise the risks and opportunities arising from the ESG context, so as to take advantage on any potential opportunities in this ever-change business environment. The materiality factors are based on the priority of the organisation.

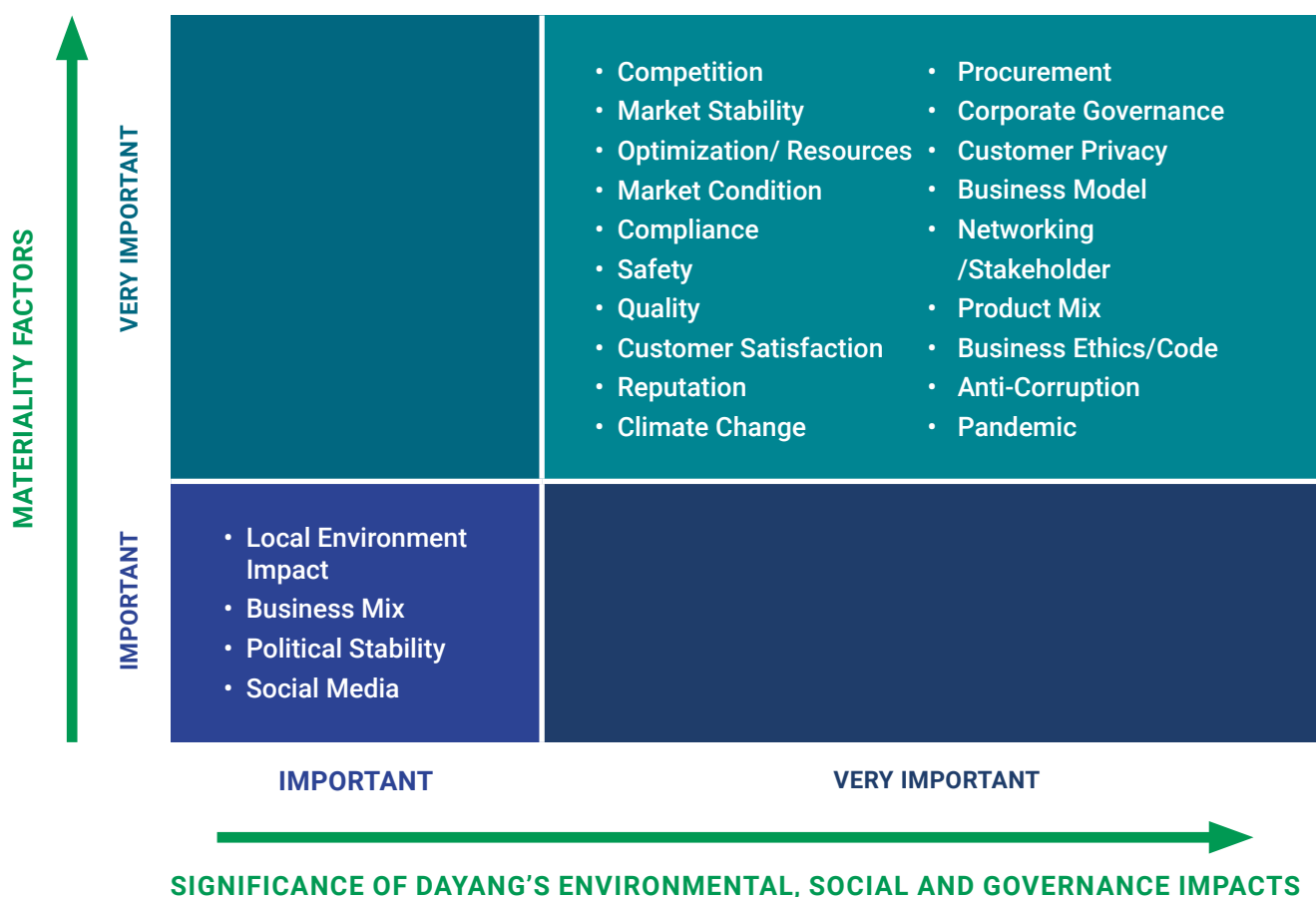
# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 2. IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS (CONT'D)

#### Materiality Matrix

Materiality assessment is an important tool to identify the most relevant ESG priorities that are consistent with our business strategy. We identified, assessed and prioritised 23 material sustainability initiatives made involving the sustainability working committee. The key areas which matter the most to the Group and our various stakeholders, scaling from "Important" to "Very Important" respectively, in the following Material Matters Matrix. The output of the assessment was plotted on a matrix which illustrates the impact of each material factor on the Group's business as well as the stakeholders. For the current year we have maintained the same materiality matrix as it remains relevant to the Group's operations.





# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 2. IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS (CONT'D)

Materiality Matrix (cont'd)

#### A) Business - Key Materiality

Material Factors	Description	What Are The Risk	What Are The Opportunities	Initiative
 <b>COMPETITION</b>	Dayang is exposed to competition within the industry	The current risk faced by the Group would be Covid Pandemic, fluctuations of global oil price, political instability, Petronas License's requirement and etc.	• Innovative products and eco-friendly system could be offered to the clients as to improve on our core value.	Company/ Stakeholders
			• Review of Company's operation processes and ensure more cost effective.	Company and Stakeholder
			• Working closely with our clients to secure competitive deals.	Company and Stakeholder
 <b>MARKET STABILITY</b>	A well-facilitated business, supported together with an effective and balanced regulatory framework that provides adequate levels of stakeholder's protection while facilitating business efficiency and innovation, is imperative for the continued growth and development of our business.	Any event – such as breaches in regulation, lack of effective corporate governance (CG) practices – that undermines integrity or stability will influence stakeholder confidence.	• Having a healthy approach to ensure the integrity and stability of the market serves to engender trust and confidence, which in turn encourages client participation and enhance business growth.	Client and company
			• Fostering a strong CG and sustainability culture will also drive long-term value, both in the market and within Bursa Malaysia.	Company and stakeholder
			• The group is always aggressive to look for potential strategy/ options to maintain its market strategy.	Company and stakeholder

# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 2. IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS (CONT'D)

#### Materiality Matrix (cont'd)

Combining the views from stakeholders and Dayang's Management from the preliminary materiality process, the materiality table has been derived to show the different levels of importance of the sustainability matters. The below factors will be further enhanced in the coming years.

#### B) Significance - Material Factors (ESG) (E-Environment, S-Social, G-Governance)

	Factors	Why Material	Managing Materiality	Initiative
MATERIALITY VERY IMPORTANT	Optimization/ Resources (E,G)	To help the company become efficient and effective.	Proper resources allocation plan are in placed to ensure that all the resources are being optimised.	PMT and all stakeholders
	Market Condition (G)	Market condition affects all businesses in every industry.	Our business very much depends on the market condition where we conduct a market study prior to engaging in any projects.	Corporate and all stakeholder
	Compliance (E,S)	Compliance with laws and regulations is one of our main requirements.	We provide adequate training and resources to ensure we meet compliance obligations.	All stakeholder
	Safety (E)	Impact on safety of workforce to avoid workplace injuries and customers to ensure safety of products.	We support the ongoing training of operational teams to ensure understanding in recognising and improving as well as maintaining safe working conditions.	Corporate HSSE/ company and all stakeholder
	Quality (S)	It is part of our core business value to satisfy all of our customers.	By obtaining prompt stakeholder feedback to gauge our quality.	Corporate QAQC/ company and all stakeholder
	Customer Satisfaction (S)	It is important for us to benchmark ourselves and to collaborate closely with customers to achieve mutual success.	We conduct customer satisfaction surveys to obtain customer's feedbacks.	PMT/ company and all stakeholder
	Reputation (S,G)	To get a more realistic picture of how the business is actually being perceived by others.	We take initiatives to enhance our reputation by providing balance reporting.	PMT/ company and all stakeholder
	Procurement (E,G)	It ensures the stable, sustainable procurement and supply of resources.	We always lookout for the best quality and good pricing to be competitive.	Corporate Procurement/ company and all stakeholder
	Corporate Governance (E,S,G)	To ensure that the company protects the members, officers and management.	Governance is conducted according to various regulations and sub committees. The board oversees the governance based on a quarterly review of management reporting.	Company

# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 2. IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS (CONT'D)

Materiality Matrix (cont'd)

B) Significance - Material Factors (ESG) (E-Environment, S-Social, G-Governance) (cont'd)

	Factors	Why Material	Managing Materiality	Initiative
<b>MATERIALITY</b> <b>VERY IMPORTANT</b>	Customer Privacy (E,S,G)	It is important to build customer trust and loyalty.	We take necessary measures to protect the customer's privacy by having our staff trained on this matter.	Company (PMT and Construction team)
	Business Model (G)	Business model plays a vital role in challenging market condition of the market and business.	We engaged a high-level review on the business model with the directors.	Company BOD
	Networking/ Stakeholder (E,S,G)	It is important to have new opportunities and positive influence.	Our nature of business requires networking with all parties in order to reconcile the process.	Company
	Product Mix (E,S,G)	To have a variety of products that will fit each customer's needs.	To be highly competitive we take the initiatives to create a variety of segments. <ul style="list-style-type: none"> <li>• Provision of maintenance services</li> <li>• Fabrication operations</li> <li>• Hook-up &amp; commissioning</li> <li>• Charter of marine vessels</li> <li>• Vessel technical specification</li> </ul>	Company
	Business Ethics/ Code (E,S,G)	Maintaining business ethics is our core values.	We proactively promote and positively reinforce good behaviours to the employees.  All employees are expected to observe high standards of integrity by adhering to the Code of Ethics encompassed in the Company's Handbook.	Company
	Anti-Corruption (E,S,G)	This reduces risks of economic imbalance and compliance with laws, international charters and conventions.	On-going monitoring, briefing and review of compliance throughout the Group is carried out to make sure that the company's policies and procedures as well as system of internal controls are being properly implemented.	Company and all stakeholder
	Climate Change (E,G)	Climate change would have a significant impact on business.	We managed this by creating a good project management team which looks in to all the scenarios.	PMT, Company and stakeholder

# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 2. IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS (CONT'D)

#### Materiality Matrix (cont'd)

#### B) Significance - Material Factors (ESG) (E-Environment, S-Social, G-Governance) (cont'd)

	Factors	Why Material	Managing Materiality	Initiative
<b>MATERIALITY</b> <b>IMPORTANT</b>	Local Environment Impact (E)	It safeguards the environment impact.	We monitor and review the environmental compliance strategy and performance.	Company HSSE and stakeholder
	Business Mix (G)	Diversification is part of our business model to stay sustainable.	We always lookout for synergy businesses which creates a better value to our core business.	Company and stakeholder
	Political Stability (G)	It has a wide impact on the economy.	We always work with the government of the day.	Company and stakeholder
	Social Media (E,S,G)	The use of social media boosts visibility among potential customers and improves awareness about our brand.	We engage social media to promote our service and product.	Company and stakeholder

### 3. OUR STAKEHOLDERS ENGAGEMENT

Our interaction involves a large number of different stakeholder groups and this kind of engagement is important to ensure we can identify, prioritize and address material matters and be adopted in our business strategies. The business and functional units are empowered to interact with their respective stakeholders on their chosen platforms. Ongoing engagements where applicable, are carried out on a regular basis as they are integral to our business development, relationships with stakeholders and commitment to sustainability.

#### Stakeholder Engagement

Our stakeholders are a vital part of our business. In seeking to better understand the material issues that affect our stakeholders, we are constantly working to improve our engagement processes. By addressing the interests of our stakeholders through appropriate engagement platforms, we can evolve our strategies to meet their expectations and focus our reporting on issues that are relevant to them.

Our key stakeholders are outlined in the below diagram, along with the forms of engagement and key topics of interest that we seek to address.





# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 3. OUR STAKEHOLDERS ENGAGEMENT

#### Stakeholder Engagement (cont'd)

Stake Holder Group	Engagement Approach	Engagement Focus & Objectives	Initiative
 <b>CUSTOMERS</b>	1. Interval Meetings 2. System Audit – HSE/ Operation/ Tendering Audit	<ul style="list-style-type: none"> <li>A brief feedback will be obtained from the end users and customers.</li> </ul>	PMT
		<ul style="list-style-type: none"> <li>To correspond with the operation team and safety department.</li> </ul>	PMT
		<ul style="list-style-type: none"> <li>Discussion on the issues arised and ways to improve.</li> </ul>	PMT
		<ul style="list-style-type: none"> <li>Verification on the present Operation – system and SOPs.</li> </ul>	PMT
 <b>EMPLOYEES</b>	Meeting with the management & employees, both office & marine crew - employees will raise issues	Sharing & bonding with the management & employee (Informal)	PMT
	a) Cost Optimization - Meeting and discussion	Cost efficiency	PMT
	b) Brand Value - Meeting and KPI's	Minimize operation/ project down time and improve turnaround time	PMT
	c) Energy Usage - Meetings, record and monitoring	To monitor the consumption of the utilities and comply to MARPOL requirement.	PMT
	d) Water usage - Meeting, record and monitoring	To monitor the usage of the water by referring to the past records.	HRA
	e) Sound measurement - Meetings and briefings	Awareness training on Personnel Protective Equipment (“PPE”) and comply to industry requirement	HSSE
	f) Accident Rate - Meeting and engagement	ZERO accident tolerances	HSSE
	g) Covid-19 Protocol - Virtual meeting	To encourage the staffs to carry out the meeting through virtual as to curb the spread of Covid-19.	HRA






# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 3. OUR STAKEHOLDERS ENGAGEMENT (CONT'D)

#### Stakeholder Engagement (cont'd)

Stake Holder Group	Engagement Approach	Engagement Focus & Objectives	Initiative
 <b>SUPPLIERS / SUBCONTRACTORS &amp; BUSINESS PARTNERS</b>	1. Code of Ethics 2. Request for Proposal 3. Supplier Evaluations 4. Quarterly review 5. Review new purchases 6. Site visit 7. Establish price agreement / Contracts for cost optimization	<ul style="list-style-type: none"> <li>• Sound payment practices and vendor performance</li> </ul>	PETRONAS (MPM)
		<ul style="list-style-type: none"> <li>• Maintaining good relationship with suppliers.</li> </ul>	PMT
		<ul style="list-style-type: none"> <li>• Audited/evaluate main contractors to ensure compliance.</li> </ul>	QAQC/ PMT
		<ul style="list-style-type: none"> <li>• To perform supplier's assessment review and performance</li> </ul>	PMT and Procurement
 <b>REGULATORS</b>	Compliance with local authorities' requirements	Comply with all the authorities' requirements	Corporate admin / HSSE
 <b>COMMUNITY</b>	1. Community development programs 2. Update the community in case of noise or other pollution in the workshop etc.	Social requirements and specific feedback on programs	Corporate HSSE

# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

### 4. PRIORITISATION OF MATERIAL SUSTAINABILITY MATTERS

Dayang has undertaken a stakeholder prioritisation and engagement process to engage with its stakeholders. These include ongoing efforts to engage with stakeholders in the usual course of business through the day-to-day operations, as well as specific engagements carried out to seek stakeholders' feedback. The outcome of these engagements was considered in the course of the Group's materiality assessment.

