



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Dayang Enterprise Holdings Bhd recognises that sound corporate governance is essential to the long-term sustainability, resilience and performance of the Group. The Board believes that good corporate governance underpins the effective, accountable and transparent stewardship of the Group’s business and affairs, supports long-term shareholder value, strengthens investor confidence, and safeguards the interests of the Group’s stakeholders. This approach is consistent with the Board’s role in overseeing the Group’s strategic direction, risk management, internal control, compliance and major reporting to the market and stakeholders.

This Corporate Governance Overview Statement (“CG Overview Statement”) is prepared pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and with reference to the principle and practices set out in the Malaysian Code of Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia. It also reflects the Group’s governance framework as supported by the Board Charter and the Terms of Reference of the relevant Board Committees, including the Audit Committee, Risk Management Committee and Corporate Sustainability Committee.

This CG Overview Statement outlines the principal corporate governance practices of the Group for the financial year ended 31 December 2025. It should be read together with the Corporate Governance Report (“CG Report”), which is available on the Company’s corporate website at www.desb.net. The CG Report provides a more detailed description of how the Company has applied each applicable Practice under the MCCG during the financial year.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board recognises that its primary role is to protect and promote the interests of shareholders while ensuring the long-term sustainability and resilience of the Group. In discharging its fiduciary duties, the Board provides oversight of the Group’s business operations, financial performance, risk management, internal controls as well as sustainability and climate-related matters.

In line with the Board Charter, the Board acknowledges that sustainability and climate-related risks and opportunities are increasingly relevant to the Group’s long-term strategy and risk management. The Board ensures that appropriate governance structures, processes and controls are in place to support reliable sustainability-related disclosures in accordance with applicable regulatory requirements.

The Board plays an active role in reviewing and approving the Group’s strategic plans, monitoring management performance and overseeing key business risks.

There is a clear division of responsibilities between Chairman, Managing Director, Executive Directors, Independent Non-Executive Directors and Non-Independent Non-Executive Directors. The roles of the Chairman and Managing Director are held by separate individuals to ensure a balance of power and authority. The Chairman is responsible for the effective conduct of the Board, while the Managing Director and Executive Directors are responsible for the day-to-day management of the Group. Independent Directors provide objective judgement and contribute to the Board’s decision-making process.

Senior Management is responsible for implementing the strategies and decisions of the Board, while the Board retains overall oversight of management’s performance and the achievement of the Group’s objectives.

To support the effective discharge of its responsibilities, the Board has established the following Board Committees with clearly defined Terms of Reference:

- i) Audit Committee (AC);
- ii) Joint Remuneration & Nomination Committee (JRNC);
- iii) Risk Management Committee (RMC);
- iv) Anti-Bribery & Corruption Compliance Committee (ABCCC); and
- v) Corporate Sustainability Committee (CSC)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. BOARD RESPONSIBILITIES (Cont'd)

Each Committee operates within its respective Terms of Reference and provides focused oversight in its designated areas. Matters are deliberated at the respective Committee level before being recommended to the Board for approval, and the Board retains full responsibility for all decisions.

Sustainability and Climate-Related Governance

The Board recognises the increasing importance of sustainability and climate-related matters in ensuring the long-term resilience of the Group. The Board has strengthened its governance framework to support enhanced sustainability reporting and disclosures in line with evolving regulatory expectation.

The governance of sustainability and climate-related matters is structured as follows:

Board

Provides overall oversight of sustainability strategies, climate-related risks and opportunities, and ensures integration into the Group's strategy, risk management and reporting.

Corporate Sustainability Committee (CSC)

Oversees sustainability strategies, initiatives, stakeholder engagement and disclosures, including climate-related matters, and recommends the Sustainability Statement to the Board for approval.

Risk Management Committee (RMC)

Oversees the identification, assessment and monitoring of sustainability and climate-related risks, including physical and transition risks, and ensures these are integrated into the Group's enterprise risk management framework.

Audit Committee (AC)

Oversees the integrity of sustainability and climate-related disclosures, including the adequacy of controls, systems and processes supporting such disclosures, and assesses alignment with financial reporting assumptions and regulatory requirements.

This structured governance approach ensures clear accountability, effective oversight and alignment with evolving regulatory expectations and reporting frameworks.

Qualified and Competent Company Secretary

The Board has full access to the Company Secretary, who provides advisory services on matters relating to the Company's constitution, as well as ensuring compliance with the Main Market Listing Requirements and relevant laws and regulations.

The Company Secretary also supports the execution of corporate proposals and facilitates effective communication between the Board and Management.

In accordance with the Board's procedures, the Company Secretary attends all Board meetings and ensures that deliberations and decisions are accurately recorded. Proper records of the proceedings and resolutions passed are maintained in the minutes book at the registered office of the Company.

Access to Information and Advice

All Directors have unrestricted access to the advice and services of the Company Secretary on compliance matters, as well as to information necessary to discharge their duties effectively. The Directors may also seek independent professional advice at the Company's expense, where necessary, in the course of their duties.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. BOARD RESPONSIBILITIES (Cont'd)

Access to Information and Advice (Cont'd)

The Board meets on a quarterly basis and additionally as and when required. An annual meeting calendar is prepared and circulated to the Directors at the beginning of each year, providing Directors with scheduled dates for Board meetings, the Annual General Meeting, as well as closed periods for dealings in securities in accordance with the targeted dates of the Group's quarterly results announcements.

Directors are provided with the agenda and relevant Board papers, normally at least five (5) days prior to each meeting, to enable sufficient time for review, deliberation and to seek clarification, where necessary.

All deliberations and decisions of the Board are recorded in the minutes of meetings. The minutes are circulated to all Directors for their review and confirmation, and any Director may request clarification or propose amendments prior to confirmation.

Board Charter

The Board has adopted a Board Charter which sets out the roles, composition and responsibilities of the Board. The Board reviewed the Charter periodically, or as and when necessary, to ensure it remains relevant and aligned with evolving regulatory requirements as well as expectations of the Company's stakeholders.

The Board Charter is available on the Company's corporate website at www.desb.net.

Code of Ethics and Conduct

The Code of Ethics, which forms part of the Board Charter, sets out the standards of conduct and guiding principles to assist the Board in discharging their duties with integrity and professionalism.

The Code outlines key requirements relating to, among others, conflict of interest, confidentiality, insider information, protection of the Group's assets and compliance with applicable laws and regulations.

The Group has also established a Code of Ethics for its employees, which governs day-to-day business conduct. Directors and employees are expected to uphold high standards of integrity and ensure compliance with applicable laws, rules and regulations in the performance of their duties.

Anti-Bribery & Corruption Policies and Procedures

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (as amended in 2018), the Group adopted Anti-Bribery and Corruption Policies and Procedures on 28 May 2020. The policies set out the Group's commitment to preventing bribery and corruption and provide guidance to employees and persons associated with the Group on compliance with applicable anti-corruption laws and the implementation of adequate procedures.

The Anti-Bribery and Corruption Policies and Procedures are available on the Company's corporate website at www.desb.net.

The Group has also established an Anti-Bribery and Corruption Compliance Committee on 22 February 2022 to provide oversight on the implementation and effectiveness of the Group's anti-bribery and corruption framework.

Whistle Blowing Policy

The Company has adopted a Whistle Blowing Policy to encourage employees and members of the public to report any improper conduct within the Group. The Group is committed to ensuring confidentiality and fair treatment of all reports made in good faith, and to protecting whistleblowers from any form of reprisal.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. BOARD RESPONSIBILITIES (Cont'd)

Fit and Proper Policy

The Board established the Directors' Fit and Proper Policy ("FPP") on 30 June 2022 to ensure that individuals appointed or elected/re-elected as Directors possess the necessary character, integrity, experience, competence and time commitment to effectively discharge their roles and responsibilities in the best interest of the Company and its stakeholders.

Sustainability Policy

The Company established the Sustainability Policy on 22 February 2024, which sets out the Group's commitments in managing key sustainability matters. A supporting framework has also been developed to strengthen the Group's approach to sustainability management and reporting, in line with the Listing Requirements.

The Group's sustainability practices for the financial year under review are set out in the Sustainability Report of this Annual Report.

Conflict of Interest Policy

The Company adopted the Conflict of Interest Policy on 21 November 2024 to enhance the identification, assessment and management of conflict of interest situations within the Group. The policy promotes transparency, accountability and good governance practices, and provides guidance to the Board and Management in managing potential and actual conflicts of interest.

Availability of Policies

All of the above policies are available on the Company's corporate website at www.desb.net.

2. BOARD COMPOSITION

Board Balance

The current Board composition is comprised as follows:

Designation	Number of Directors	Percentage (%)
Non-Independent Executive Directors	5	45
Independent Non-Executive Directors	5	45
Non-Independent Non-Executive Director	1	10
Total	11	100.00

Based on the above, the current Board complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least one-third (1/3) of the Board to be independent directors. This composition supports objective deliberation and balanced decision-making.

The size and composition of the Board are considered appropriate, taking into account the nature, scale and complexity of the Group's operations. The Board collectively possesses a diverse mix of skills, expertise, knowledge, and experience necessary to effectively lead and guide the Group.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Board Balance (Cont'd)

The key competencies of the Board are set out below:

Skill/Competence	Description
Leadership	Overall Stewardship of the Group, business leadership, and experience in public listed companies
Strategy and Entrepreneurial Acumen	Business development, project management and evaluation of existing and emerging opportunities
Sustainability and Stakeholder Management	Sustainability, Environmental, Social and Governance ("ESG"), corporate governance, governmental relations and stakeholder engagement
Technical	Oil and gas, real estate and property development, construction, information technology, contracting procurement and related technical capabilities
Finance and Corporate	Accounting and audit, corporate finance, legal, risk management and financial oversight

The Independent Non-Executive Directors do not participate in the day-to-day management of the Group and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement. They provide objective and independent views to safeguard the interests of the Group and its shareholders.

Board Diversity

The Board acknowledges the importance of diversity in the Board, including gender, age, ethnicity, and tenure of the Independent Director. Diversity in the Board composition facilitates optimal decision-making by harnessing different insights and perspective.

Ethnic Diversity

During the year under review, the Board comprised 55% Bumiputra and 45% Non-Bumiputra. The Board believes that diversity enhances the quality of deliberations and leads to better decision-making and overall performance.

Ethnicity	Number of Directors	Percentage (%)
Bumiputra	6	55
Non-Bumiputra	5	45
Total	11	100.00

Gender Diversity

The Board currently comprises six (6) male directors (55%) and five (5) female directors (45%). Female representation exceeds the 30% target recommended under Practice 5.9 of the Malaysia Code on Corporate Governance ("MCCG").

Gender	Number of Directors	Percentage (%)
Male	6	55
Female	5	45
Total	11	100.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Board and Senior Management Diversity

The Board regularly reviews its composition to ensure an appropriate balance of skills, experience and diversity to effectively discharge its responsibilities. The Directors bring with them a wide range of expertise and industry experience, as set out in their profiles on pages 17 to 27 of this Annual Report.

The appointment of Key Senior Management is also made with due regard to diversity in skills, experience, age and cultural background, to support the Group's operational and strategic needs.

During the financial year under review, the Key Senior Management team comprised three (3) male members (75%) and one (1) female member (25%).

Gender of Key Senior Management ("KSM")	Number of KSM	Percentage (%)
Male	3	75
Female	1	25
Total	4	100.00

Tenure of Independent Director

The Malaysian Code on Corporate Governance ("MCCG") recommends that the tenure of the Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the board as a non-independent director.

Board Appointment

The appointment of new Directors is guided by the recommendation of the Joint Remuneration & Nomination Committee ("JRNC"), which assesses candidates based on their skills, experience, competencies and other relevant qualities, in accordance with the Directors' Fit and Proper Policy adopted by the Company.

In considering new appointments, the Board is committed to diversity and provides equal opportunity to suitably qualified candidates regardless of gender, ethnicity and age. The Board may also consider sourcing suitable candidates through independent channels, where appropriate.

Appointment and Retirement of Directors

The process adopted by the Company for the appointment of Directors is as follows. The Joint Remuneration & Nomination Committee ("JRNC") evaluates and assesses potential candidates, taking into consideration the Directors' Fit and Proper Policy, before making recommendations to the Board for approval.



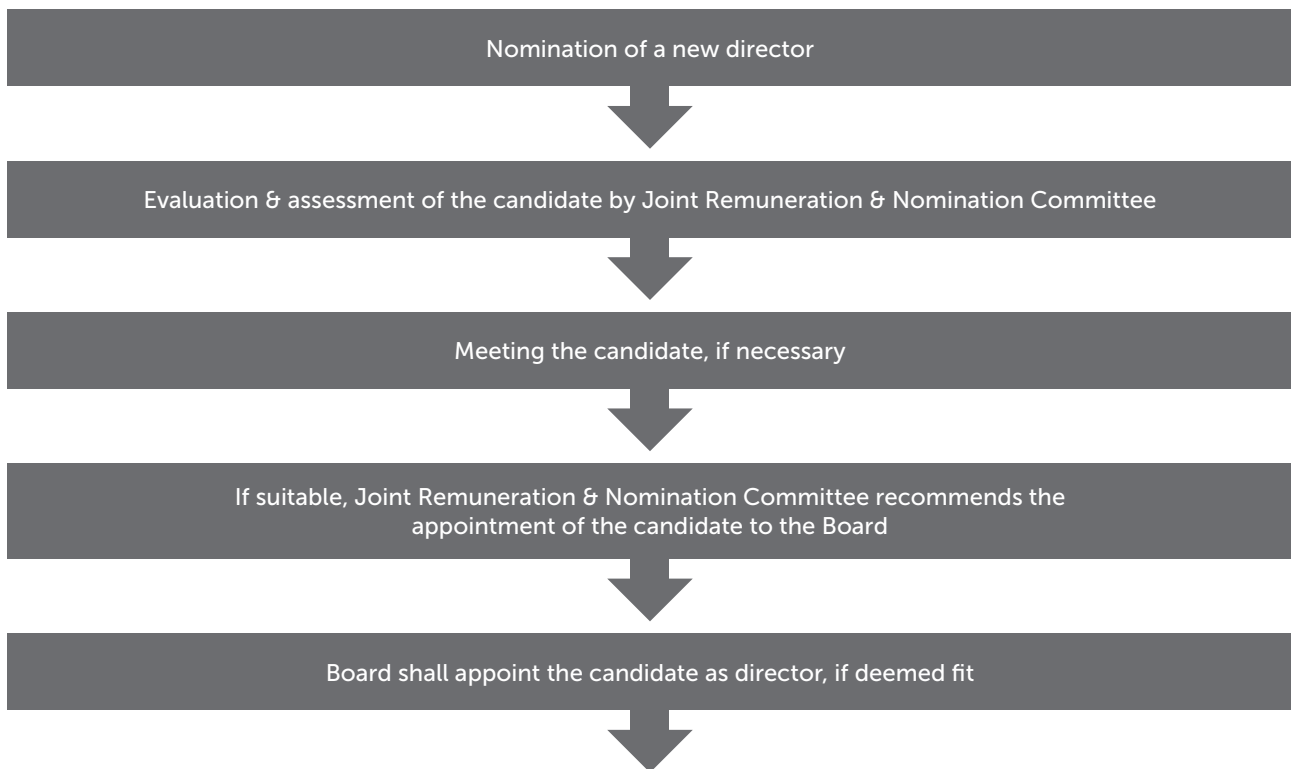
CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Appointment and Retirement of Directors (Cont'd)

PROCESS OF APPOINTMENT OF DIRECTOR



In accordance with Article 93(a) of the Company's Constitution, at least one-third (1/3) of the Directors, or the number nearest to one-third (1/3), shall retire from office at each Annual General Meeting ("AGM").

All Directors are subject to retirement by rotation at least once every three (3) years, with those longest in office since their last appointment being eligible for retirement.

Newly appointed Directors shall hold office until the next AGM and are eligible for re-election by shareholders in accordance with Article 100 of the Company's Constitution.

The Directors standing for re-election at the forthcoming AGM are set out in the Notice of Meeting.