As part of the process in conducting the materiality assessment of sustainability matters, the Group has conducted the specific engagement process as follows:

- To determine the key stakeholders with whom the Group should engage, the Group carried out assessments to identify key stakeholders based on each stakeholder's influence and dependence on the Group.
- To gain an insight into these key stakeholders' concerns, interests and expectations, the Group conducted discussions including on-going sessions throughout the year to gauge stakeholders' concerns pertaining to the list of sustainability matters identified.
- Where applicable, the Group also took into account feedbacks from other stakeholder groups, gathered through various channels and through the ongoing engagements during the course of conducting its business operation.

### 5. PROCESS REVIEW

The materiality process is undertaken as a key component of the Group's journey towards identifying the material sustainability matters. The processes and outcomes of the materiality process including the Group's materiality which guides the Group in addressing and managing its material sustainability matters in its business operations was being reviewed and approved.

### 6. VALIDATION

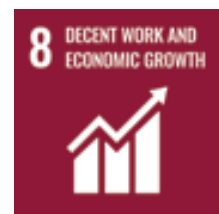
The validated data from the management is provided to the external consultant to review the sustainability activities and to prepare the statement accordingly.

## A) ENVIRONMENTAL SUSTAINABILITY

### Yielding a Greener Earth

There are many challenging environmental issues nowadays, which require a greater attention from different parties. Dayang, as a responsible business entity always aware of the extensive environmental impact of the activities, either directly or indirectly and uphold full compliance with all the environmental regulation. We seek to minimise our environmental footprints by continuously developing effective environment initiatives to yield a greener earth. We align ourselves with the SDGs in contributing our parts in the healthy living and well being of the community.

Being a responsible corporation, we acknowledge our responsibility to protect the mother nature and the environment. We believe in "small actions, big difference" and hence, our environmental protection starts from our workplace.



# SUSTAINABILITY STATEMENT

## A) ENVIRONMENTAL SUSTAINABILITY (CONT'D)



### VESSEL EMISSION REDUCTION

Air pollution is a critical topic around the world; thus vessel and machine emissions are a key material issue in our industry. Thus, we constantly strive in minimising and mitigating negative impact of Greenhouse Gases Emission (“GHG”) on society and the environment by managing our vessel emissions. Dayang ensures that the air quality is protected and continues to explore strategies to improve this aspect. As a whole, all the vessels and machines are emphasized to undergo scheduled maintenance, testing and repair work periodically.

Meanwhile, we have continued to intensify efforts to further reduce our environmental impact and improve our social reach while enhancing our governance framework. Environmentally, constant reinforcement of initiatives to reduce our energy consumption led to a 13% decrease in our energy intensity from the 2014 baseline a year ahead of schedule. Through better energy efficiency, we have also lowered our GHG emissions intensity.



### WATER CONSERVATION

With the commitments, the Group promotes the water-saving practices among employees and adopts water-efficient technologies and equipment wherever possible. The water consumed at our head office is obtained from the municipal water supply. We have taken steps to control the water used to be in line with the sustainability efforts, namely:

- Slow the flow. Adjusting water pressure/outflow for toilets, washbasins, pantry, throughout our head office building.
- Seek the leak. Conducting checks and fixing leaks immediately, where possible.



### ENERGY MANAGEMENT

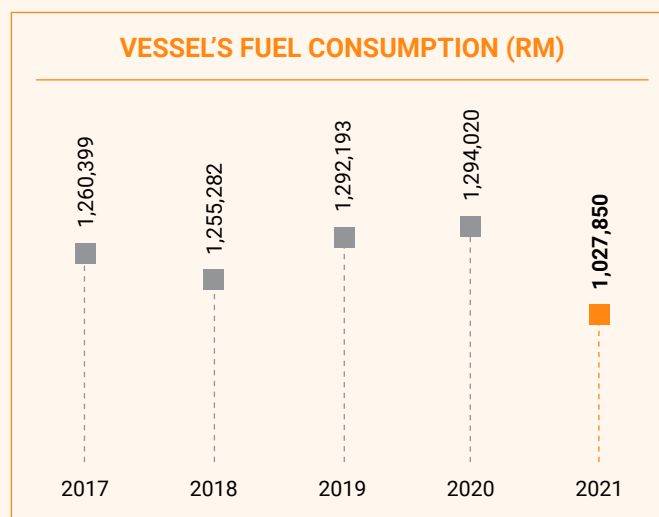
#### Electricity Conservation

We understand that the energy management is essential for facing the climate change and for managing the organisation’s overall environmental footprint. Our electricity supply is from the local supply, namely Sarawak Energy and we aim to minimize the energy usage in our head office by implementing the following efforts:

- A lighting schedule across key areas in our head office to switch off lights during certain hours of less use.
- Maintenance and replacement of electrical equipment and light fittings to maximize energy efficiency.
- Campaign to remind all staff to switch off the lighting, water dispenser, air conditioning, or other electrical appliances in the office and pantry when they are not required.

#### Fuel Consumption (Diesel)

The Five Years’ Vessel’s Fuel Consumption are illustrated in the graph below :



# SUSTAINABILITY STATEMENT

## A) ENVIRONMENTAL SUSTAINABILITY (CONT'D)

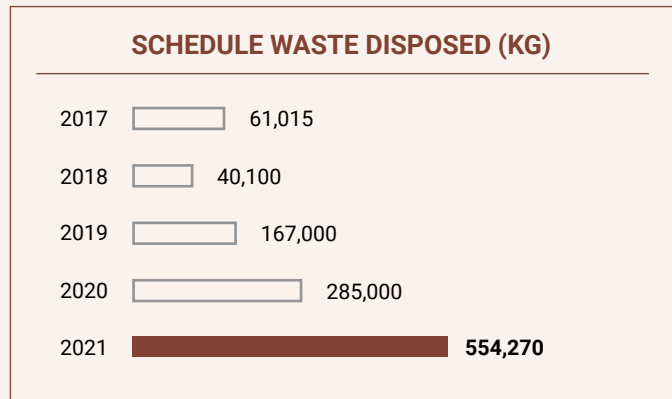
### WASTE REDUCTION

#### Paper Usage

Dayang acknowledges that the environmental impact of paper usage is significant. The Group's approach to waste management is to avoid unnecessary paper consumption and waste generation, where possible and appropriate, in order to reduce the wastage. The Group has always looked at ways to reduce paper usage, so that less waste generation. Generally the group practises the following 3R's on the paper management:

- Reducing paper usage - by encouraging avoiding printing and photocopying and emphasising on paperless and electronic mode.
- Reusing – by practicing double sided printing or reduce the size to have the best economical usage of papers.
- Recycle - recycle the papers by having proper recycling bins.

#### Scheduled Waste Disposed (Vessel)



Increase in offshore scheduled waste was due to high levels of activities in year 2021 in the offshore facilities and platforms.

- The blasting activities at fabrication yard was increased in the Year 2021.
- To comply with the rules and regulations required by the Department of Occupational Safety and Health (“DOSH”).

### STORAGE AND COLLECTION OF RECYCLABLES

The Group also has come out with initiative for storage and collection of wastages and recyclable. This initiative objective includes:

- To provide dedicated area and storage for a collection of non-hazardous material for recycling.
- To facilitate the reduction of scheduled waste generated that is hauled and disposed to licensed disposal companies.
- To designate a dedicated area where on-site sorted waste materials can be stored in separate skids for collection facilities.