Board Effectiveness

The Board is committed to ensuring that its members devote sufficient time to effectively discharge their responsibilities. In line with Paragraph 15.06 of the Main Market Listing Requirements, Directors are required not to hold more than five (5) directorships in public listed companies.

All Directors are required to notify the Board prior to accepting any new directorships in other listed issuers, to ensure that they are able to devote sufficient time and attention to their responsibilities on the Board and Board Committees.

The Board meets at least five (5) times a year, with meeting dates scheduled in advance before the end of the preceding year to facilitate planning. Additional meetings are convened, where necessary, to deliberate on matters requiring urgent attention.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Board Effectiveness (Cont'd)

Where Directors are unable to attend meetings physically, the Company's Constitution allows for participation via telephone, video conferencing or other electronic means.

During the meetings, the Board reviews the Group's financial performance, business operations and reports from the Board Committees. The Board also deliberates on key strategic matters and issues that may impact the Group's operations and performance.

During the financial year ended 31 December 2025, the Board met five (5) times to deliberate on various matters, including the Group's financial results, business plans and strategic direction. All proceedings of the Board meetings are duly recorded by the Company Secretary and signed by the Chairman of the meeting.

The details of Directors' attendance at Board meetings during the financial year are set out below:

Name of Director	No of Meetings Attended
Datuk Hasmi Bin Hasnan	5/5
Datuk Ling Suk Kiong	5/5
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	5/5
Joe Ling Siew Loung @ Lin Shou Long	5/5
Jeanita Anak Gamang	5/5
Koh Ek Chong (Resigned on 20 February 2025)	1/1
Datu Hasmawati Binti Sapawi	5/5
Chin Hsiun	5/5
Siti Nazrah Binti Ahmad Zaiden	5/5
Professor Dr Ho Poh Ling (Appointed on 1 February 2025)	5/5
Zahirudin Khan Bin Asghar Khan (Appointed on 20 February 2025)	4/4
Wong Ping Eng (Appointed on 20 February 2025)	4/4

Directors' Training

The Board recognises the importance of continuous education to ensure that its members remain abreast of industry developments, regulatory changes and evolving business challenges. Accordingly, Directors are encouraged to participate in relevant training programmes to enhance their knowledge and enable them to effectively discharge their responsibilities.

During the financial year under review, the Directors have individually or collectively attended the following training programmes, seminars and briefings:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Directors' Training (Cont'd)

Training / Course Name	Provider	Completion Date
Provision of Financial Assistance	In-house training under Gadang Holdings - Facilitator: Leong Oi Wah	5 March 25
Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia	24-26 March 2025 23-24 April 2025
The Directors' and Company Secretaries' Guide to Anti-Money Laundering Reporting Obligations	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	16 May 2025
Preventing oversights under the Companies Act 2016: A guide for directors and company secretaries	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	30 May 2025
Online Secretarial Course	KL Management & Secretarial Services	12, 19 & 26 July 2025
Enhanced COI Framework (Updated Edition)	CKM Advisory Sdn Bhd	17 July 25
Finance for Non-Finance Professionals	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	22 July 25
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	30-31 July 2025 26-27 November 2025
Effective Board Governance: Principles and Practices for High-Performing Boards	MAICSA Malaysian Institute of Chartered Secretaries and Administrators	1 August 2025
Handling Challenges in Corporate Disclosures	CKM Advisory Sdn Bhd	7 August 2025
In Building Digital Trust: Safeguarding the Crown Jewel	Chartered Accountants Australia-New Zealand	8 August 2025
Exploring Various RPT Exemptions	CKM Advisory Sdn Bhd	11 September 2025
Related Party Transactions Simplified	CKM Advisory Sdn Bhd	18 September 2025
Program SCS One Team Retreat	Unit Transformasi dan Inovasi Sarawak	13-15 October 2025
Anti-Bribery and Anti-Corruption	Galton Advisory PLT	30 October 2025
The New SORMIC Guide 2025: What It Is All About & Its Implications to Listed Issuers, Directors, Management & Auditors	Minority Shareholders Watch Group	3 November 2025
ACCA Virtual Seminar - Post Budget 2026	Association of Chartered Certified Accountants	4 November 2025
Common Pitfalls in Transactions & RPT Rules	CKM Advisory Sdn Bhd	6 November 2025
Compliance with Listing Requirements: Reporting of Financial Statements	CKM Advisory Sdn Bhd	13 November 2025
Contract & Procurement Fraud - Internal Controls, 3rd Party Due Diligence and Reporting Mechanism	Malaysian Institute of Accountants	13 November 2025
Audit Oversight Board's Conversation with Audit Committees	Securities Commission Malaysia	25 November 2025
MIA Webinar Series: Half Yearly Tax Updates	Institute of Corporate Directors Malaysia	26-27 November 2025
Key Disclosure Obligations of a Listed Company	CKM Advisory Sdn Bhd	10 December 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. BOARD COMPOSITION (Cont'd)

Remuneration

The Joint Remuneration & Nomination Committee ("JRNC") reviews and recommends the remuneration packages of the Non-Independent Executive Directors to the Board for approval. The remuneration of the Non-Executive Directors is recommended by the Board for shareholders' approval at the Annual General Meeting. Directors abstain from deliberations and decisions in respect of their own remuneration.

In reviewing remuneration, the JRNC takes into consideration, among others, the Group's financial performance, individual performance, level of responsibilities and overall contribution to the Group, to ensure that the remuneration structure is aligned with the Group's performance and supports long-term value creation.

The remuneration of the Non-Independent Executive Directors is determined based on factors such as experience, scope of responsibilities, seniority and performance. Non-Executive Directors are remunerated by way of Directors' fees and meeting allowances, commensurate with their roles and responsibilities.

Details of each Director's remuneration are disclosed in the Corporate Governance Report under Practice 8.1.

The Board also maintains the confidentiality of employees' remuneration to avoid any adverse implications, including dissatisfaction and disharmony within the organisation.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE ("AC")

The composition of the Audit Committee complies with the Main Market Listing Requirement, where the majority of its members are Independent Non-Executive Directors. The members of the Audit Committee are as follow:

Member	Designation
Professor Dr Ho Poh Ling (Chairman) (Appointed on 1 February 2025)	Independent Non-Executive Director
Koh Ek Chong (Chairman) (Resigned on 20 February 2025)	Independent Non-Executive Director
Chin Hsiun	Independent Non-Executive Director
Datu Hasmawati Binti Sapawi	Independent Non-Executive Director
Wong Ping Eng (Appointed on 20 February 2025)	Non-Independent Non-Executive Director

The role of the Audit Committee, including the number of meetings held during the financial year and the attendance of each member, is set out in the Audit Committee Report in this Annual Report.

In line with its revised Terms of Reference, the Audit Committee oversees the financial reporting process and the effectiveness of the Group's internal control and risk management systems. The Audit Committee also reviews the governance, processes and internal controls supporting sustainability-related disclosures, including the consistency of such disclosures with the financial statements and the underlying assumptions and estimates applied.

The Board aims to present a balanced, clear and timely assessment of the Group's financial performance and prospects through the release of its annual audited statements and quarterly financial results to the stakeholders, including shareholders, investors and the regulatory authorities.

The Audit Committee assists the Board in reviewing the financial statements of the Group and the Company to ensure compliance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2016 in Malaysia. The Audit Committee also reviews the quarterly financial results prior to recommending them to the Board for approval.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

1. AUDIT COMMITTEE (“AC”) (Cont'd)

The AC maintains a transparent and professional relationship with the external auditors and undertakes an annual assessment of their suitability, objectivity and independence, guided by the criteria set out in Paragraph 15.21 of the Main Market Listing Requirements.

During the year, the Audit Committee met with the external auditors twice to discuss, among others, the audit planning, audit findings and the review of the Group’s financial statements. The external auditors also attend the Annual General Meeting and are available to respond to shareholders’ queries on the conduct of the audit and the contents of their audit report.

2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK

The Board has established a risk management and internal control framework to manage risks affecting the Group’s business and operations, as set out in the Statement on Risk Management and Internal Control (“SORMIC”). A structured process is in place to identify, assess and manage risks arising from the Group’s operations, including the use of risk impact assessments and risk matrices to guide appropriate mitigation actions.

The Risk Management Committee supports the Board in overseeing the Group’s enterprise risk management framework, including the review of principal business and operational risks, and the effectiveness of mitigation measures implemented by Management.

Sustainability and climate-related matters are primarily overseen by the Corporate Sustainability Committee, which monitors and reports such matters to the Board, with reference to the Group’s overall risk management framework where relevant.

The Risk Management Committee reviews key risk areas identified by Management and provides updates to the Board on the Group’s risk profile and mitigation actions.

The Risk Management Committee has access to all relevant information, records and reports of the Group, and may invite any Director and/or employee to attend its meetings to assist in the deliberation of matters relating to business and operational risks.

The Board confirms that the Group’s risk management and internal control framework is continuously reviewed to ensure its adequacy and effectiveness in safeguarding the Group’s assets and supporting reliable financial reporting.

During the financial year under review, the Risk Management Committee met twice with the respective Heads of Departments and project teams to review and discuss key risk areas and the corresponding mitigation measures.

The members of the Risk Management Committee are as follows:

Member	Designation
Siti Nazrah Binti Ahmad Zaiden (Chairman)	Independent Non-Executive Director
Datuk Ling Suk Kiong	Executive Deputy Chairman
Tengku Dato’ Yusof Bin Tengku Ahmad Shahrudin	Managing Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director

The internal audit function of the Group is outsourced to an independent professional firm Baker Tilly Consulting Sdn. Bhd., which reports directly to the Audit Committee and is independent of the activities it audits.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK (Cont'd)

The internal audit function conducts audits based on an approved audit plan and also performs follow-up reviews to assess the implementation status of Management's action plans arising from prior audit findings. The results of these follow-up reviews are reported to the Audit Committee on a quarterly basis, including updates on outstanding issues and the timelines for their resolution.

All internal audit activities are carried out in accordance with the standards promulgated by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

Further details of the internal audit function, including the scope of work undertaken during the financial year, are set out in the Audit Committee Report on page 111 of this Annual Report.

The Statement on Risk Management and Internal Control, which has been reviewed by the external auditors, is set out on pages 112 to 117 of this Annual Report.

3. JOINT REMUNERATION & NOMINATION COMMITTEE ("JRNC")

The Joint Remuneration & Nomination Committee comprises entirely Independent Non-Executive Directors, ensuring objectivity in its deliberation and recommendation. The members of the JRNC are as follows:

Member	Designation
Zahirudin Khan Bin Asghar Khan (Chairman) (Appointed on 20 February 2025)	Independent Non-Executive Director
Koh Ek Chong (Resigned on 20 February 2025)	Independent Non-Executive Director
Datu Hasmawati Binti Sapawi	Independent Non-Executive Director
Professor Dr Ho Poh Ling (Appointed on 20 February 2025)	Independent Non-Executive Director

The JRNC meets at least once a year and as and when required. During the financial year under review, the JRNC met two (2) times to discharge its responsibilities.

The JRNC undertakes an annual assessment of the Board, Board Committees and individual Directors, including evaluation of their performance, effectiveness, and fitness and propriety. For the financial year under review, the evaluation was conducted internally through a combination of self and peer assessments using structured questionnaires. The results were compiled and presented to the Board for deliberation.

Based on the evaluation, the Board is satisfied that it possesses an appropriate mix of skills, experience and competencies to effectively discharge its responsibilities. The Board also continues to review its size and composition to ensure its effectiveness.

The Terms of Reference of the JRNC are available on the Company's corporate website at www.desb.net

4. ANTI-BRIBERY & CORRUPTION COMPLIANCE COMMITTEE ("ABCCC")

In line with its Terms of Reference, the ABCCC oversees the implementation and effectiveness of anti-bribery and corruption controls, including the review of corruption risk assessments and mitigation measures, as part of the Group's overall risk management and internal control framework.

During the financial year under review, the ABCCC met once to review updates on corruption risk assessments and related mitigation actions.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

4. ANTI-BRIBERY & CORRUPTION COMPLIANCE COMMITTEE (“ABCCC”) (Cont'd)

The members of the ABCCC are as follows:

Member	Designation
Chin Hsiun (Chairman)	Independent Non-Executive Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Datu Hasmawati Binti Sapawi	Independent Non-Executive Director

5. Corporate Sustainability Committee (“CSC”)

The Corporate Sustainability Committee (“CSC”) oversees the Group’s sustainability matters, including the formulation and implementation of sustainability strategies and initiatives.

In line with its Terms of Reference, the CSC monitors key sustainability matters, including ESG considerations, and supports the Board in overseeing sustainability-related risks, opportunities and disclosures as part of the Group’s overall governance framework.

The members of the CSC are as follows:

Member	Designation
Professor Dr Ho Poh Ling (Chairman) (Appointed on 20 February 2025)	Independent Non-Executive Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Chin Hsiun	Independent Non-Executive Director

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. COMMUNICATION WITH STAKEHOLDERS

The Company is guided by the Corporate Disclosure Guide issued by Bursa Malaysia Securities Berhad to ensure timely, accurate and quality disclosure of material information to the public. The Group communicates its financial performance and key developments through its annual reports, quarterly financial results, press releases and announcements on material corporate exercises.

The Annual General Meeting (“AGM”) serves as the principal forum for engagement with shareholders. It provides an opportunity for shareholders to interact with the Board and Management, and to gain a better understanding of the Company’s governance, performance and strategic direction.

The Group’s investor relations function is led by the Managing Director, Tengku Dato’ Yusof Bin Tengku Ahmad Shahrudin, together with the Head of Corporate Affairs, Mr Zaim Husni Bin Omar, who engage with shareholders, investors, fund managers and analysts.

The Group maintains a corporate website at www.desb.net, which provides access to information on the Group’s business, governance, Board and Management, terms of reference of Board Committees and financial performance.

Shareholders and stakeholders may also raise concerns through an Independent Non-Executive Director, Professor Dr Ho Poh Ling, who serves as a designated contact point. She is the Chairman of the Audit Committee and Corporate Sustainability Committee, and a member of the Joint Remuneration & Nomination Committee.

Her email contact is paulineho777@gmail.com

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

2. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting ("AGM") serves as an important platform for shareholder engagement, providing shareholders with the opportunity to interact with the Board, seek clarification and express their views on the Company's performance, progress and key developments. Where appropriate, the Board will respond to shareholders' queries during the AGM or provide follow-up responses after the meeting.

The Notice of AGM, together with any Circular to Shareholders, where applicable, is issued at least 28 days prior to the AGM in line with the Malaysian Code on Corporate Governance and in compliance with the Listing Requirements and the Companies Act 2016. This allows shareholders sufficient time to consider the proposed resolutions and make informed decisions.

At the 19th AGM, the Board also shared its responses to questions submitted in advance by the Minority Shareholder Watchdog Group ("MSWG"), in line with good governance practices. The external auditors are invited to attend the AGM to address any queries relating to the audit and the contents of the auditors' report.

In accordance with the Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at general meetings are voted by poll. An independent scrutineer is appointed to validate the votes cast, and the results of the voting, together with the name of the scrutineer, are announced to Bursa Securities on the same day.

The minutes of the AGM are made available on the Company's website within two (2) weeks after the meeting, which is within the recommended thirty (30) business days.

COMPLIANCE STATEMENT

The Board is of the view that the Group has, in all material aspects, applied with the principles and practices the Malaysia Code on Corporate Governance ("MCCG") where appropriate, in its efforts to observe high standard of transparency, accountability and integrity.

This Corporate Governance Overview Statement and CG Report were approved by the Board of Directors on 9 April 2026.



DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required by the Companies Act 2016 (Act) to prepare financial statements for each financial year which gives a true and fair view of the financial position of the Group and of the Company at the end of the financial year and the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2025, the directors have:

- adopted the appropriate accounting policies and applied them consistently;
- ensured that all applicable accounting standards have been followed;
- made judgements and estimates that are prudent and reasonable; and
- ensured the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Act.