# SUSTAINABILITY STATEMENT

## A) ENVIRONMENTAL SUSTAINABILITY (CONT'D)



### ENVIRONMENTAL NON-COMPLIANCE

The Group has complied with the regulatory standards and guidelines in place through its adherence and actions towards cultivating its sustainability initiatives regarding its material matters.

## B) SOCIAL SUSTAINABILITY

### The Importance of Community

Social factors are fast becoming front of mind for organisations. They started with Workplace Health, Safety and evolved to incorporate employee wellbeing and diversity. The social pillar has recently been strengthened with the requirement to assess labour condition risks such as modern slavery in the supply chain. It is easy to overlook supply chain management as it is not completely within an organisation's control – however, it is crucial to be aware of such factors and how this plays a part in the global community.

The Group is committed in promoting Corporate Social Responsibilities ("CSR") as an integral part of the Group whilst pursuing business growth to enhance shareholders' and stakeholders' value. Management recognises that for long-term sustainability, its strategic orientation will need to cater beyond the financial parameters. The Group recognised the importance of the CSR and therefore, its strategic orientating will need to be catered beyond the financial parameters in long-term.

In 2021, values for safety, quality, integrity, diversity, innovation and sustainability have shaped our ongoing commitment to CSR. It has challenged us to reach even greater heights to ensure that we are a responsible corporate citizen, employer of choice, good partner and neighbour and a positive contributor to the economy during the economic downturn.

### OUR APPROACH

Our initiatives in the community focused on:

1. Workplace
  - Education and Individual Development
2. Safe and Healthy Workplace Practices;
3. Leadership & Commitment;
4. Management Review for HSSE Policies & Procedures.



# SUSTAINABILITY STATEMENT

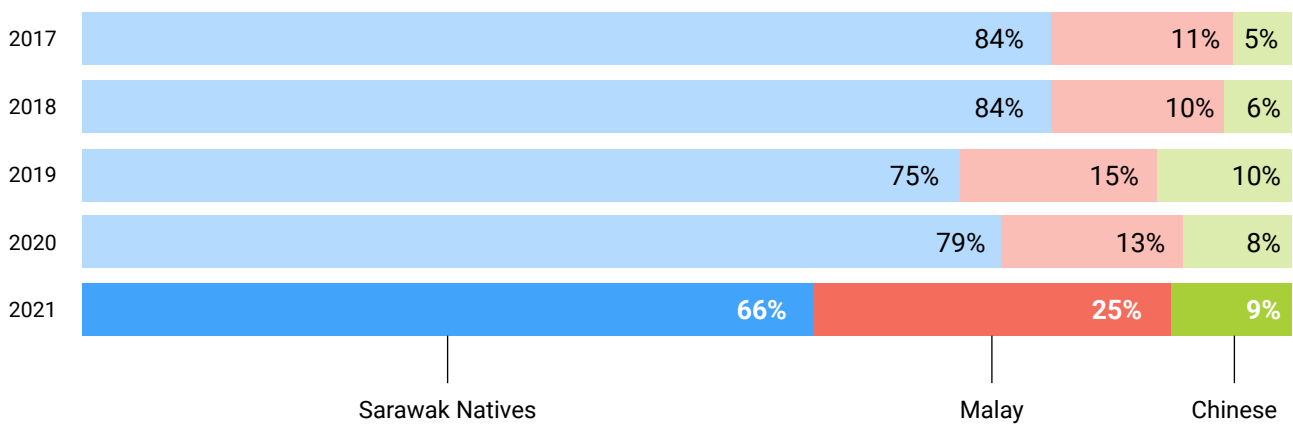
## B) SOCIAL SUSTAINABILITY (CONT'D)

### OUR APPROACH (CONT'D)

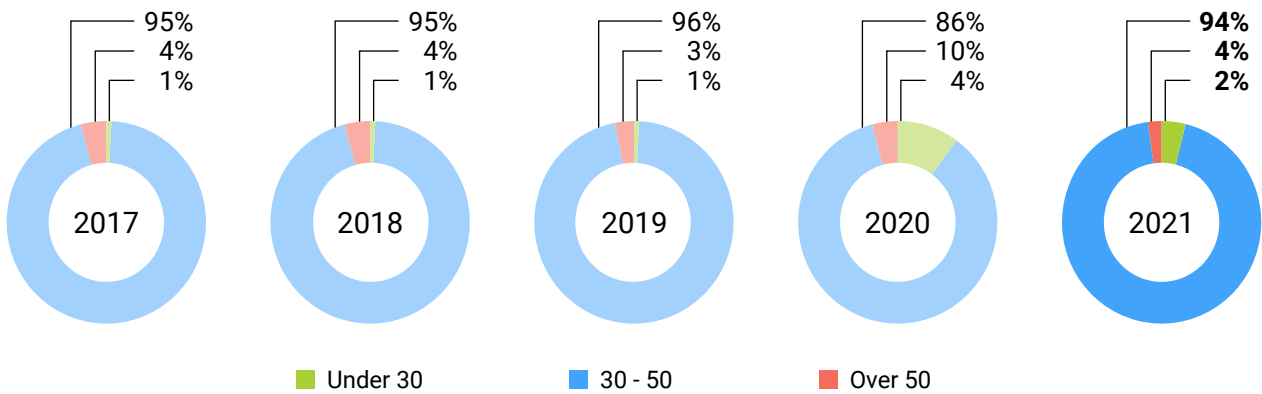
#### 1. Workplace

The following graphs are illustrated based on the social segment in the organisation.

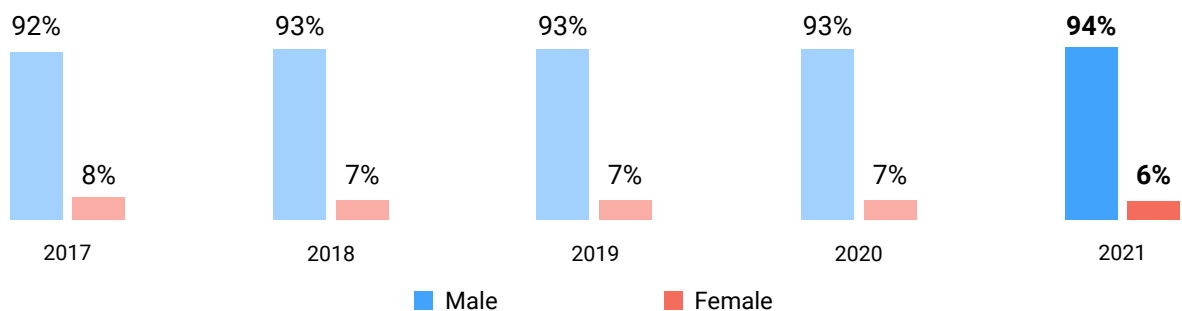
#### EMPLOYMENT DIVERSITY IN TERMS OF RACE