In addition, the Directors have overall responsibility for taking such steps as to safeguard the assets of the Company and the Group by taking reasonable steps to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 9 April 2026.

ADDITIONAL COMPLIANCE INFORMATION AS AT 31 DECEMBER 2025

1. Utilisation of Proceeds from Corporate Proposal

During the financial year, there were no proceeds raised from any corporate proposals.

2. Audit and Non-Audit Fees

The audit and non-audit fee paid or payable to the external auditors, KPMG and its affiliates by the Company and the Group for the financial year ended 31 December 2025 were as follows:

	Group (RM'000)	Company (RM'000)
Audit fees	588	106
Non-Audit fees:		
Tax fee	302	26
Other advisory fee	156	143
Total	458	169

3. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries during the financial year ended 31 December 2025 which involves the interests of the Directors and major shareholders.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")

The details of RRPTs undertaken by the Group during the financial year under review are disclosed in Note 31 to the financial statements on page 209.

5. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements/ Rule 9.25A of the ACE Market Listing Requirements/ Rule 6.13A of the LEAP Market Listing Requirements]*, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

*To select reference to relevant Listing Requirements

Under each segment below, please insert additional rows for more item.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		938,068,921	1,468,139,686
Other income		25,813,119	16,881,441
Interest/Finance income		19,957,748	15,160,224
Total		983,839,788	1,500,181,351
Total Assets		2,460,373,184	2,728,511,475



ADDITIONAL COMPLIANCE INFORMATION AS AT 31 DECEMBER 2025

5. Disclosure of Financial Data for Shariah Screening (Cont'd)

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Total			

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank		138,434,132	86,695,987
Deposits with licensed bank		83,915,688	126,144,045
Money market instruments		67,600,000	118,000,000
Total Cash		289,949,820	330,840,032
Conventional Account/Instruments			
Cash at bank		118,924,303	122,536,151
Deposits with licensed bank		296,117,497	258,600,407
Unit trust funds		22,986,500	20,378,178
Other cash equivalents	petty cash / cash on hand	71,450	87,626
Money market instruments		28,136,883	-
Total Cash		466,236,633	401,602,362

ADDITIONAL COMPLIANCE INFORMATION AS AT 31 DECEMBER 2025

5. Disclosure of Financial Data for Shariah Screening (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank overdrafts		32,194,252	-
Term loans		-	101,061,125
Total Financing		32,194,252	101,061,125

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Hire purchase payables		62,674	65,949
Term loans		-	9,677,766
Non-Current			
Hire purchase payables		-	62,674
Term loans		-	6,452,743
Total Debt		62,674	16,259,132



AUDIT COMMITTEE REPORT

The members of the Audit Committee during the financial year were as follows:

Name	Designation
Professor Dr Ho Poh Ling (Appointed on 20 February 2025)	Chairman (Independent Non-Executive Director)
Koh Ek Chong (Resigned on 20 February 2025)	Chairman (Independent Non-Executive Director)
Chin Hsiun	Member (Independent Non-Executive Director)
Datu Hasmawati Binti Sapawi	Member (Independent Non-Executive Director)
Wong Ping Eng (Appointed on 20 February 2025)	Member (Non-Independent Non-Executive Director)

The Chairman of the Audit Committee, Professor Dr Ho Poh Ling, is a member of the Malaysian Institute of Accountants. The Chairman of the Audit Committee is not the Chairman of the Board.

MEETINGS OF THE AUDIT COMMITTEE

During the financial year ended 31 December 2025, the Audit Committee held five (5) meetings, including one (1) special Audit Committee meeting.

In addition, the Audit Committee held two (2) private sessions with the external auditors, attended only by the Independent Audit Committee members and the external auditors, without the presence of management. These private sessions provided an opportunity for the Audit Committee to discuss any matters relating to the audit process, financial reporting and internal control environment openly and independently.

The meetings were conducted to review matters relating to financial reporting, internal audit, external audit, risk management and internal control.

A quorum, ascertained by the presence of a majority of Independent Directors, was always fulfilled. The Head of Corporate Affairs, Senior Corporate Finance personnel, Group Accountant, as well as representatives of the external and internal auditors were invited to attend the meetings to provide relevant information and clarifications when required.

The details of attendance of each member are as follows:

Name of Directors	Attendance
Koh Ek Chong (Resigned on 20 February 2025)	1 / 1
Chin Hsiun	6 / 6
Datu Hasmawati Binti Sapawi	5 / 6
Professor Dr Ho Poh Ling (Appointed on 20 February 2025)	5 / 5
Wong Ping Eng (Appointed on 20 February 2025)	5 / 5

The minutes of each Audit Committee meeting were tabled and adopted by the Committee. Matters deliberated by the Audit Committee were reported to the Board for notation and approval where appropriate.

The Terms of Reference of the Audit Committee can also be found on the corporate website at www.desb.net

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the year, the Audit Committee carried out the following activities in discharging its duties and responsibilities:

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (Cont'd)

Financial Reporting

The Audit Committee reviewed the Group's quarterly unaudited financial results and annual audited financial statements prior to recommending them to the Board for approval.

In its review of the financial statements, the Audit Committee focused on, among others: -

- Compliance with the applicable Malaysian Financial Reporting Standards (MFRS) and other regulatory requirements;
- Significant accounting policies and changes in accounting standards;
- Key audit matters and significant judgement areas; and
- The clarity and completeness of disclosures in the financial statements.

The Audit Committee also reviewed the announcements of the quarterly results before recommending them to the Board for release to Bursa Malaysia Securities Berhad.

Related Party Transactions

The Audit Committee reviewed the related party transactions ("RPTs") and recurrent related party transactions ("RRPTs") entered into by the Group on a quarterly basis.

In reviewing these transactions, the Audit Committee ensured that the transactions were undertaken on normal commercial terms, not more favourable to the related parties than those generally available to the public, and were not detrimental to the interests of the minority shareholders.

Internal Audit

The Audit Committee carried out the following activities in relation to the internal audit function during the financial year:

- Reviewed the internal audit reports presented during the year, including management's responses and the adequacy of corrective actions taken to address the audit findings.
- Monitored the implementation status of management's corrective actions to ensure that the identified control weaknesses were appropriately addressed.
- Reviewed and approved the Internal Audit Plan FY2025 to ensure that the audit coverage focused on key operational, financial and compliance areas of the Group using a risk-based approach.
- Evaluated the adequacy of the scope, functions, resources and competency of the internal audit function in discharging its responsibilities.

External Audit

The Audit Committee maintained regular communication with the external auditors and carried out the following activities:

- reviewed the external auditors' audit planning memorandum and scope of audit work;
- discussed the results of the external audit, including any significant audit findings and recommendations;
- Reviewed the audit fees as well as the nature and extent of non-audit services ("NAS") provided by the external auditors, including the related fees, to ensure that the provision of such services did not impair the external auditors' independence and objectivity; and
- assessed the independence, objectivity and performance of the external auditors before recommending their re-appointment to the Board.



AUDIT COMMITTEE REPORT

External Audit (Cont'd)

The Audit Committee also met with the external auditors without the presence of management where necessary to discuss any matters of concern.

Risk Management and Internal Control

The Audit Committee reviewed the Statement on Risk Management and Internal Control ("SORMIC") for inclusion in the Annual Report prior to recommending it to the Board for approval.

In undertaking this review, the Audit Committee considered the adequacy and effectiveness of the Group's risk management framework, internal control systems and compliance processes, based on information provided by Management, internal audit reports and discussions with the external auditors.

Conflict of Interest ("COI") Declaration

During the financial year, the Group continued to apply its formal Conflict of Interest ("COI") declaration process in line with the Company's COI Policy adopted on 21 November 2024. The COI process is administered at Group level and applies to Directors, Key Senior Management and designated employees, who are required to declare any existing and potential conflicts of interest. The process has also been extended to relevant external parties, including suppliers and clients, to enhance transparency and integrity in decision-making.

The Audit Committee reviewed the COI declarations submitted and was apprised of a summary of disclosures, including the corresponding mitigation measures and action plans, to ensure that potential conflicts of interest are appropriately identified, assessed and managed.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, which reports directly to the Audit Committee.

The outsourced internal auditors carried out internal audit reviews based on a risk-based internal audit plan FY2025 approved by the Audit Committee. The reviews were conducted to provide independent assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control processes.

Internal audit reports were presented to the Audit Committee and copies were circulated to the relevant management for corrective actions. Management was responsible for implementing the agreed recommendations within the stipulated timeframe, and follow-up reviews were conducted to monitor the status of implementation.

The Audit Committee is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Group to carry out its duties effectively.

During the financial year, two (2) internal audit reviews were conducted and reported to the Audit Committee, covering the following areas: -

- Scheduled Waste Control and Management; and
- Crewing Management

For the financial year ended 31 December 2025, the total cost incurred for internal audit services was RM 82,456.32

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance ("MCCG"), the Board of Directors of Dayang Enterprise Holdings Bhd ("Dayang" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2025.

This Statement outlines the nature and scope of the Group's risk management and internal control systems and provides an overview of the processes established by the Board and Management to manage risks and safeguard the Group's assets.

The Board remains committed to maintaining a sound system of risk management and internal control that supports effective governance, operational performance and the Group's long-term business sustainability.

BOARD RESPONSIBILITY

The Board of Directors acknowledges its responsibility for maintaining a sound system of risk management and internal control within the Group to safeguard shareholders' investments and the Group's assets.

The system of risk management and internal control is designed to manage rather than eliminate risks of failure to achieve the Group's business objectives and can therefore only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board is assisted by the Audit Committee, Risk Management Committee, Anti-Bribery and Corruption Compliance Committee and Corporate Sustainability Committee in overseeing the adequacy and effectiveness of the Group's risk management and internal control systems.

During the financial year, the Group strengthened its governance framework through the review and revision of the Board Charter and the Terms of Reference of the relevant Board Committees, which were reviewed by the Joint Remuneration and Nomination Committee prior to recommendation to the Board. The Group also continues to reinforce its anti-bribery and corruption governance through the oversight of the Anti-Bribery and Corruption Compliance Committee, ensuring alignment with Bursa Malaysia Listing Requirements, the Malaysian Code on Corporate Governance. Sustainability and climate-related governance matters are overseen by the Corporate Sustainability Committee, in line with evolving regulatory expectations and the Group's sustainability commitments.

RISK MANAGEMENT FRAMEWORK

The Group maintains an enterprise risk management framework designed to identify, assess, evaluate and manage risks across its operations.

During the financial year, the Group further strengthened its risk governance by aligning its risk management approach with the Group-based risk matrix and risk assessment methodology adopted by the Anti-Bribery and Corruption Compliance Committee, thereby enhancing its existing risk management practices, enabling a more structured and consistent approach in assessing risk likelihood, impact and mitigation strategies across the Group.

Risk management processes are embedded within the Group's operational and management activities where risk owners are responsible for identifying risks, implementing mitigation strategies and reporting significant risk developments.

Significant risks identified by Management are documented in the Group's risk registers and reviewed on a semi-annual basis by the Risk Management Committee before being reported to the Board for oversight. Material risks, emerging risk developments and mitigation plans are reported to the Board to facilitate effective oversight and informed decision-making.

The Group's risk management framework considers a broad range of risk categories including strategic, operational, financial, health, safety, security and environment ("HSSE"), regulatory and compliance, human resource, and sustainability risks. This approach supports the Board's oversight of the Group's long-term resilience and sustainability.



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK (Cont'd)

The Group's risk management framework is guided by generally recognised risk management principles and is adapted to the nature and scale of the Group's operations.

PRINCIPAL RISK AREAS

The Board recognises that effective management of principal risks is essential to the Group's long-term sustainability and resilience. The key risk areas monitored by the Group include the following:

Strategic Risks

Strategic risks relate to external and industry factors that may affect the Group's long-term business direction and competitiveness. These include developments in the oil and gas industry, changes in customer demand, contract availability, competitive market conditions and broader economic factors. The Board and Management continuously monitor industry developments and review the Group's strategic positioning, contract pipeline and business opportunities to ensure that the Group remains resilient and responsive to changing market conditions.

Operational Risks

Operational risks arise from the Group's core business activities, including the ability to secure and execute contracts effectively, as well as information technology risks, including cybersecurity risks. During the financial year, the Group experienced certain operational challenges including the loss of some contracts. Nevertheless, Management continues to focus on operational efficiency, cost discipline and project execution in order to maintain sustainable margins and operational resilience. Operational performance, project execution and IT-related risks are monitored through ongoing operational reviews and management performance monitoring mechanisms.

Financial Risks

The Group manages financial risks through prudent financial management and continuous monitoring of financial performance. During the financial year, the Group successfully settled all outstanding borrowings, thereby strengthening the Group's financial position and reducing exposure to financing risks. Financial risks such as liquidity risk, credit risk and capital management are monitored by Management and reviewed by the Board through quarterly financial reporting and performance updates.

Health, Safety, Security and Environment ("HSSE") Risks

Health, Safety, Security and Environment ("HSSE") risks are closely monitored as part of the Group's operational and risk management framework. The Group maintains HSSE policies, procedures and monitoring mechanisms to promote safe working environments and responsible operational practices. Senior Management, including the Deputy Managing Director, is actively involved in HSSE briefings and safety discussions to reinforce a strong safety culture across the organization. Where safety incidents or operational risks arise, the matters are promptly reviewed at management and risk management meetings to determine appropriate corrective and preventive actions.

Regulatory and Compliance Risks

The Group operates in a regulated environment and is subject to various statutory and regulatory requirements. The Board and Management remain committed to ensuring that the Group complies with all applicable laws, regulations and industry standards relevant to its operations. The Group continues to monitor regulatory developments introduced by relevant authorities and strives to ensure that its policies, procedures and operational practices remain aligned with applicable regulatory expectations.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Human Resource Risks

Human resource risks relate to the Group's ability to attract, develop and retain competent personnel required to support its operations. The Group recognises that skilled and experienced personnel are critical to maintaining operational efficiency, safety standards and service quality. The Group continues to emphasise workforce development, training and competency enhancement to ensure that employees are equipped with the necessary skills and capabilities to support the Group's operational requirements.

Sustainability and Climate-Related Risks

The Board recognizes that sustainability and climate-related risks and opportunities may have implications for the Group's operations and long-term business resilience. During the financial year, the Group carried out a climate risk assessment exercise with the assistance of external consultants to identify potential physical and transition risks that may affect the Group's operations. The findings were discussed with Management and reported to the Corporate Sustainability Committee, which oversees sustainability strategies, initiatives and disclosures before recommending them to the Board.

Management also participated in climate-related awareness briefings conducted by the external consultants to enhance understanding of climate-related risks and sustainability considerations. The Group continues to integrate sustainability considerations into its operational practices as part of its commitment to environmental stewardship and long-term business sustainability.

KEY ELEMENTS OF INTERNAL CONTROL

The Group's system of internal control comprises several key elements designed to support effective governance, risk management and operational oversight across the organisation.

Governance Structure

The Group maintains a structured governance framework supported by clearly defined roles and responsibilities of the Board and its Board Committees.

The Board is supported by several Board Committees including the Audit Committee, Risk Management Committee, Corporate Sustainability Committee, Anti-Bribery and Corruption Compliance Committee and the Joint Remuneration and Nomination Committee, each operating within clearly defined Terms of Reference to assist the Board in overseeing financial reporting, risk management, anti-bribery and corruption compliance, sustainability matters, Board governance and internal control processes.

This governance structure facilitates effective oversight, accountability and decision-making within the Group.

Strategic Planning

The Group undertakes strategic planning exercises on an ongoing basis to evaluate its business direction, operational priorities and growth opportunities.

The strategic planning process enables the Group to align its business objectives, operational activities and resource allocation with its long-term business strategy. The Board reviews and deliberates on the Group's strategic direction and business plans to ensure that the Group remains agile to industry developments and changing market conditions.



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Budgeting and Performance Reporting

The Group maintains a formal budgeting process which requires Management to prepare annual budgets and financial projections for review and approval by the Board. The Group's financial performance is monitored against the approved budget and operational targets through quarterly management reporting.

Quarterly financial results are prepared by Management and reviewed by the Audit Committee prior to being presented to the Board. Significant variances from budget are analyzed and discussed by Management, Audit Committee and Board meetings to facilitate timely corrective actions where necessary.

Limits of Authority (LOA)

The Group has established a Limits of Authority ("LOA") framework which defines the levels of authority and approval required for key business decisions and transactions. The LOA framework ensures that approvals for operational, financial and contractual matters are carried out within clearly defined authority levels, thereby promoting accountability, transparency and effective control over the Group's activities.

Tender Committee and Procurement Oversight

The Group maintains a Tender Committee process to enhance transparency and accountability in procurement and contract award decisions. The committee reviews tender submissions and evaluates proposals based on predetermined evaluation criteria to ensure that procurement decisions are made objectively and in the best interest of the Group. This process promotes transparency, proper governance and accountability in procurement activities.

Health, Safety, Security and Environment (HSSE)

The Group maintains Health, Safety, Security and Environment ("HSSE") policies and procedures to ensure that its operations are conducted in a safe and responsible manner. HSSE risks are monitored as part of the Group's operational control framework and reinforced through as-needed safety briefings, management oversight and continuous improvement initiatives. The Group remains committed to strengthening its HSSE practices to safeguard employees, contractors, operational assets and the surrounding environment.

Conflict of Interest Declarations

To reinforce good governance practices, the Group continue to apply its formal Conflict of Interest ("COI") declaration process during the financial year. The COI process is administered at Group level and applies to Directors, key senior management and designated employees, who are required to declare any existing and potential conflicts of interest. The Group has also extended the COI declaration process to relevant external parties, including suppliers and clients, as part of its ongoing efforts to enhance transparency and integrity in decision-making.

The declarations submitted by Directors, key senior management and designated employees are reviewed by Audit Committee and a summary of the disclosures, together with the proposed mitigation measures and action plans, are reported to the Audit Committee for review and oversight.

Anti-Bribery and Corruption Framework

The Group continues to reinforce its Anti-Bribery and Corruption ("ABC") framework as part of its commitment to ethical business conduct. The implementation and monitoring of the Group's anti-corruption policies, training programmes and risk assessment initiatives are supported by the oversight of the Anti-Bribery and Corruption Compliance Committee.

During the financial year:

- ABC training programmes were conducted across the organisation, achieving 100% staff participation; and
- An ABC risk assessment exercise was carried out to identify corruption-related risks within the Group.

The results of the assessment are expected to support the planned review and enhancement of the Group's Anti-Bribery and Corruption Policy and framework moving forward.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Quality Management System (QMS)

The Group continues to maintain its Quality Management System ("QMS"), which forms an important part of the Group's operational control framework. The QMS supports the Group's commitment to maintaining operational quality standards, ensuring consistency in project execution and promoting continuous improvement across the Group's operations.

Dayang Enterprise Sdn Bhd ("DESB") maintains certification under ISO 9001:2015, which covers its operations including the headquarters, warehouses, fabrication yard, project offices and related operational facilities. Yearly quality management audits are conducted to ensure continued compliance with the applicable standards and to support continuous improvement across the certified operations.

Cybersecurity Awareness

The Group recognizes the increasing importance of cybersecurity risks in the evolving digital environment.

During the financial year, the Group initiated an assessment of evolving cybersecurity requirements and regulatory expectations to better understand the potential implications for its operations. Management continues to monitor developments in this area with the objective of strengthening awareness and preparedness in managing cybersecurity-related risks.

The Group will continue to enhance its understanding of cybersecurity risks and assess appropriate measures and initiatives that may be implemented from time to time to further strengthen the Group's cybersecurity governance and risk management framework.

Internal Audit Function

The Group's internal audit function is outsourced to an independent professional firm, Baker Tilly Consulting Sdn. Bhd. ("Baker Tilly"). The internal audit function provides independent and objective assurance to the Audit Committee on the adequacy and effectiveness of the Group's governance, risk management and internal control processes. Internal audit reviews are conducted based on a risk-based internal audit plan approved by the Audit Committee.

During the financial year, internal audit reviews were conducted based on a two-cycle audit plan, which the Board and Audit Committee considered appropriate having regard to the Group's operational activities and risk profile.

BOARD REVIEW AND ASSURANCE

The Board has undertaken an annual review of the adequacy and effectiveness of the Group's risk management and internal control systems for the financial year under review.

In making this assessment, the Board has received assurance from the Executive Deputy Chairman, the Managing Director and the Senior Corporate Finance, who are responsible for the Group's operational and financial management, that the Group's risk management and internal control systems are operating adequately and effectively in all material respects. The Board's review was supported by, among others, ongoing reviews performed by Management, the work of the internal audit function, and the oversight activities of the Audit Committee and Risk Management Committee during the financial year.

Based on the review and the assurance received, the Board is satisfied that the Group's risk management and internal control systems are adequate and effective to safeguard shareholders' investments and the Group's assets.



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the financial year ended 31 December 2025.

Their review was performed in accordance with the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA").

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in accordance with the applicable disclosure requirements set out in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Statement is made in accordance with a resolution of the Board of Directors dated 9 April 2026.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2025.

Principal activities

The Company is principally engaged in investment holding. There have been no significant changes in the nature of this activity during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 4 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	210,469	144,967
Non-controlling interests	21,226	-
	<u>231,695</u>	<u>144,967</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Dividends

Since the end of the previous financial year, the Company had paid the following dividends:

- (i) In respect of the financial year ended 31 December 2024, a second interim single-tier tax exempt dividend of RM0.07 per ordinary share totalling RM81,044,020 that was declared on 20 February 2025 and paid on 17 March 2025.
- (ii) In respect of the financial year ended 31 December 2025, a first interim single-tier tax exempt dividend of RM0.07 per ordinary share totalling RM81,044,020 that was declared on 21 August 2025 and paid on 23 September 2025.

After the end of the reporting date, in respect of the financial year ended 31 December 2025, a second interim single-tier tax exempt dividend of RM0.07 per ordinary share totalling RM81,044,020 was declared on 11 February 2026 and paid on 12 March 2026. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Datuk Hasmi Bin Hasnan
Datuk Ling Suk Kiong*
Tengku Dato' Yusof bin Tengku Ahmad Shahrudin*
Joe Ling Siew Loung @ Lin Shou Long*
Jeanita Anak Gamang*
Hasmawati Binti Sapawi
Chin Hsiun
Siti Nazrah Binti Ahmad Zaiden
Ho Poh Ling (appointed on 1 February 2025)
Zahirudin Khan Bin Asghar Khan (appointed on 20 February 2025)
Wong Ping Eng (appointed on 20 February 2025)
Koh Ek Chong (resigned on 20 February 2025)

* These Directors are also directors of the Company's subsidiaries.



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Directors of the subsidiaries

The following is the list of directors of the subsidiaries (excluding those who are also Directors of the Company as mentioned above) in office during the financial year until the date of this report:

Alias Bin Mat Lazim
 Chin Chee Kong
 Datuk Dr. Abd Hapiz bin Abdullah
 Datuk Selva Kumar A/L Mookiah
 Ruziah Binti Mohd Amin
 Tuan Haji Zakaria Bin Kasah
 Suki Anak Adir
 Hasmiah Binti Anthony Hasbi
 Jamalludin Bin Obeng
 Choi Meng Yee
 Wellie Anak Bujang
 Akbar Bin Md Thayoob (appointed on 1 January 2025)

Directors' interests in shares

The interests and deemed interests of the Directors, including the interests of their spouses or children who themselves are not Directors of the Company, in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Interests in the Company				
Tengku Dato' Yusof Bin Tengku				
Ahmad Shahrudin - own	34,306,060	1,017,900	-	35,323,960
Datuk Ling Suk Kiong - own	83,479,763	3,000,000	(3,000,000)	83,479,763
Joe Ling Siew Loung				
@ Lin Shou Long - own	43,310,207	-	(200,000)	43,110,207
Datuk Hasmi Bin Hasnan - own	1,057,030	-	-	1,057,030
Wong Ping Eng - own	28,000	-	-	28,000
Deemed interests in the Company				
Datuk Ling Suk Kiong	19,218,187	-	-	19,218,187
Joe Ling Siew Loung				
@ Lin Shou Long	19,218,187	-	-	19,218,187
Datuk Hasmi Bin Hasnan	280,401,447	-	-	280,401,447
Interests in Perdana Petroleum Berhad:				
Datuk Ling Suk Kiong - own	1,000,097	-	-	1,000,097
Datuk Hasmi Bin Hasnan - own	290,202	-	-	290,202
Tengku Dato' Yusof bin Tengku				
Ahmad Shahrudin - own	500,000	-	-	500,000

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Directors' interests in shares (Cont'd)

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Bought	Sold	
Deemed interest in Perdana Petroleum Berhad:				
Datuk Ling Suk Kiong	1,412,390,042	-	-	1,412,390,042
Datuk Hasmi Bin Hasnan	1,412,359,950	-	-	1,412,359,950
Tengku Dato' Yusof bin Tengku Ahmad Shahrudin	1,412,359,950	-	-	1,412,359,950

By virtue of their interests and deemed interests in the shares of the Company, Datuk Ling Suk Kiong, Joe Ling Siew Loung @ Lin Shou Long and Datuk Hasmi Bin Hasnan are also deemed interested in the shares of all the subsidiaries during the financial year to the extent that Dayang Enterprise Holdings Bhd. has an interest.

The other Directors had no interests in the shares of the Company and of its related corporations during and at the end of the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which let/rented premises to certain companies in the Group in the ordinary course of business (see Note 31 to the financial statements).

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	From the Company RM	From subsidiary companies RM
Directors' of the Company		
- Fees	2,952,916	-
- Short-term employee benefits	22,693,497	405,811
	<u>25,646,413</u>	<u>405,811</u>

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Issue of shares and debentures

There were neither changes in the issued and paid up capital of the Company, nor issuance of debentures by the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

a. Directors

There were neither indemnity given to nor insurance effected for the Directors of the Company except for the total amount of insurance effected for Directors of a subsidiary amounted to RM35,000,000 (sum insured) that costs RM85,553 (premium paid) respectively.

b. Auditors

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. There is no amount of such indemnity given or insurance effected for its auditors during the year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Other statutory information (Cont'd)

- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than the allowance of impairment loss on investment in a subsidiary of RM97,245,000 for the Company, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the financial year are RM618,473 and RM123,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tengku Dato' Yusof bin Tengku Ahmad Shahrudin
Director

.....
Datuk Ling Suk Kiong
Director

Miri,

Date: 9 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	2	865,166	973,616	-	-
Right-of-use assets	3	57,675	61,171	-	-
Investment in subsidiaries	4	-	-	1,130,433	1,227,678
Goodwill	5	418,261	418,261	-	-
Deferred tax assets	6	-	3,655	-	-
Total non-current assets		1,341,102	1,456,703	1,130,433	1,227,678
Inventories	7	13,205	7,985	-	-
Contract assets	8	187,738	302,393	-	-
Trade and other receivables	9	104,590	213,611	6,013	10,056
Deposits and prepayments	10	9,194	10,426	254	254
Current tax assets		10,440	4,952	-	-
Other investments	11	312,975	298,709	-	-
Other financial assets	12	45,742	47,480	-	3,000
Cash and cash equivalents	13	397,469	386,253	12,980	9,286
		1,081,353	1,271,809	19,247	22,596
Assets classified as held for sale	14	37,918	-	-	-
Total current assets		1,119,271	1,271,809	19,247	22,596
Total assets		2,460,373	2,728,512	1,149,680	1,250,274
Equity					
Share capital	15	891,288	891,288	891,288	891,288
Retained earnings/ (Accumulated losses)	15	930,107	881,869	(391,227)	(374,106)
Other reserves	15	64,081	101,712	-	-
Total equity attributable to owners of the Company		1,885,476	1,874,869	500,061	517,182
Non-controlling interests	4	280,165	280,511	-	-
Total equity		2,165,641	2,155,380	500,061	517,182



STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Liabilities					
Loans and borrowings	16	-	6,515	-	-
Lease liabilities	17	7,049	9,604	-	-
Deferred tax liabilities	6	65,641	69,324	-	-
Total non-current liabilities		<u>72,690</u>	<u>85,443</u>	<u>-</u>	<u>-</u>
Loans and borrowings	16	32,257	110,805	-	101,061
Lease liabilities	17	3,585	3,634	-	-
Trade and other payables	18	161,133	328,809	646,986	627,043
Current tax liabilities		25,067	44,441	2,633	4,988
Total current liabilities		<u>222,042</u>	<u>487,689</u>	<u>649,619</u>	<u>733,092</u>
Total liabilities		<u>294,732</u>	<u>573,132</u>	<u>649,619</u>	<u>733,092</u>
Total equity and liabilities		<u>2,460,373</u>	<u>2,728,512</u>	<u>1,149,680</u>	<u>1,250,274</u>

The notes on pages 139 to 210 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	19	938,069	1,468,140	300,909	214,402
Cost of services		(534,446)	(797,626)	-	-
Gross profit		403,623	670,514	300,909	214,402
Other income	20	25,813	16,881	-	97,975
Administrative expenses		(128,629)	(184,913)	(28,122)	(40,054)
Other expenses	20	(3,432)	(4,066)	(97,510)	(112)
Reversal of impairment on financial instruments		10,241	-	-	-
Results from operating activities	21	307,616	498,416	175,277	272,211
Finance income	22	19,958	15,160	640	314
Finance costs	22	(3,323)	(9,956)	(24,481)	(29,867)
Net finance income/ (costs)		16,635	5,204	(23,841)	(29,553)
Profit before tax		324,251	503,620	151,436	242,658
Tax expense	23	(92,556)	(139,026)	(6,469)	(8,522)
Profit for the year		231,695	364,594	144,967	234,136



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other comprehensive expense net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation		(59,346)	(27,232)	-	-
Other comprehensive expense for the year		(59,346)	(27,232)	-	-
Total comprehensive income for the year		<u>172,349</u>	<u>337,362</u>	<u>144,967</u>	<u>234,136</u>
Profit for the year attributable to:					
Owners of the Company		210,469	311,142	144,967	234,136
Non-controlling interests	4	21,226	53,452	-	-
Profit for the year		<u>231,695</u>	<u>364,594</u>	<u>144,967</u>	<u>234,136</u>
Total comprehensive income for the year attributable to:					
Owners of the Company		172,838	293,871	144,967	234,136
Non-controlling interests		(489)	43,491	-	-
Total comprehensive income for the year		<u>172,349</u>	<u>337,362</u>	<u>144,967</u>	<u>234,136</u>
Basic/Diluted earnings per share (sen)	25	<u>18.18</u>	<u>26.87</u>		

The notes on pages 139 to 210 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Group	Attributable to owners of the Company					Total equity RM'000
	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Subtotal RM'000	Non-controlling interests RM'000	
At 1 January 2024	891,288	118,983	642,267	1,652,538	234,946	1,887,484
Profit for the year	-	-	311,142	311,142	53,452	364,594
Foreign currency translation differences for foreign operations	-	(17,271)	-	(17,271)	(9,961)	(27,232)
Total comprehensive income for the year	-	(17,271)	311,142	293,871	43,491	337,362
Changes in ownership interests in a subsidiary	-	-	(2,074)	(2,074)	2,074	-
Dividends to owners of the Company (Note 26)	-	-	(69,466)	(69,466)	-	(69,466)
Total transactions with owners of the Company	-	-	(71,540)	(71,540)	2,074	(69,466)
At 31 December 2024	891,288	101,712	881,869	1,874,869	280,511	2,155,380

(Note 15)

(Note 15)