#### EMPLOYMENT DIVERSITY IN TERMS OF AGE



#### EMPLOYMENT DIVERSITY IN TERMS OF GENDER



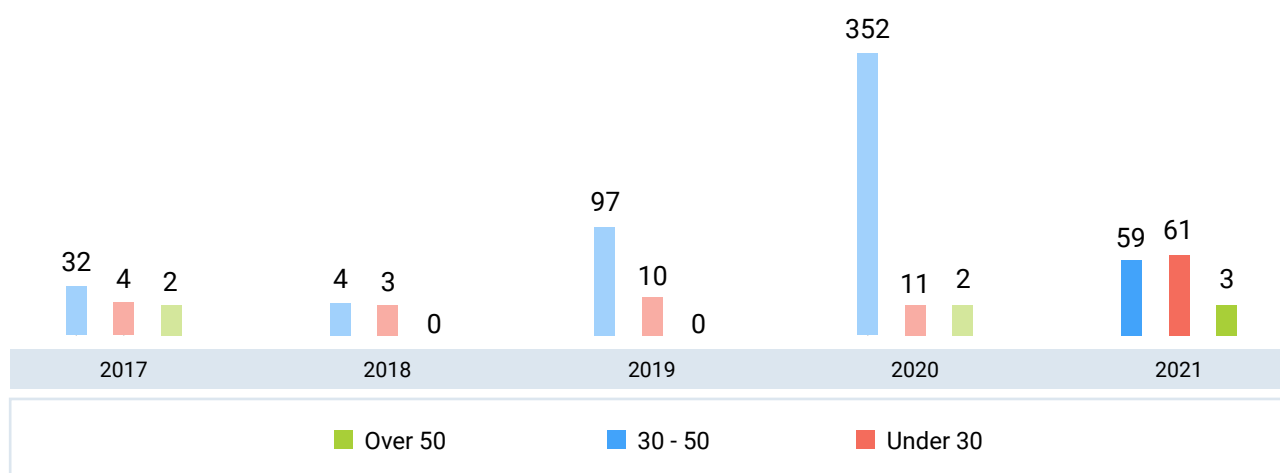
# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### OUR APPROACH (CONT'D)

#### 1. Workplace (cont'd)

##### NEW HIRES IN TERMS OF AGE



#### Education and Individual Development

The Group is committed to provide a safe work environment and ensures team members are properly trained in all aspects of their work. In view of this, the Group's Health, Safety, Security and Environmental ("HSSE") programme are designed to integrate initiatives into all aspects of business operations.

HSSE is responsible for interpreting and acting upon applicable federal, state and local regulations and/or proposed legislation relevant to the Occupational Safety & Health Safety Administration, Department of Environmental ("DOE") and DOSH. Our HSSE programme infrastructure is designed to link Dayang Headquarters (Miri) to all locations including offshore operations with local expertise and resources allocated to support the implementation of the programme.

The HSSE Programme includes:

- Leadership through partnership with Operations and HSSE Teams;
- Policy Guidelines outlining the Group and regulatory requirements;
- Education and Awareness throughout Operations and HSSE Teams;
- Goals and Measurements related to Key Performance Indicators; and
- Monitoring and Recognition to evaluate progress intermittently throughout the year and recognise achievements.

The Group continuously provides its employees with skills developments and training programmes that encourage progression and self-enrichment. In the Year 2021, the following trainings were provided to the employees of the Group:

- Tropical - Basic Offshore Safety Induction and Emergency Training T-BOSIET
- PCSB PTW Level 1
- PCSB PTW Level 2
- Basic Rigging & Slings Course
- Banksman Course
- Designated First Aider Course
- Continuous Education Program (CEP) for SHO
- Construction Personnel Card Registration (Green Card) Training- CIDB
- Safety Supervisory Course
- HSSE Leadership Awareness Workshop

# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### OUR APPROACH (CONT'D)

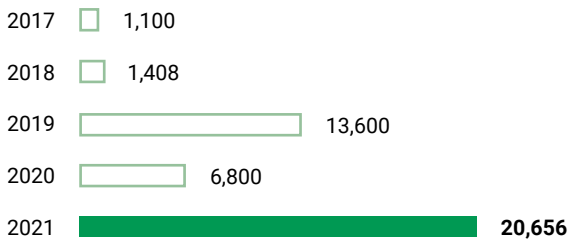
#### 1. Workplace (cont'd)

##### Employee Development

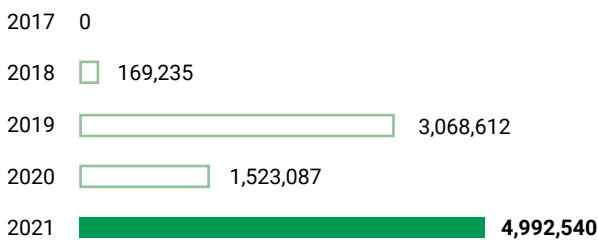
The Group embeds succession planning consideration in its employee development strategy, identifying potential talents which may potentially provide leadership and management skills for the medium and longer-term future. The leaders and managers engage with identified talents to discuss their career development as well as their training needs during the performance appraisal session. From time to time, the Human Resource Department will arrange trainings for employees to keep them abreast of the latest development in the relevant field and industry.

The following graphs illustrated the total training hours of employees, total investment in employee development by the Group and also the breakdown of representatives in the OSH Committee:

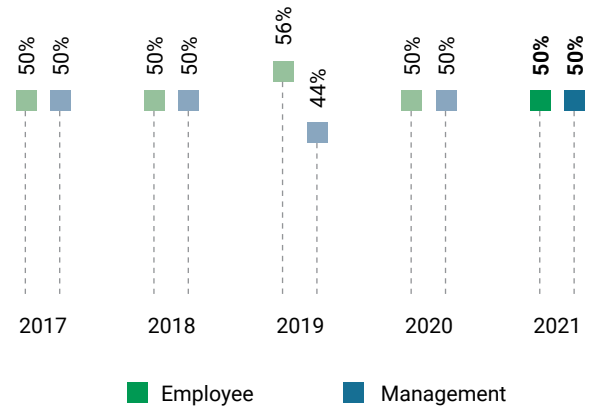
##### TOTAL TRAINING HOURS OF EMPLOYEE



##### TOTAL INVESTMENT IN EMPLOYEE DEVELOPMENT (RM)



### BREAKDOWN OF REPRESENTATIVES IN THE OSH COMMITTEES



#### 2. Safe and Healthy Workplace Practices

As a responsible corporation, we respect the interest of our stakeholders, shareholders, employees, customers, suppliers, teaming partners and the wider community. We actively seek out opportunities both to improve the environment and to contribute to the well-being of the communities in which we do business.

The Group is committed to provide its employees with safe, conducive and healthy condition of workplace. We have effective and efficient management arrangements in place to ensure the wellbeing of staff and others who may be affected by our activities to minimise the adverse impacts to individuals and business from ill health and injury. We take a precautionary approach by applying the requirements defined by our HSSE standards being set at the beginning of each year. In our own HSSE management practices, we complied with all HSSE policies and procedures as well as our clients' requirements.

We are committed to take responsibility for our own safety and the safety of others. We believe that all incidents and accidents can be prevented. We always emphasize on our high HSSE standards of conduct when dealing with clients, suppliers and other stakeholders.

We are constantly improving our HSSE performance with the substantial increase in the size of our workforce. This is a good indication that we are managing our business effectively, efficiently and responsibly. However, the Group aims to continually improve its system, thus safeguarding against complacency. We will continue to set ourselves ever more ambitious targets.



# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### OUR APPROACH (CONT'D)

#### 2. Safe and Healthy Workplace Practices (cont'd)

As we value the health of all our employees, we are continuously monitoring conditions at the work sites to ensure that employees and contractors are not subjected to conditions that could lead to adverse health effects.

Throughout the year we have conducted a number of HSSE trainings and courses for various groups at different levels of personnel to improve awareness, skills and knowledge throughout the organisation.

Due to the pandemic, annual QHSSE Week Campaign is replaced by mini-campaign. Managements share QHSSE message through video and memo to :-

- Increase awareness of the importance of being committed to safety and health;
- Inspire all of us to share best practices and to work together to strengthen our industry's safety culture;
- Ensure effective communication between management team with various worksites team;
- Ensure all work processes comply with DESB's policy;
- Ensure compliance of legal requirements;
- To continue to improve and deliver the quality products and services to our customers with the priority of employees' safety;
- Instill the healthy life style among all staff of the company.