(Note 15)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Group (Cont'd)	— Attributable to owners of the Company —		Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Subtotal RM'000		
At 1 January 2025	891,288	101,712	881,869	1,874,869	280,511	2,155,380
Profit for the year	-	-	210,469	210,469	21,226	231,695
Foreign currency translation differences for foreign operations	-	(37,631)	-	(37,631)	(21,715)	(59,346)
Total comprehensive income for the year	-	(37,631)	210,469	172,838	(489)	172,349
Changes in ownership interests in a subsidiary	-	-	(143)	(143)	143	-
Dividends to owners of the Company (Note 26)	-	-	(162,088)	(162,088)	-	(162,088)
Total transactions with owners of the Company	-	-	(162,231)	(162,231)	143	(162,088)
At 31 December 2025	891,288	64,081	930,107	1,885,476	280,165	2,165,641
	(Note 15)	(Note 15)	(Note 15)			

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Company	Note	Share capital RM'000	<i>Non- distributable</i> Accumulated losses RM'000	Total equity RM'000
At 1 January 2024		891,288	(538,776)	352,512
Profit/Total comprehensive income for the year		-	234,136	234,136
Dividends to owners of the Company	26	-	(69,466)	(69,466)
At 31 December 2024/1 January 2025		891,288	(374,106)	517,182
Profit/Total comprehensive income for the year		-	144,967	144,967
Dividends to owners of the Company	26	-	(162,088)	(162,088)
At 31 December 2025		891,288	(391,227)	500,061
		(Note 15)	(Note 15)	

The notes on pages 139 to 210 are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		324,251	503,620	151,436	242,658
<i>Adjustments for:</i>					
Depreciation of right-of-use assets	3	4,566	4,315	-	-
Depreciation of property, plant and equipment	2	95,336	98,019	-	-
Adjustment of property, plant and equipment	2	124	46	-	-
Impairment loss/(Reversal of impairment loss) on investment in a subsidiary	21	-	-	97,245	(97,975)
Impairment loss on property, plant and equipment	2	1,623	1,853	-	-
Reversal of impairment loss on financial assets	21	(10,241)	-	-	-
Dividend income	19	-	-	(273,296)	(173,242)
Gain on lease modification	20,21	(105)	(54)	-	-
Gain on disposal of property, plant and equipment	20,21	(135)	(3,297)	-	-
Gain on disposal of assets held for sale	20,21	-	(948)	-	-
Finance costs	22	3,323	9,956	24,481	29,867
Finance income	22	(19,958)	(15,160)	(640)	(314)
Property, plant and equipment written off	21	70	837	-	-
Net unrealised foreign exchange gain	20,21	(2,843)	(10,565)	-	-
Operating profit/(loss) before changes in working capital		<u>396,011</u>	<u>588,622</u>	<u>(774)</u>	<u>994</u>

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (Cont'd)					
Changes in working capital:					
Inventories		(5,220)	(296)	-	-
Contract assets		114,655	(32,545)	-	-
Trade and other payables		(164,289)	60,876	(34,613)	(7,286)
Trade and other receivables, deposits and prepayments		120,494	(42,855)	4,043	(5,943)
Cash generated from/ (used in) operations		<u>461,651</u>	<u>573,802</u>	<u>(31,344)</u>	<u>(12,235)</u>
Net tax paid		(117,318)	(140,102)	(8,824)	(6,614)
Interest paid		(595)	(677)	-	-
Interest received		19,958	15,160	640	314
Net cash from/(used in) operating activities		<u>363,696</u>	<u>448,183</u>	<u>(39,528)</u>	<u>(18,535)</u>
Cash flows from investing activities					
Acquisition of property, plant and equipment	2	(67,642)	(71,096)	-	-
Proceeds from disposal of property, plant and equipment		135	23,541	-	-
Proceeds from disposal of assets held for sale		-	4,149	-	-
Dividend received	19	-	-	273,296	173,242
Net movement in other financial assets		1,738	(2,026)	3,000	-
Net movement in other investments		(14,266)	(75,492)	-	-
Net cash (used in)/from investing activities		<u>(80,035)</u>	<u>(120,924)</u>	<u>276,296</u>	<u>173,242</u>



STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities					
Dividends paid to owners of the Company	26	(162,088)	(69,466)	(162,088)	(69,466)
Repayment of term loans	(iii)	(117,951)	(120,577)	(101,061)	(110,249)
Repayment of hire purchase liability	(iii)	(65)	(64)	-	-
Payment of lease liabilities	(iii)	(3,569)	(3,572)	-	-
Advances from a subsidiary	(iii)	-	-	32,517	13,341
Term loans interest paid		(2,985)	(9,567)	(2,442)	(7,860)
Net cash used in financing activities		<u>(286,658)</u>	<u>(203,246)</u>	<u>(233,074)</u>	<u>(174,234)</u>
Net (decrease)/increase in cash and cash equivalents		(2,997)	124,013	3,694	(19,527)
Effect of exchange rate movements		(17,981)	(9,624)	-	-
Cash and cash equivalents at 1 January		386,253	271,864	9,286	28,813
Cash and cash equivalents at 31 December	(ii)	<u>365,275</u>	<u>386,253</u>	<u>12,980</u>	<u>9,286</u>

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

Notes:

(i) Cash outflows from leases as a lessee

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Included in net cash from operating activities:				
Payment relating to short-term leases	56,035	131,070	-	-
Payment relating to leases of low-value assets	123	155	-	-
Interest paid in relation to lease liabilities	571	608	-	-
Included in net cash from financing activities:				
Payment of lease liabilities	3,569	3,572	-	-
Total cash outflows for leases	60,298	135,405	-	-

(ii) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Cash in hand and at banks	13	397,469	386,253	12,980	9,286
Less: Bank overdraft	16	(32,194)	-	-	-
		365,275	386,253	12,980	9,286



STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

Notes: (Cont'd)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1.1.2024 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Other changes RM'000	At 31.12.2024/ 1.1.2025 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Other changes RM'000	At 31.12.2025 RM'000
Group									
Secured term loans	238,264	(120,577)	(495)	-	117,192	(117,951)	759	-	-
Hire purchase liability	192	(64)	-	-	128	(65)	-	-	63
Lease liabilities	8,406	(3,572)	-	8,404	13,238	(3,569)	-	965	10,634
Total liabilities from financing activities	246,862	(124,213)	(495)	8,404	130,558	(121,585)	759	965	10,697

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

Notes: (Cont'd)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities (Cont'd)

	At 1.1.2024 RM'000	Net changes from financing cash flows RM'000	At 31.12.2024/ 1.1.2025 RM'000	Net changes from financing cash flows RM'000	At 31.12.2025 RM'000
Company					
Amount due to a subsidiary (Note 18)	583,377	13,341	596,718	32,517	629,235
Secured term loan	211,310	(110,249)	101,061	(101,061)	-
	<u>794,687</u>	<u>(96,908)</u>	<u>697,779</u>	<u>(68,544)</u>	<u>629,235</u>

The notes on pages 139 to 210 are an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Dayang Enterprise Holdings Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is Sublot 5-10, Lot 46, Block 10, Jalan Taman Raja, Miri Concession Land District, 98000 Miri, Sarawak.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “group entities”). The financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The Company is principally engaged in investment holding while the principal activities of the subsidiaries are as stated in Note 4 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 9 April 2026.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 January 2027 for the accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027.



NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (Cont'd)

(b) Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2.2 - impairment testing of property, plant and equipment;
- Note 3.1 - assumptions in relation to lease;
- Note 4 - impairment testing of investment in subsidiaries;
- Note 5 - impairment testing of goodwill; and
- Note 19 - revenue recognition.

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment

Group	Buildings RM'000	Marine vessels, onboard equipment and dry docking expenditures (subject to operating lease)					Furniture and fittings RM'000	Subtotal RM'000
		Buildings RM'000	Containers RM'000	Offshore equipment RM'000	Furniture and fittings RM'000	Subtotal RM'000		
Cost								
At 1 January 2024	58,129	1,710,922	25,085	129,986	17,884	1,942,006		
Reclassification	-	-	1,542	(1,542)	-	-		
Additions	104	12,578	8,026	6,796	564	28,068		
Transfer	-	46,990	-	-	-	46,990		
Disposals	-	(62,030)	-	(3,111)	-	(65,141)		
Write-offs	-	(1,407)	-	(1,762)	(525)	(3,694)		
Effect of movements in exchange rate	-	(44,316)	-	-	-	(44,316)		
At 31 December 2024/1 January 2025	58,233	1,662,737	34,653	130,367	17,923	1,903,913		
Reclassification	-	6,405	-	-	25	6,430		
Adjustments	-	-	-	-	-	-		
Additions	-	51,402	1,569	125	208	53,304		
Transfers	-	3,639	-	-	-	3,639		
Transfer to assets held for sale (Note 14)	-	(90,426)	-	-	-	(90,426)		
Disposals	-	-	-	(2,609)	-	(2,609)		
Write-offs	-	(116)	-	(1,157)	(529)	(1,802)		
Effect of movements in exchange rate	-	(94,871)	-	-	-	(94,871)		
At 31 December 2025	58,233	1,538,770	36,222	126,726	17,627	1,777,578		



NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

Group (Cont'd)	Subtotal RM'000	Office equipment RM'000	Motor vehicles RM'000	Others RM'000	Capital work-in- progress RM'000	Total RM'000
<i>Cost</i> (Cont'd)						
At 1 January 2024	1,942,006	5,592	10,309	1,815	14,188	1,973,910
Adjustments	-	-	-	-	(46)	(46)
Additions	28,068	1,340	1,516	100	40,072	71,096
Transfer	46,990	-	-	-	(46,990)	-
Disposals	(65,141)	(2)	(1,312)	-	-	(66,455)
Write-offs	(3,694)	(279)	-	(960)	-	(4,933)
Effect of movements in exchange rate	(44,316)	-	-	-	-	(44,316)
At 31 December 2024/1 January 2025	1,903,913	6,651	10,513	955	7,224	1,929,256
Reclassification	6,430	(25)	-	-	(6,405)	-
Adjustments	-	(124)	-	-	-	(124)
Additions	53,304	123	269	222	13,724	67,642
Transfers	3,639	-	-	-	(3,639)	-
Transfer to assets held for sale (Note 14)	(90,426)	-	-	-	-	(90,426)
Disposals	(2,609)	-	(587)	-	-	(3,196)
Write-offs	(1,802)	(505)	(5)	-	-	(2,312)
Effect of movements in exchange rate	(94,871)	-	-	-	-	(94,871)
At 31 December 2025	1,777,578	6,120	10,190	1,177	10,904	1,805,969

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

Group (Cont'd)	Buildings RM'000	Marine vessels, onboard equipment and dry docking expenditures (subject to operating lease) RM'000	Containers RM'000	Offshore equipment RM'000	Furniture and fittings RM'000	Subtotal RM'000
<i>Accumulated depreciation and impairment loss</i>						
At 1 January 2024	20,080	709,458	18,241	104,423	13,580	865,782
Accumulated depreciation	-	52,136	-	-	-	52,136
Accumulated impairment loss	20,080	761,594	18,241	104,423	13,580	917,918
Reclassification	-	-	1,542	(1,542)	-	-
Depreciation for the year (Note 21)	2,912	79,521	1,716	11,365	776	96,290
Impairment loss for the year	-	-	-	-	-	-
(Note 21)	-	1,853	-	-	-	1,853
Disposals	-	(31,758)	-	(3,111)	-	(34,869)
Disposals – Impairment loss	-	(10,029)	-	-	-	(10,029)
Write-offs	-	(641)	-	(1,703)	(513)	(2,857)
Effect of movements in exchange rate	-	(26,964)	-	-	-	(26,964)
At 31 December 2024	22,992	729,616	21,499	109,432	13,843	897,382
Accumulated depreciation	-	43,960	-	-	-	43,960
Accumulated impairment loss	22,992	773,576	21,499	109,432	13,843	941,342



NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

Group (Cont'd)

Accumulated depreciation and impairment loss (Cont'd)

At 1 January 2024

Accumulated depreciation

Accumulated impairment loss

Reclassification

Depreciation for the year (Note 21)

Impairment loss for the year

(Note 21)

Disposals

Disposals – Impairment loss

Write-offs

Effect of movements in exchange rate

At 31 December 2024

Accumulated depreciation

Accumulated impairment loss

	Subtotal RM'000	Office equipment RM'000	Motor vehicles RM'000	Others RM'000	Capital work-in- progress RM'000	Total RM'000
	865,782	4,595	9,094	1,432	-	880,903
	52,136	-	-	-	-	52,136
	917,918	4,595	9,094	1,432	-	933,039
	96,290	872	602	255	-	98,019
	1,853	-	-	-	-	1,853
	(34,869)	(1)	(1,312)	-	-	(36,182)
	(10,029)	-	-	-	-	(10,029)
	(2,857)	(279)	-	(960)	-	(4,096)
	(26,964)	-	-	-	-	(26,964)
	897,382	5,187	8,384	727	-	911,680
	43,960	-	-	-	-	43,960
	941,342	5,187	8,384	727	-	955,640

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

Group (Cont'd)	Marine vessels, onboard equipment and dry docking expenditures (subject to operating lease)						Subtotal RM'000
	Buildings RM'000	Offshore equipment RM'000	Containers RM'000	Furniture and fittings RM'000	Offshore equipment RM'000	Furniture and fittings RM'000	
<i>Accumulated depreciation and impairment loss</i> (Cont'd)							
At 1 January 2025	22,992	729,616	21,499	13,843	109,432	13,843	897,382
Accumulated depreciation	-	43,960	-	-	-	-	43,960
Accumulated impairment loss	22,992	773,576	21,499	13,843	109,432	13,843	941,342
Reclassification	-	-	-	27	-	27	27
Depreciation for the year (Note 21)	2,912	79,802	2,013	758	8,277	758	93,762
Impairment loss for the year (Note 21)	-	1,623	-	-	-	-	1,623
Transfer to assets held for sale (Note 14)	-	(52,508)	-	-	-	-	(52,508)
Disposals	-	-	-	-	(2,609)	-	(2,609)
Write-offs	-	(83)	-	(510)	(1,148)	-	(1,741)
Effect of movements in exchange rate	-	(53,850)	-	-	-	-	(53,850)
At 31 December 2025	25,904	702,977	23,512	14,118	113,952	14,118	880,463
Accumulated depreciation	-	45,583	-	-	-	-	45,583
Accumulated impairment loss	25,904	748,560	23,512	14,118	113,952	14,118	926,046



NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

Group (Cont'd)

Accumulated depreciation and impairment loss (Cont'd)

At 1 January 2025

Accumulated depreciation
Accumulated impairment loss

Reclassification

Depreciation for the year (Note 21)

Impairment loss for the year (Note 21)

Transfer to assets held for sale (Note 14)

Disposals

Write-offs

Effect of movements in exchange rate

At 31 December 2025

Accumulated depreciation

Accumulated impairment loss

	Subtotal RM'000	Office equipment RM'000	Motor vehicles RM'000	Others RM'000	Capital work-in- progress RM'000	Total RM'000
	897,382	5,187	8,384	727	-	911,680
	43,960	-	-	-	-	43,960
	941,342	5,187	8,384	727	-	955,640
	27	(27)	-	-	-	-
	93,762	780	584	210	-	95,336
	1,623	-	-	-	-	1,623
	(52,508)	-	-	-	-	(52,508)
	(2,609)	-	(587)	-	-	(3,196)
	(1,741)	(496)	(5)	-	-	(2,242)
	(53,850)	-	-	-	-	(53,850)
	880,463	5,444	8,376	937	-	895,220
	45,583	-	-	-	-	45,583
	926,046	5,444	8,376	937	-	940,803

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

Group (Cont'd)	Marine vessels, onboard equipment and dry docking expenditures					Subtotal RM'000
	Buildings RM'000	(subject to operating lease) RM'000	Containers RM'000	Offshore equipment RM'000	Furniture and fittings RM'000	
<i>Net carrying amount</i>						
At 31 December 2024	35,241	889,161	13,154	20,935	4,080	962,571
At 31 December 2025	32,329	790,210	12,710	12,774	3,509	851,532



NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

Group (Cont'd)	Subtotal RM'000	Office equipment RM'000	Motor vehicles RM'000	Others RM'000	Capital work-in- progress RM'000	Total RM'000
<i>Net carrying amount (Cont'd)</i>						
At 31 December 2024	962,571	1,464	2,129	228	7,224	973,616
At 31 December 2025	851,532	676	1,814	240	10,904	865,166

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

	Note	Furniture and fittings RM'000
Company		
Cost		
At 1 January 2024/31 December 2024/ 1 January 2025 and 31 December 2025		30
Accumulated depreciation		
At 1 January 2024/31 December 2024/ 1 January 2025 and 31 December 2025		30
Net carrying amount		
At 31 December 2024/31 December 2025		-

2.1 Securities

Seven (2024: Nine) marine vessels with a total carrying amount of RM181 million (2024: RM264 million) are pledged to licensed banks for certain banking facilities granted to the Group [see Notes 16.1(ii) and 16.2(i)].

During the year, two (2024: one) marine vessels with a total carrying amount of RM61.5 million (2024: RM30.1 million) were discharged from the pledge due to full settlement of bank facilities.

2.2 Impairment testing of marine vessels, onboard equipment and dry docking expenditures

The Group's main customers are oil and gas companies involved in upstream exploration activities. The volatility of crude oil prices in 2024 and 2025 has continued to affect the business activities of the industry in which the Group operates. The operating costs has also increased during the financial year.

The Group has evaluated whether the property, plant and equipment, i.e. marine vessels including dry docking used in the operations are stated in excess of their recoverable amounts. The Group has applied a combination of the value-in-use ("VIU") approach and the fair value less cost of disposal ("FVLCD") approach, whichever is higher, in determining the recoverable amounts of the property, plant and equipment.



NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

2.2 *Impairment testing of marine vessels, onboard equipment and dry docking expenditures* (Cont'd)

VIU approach

The Group has applied the value-in-use approach on the basis that the marine vessels will continue to be in use up to the expected useful lives of the respective vessels. The value-in-use has been calculated by forecasting and discounting future cash flows to be generated by the respective marine vessels based on the following key assumptions:

- (a) Average daily charter rate, daily operating cost and average utilisation rate are determined based on the management's estimate of industry trends and past performance of respective vessels; and
- (b) Pre-tax discount rates from 10%-10.3% (2024: 10%-11.6%).

The values assigned to the key assumptions are based on historical data from both external sources and internal sources as well as management's assessment of future trends in the industry. Changes in judgements and the related estimates throughout the useful lives of the marine vessels could result in material adjustments to the carrying amounts of marine vessels, which can either be positive or negative.

FVLCO approach

FVLCO was used to determine the recoverable amounts of certain marine vessels based on the market-comparable approach. The fair value measurement of the marine vessels was performed by an independent valuer with appropriate qualifications and recent experience in the valuation of vessels in the relevant industry in December 2025.

The following table describes the valuation technique used in the determination of fair values classified under Level 3, the significant unobservable inputs used in the valuation, and the inter-relationship between the significant unobservable inputs and the fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

2.2 Impairment testing of marine vessels, onboard equipment and dry docking expenditures (Cont'd)

FVLCO approach (Cont'd)

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>Market comparable approach: The method involved determining the market value that reflects recent market transactions of similar marine vessels of similar age and specifications. In valuing the marine vessels, the independent valuer had taken into consideration the prevailing market conditions and made adjustments for differences such as age, size and specifications where necessary before arriving at the most appropriate fair value for the vessels.</p>	<p>Valuation based on comparison to the market value of the type of vessel fitted with the same specifications of similar nature or as close in similarity of which recently transacted around the region.</p>	<p>(i) The estimated fair value would increase/(decrease) if the valuation of recent transactions based on similar age and specifications of which recently transacted around the region were higher/(lower).</p> <p>(ii) The estimated fair value would increase/(decrease) if the useful lives and the residual values of the vessels are higher/(lower).</p>

Impairment of property, plant and equipment during the financial year ended 31 December 2025

During the financial year, the Group has recognised an impairment loss of RM1.62 million on two vessels as other expenses in the profit or loss, as the estimated recoverable amounts of these marine vessels are lower than their carrying amounts. The recoverable amounts of these vessels for which an impairment loss was made during the year was RM101.99 million, which was determined based on their VIU.



NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

2.2 *Impairment testing of marine vessels, onboard equipment and dry docking expenditures* (Cont'd)

FVLCOD approach (Cont'd)

Impairment of property, plant and equipment during the financial year ended 31 December 2024

In the previous financial year, the Group had recognised an impairment loss of RM6.65 million on three vessels in the profit or loss, as the estimated recoverable amounts of these marine vessels are lower than their carrying amounts. The recoverable amounts of these vessels for which an impairment loss was made during the year was RM158.88 million, which was determined based on their VIU.

The Group also recognised a reversal of impairment loss of RM4.80 million on two vessels in the profit or loss, as the estimated recoverable amounts of these vessels are higher than their carrying amounts. The recoverable amounts of these vessels for which a reversal of impairment loss was made during the year was RM156.80 million, which was determined based on their VIU.

Following the assessment, the Group had recognised a net impairment loss of RM1.85 million on certain vessels as other expenses in the profit or loss.

Impairment loss sensitivity analysis

This analysis is based on utilisation rate and discount rate that the Group considered to be reasonably possible at the end of the reporting period.

The value-in-use estimates are particularly sensitive in the following areas:

- An increase of 1% (2024:1%) in the discount rate used would have increased the impairment loss by RM4.8 million (2024: RM8.2 million).
- A 5% (2024: 5%) decrease in average utilisation rate used would have increased the impairment loss by RM22.0 million (2024: RM37.7 million).

NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

2.3 *Marine vessels subject to operating lease*

The Group leases marine vessels to third parties. Each of the leases contains an initial non-cancellable period ranging from 4 days to 3 years. Some of these leases also include extension option clauses which are subject to negotiation with the lessees before the end of the initial tenure.

The Group generally does not require a financial guarantee on the lease arrangement as the majority of the lessees are reputable oil majors. Nevertheless, the Group may request for advanced charter payments from certain lessees, depending on the Group's assessment of the credit worthiness of the respective lessees, regardless of the lease period. These leases do not include residual value guarantees.

The following are recognised in profit or loss:

	2025 RM'000	2024 RM'000
Group		
Vessel charter income	373,004	479,976

The operating lease payments to be received are as follows:

	2025 RM'000	2024 RM'000
Group		
Less than one year/Total undiscounted lease payments	118,546	30,181

2.4 *Material accounting policy information*

(a) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.



NOTES TO THE FINANCIAL STATEMENTS

2. Property, plant and equipment (Cont'd)

2.4 Material accounting policy information (Cont'd)

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Assets under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives of the other assets for the current and comparative periods are as follows:

Buildings	20 years
Marine vessels	20 - 25 years
Onboard equipment	10 - 25 years
Dry docking expenditures	5 years
Containers	10 years
Offshore equipment	5 years
Furniture and fittings	5 - 10 years
Office equipment	3 - 10 years
Motor vehicles	5 - 10 years
Others	2 - 10 years

NOTES TO THE FINANCIAL STATEMENTS

3. Right-of-use assets – Group

	Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 January 2024	32,815	18,120	50,935
Additions	20,700	10,624	31,324
Derecognition	-	(5,054)	(5,054)
At 31 December 2024/1 January 2025	53,515	23,690	77,205
Additions	-	3,854	3,854
Derecognition	-	(9,029)	(9,029)
At 31 December 2025	53,515	18,515	72,030
Accumulated depreciation			
At 1 January 2024	4,701	9,906	14,607
Depreciation for the year (Note 21)	554	3,761	4,315
Derecognition	-	(2,888)	(2,888)
At 31 December 2024/1 January 2025	5,255	10,779	16,034
Depreciation for the year (Note 21)	852	3,714	4,566
Derecognition	-	(6,245)	(6,245)
At 31 December 2025	6,107	8,248	14,355
Net carrying amount			
At 31 December 2024	48,260	12,911	61,171
At 31 December 2025	47,408	10,267	57,675

The Group leases a number of buildings for 5 years with an option to renew after that date. Where practicable, the Group seeks to include extension options to provide operational flexibility. The Group assesses whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

Right-of-use assets consist of three (3) parcels of leasehold land that do not meet the definition of investment property, of which the lease was fully settled in a single up-front payment. The lease terms of these leasehold land are expiring on 2 April 2851, 30 June 2824 and 22 November 2076 respectively.

3.1 Judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.



NOTES TO THE FINANCIAL STATEMENTS

3. Right-of-use assets – Group (Cont'd)

3.1 *Judgements and assumptions in relation to leases* (Cont'd)

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.2 *Material accounting policy information*

(a) *Recognition and measurement*

All right-of use assets are measured at cost less accumulated depreciation and any accumulated impairment loss.

(b) *Lease and non-lease components*

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(c) *Recognition exemption*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in subsidiaries - Company

	Note	2025 RM'000	2024 RM'000
At 1 January		1,227,678	1,129,703
Add: (Impairment loss)/Reversal of impairment loss	4.1	(97,245)	97,975
At 31 December		<u>1,130,433</u>	<u>1,227,678</u>

Details of the subsidiaries are as follows:

Name of company	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Direct subsidiaries</u>				
Dayang Enterprise Sdn. Bhd. ("DESB")	Provision of offshore topside maintenance services, minor fabrication works and offshore hook-up and commissioning services	Malaysia	100	100
DESB Marine Services Sdn. Bhd. ("DMSSB")	Chartering of marine vessels and catering of food and beverage	Malaysia	100	100
Fortune Triumph Sdn. Bhd. ("FTSB")	Equipment hire and providing maintenance and management services	Malaysia	100	100
Perdana Petroleum Berhad ("PPB")	Investment holding	Malaysia	63.41	63.42
<u>Subsidiaries of PPB</u>				
Intra Oil Services Berhad	Provision of marine support services for the oil and gas industry	Malaysia	63.41	63.42
Ampangship Marine Sdn. Bhd.	Provision of marine support services for the oil and gas industry	Malaysia	63.41	63.42
Perdana Nautika Sdn. Bhd.	Provision of marine support services for the oil and gas industry	Malaysia	63.41	63.42



NOTES TO THE FINANCIAL STATEMENTS

4. Investment in subsidiaries – Company (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of company	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Subsidiaries of PPB (Cont'd)</u>				
Perdana Neptune Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.41	63.42
Perdana Pluto Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.41	63.42
Perdana Saturn Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.41	63.42
Perdana Earth Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.41	63.42
Perdana Mars Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.41	63.42
Perdana Jupiter Limited	Inactive	Federal Territory of Labuan, Malaysia	63.41	63.42
Petra Offshore Limited	Inactive	Federal Territory of Labuan, Malaysia	63.41	63.42
Perdana Marine Offshore Pte. Ltd.*	Inactive	The Republic of Singapore	63.41	63.42
Perdana Uranus Limited	Inactive	Federal Territory of Labuan, Malaysia	63.41	63.42

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in subsidiaries – Company (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of company	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Subsidiary of Perdana Jupiter Limited</u>				
Mount Santubong Limited	Making strategic investments in shipping and shipping-related assets and businesses	Federal Territory of Labuan, Malaysia	63.41	63.42

* *Not audited by member firms of KPMG International.*

Non-controlling interests in a subsidiary

The Group's subsidiary that has material non-controlling interests ("NCI") are as follows:

	Perdana Petroleum Berhad RM'000
2025	
NCI percentage of ownership interest and voting interest	36.59%
Carrying amount of NCI	<u>280,165</u>
Profit allocated to NCI	<u>21,226</u>

Summarised financial information before intra-group elimination

	Perdana Petroleum Berhad RM'000
2025	
As at 31 December	
Non-current assets	578,627
Current assets	300,848
Non-current liabilities	(32,711)
Current liabilities	<u>(62,725)</u>
Net assets	<u>784,039</u>



NOTES TO THE FINANCIAL STATEMENTS

4. Investment in subsidiaries – Company (Cont'd)

Non-controlling interests in a subsidiary (Cont'd)

Summarised financial information before intra-group elimination (Cont'd)

	Perdana Petroleum Berhad RM'000
2025 (Cont'd)	
Year ended 31 December	
Revenue	279,137
Profit for the year	58,010
Total comprehensive expense	<u>(1,336)</u>
Cash flows from operating activities	171,407
Cash flows used in investing activities	(56,828)
Cash flows used in financing activities	<u>(54,129)</u>
Net increase in cash and cash equivalents	<u><u>60,450</u></u>
	Perdana Petroleum Berhad RM'000
2024	
NCI percentage of ownership interest and voting interest	36.58%
Carrying amount of NCI	<u>280,511</u>
Profit allocated to NCI	<u>53,452</u>
	Perdana Petroleum Berhad RM'000
2024	
As at 31 December	
Non-current assets	671,413
Current assets	288,425
Non-current liabilities	(77,939)
Current liabilities	<u>(96,524)</u>
Net assets	<u><u>785,375</u></u>

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in subsidiaries – Company (Cont'd)

Non-controlling interests in a subsidiary (Cont'd)

Summarised financial information before intra-group elimination (Cont'd)

	Perdana Petroleum Berhad RM'000
2024 (Cont'd)	
Year ended 31 December	
Revenue	440,115
Profit for the year	146,124
Total comprehensive income	<u>118,891</u>
Cash flows from operating activities	126,764
Cash flows used in investing activities	(23,150)
Cash flows used in financing activities	<u>(42,011)</u>
Net increase in cash and cash equivalents	<u>61,603</u>

4.1 Accumulated impairment loss

In the previous financial year, the Company recognised a reversal of impairment loss of RM98.0 million in the subsidiary as other income in profit or loss based on the estimated recoverable amount of RM609 million.

The recoverable amount is determined with reference to the underlying assets and liabilities of the subsidiary as well as the anticipated future performance of the subsidiary. The recoverable amount was subsequently determined based on the higher of the estimated value-in-use or estimated fair value less cost of disposal used in the impairment testing in the subsidiary (see Note 2.2 on value in use approach and fair value less cost of disposal approach).

In the current financial year, the Company has reassessed on similar basis and recognised an impairment loss of RM97.2 million as other expense in profit or loss for the subsidiary based on the estimated recoverable amount of RM512 million.

4.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.



NOTES TO THE FINANCIAL STATEMENTS

5. Goodwill

Goodwill is allocated to the identified Group's CGU, which is the Marine Offshore Support Services operating segment:

	Group RM'000
<i>Marine Offshore Support Services</i>	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>418,261</u>

Impairment testing on goodwill

The Group performs the impairment testing on an annual basis or more frequently if there is an indication that the goodwill may be impaired. An impairment testing may be performed at any time within an annual reporting period provided the test is performed at the same time annually. This testing involves determining the CGU's recoverable amount using a combination of the value-in-use ("VIU") approach and the fair value less cost of disposal ("FVL COD") approach (see Note 2.2 on FVL COD approach), whichever is higher, and comparing this to the carrying amount of the CGU. Where the recoverable amount exceeds the carrying value of the CGU, the asset is not impaired, but where the carrying amount exceeds the value-in-use, an impairment loss is recognised to reduce the carrying amount of the CGU to its recoverable amount. A number of key assumptions have been made in estimating the value-in-use of the CGU for the impairment tests. In each case, these key assumptions have been made by management reflecting past experiences and are consistent with relevant internal and external sources of information.

The recoverable amount of Marine Offshore Support Services operating segment estimated based on the higher of VIU or FVL COD was as follows:

	Group	
	2025	2024
	RM'000	RM'000
Recoverable amount	<u>1,138,406</u>	<u>1,298,687</u>

NOTES TO THE FINANCIAL STATEMENTS

5. Goodwill (Cont'd)

a) *Value-in-use calculations*

Value-in-use calculations is used to derive the recoverable amount of the CGU. The value-in-use calculations uses pre-tax cash flow projections based on financial budgets and projections covering the remaining useful lives of the existing vessels, with periods ranging between 5 years to 17 years. The value-in-use calculation is based on the following key assumptions:

- (i) Average daily charter rate, daily operating cost and average utilisation rate determined based on the management's estimate of industry trends and past performance of respective vessels; and
- (ii) Pre-tax discount rates from 10%-10.3% (2024: 10%-11.6%).