#### 3. Leadership & Commitment

Top management must ensure that the requirements of the HSSE management system, including the policies and objectives, are in line with the strategy of our organisation.

Additional resources and the HSSE Management System are being progressively introduced. The Group has achieved the two International Standard of Certifications on Safety and Health Management System, ie ISO 45001 : 2018 and Environmental Management System ("EMS") 14001 : 2015. The Group has upgraded its ISO 9001 : 2015 to 2015 version.

As an organisation of all kinds are increasingly concerned about achieving and demonstrating sound HSSE performance to their shareholders, employees, clients and other stakeholders by managing the hazards and improving the beneficial effects of their activities,

products and services. Increasingly, stringent legislation, the development of economic policies, human resources management and other measures are used to foster HSSE and protection and welfare.

The two certifications are part of the company's integrated effort towards achieving enhancement and continuous excellence in HSSE. The implementation of these two systems are targeted to reduce accidents and the risk of losing workers through injuries, thus ensuring that disruption caused by accidents are being kept low. The EMS ISO 14001 : 2015 is a tool to enable us to identify and control the environmental impact of our activities and products or services besides improving environmental performance continually.

The Group will continue with its unwavering commitment to safety through continuous education and learning process across the board.

#### 4. Management Review for HSSE Policies & Procedures

The Management Review process required that the HSSE policies and procedures and other documents are reviewed by the Management at planned intervals to ensure continued system effectiveness and efficiency.

The details of amendments were made accordingly. The current policies, procedures, guidelines and other documents are as follows:

##### I. HSSE Policies

1. Management Health, Safety and Security Policy Statement
2. Management Environmental Policy Statement
3. Sustainable Development Policy
4. HIV/AIDS Workplace Policy
5. Stop Work Policy
6. Scheduled Waste Management Policy
7. Substance Misuse Policy
8. No Smoking Policy
9. Personal Protective Equipment Policy

##### II. HSSE Procedures

1. Incident/Accident Investigation Procedure
2. Emergency Response Procedure
3. Lifting Procedure
4. Blasting and Painting Procedure
5. Permit to Work System Procedure
6. Job Hazard Analysis Procedure

# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### OUR APPROACH (CONT'D)

#### 4. Management Review for HSSE Policies & Procedures (cont'd)

##### II. HSSE Procedures (cont'd)

7. Scheduled Waste Disposal/Storage Procedure
8. Confined Space Procedure
9. Office Safety & Evacuation Procedure
10. "New Comer" Helmet Scheme Procedure
11. Water Bunkering to Workboat Procedure
12. Fuel Bunkering to Workboat Procedure
13. Medical Emergency Evacuation Procedure
14. Flushing Procedure
15. Cold Cutting Procedure
16. Health, Safety & Environmental Audit System Procedure
17. Lifting, Rigging/Installing & Retrieving of Workboat Gangway at Offshore Platform Procedure
18. Occupational Safety & Health Committee Term of Reference (TOR)
19. Training and Competence Procedure
20. Welding & Cutting Procedure
21. Competency Assurance Procedure
22. Management Change Procedure
23. Unscheduled Waste Management Procedure
24. Handling of Store & Flammable Items Procedure
25. Chemical Management Procedure
26. Forklift Handling Procedure
27. Environmental Aspect and Impacts Procedure
28. Legal and Other Requirements Procedure
29. Working at Height Procedure
30. Communication Procedure
31. Performance Monitoring Procedure
32. Security Guideline & Procedure
33. Abrasive Blasting Operation Procedure
34. Alcohol and Illicit Drugs Procedure
35. Gas Cylinder Procedure
36. Suppliers and Contractors Health, Safety, Security and Environmental Management Procedure
37. Hazard Identification, Risk Assessment and Determination of Control Procedure

##### III. HSSE Guidelines

1. Guideline on Channel of Communication
2. Guideline on Baggage & Body search
3. Guideline for Hearing Conservation and Noise Control Programme
4. Land Transport Safe Journey Management Guideline

##### IV. HSSE Management System

The contents of HSSE-MS were rearranged to align with Petronas' HSSE-MS which uses the following eight elements:

1. Leadership and Commitment
2. Policy and Strategic Objectives
3. Organisation, Responsibilities, Resources, Standards and Documents
4. Hazards and Effects Management Process
5. Planning and Procedures
6. Implementation and Monitoring
7. Assurance
8. Management Review

## HEALTH, SAFETY, SECURITY AND ENVIRONMENT ("HSSE")

The Corporate HSSE Department is responsible for setting the overall direction on HSSE implementation within the Group. It also monitors performance to ensure HSSE risks are managed to as low as reasonably practicable.

For the year 2021, there was no enormous campaign and activity done due to Covid-19 pandemic. Furthermore, with strict Standard Operating Procedures being implemented especially on social distancing, it has restricted the movement of Management to travel offshore locations and yards. With that, HSSE Department introduced the Safety Reconnect Session, whereby the engagement session with the crew onsite (offshore, onshore & yards) was done via virtual and it is led by DESB Top Management. During this session, Management cascaded relevant HSSE knowledge and project progress updates. On site personnel also able to highlight their HSSE issues and Management will duly support to settle it for time to time.

# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### HEALTH, SAFETY, SECURITY AND ENVIRONMENT ("HSSE") (CONT'D)

Monthly meeting was organized by HSSE Department and attended by the respective key personnel from every departments/project as a platform to communicate FY21 HSSE plan. Due to Covid-19 restriction, most of the events and activities organized by HSSE Department were conducted virtually including HSSE Day, Quarterly HSSE Contractor Engagements and in-house HSE Supervisory Training. Other HSSE campaigns as per 2021 HSSE Plan were managed by project HSE accordingly. Project HSE conducted it to the offshore crews during their Pre-Mobilisation briefing, HSE meetings, toolbox meeting and etc.

In the year 2021, various HSSE campaigns were launched (offshore locations and yards) to increase our personnel awareness and to enhance their HSSE knowledge at the worksite. The HSSE campaigns are but not limited to;

- Hand & Finger Injury Campaign – Launched in June 2021
- Stay Away from The Line of Fire – Launched in June 2021
- Slip & Trip Fall Campaign - Launched in June 2021
- Manual Handling – Launched in July 2021
- Forklift Safety Campaign - Launched in August 2021
- Drop Object Campaign – Launched in October 2021
- Adverse Weather - Launched in November 2021 & December 2021

In order to generate the effectiveness of HSSE campaign, all communication packs were translated into Bahasa Malaysia. In such a way that it would be easy for the personnel to absorb and understand the content of the communication pack.

Other than HSE campaign, HSSE Department also initiated a few other initiatives, such as;

- Mental Health Survey – Launched in August 2021. This is to evaluate personnel stress level while staying at Offshore Transit Centre (OTC) prior mobilisation.
- HSSE Walkabout Checklist – Launched in September 2021. A HSSE tool used by the personnel to inspect, assess and rectify any unsafe act and condition at worksite.
- MyBro (Buddy System) – Launched in September 2021. "Brother's Keeper" concept. Where all offshore personnel assigned with dedicated buddy to work together with them all time.

- Offshore HSE Management Survey – Conducted in September 2021. A survey to all offshore personnel to know how is the management managing HSSE in the organisation.

DESB Management also awarded attractive token to the selected winners for submitting Best Unsafe Act & Unsafe Condition card. The winner and token were for monthly, quarterly and annually Best Unsafe Act & Unsafe Condition. This is to motivate and to show appreciation for their contribution towards a safer workplace.

### COVID-19

Past 2 years, the threat of Covid-19 still lingers especially with the different Covid-19 variants that come with higher infectivity and mortality rates. This has triggered the Malaysian Government to re-implement various movement restrictions in efforts to control the spread of the virus.

Since the beginning of the pandemic outbreak, the Group has implemented various measures based on the guidelines and instructions of the Ministry of Health, Ministry of International Trade & Industry and the National Security Council, such as: -

- i) Daily temperature screening and check-in at MySejahtera application at building entrance for all staff, tenants and visitors;
- ii) Provision of hand-sanitiser at common areas;
- iii) Physical distancing protocols for office seating, common areas, meeting areas, elevators and lobbies;
- iv) Provision of face masks to employees;
- v) Embrace new normal working style - "Work From Home" with rotation of staff in office;
- vi) Virtual meeting facilities to avoid mass gathering/ clusters as well as to accommodate participants from different countries/ states; and
- vii) Disinfection activity as and when the needs arise.

The Government has rolled out the National Covid-19 Immunisation Programme in February 2021 to ensure as many residents (citizens and non-citizens) in Malaysia to receive the vaccine in the fastest possible time and to facilitate the eventual resumption of economic activity. Although Covid-19 vaccination remains voluntary in Malaysia, given the severity of the pandemic, the Group mandated all its employees to get the jab, including funding the costs of vaccination for employees who have not received vaccination appointments from the relevant authority, to safeguard the safety and health of its employees and to curb the spread of Covid-19. Exception will be given to those unfit for vaccination.

# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### COVID-19 (CONT'D)

In addition, as part of the Group’s preventive measures and business continuity plan, employees having symptoms or are exposed to someone with suspected or confirmed Covid-19 are immediately sent for swab tests and/or to undergo home quarantine, if necessary, to curb the spread of the virus as well as to safeguard the health of its employees and building occupants/visitors and the sustainability of the Group’s business.

#### Contribution during Pandemic



Donation of Fowler Bed



Golf With (SDMC)

During the pandemic Dayang participation in the CSR programme are as follows:

- On **17 Nov 2021** Corporate Social Responsibility Donation. Dayang Group of companies donated 20 sets of double fowler bed with mid-length side, complete with beddings and PVC mattresses to Miri General Hospital to support the fight against Covid-19.
- On **10 Dec 2021** Top management golf with Sarawak Disaster Management Committee (SDMC). Appreciation session golf for Datu Ik Pahon Joyik -- Deputy State Secretary / Deputy Chairman of Sarawak Disaster

Management Committee for the successful repatriations of two (2) batches of Dayang crew from Kota Kinabalu to Miri on 28th August and 8th September 2021.

## GOVERNANCE

### COMPLIANCE

We are moving towards a long-term strategy and a clear plan on sustainability including supporting the global transition that will distinguish itself by building the confidence of its stakeholders, ie, consumers, investors, policymakers and regulators. We are alert for the Group to adapt to shifts and changes faced in the global landscape.

The Group addresses its sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

The Board together with Senior Management takes responsibility for the governance of sustainability in the Group including setting the Group’s sustainability strategies, priorities and targets. The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of Group strategies, business plans, major plans of action and risk management. The Strategic management of material sustainability matters are discussed and implemented at the senior management level.

The Board ensures that the Group’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders. Hence the Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

The Board and Senior Management continuously engage and consider the views of its internal and external stakeholders to better understand and manage the Group sustainability risks and opportunities. At the same time, sustainability coordinator works closely with the sustainability stakeholders. We recognised the sustainability issues as a material issue to the decision-making considerations of a Group stakeholders. We continuously consider the institutional investors consideration in the integration of ESG factors in their investment decision-making process as part of the fiduciary responsibility and have committed to hold Board and Senior Management accountable for the management and oversight of sustainability.

# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### GOVERNANCE (CONT'D)

#### COMPLIANCE (CONT'D)

Stakeholders' expectations are heightening across various sustainability issues such as health and safety, data governance and privacy as well as climate action.

The Group's sustainability strategies, priorities as well as targets and performance against these targets are communicated to the internal and external stakeholders of the Company. Employee awareness and understanding of the Group approach to sustainability ('what we do and why we do it') on sustainability issues and support actions on sustainability across the company are communicated.

External stakeholders are also remain informed through the appropriate means such as engagements and Group disclosures. In preparing the latter, the Board and Senior Management consider, among others, the information which stakeholders require to assess the Group's sustainability risks and opportunities and ensure the information are disclosed, focusing on substance and not merely form. We are partially moving forward to set the Group's targets and actions that the Group has or will take to address any gaps.

Governance is pivotal for an organisation to get right and indeed critical in establishing frameworks that will underpin both environmental and social factors being understood within organisations. Current focus remains heavily on shareholder rights and board structures, however ESG accountability, oversight and perception are becoming standing agenda items at strategic governance forums.

The year 2021, Covid-19 pandemic continuously has caused substantial economic disruptions globally and most countries including Malaysia. Thus, economic scenario remains as our core glitches based on the market condition of the global influence. The Group has taken a great level of measures to identify the critical risk which influence the strategies of the Company.

- We ensure returns to our investors by targeting a minimum return on assets for our investments.
- We support community development via charitable donations and sponsorship.
- We create job opportunities through employing staff and engaging suppliers, consultants and contractors.

Overall, there are three key themes driving Dayang efforts to operate in a sustainable manner. The material issues corresponding to these key themes are depicted as follows:



#### ENSURING SUSTAINABLE GROWTH

- Financial sustainability
- Corporate governance
- Compliance with regulatory authorities
- Occupational health and safety
- Service quality



#### MINIMISING ENVIRONMENTAL IMPACT

- Waste management
- Energy conservation
- Water management
- Material sourcing & supply chain management



#### CONTRIBUTING TO BETTER SOCIETY

- Community engagement
- Talent attraction, retention and development

The following policies and procedures have been illustrated in the company website.

- Board Charter
- Terms of Reference - Audit Committee
- Terms of Reference - Joint Remuneration & Nomination Committee
- Whistleblowing Policy
- Anti-Bribery and Corruption Policy

# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### GOVERNANCE (CONT'D)

#### COMPLIANCE (CONT'D)

Other policies and practices are as below:

#### RISK MANAGEMENT

An integral part of good corporate governance, a comprehensive Risk Management framework enables the Group to proactively identify, communicate and manage risks and exposures in an integrated, systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment. Fraud and corruption risk have been identified as material to ensure sustainability.

#### OUR SUPPLY CHAIN

Sustainability in the supply chain has been increasingly recognised as an important aspect of corporate responsibility. In making responsible sourcing decisions, the Group has started to explore putting in place an appropriate approach to consider suppliers' ESG credentials in the lifecycle of the supply chain.

In the emplacement of new suppliers, the Group has begun to incorporate sustainability – related criteria in assessing the suppliers' business practices such as workplace relations and, occupational health and safety.

Dayang is cognizant that there is still much to improve on managing sustainability in supply chain and will continue to collaborate with its suppliers and vendors to work towards enhanced sustainability practices with respect to ESG matters.

We have built strong business relationship with our suppliers over the years as we believe that a good supply chain management is pivotal to support our process.

On the other hand, we attempt to support the local economy by sourcing raw materials and services that is available locally whenever possible.

#### COMMITMENT TO QUALITY

The Group has the policies, procedures and best practices in place to deliver products and services of outstanding quality. Furthermore, regular reviews, process improvements and quality control assessments are ensuring that our processes remain in compliance and are continually enhanced. The operation division complies to the ISO 9001-2015 requirements.