The key assumptions used for the value-in-use computations are that the markets will grow in accordance with publicly available data, the Group will maintain its current market share, gross margins will be maintained at current levels and overheads will increase in line with expected levels of inflation. The cash flow forecasts assume appropriate levels of investment in working capital to support the growth in the CGU.

b) *Impairment testing sensitivity analysis*

The estimated value-in-use is most sensitive to the following key assumptions:

- An increase of 1% (2024: 1%) in the discount rate used would have increased the impairment loss by RM52.2 million (2024: Nil).
- A 5% (2024: 5%) decrease in average utilisation rate used would have increased the impairment loss by RM114.2 million (2024: RM14.4 million).



NOTES TO THE FINANCIAL STATEMENTS

6. Deferred taxation

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:-

Group	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment	-	-	(54,974)	(56,988)	(54,974)	(56,988)
Right-of-use assets	-	-	(13,569)	(14,427)	(13,569)	(14,427)
Lease liabilities	2,273	2,919	-	-	2,273	2,919
Trade and other payables	643	1,049	-	-	643	1,049
Other temporary differences	-	3,511	(14)	(1,733)	(14)	1,778
Deferred tax assets/(liabilities)	2,916	7,479	(68,557)	(73,148)	(65,641)	(65,669)
Set-off of tax	(2,916)	(3,824)	2,916	3,824	-	-
Net deferred tax assets/(liabilities)	-	3,655	(65,641)	(69,324)	(65,641)	(65,669)

NOTES TO THE FINANCIAL STATEMENTS

6. Deferred taxation (Cont'd)

Recognised deferred tax assets/(liabilities) (Cont'd)

Movements in deferred tax assets and liabilities during the year are as follows:

Group	At 1.1.2024		Recognised in profit or loss		At 31.12.2024/1.1.2025		Recognised in profit or loss		At 31.12.2025	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	(78,914)		21,926		(56,988)		2,014		(54,974)	
Right-of-use assets	4,847		(19,274)		(14,427)		858		(13,569)	
Lease liabilities	1,945		974		2,919		(646)		2,273	
Trade and other payables	665		384		1,049		(406)		643	
Capital allowances carried forward	46		(46)		-		-		-	
Other temporary differences	4,376		(2,598)		1,778		(1,792)		(14)	
	(67,035)		1,366		(65,669)		28		(65,641)	
			(Note 23)				(Note 23)			



NOTES TO THE FINANCIAL STATEMENTS

6. Deferred taxation (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2025 RM'000	2024 RM'000
Unabsorbed capital allowances	116	541
Unutilised tax losses	15,192	14,889
	15,308	15,430

Deferred tax assets of the Group and of the Company of RM3.7 million (2024: RM3.7 million) have not been recognised in respect of the above temporary differences because it is not certain if sufficient future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom.

Unabsorbed capital allowances do not expire under the current tax legislation.

Pursuant to the latest tax legislations, unutilised tax losses from a year of assessment can be carried forward up to 10 consecutive years of assessment, as follows:

	Group	
	2025 RM'000	2024 RM'000
Tax losses for which no deferred tax assets was recognised expire as follows:		
Expiring in 2029	7,435	7,435
Expiring in 2030	1,569	1,569
Expiring in 2031	4,071	4,071
Expiring in 2032	661	661
Expiring in 2033	711	711
Expiring in 2034	442	442
Expiring in 2036	303	-
	15,192	14,889

NOTES TO THE FINANCIAL STATEMENTS

7. Inventories – Group

Inventories represent fuel, various oils and lubricants and spare parts.

	2025 RM'000	2024 RM'000
Materials and consumables - at cost	13,205	7,985
Recognised in profit or loss:		
Inventories recognised as part of cost of services	18,006	25,630

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated based on the first-in first-out basis.

8. Contract assets – Group

	2025 RM'000	2024 RM'000
Contract assets	187,738	302,393

The contract assets are in relation to the Group's rights to consideration for work performed on topside maintenance contracts and catering services, which remain unbilled at the reporting date. Typically, the amount will be billed within normal billing cycle and payment is expected within 30 days from invoice date.

8.1 Impairment assessment on contract assets

Credit risks on contract assets arose from topside maintenance projects and catering services undertaken by the Group. As at the end of the reporting period, the maximum exposure to credit risk arising from contract assets is represented by the carrying amount in the statements of financial position. Management has taken reasonable steps to ensure the contract assets are not credit impaired.

For topside maintenance contracts and catering services, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information and external credit rating, where applicable. All of these customers have low risk of default.



NOTES TO THE FINANCIAL STATEMENTS

8. Contract assets – Group (Cont'd)

8.2 Significant changes in contract assets during the year are as follows:

	2025 RM'000	2024 RM'000
Contract assets at beginning of the period transferred to trade receivables	<u>294,273</u>	<u>252,488</u>

9. Trade and other receivables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade receivables		96,612	213,450	-	-
Less: Allowance for impairment losses	9.1	(284)	(10,676)	-	-
		<u>96,328</u>	<u>202,774</u>	<u>-</u>	<u>-</u>
Non-trade					
Amount due from subsidiaries	9.2	-	-	5,938	10,049
Other receivables	9.3	8,262	10,837	75	7
		<u>8,262</u>	<u>10,837</u>	<u>6,013</u>	<u>10,056</u>
Total		<u>104,590</u>	<u>213,611</u>	<u>6,013</u>	<u>10,056</u>

9.1 Assessment of impairment losses on receivables

The main collectability risk of trade and other receivables is customer insolvencies. Management determines allowance for impairment losses of doubtful receivables based on an on-going review and evaluation performed as part of its credit risk evaluation process. These include assessment of customers' past payment records, sales level, financial standing and the age of debts. The evaluation is however inherently judgemental and requires material estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to significant changes.

9.2 Non-trade amount due from subsidiaries is unsecured, interest free and repayable on demand.

9.3 Included in other receivables of the Group are insurance claims amounting to RM2.0 million (2024: RM1.9 million) in relation to repair cost for a marine vessel owned by a subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

10. Deposits and prepayments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits	3,203	3,895	212	212
Prepayments	5,991	6,531	42	42
	<u>9,194</u>	<u>10,426</u>	<u>254</u>	<u>254</u>

11. Other investments - Group

	2025 RM'000	2024 RM'000
Fixed deposits with original maturities exceeding three months	<u>312,975</u>	<u>298,709</u>

Material accounting policy information

The Group classifies deposits with licensed banks not held for working capital purposes that has a maturity of more than three months as other investments.

12. Other financial assets

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits pledged with licensed banks (Note 12.1)	<u>45,742</u>	<u>47,480</u>	<u>-</u>	<u>3,000</u>

12.1 Deposits of RM45.7 million (2024: RM44.5 million) of the Group is pledged as security for the banking facilities of a subsidiary (Note 16.3).



NOTES TO THE FINANCIAL STATEMENTS

13. Cash and cash equivalents

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits placed with licensed banks with original maturities not exceeding three months	140,039	176,933	-	-
Cash on hand and at banks	257,430	209,320	12,980	9,286
Total cash and cash equivalents	<u>397,469</u>	<u>386,253</u>	<u>12,980</u>	<u>9,286</u>

14. Assets classified as held for sale – Group

	Note	2025 RM'000	2024 RM'000
Marine vessel	2	<u>37,918</u>	<u>-</u>

During the year, the Group reclassified a marine vessel from property, plant and equipment to assets held for sale following the commitment of the management to sell the marine vessel. The Group has commenced efforts to sell the marine vessel.

The vessel is measured at the lower of its carrying amount and fair value less cost to sell at the date of reclassification.

15. Capital and reserves

15.1 Share capital

	Group and Company			
	2025		2024	
	Number of shares	Amount RM'000	Number of shares	Amount RM'000
Ordinary shares				
<i>Issued and fully paid shares with no par value classified as equity instruments:</i>				
Opening and closing balances	<u>1,157,771,718</u>	<u>891,288</u>	<u>1,157,771,718</u>	<u>891,288</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

15. Capital and reserves (Cont'd)

15.2 Reserves

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-distributable:-				
Other reserves (Note 15.3)	64,081	101,712	-	-
Distributable/ (Non-distributable):-				
Retained earnings/ (Accumulated losses)	<u>930,107</u>	<u>881,869</u>	<u>(391,227)</u>	<u>(374,106)</u>
	<u>994,188</u>	<u>983,581</u>	<u>(391,227)</u>	<u>(374,106)</u>

15.3 Other reserves

Other reserves comprise translation reserve and other capital reserve. The foreign currency translation reserve arose from the translation of the financial statements of subsidiaries whose presentation currency differs from the presentation currency of the Group's financial statements, of which is RM.

Other capital reserve relates to the redemption of redeemable non-cumulative non-voting preference shares by a subsidiary incorporated in the Federal Territory of Labuan, Malaysia. Following the amendment to the Labuan Companies Act 1990 in year 2010 whereby there is no requirement for par value of shares and no requirement for minimum share capital, this reserve has been reclassified from share capital to other capital reserves.



NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Term loans (secured)	16.2	-	6,453	-	-
Hire purchase liability		-	62	-	-
		<u>-</u>	<u>6,515</u>	<u>-</u>	<u>-</u>
Current					
Term loan – Commodity Murabahah Term Financing – I (secured)	16.1	-	101,061	-	101,061
Term loans (secured)	16.2	-	9,678	-	-
Bank overdraft	16.3	32,194	-	-	-
Hire purchase liability		63	66	-	-
		<u>32,257</u>	<u>110,805</u>	<u>-</u>	<u>101,061</u>
Total		<u>32,257</u>	<u>117,320</u>	<u>-</u>	<u>101,061</u>

16.1 Term loan – Commodity Murabahah Term Financing – I

On 14 November 2023, the Company accepted a Commodity Murabahah Term Financing-I (CMTF-i) Facility of RM220.5 million, which is repayable over a tenure of two (2) years. The CMTF-i Facility shall be utilised to fully redeem Series 5 and Series 6 in respect of the first issuance of Sukuk Murabahah under existing Sukuk Murabahah Programme of RM682.5 million.

This term loan was secured by:

- (i) the charge over the Designated Accounts of the Company and two (2) subsidiaries of the Company;
- (ii) the charge over five (5) vessels owned by the subsidiary of the Company;
- (iii) the charge over 1,412,359,950 units of ordinary shares in a subsidiary of the Company;
- (iv) power of attorney granted to the Bank to liquidate/dispose of the shares of the subsidiary of the Company to meet any shortfall in the financial obligations due under Commodity Murabahah Term Financing-I;
- (v) the assignment over all rights, title, benefits and interest from/under all takaful/insurance policies taken or to be taken by the vessel owners of the five (5) vessels;
- (vi) the assignment over all proceeds receivable from and under the contracts secured by the subsidiaries of the Company;
- (vii) the corporate guarantee from a subsidiary of the Company;

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (Cont'd)

16.1 *Term loan – Commodity Murabahah Term Financing – I* (Cont'd)

- (viii) the irrevocable and unconditional letter of undertaking executed by a subsidiary of the Company to inject cash into the Company for purposes of meeting any shortfall in the financial obligations due under Commodity Murabahah Term Financing-I; and
- (ix) first party and/or third party Letter of Set-Off and Memorandum of Deposit cum Deed of Assignment of Islamic Fixed Deposit.

The term loan was fully settled during the year.

16.2 *Secured term loans*

The term loans were secured by:

- (i) fixed charge over certain vessels of the Group (see Note 2.1); and
- (ii) assignment and charges over insurance proceeds and revenue of certain vessels of the Group.

The loans were fully settled during the year.

16.3 *Bank overdraft*

The bank overdraft is secured by:

- (i) corporate guarantee from the Company;
- (ii) the charge over the Designated Accounts of a subsidiary of the Company; and
- (iii) deposits pledged to the bank (Note 12).



NOTES TO THE FINANCIAL STATEMENTS

17. Lease liabilities - Group

		2025 RM'000	2024 RM'000
Current		3,585	3,634
Non-current		7,049	9,604
Lease liabilities		<u>10,634</u>	<u>13,238</u>
	Future minimum lease payment RM	Interest RM	Present value of minimum lease RM
2025			
Non-current			
Between one and five years	7,447	398	7,049
Current			
Less than one year	4,019	434	3,585
	<u>11,466</u>	<u>832</u>	<u>10,634</u>
2024			
Non-current			
Between one and five years	10,319	715	9,604
Current			
Less than one year	4,185	551	3,634
	<u>14,504</u>	<u>1,266</u>	<u>13,238</u>

NOTES TO THE FINANCIAL STATEMENTS

18. Trade and other payables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade payables		83,102	158,910	-	-
Trade accruals		33,048	90,827	-	-
		<u>116,150</u>	<u>249,737</u>	<u>-</u>	<u>-</u>
Non-trade					
Other payables		11,827	17,342	36	-
Accrued expenses		33,156	61,730	17,715	30,325
Amount due to a subsidiary	18.1	-	-	629,235	596,718
		<u>44,983</u>	<u>79,072</u>	<u>646,986</u>	<u>627,043</u>
Total		<u>161,133</u>	<u>328,809</u>	<u>646,986</u>	<u>627,043</u>

18.1 Amount due to a subsidiary is unsecured, subject to interest at 4.90% (2024: 4.90%) per annum and repayable on demand.

19. Revenue

	Note	2025 RM'000	2024 RM'000
Group			
Revenue from contracts with customers	19.1	565,065	988,164
Other revenue - vessel charter income		373,004	479,976
		<u>938,069</u>	<u>1,468,140</u>
Company			
Revenue from contracts with customers	19.1	27,613	41,160
Other revenue - dividend income from a subsidiary		273,296	173,242
		<u>300,909</u>	<u>214,402</u>

The Group's charter hires with customers are determined as leases under MFRS 16. The Group, as a lessor, generates revenue from leasing out marine vessels under charter hires. Vessel charter income is recognised over the term of the charter on an accrual basis.



NOTES TO THE FINANCIAL STATEMENTS

19. Revenue (Cont'd)

19.1 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by service line and timing of revenue recognition.

	2025 RM'000	2024 RM'000
Group		
Type of contracts		
Topside maintenance services		
- Lump sum	195,073	328,461
- Unit rate	305,816	543,190
- Reimbursable	3,630	70,181
Catering services	60,546	46,332
	<u>565,065</u>	<u>988,164</u>
Geographical market		
Malaysia	<u>565,065</u>	<u>988,164</u>
Timing of recognition		
At a point in time	3,630	70,181
Over time	561,435	917,983
	<u>565,065</u>	<u>988,164</u>
Company		
Major service line		
Management services	<u>27,613</u>	<u>41,160</u>
Geographical market		
Malaysia	<u>27,613</u>	<u>41,160</u>
Timing of recognition		
Over time	<u>27,613</u>	<u>41,160</u>

NOTES TO THE FINANCIAL STATEMENTS

19. Revenue (Cont'd)

19.2 Nature of services

The following information reflects the typical transactions as follows:

Group

Type of contracts	Timing of recognition or method used to recognise revenue	Significant payment terms
Lump sum	Revenue is recognised over time using the cost incurred method.	Credit periods of 30 days from invoice date.
Unit rate	Revenue is recognised over time using the cost incurred method.	Credit periods of 30 days from invoice date.
Reimbursable	Revenue is recognised at a point in time when the goods/services are delivered/rendered and accepted by the customers.	Credit periods of 30 days from invoice date.
Catering services	Revenue is recognised over time when the services are performed and accepted by the customers.	Credit period of 30 to 45 days from invoice date.

Company

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Management services	Revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company.	Credit periods of 30 to 45 days from invoice date.

19.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2025 RM'000	2024 RM'000
Topside maintenance services	<u>14,681</u>	<u>20,948</u>

The Group applies the practical expedients on exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.



NOTES TO THE FINANCIAL STATEMENTS

19. Revenue (Cont'd)

19.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For lump sum and unit rate contracts, the Group measured the performance of work done by comparing the actual costs incurred with the estimated total costs required to complete the work. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on project teams' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised. The input method measures the efforts or materials expended faithfully depicts the transfer of goods or services to the customer, as substantially all of these costs are cost of the labour and material used to perform the work.