#### CUSTOMER SATISFACTION

Our business success is highly dependent on our ability to fulfil the needs and requirements of our customers. In order to improve customer satisfaction and further meet their expectations, we make continuous effort to enhance our services, particularly in addressing customer feedback.

As such, we have conducted a customer satisfaction survey involving our clients with respect to product quality, product safety and overall activities performance for continuous enhancement.

Customer satisfaction and engagement was identified as one of the most important material issues in the marketplace dimension across all our divisions. Knowing exactly what customers expect from us improves our bottom line and strengthens our image and reputation in the long-term. We conduct yearly customer satisfaction surveys. The feedback generated provides insights into customer expectations that enable us to develop and deliver better products and services.

#### PROCUREMENT PRACTICES

Suppliers and sub-contractors are selected through selection and bidding processes. The Group has formalised procurement operating procedures to support the procurement process in the Group emphasising on satisfactory quality of products and services with competitive pricing. The selection of sub-contractors and suppliers are based on appropriate synergy of technical, financial, pricing and quality of service criterions.

#### CORPORATE GOVERNANCE

In an effort to achieve SDG 16 of promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels, Dayang has established the Code and Policy to serve as a guidance to the Group's employees and stakeholders.

The Company has also established a Whistleblowing Policy to provide an avenue for all stakeholders to report on any unethical behaviour, malpractices, illegal acts and/or failure to comply with applicable laws, internal policies, rules and regulations.

All the Code, Policy and Whistleblowing Policy are published on our Company's website.

# SUSTAINABILITY STATEMENT

## B) SOCIAL SUSTAINABILITY (CONT'D)

### GOVERNANCE (CONT'D)

#### COMPLIANCE (CONT'D)

Other policies and practices are as below (cont'd):

#### BUSINESS CONDUCT

We strive to be environmentally responsible and encourage all our stakeholders to do the same. Consequently, they need to use sustainable materials whenever they are cost-effective.

#### ACCELERATIVE STATEMENT

This ESG reporting contains certain forward looking remarks based on the Group's current assumptions and expectations, including statements regarding our ESG targets, goals, commitments and programs and other business plans, initiatives and objectives. These statements are typically accompanied by the words "aim," "hope," "believe," "estimate," "plan," "aspire" or similar words. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realised, or other risks, uncertainties and factors. Such risks, uncertainties and factors include the risk factors discussed, as well as, with respect to our ESG targets, goals and commitments outlined in this reporting or elsewhere, the challenges, assumptions and dependencies identified in our ESG issue briefs under this statement and other assumptions, risks, uncertainties and factors identified in our reporting. Dayang cannot assure you that the results reflected or implied by any accelerative statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. Our reporting are made as of the effective date identified on the issue brief, unless otherwise indicated and we undertake no obligation to update these accelerative statements to reflect subsequent events or circumstances.

Sustainability is essential to our progress as a corporate citizen for our own growth and the liveability of the communities that we had created through our developments. We run our business for the long haul and this mindset underpins our approach in investing into building quality developments and in growing our people to achieve our sustainability goals. We shall work on improving ourselves for continuous progress to achieve more on our sustainability initiatives.

Having incorporated consideration of sustainability matters, the Group will continue to put in efforts to manage the ESG risks and opportunities relevant to its businesses, with a specific focus on the Material Sustainability Matters. Ongoing assessment and consideration will also be undertaken to identify and evaluate any emerging ESG risk or opportunities, in addition to the Group's established risk management process which focuses on strategic, operational and financial risks, to enhance the long-term value creation of the Group.

The Covid-19 pandemic has disrupted worldwide business operations and affected the world economy. In the face of challenges, the Group managed to weather the crises and stay resilient. The Group is committed to building upon its sustainability measures as part of its corporate responsibility to stakeholders and will continue to adapt to changes in business models, structures and strategies to remain resilient.

This Statement has been approved by the Board and is current as at 12 April 2022.

# SUSTAINABILITY STATEMENT

## GRI Content Index

This Content Index provides an overview of the GRI Standard Disclosures made in this Sustainability Statement and the Dayang Enterprise Holdings Bhd Annual Report 2021.

### General Standard Disclosure

#### Organisational Profile

Disclosure 102-1	Name of the organisation
Disclosure 102-2	Activities, brands, products, and services
Disclosure 102-3	Location of headquarters
Disclosure 102-4	Location of operations
Disclosure 102-5	Ownership and legal form
Disclosure 102-6	Markets served
Disclosure 102-7	Scale of the organisation
Disclosure 102-8	Information on employees and other workers
Disclosure 102-9	Supply chain
Disclosure 102-11	Precautionary Principle Approach
Disclosure 102-12	External initiatives

#### Strategy

Disclosure 102-14	Statement from senior decision-maker
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#### Ethics and Integrity

Disclosure 102-16	Values, principles, standards, and norms of behaviour
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#### Governance

Disclosure 102-18	Governance Structure
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#### Stakeholder Engagement

Disclosure 102-40	List of Stakeholder groups
Disclosure 102-42	Identifying and selecting stakeholders
Disclosure 102-43	Approach to stakeholder engagement
Disclosure 102-44	Key topics and concerns raised

#### Reporting Practice

Disclosure 102-45	Entities included in the consolidated financial statement
Disclosure 102-46	Defining report content and topic Boundaries
Disclosure 102-47	List of material topics
Disclosure 102-48	Restatements of information
Disclosure 102-49	Changes in reporting
Disclosure 102-50	Reporting period
Disclosure 102-51	Date of most recent report
Disclosure 102-52	Reporting cycle
Disclosure 102-53	Contact point for questions regarding the report
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards
Disclosure 102-55	GRI content index

#### Topic-specific Standard: Economic

Disclosure 201	Management Approach
Disclosure 201-1	Direct Economic value generated and distributed

#### Topic-specific Standard: Economic (cont'd)

Disclosure 202	Management Approach: Market Presence
Disclosure 203	Management Approach: Indirect Economic Impacts
Disclosure 203-1	Infrastructure investments and services supported
Disclosure 204	Management Approach: Procurement Practices
Disclosure 205	Management Approach: Anti-Corruption
Disclosure 205-1	Operations assessed for risks related to corruption
Disclosure 205-2	Communication and training about anti corruption policies and procedures

#### Topic-specific Standard: Environmental

Disclosure 302	Management Approach: Energy
Disclosure 302-1	Energy Consumption within the organisation
Disclosure 302-3	Energy Intensity
Disclosure 302-4	Reduction in energy consumption
Disclosure 303	Management Approach: Water
Disclosure 305	Management Approach: Emissions
Disclosure 306-2	Management of significant waste-related impacts
Disclosure 307	Management Approach: Environmental Compliance
Disclosure 307-1	Non-Compliance with environmental laws & regulations

#### Topic-specific Standard: Social

Disclosure 401	Management Approach: Employment
Disclosure 401-1	New Employees hired
Disclosure 403	Management Approach: Occupational Health and Safety
Disclosure 403-1	Workplace representation in formal joint management - worker health and safety committees
Disclosure 404	Management Approach: Training & Education
Disclosure 404-1	Average hours of training per year per employee
Disclosure 404-2	Programmes for upgrading employee skills and transition assistance programme
Disclosure 405	Management Approach: Diversity
Disclosure 406	Management Approach: Non-Discrimination
Disclosure 413	Management Approach: Local Communities
Disclosure 413-1	Operations with local community engagement and development programmes
Disclosure 415	Management Approach: Public Policy
Disclosure 419	Management Approach: Socioeconomic Compliance