20. Other income/(expenses)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other income				
Gain on disposal of property, plant and equipment	135	3,297	-	-
Gain on disposal of assets held for sale	-	948	-	-
Gain on lease modification	105	54	-	-
Insurance claim	-	567	-	-
Reversal of impairment loss on investment in a subsidiary (Note 4)	-	-	-	97,975
Realised gain on foreign exchange	21,070	-	-	-
Unrealised gain on foreign exchange	2,843	10,565	-	-
Others	1,660	1,450	-	-
	<u>25,813</u>	<u>16,881</u>	<u>-</u>	<u>97,975</u>

NOTES TO THE FINANCIAL STATEMENTS

20. Other income/(expenses) (Cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other expenses				
Loss on foreign exchange	-	140	-	-
Impairment loss on investment in a subsidiary (Note 4)	-	-	97,245	-
Impairment loss on property, plant and equipment (Note 2.2)	1,623	1,853	-	-
Penalty	265	1,150	265	112
Others	1,544	923	-	-
	<u>3,432</u>	<u>4,066</u>	<u>97,510</u>	<u>112</u>

21. Results from operating activities

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Results from operating activities is arrived at after charging/(crediting):					
Auditors' remuneration:					
- Audit fees					
- KPMG PLT		578	578	106	106
- Others		10	10	-	-
- Non-audit fees					
- KPMG PLT		30	30	17	17
- Affiliates of KPMG PLT		428	636	152	68
		<u>428</u>	<u>636</u>	<u>152</u>	<u>68</u>



NOTES TO THE FINANCIAL STATEMENTS

21. Results from operating activities (Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Material expenses/(income):					
Depreciation of property, plant and equipment	2	95,336	98,019	-	-
Depreciation of right-of-use assets	3	4,566	4,315	-	-
Gain on disposal of property, plant and equipment		(135)	(3,297)	-	-
Gain on disposal of assets held for sale		-	(948)	-	-
Gain on lease modification		(105)	(54)	-	-
(Gain)/loss on foreign exchange - Realised		(21,070)	140	-	-
Gain on foreign exchange - Unrealised		(2,843)	(10,565)	-	-
Impairment loss on property, plant and equipment	2	1,623	1,853	-	-
Impairment loss/(Reversal of impairment loss) on investment in a subsidiary	4	-	-	97,245	(97,975)
Reversal of impairment loss on financial assets		(10,241)	-	-	-
Personnel expenses (including key management personnel):					
- Contributions to the Employees Provident Fund		13,323	19,776	170	183
- Wages, salaries and others		216,013	306,233	1,558	1,621
Property, plant and equipment written off		70	837	-	-
Expenses arising from leases:					
Expenses relating to short-term leases	(i)	56,035	131,070	-	-
Expenses relating to low-value assets	(i)	123	155	-	-

(i) Recognition exemption

The Group leases equipment with contracts terms of less than 12 months. These leases are short-term and leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

22. Finance income/(costs)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Recognised in profit or loss</i>				
Interest expense of financial liabilities:				
- Loans	(2,728)	(9,278)	(2,185)	(7,571)
- Amount due to a subsidiary	-	-	(22,296)	(22,296)
- Lease liabilities	(571)	(608)	-	-
- Bank overdraft	(24)	(70)	-	-
	<u>(3,323)</u>	<u>(9,956)</u>	<u>(24,481)</u>	<u>(29,867)</u>
Interest income of financial assets:				
- Short term deposits	19,465	14,751	640	314
- Current accounts	493	409	-	-
	<u>19,958</u>	<u>15,160</u>	<u>640</u>	<u>314</u>
Net finance income/(costs) recognised in profit or loss	<u>16,635</u>	<u>5,204</u>	<u>(23,841)</u>	<u>(29,553)</u>



NOTES TO THE FINANCIAL STATEMENTS

23. Tax expense

Recognised in profit or loss

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax expense				
Malaysian - current year	88,830	139,873	5,754	8,070
- prior year	3,754	519	715	452
	<u>92,584</u>	<u>140,392</u>	<u>6,469</u>	<u>8,522</u>
Deferred tax expense (Note 6)				
- Origination and reversal of temporary differences	3,056	(1,498)	-	-
- (Over)/Under provision in prior year	(3,084)	132	-	-
	<u>(28)</u>	<u>(1,366)</u>	<u>-</u>	<u>-</u>
Tax expense	<u>92,556</u>	<u>139,026</u>	<u>6,469</u>	<u>8,522</u>
Reconciliation of tax expense				
Profit for the year	231,695	364,594	144,967	234,136
Tax expense	92,556	139,026	6,469	8,522
Profit excluding tax	<u>324,251</u>	<u>503,620</u>	<u>151,436</u>	<u>242,658</u>
Income tax calculated using Malaysian tax rate of 24% (2024: 24%)	77,820	120,869	36,345	58,238
Tax effect under Labuan Business Activity Act 1990	(8,481)	(14,141)	-	-
Movement in unrecognised deferred tax assets	(29)	(27)	-	-
Non-deductible expenses	22,576	31,693	35,000	14,924
Non-taxable income	-	(19)	(65,591)	(65,092)
	<u>91,886</u>	<u>138,375</u>	<u>5,754</u>	<u>8,070</u>
Under provision in prior year	670	651	715	452
Tax expense	<u>92,556</u>	<u>139,026</u>	<u>6,469</u>	<u>8,522</u>

NOTES TO THE FINANCIAL STATEMENTS

24. Compensations to key management personnel

Compensations to key management personnel are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors:				
- Fees	2,953	3,018	2,953	2,920
- Remuneration	23,099	36,785	22,693	34,499
	<u>26,052</u>	<u>39,803</u>	<u>25,646</u>	<u>37,419</u>
Other key management personnel:				
- Short term employee benefits	2,359	2,482	699	756
	<u>28,411</u>	<u>42,285</u>	<u>26,345</u>	<u>38,175</u>

Other key management personnel comprise persons other than the Directors of Company, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

25. Basic/Diluted earnings per ordinary share - Group

Basic/Diluted earnings per ordinary share

The calculation of basic/diluted earnings per ordinary share at 31 December 2025 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit attributable to ordinary shareholders	<u>210,469</u>	<u>311,142</u>
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares at 31 December ('000)	<u>1,157,772</u>	<u>1,157,772</u>
Basic/diluted earnings per share (sen)	<u>18.18</u>	<u>26.87</u>

Basic and diluted earnings per share are same as there is no dilutive shares.



NOTES TO THE FINANCIAL STATEMENTS

26. Dividends

Dividends recognised by the Group and the Company:

	Sen per share	Total RM'000	Date of payment
<u>2025</u>			
In respect of financial year ended 31 December 2024:			
Second interim ordinary	7.0	81,044	17 March 2025
In respect of financial year ended 31 December 2025:			
First interim ordinary	7.0	81,044	23 September 2025
		<u>162,088</u>	
<u>2024</u>			
In respect of financial year ended 31 December 2023:			
Second interim ordinary	3.0	34,733	22 March 2024
In respect of financial year ended 31 December 2024:			
First interim ordinary	3.0	34,733	18 September 2024
		<u>69,466</u>	

After the end of the reporting date, in respect of the financial year ended 31 December 2025, a second interim single-tier tax exempt dividend of RM0.07 per ordinary share totalling RM81,044,020 was declared on 11 February 2026 and paid on 12 March 2026. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Directors do not recommend any final dividend to be paid for the financial year under review.

27. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director (the chief operating decision maker) in order to allocate resources to the segments and to assess their performance. For management purposes, the Group is organised into business units based on their services provided. The strategic business units offer different services, and are managed separately. For each of the strategic business units, the Managing Director reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

NOTES TO THE FINANCIAL STATEMENTS

27. Operating segments (Cont'd)

i) Topside Maintenance Services

Provision of offshore topside maintenance services, minor fabrication works and offshore hook-up and commissioning services for oil and gas companies.

ii) Marine Offshore Support Services

Chartering of marine vessels and provision of related support services, as well as catering of food and beverage.

Other non-reportable segments comprise investment holding and equipment hire. None of these segments met the quantitative thresholds for reporting segments in 2025 and 2024.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the Managing Director. Segment profit is used to measure performance as management believe that such information is the most relevant in evaluating results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Managing Director. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Managing Director. Hence, no disclosure is made on segment liabilities.

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. All segment revenue are derived from Malaysia in current and last year.



NOTES TO THE FINANCIAL STATEMENTS

27. Operating segments (Cont'd) Group

	Topside Maintenance Services		Marine Offshore Support Services		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Segment profit	203,134	318,649	141,274	210,181	344,408	528,830
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	504,519	941,833	433,550	526,307	938,069	1,468,140
Inter-segment revenue	-	-	31,715	110,124	31,715	110,124
Depreciation and amortisation	(8,667)	(8,777)	(81,425)	(81,027)	(90,092)	(89,804)
Finance costs	(449)	(518)	(4,086)	(6,550)	(4,535)	(7,068)
Finance income	37,412	37,517	7,156	3,506	44,568	41,023
Impairment loss on property, plant and equipment	-	-	(1,623)	(1,853)	(1,623)	(1,853)
Net unrealised foreign exchange gain	-	-	2,843	10,565	2,843	10,565
Segment assets	1,374,511	1,615,331	1,316,513	1,329,391	2,691,024	2,944,722

NOTES TO THE FINANCIAL STATEMENTS

27. Operating segments (Cont'd)

Reconciliation of reportable segment revenues, profit or loss, assets and other material items

	2025 RM'000	2024 RM'000
Total profit for reportable segments	344,408	528,830
Other non-reportable segments	(20,157)	(25,210)
Consolidated profit before tax	<u>324,251</u>	<u>503,620</u>



NOTES TO THE FINANCIAL STATEMENTS

27. Operating segments (Cont'd)

Reconciliation of reportable segment revenues, profit or loss, assets and other material items (Cont'd)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000
2025					
Total reportable segments	938,069	(90,092)	(4,535)	44,568	2,691,024
Other non-reportable segments	-	(9,810)	(24,500)	1,102	67,121
Goodwill	-	-	-	-	418,261
Elimination of inter-segment transactions or balances	-	-	25,712	(25,712)	(716,033)
Consolidated total	938,069	(99,902)	(3,323)	19,958	2,460,373
2024					
Total reportable segments	1,468,140	(89,804)	(7,068)	41,023	2,944,722
Other non-reportable segments	-	(12,530)	(29,894)	1,143	76,230
Goodwill	-	-	-	-	418,261
Elimination of inter-segment transactions or balances	-	-	27,006	(27,006)	(710,701)
Consolidated total	1,468,140	(102,334)	(9,956)	15,160	2,728,512

NOTES TO THE FINANCIAL STATEMENTS

27. Operating segments (Cont'd)

Major customers

The following are the major customers individually accounting for 10% or more of the group revenue:

	Revenue		Segment
	2025 RM'000	2024 RM'000	
Companies under common control of:			
- Customer A	<u>543,039</u>	<u>884,757</u>	Topside maintenance services and marine offshore support services
- Customer B	<u>216,737</u>	<u>-</u>	Topside maintenance services and marine offshore support services

28. Financial instruments

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Note	Carrying amount RM'000	AC RM'000
2025			
Financial assets			
Group			
Deposits	10	3,203	3,203
Trade and other receivables	9	104,590	104,590
Other investments	11	312,975	312,975
Other financial assets	12	45,742	45,742
Cash and cash equivalents	13	<u>397,469</u>	<u>397,469</u>
Company			
Deposits	10	212	212
Trade and other receivables	9	6,013	6,013
Cash and cash equivalents	13	<u>12,980</u>	<u>12,980</u>



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.1 Categories of financial instruments (Cont'd)

	Note	Carrying amount RM'000	AC RM'000
2025 (Cont'd)			
Financial liabilities			
Group			
Loans and borrowings	16	(32,257)	(32,257)
Trade and other payables	18	<u>(161,133)</u>	<u>(161,133)</u>
Company			
Trade and other payables	18	<u>(646,986)</u>	<u>(646,986)</u>
2024			
Financial assets			
Group			
Deposits	10	3,895	3,895
Trade and other receivables	9	213,611	213,611
Other investments	11	298,709	298,709
Other financial assets	12	47,480	47,480
Cash and cash equivalents	13	<u>386,253</u>	<u>386,253</u>
Company			
Deposits	10	212	212
Trade and other receivables	9	10,056	10,056
Other financial assets	12	3,000	3,000
Cash and cash equivalents	13	<u>9,286</u>	<u>9,286</u>
Financial liabilities			
Group			
Loans and borrowings	16	(117,320)	(117,320)
Trade and other payables	18	<u>(328,809)</u>	<u>(328,809)</u>
Company			
Loans and borrowings	16	(101,061)	(101,061)
Trade and other payables	18	<u>(627,043)</u>	<u>(627,043)</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) arising on:				
Financial assets measured at amortised cost	54,112	25,725	640	314
Financial liabilities measured at amortised cost	(2,752)	(9,488)	(24,481)	(29,867)
	<u>51,360</u>	<u>16,237</u>	<u>(23,841)</u>	<u>(29,553)</u>

28.3 Financial risk management

The Group and the Company are exposed to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries. There are no significant changes as compared to the prior year.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

The principal customers of the Group are major oil and gas companies based in Malaysia. Management reviews the credit worthiness of all major counterparties prior to entering into any contract or transaction with them, to ensure the Group is not exposed to undue credit risk.



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Risk management objectives, policies and processes for managing the risk (Cont'd)

The contract assets (see Note 8.1) have substantially the same risk characteristics as the trade receivables from the same categories of customers.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amount of credit impaired trade receivables is written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the trade receivables does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by their carrying amounts in the statements of financial position.

There are no significant concentrations of credit risk as at the end of the reporting period other than trade receivables due from two (2024: two) counterparties of RM64,261,071 (2024: RM123,139,974) who are involved in the oil and gas industry.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 to 60 days. The Group's debt recovery process is above 180 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the billing team.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

The Group uses an allowance matrix to measure expected credit losses (“ECLs”) of trade receivables. Consistent with the debt recovery process, invoices which are past due by more than one (1) year will be considered as credit impaired. The Group assumes the credit risk on a financial asset to have increased based on the payments being past due by more than one (1) year by considering the industry that the Group is operating in and that the customers are major players in the oil and gas industry, which demonstrates a more lagging default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature:

Group	Gross carrying amount RM'000	ECL RM'000	Net balance RM'000
2025			
Current (Not past due)	35,845	-	35,845
1-30 days past due	28,111	-	28,111
31-90 days past due	20,632	-	20,632
91-365 days past due	11,740	-	11,740
More than 365 days past due	284	(284)	-
	<u>96,612</u>	<u>(284)</u>	<u>96,328</u>
2024			
Current (Not past due)	106,004	-	106,004
1-30 days past due	25,899	-	25,899
31-90 days past due	36,097	-	36,097
91-365 days past due	34,774	-	34,774
More than 365 days past due	10,676	(10,676)	-
	<u>213,450</u>	<u>(10,676)</u>	<u>202,774</u>



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

The movements in the allowance for impairment in respect of trade receivables during the year are as follows:

	Credit impaired RM'000
Balance at 1 January 2024, 31 December 2024 and 1 January 2025	10,676
Amount written off	(151)
Net remeasurement of loss allowance	(10,241)
Balance at 31 December 2025	<u>284</u>

Cash and cash equivalents, other financial assets and other investments

The cash and cash equivalents, other financial assets and other investments are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position and the Group and the Company do not recognise any allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15, *Revenue from Contracts with Customers*.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made thereby to ensure that they are able to meet their obligations as they fall due.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM32.2 million (2024: RM16.1 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, none of the subsidiaries have defaulted on repayment.



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advance on an individual basis.

The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concerns.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Credit risk of the Company as at the end of the reporting period arose mainly from the amount due from two (2024: two) subsidiaries of RM6 million (2024: RM10.0 million).

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries loans and advances when they are payable, the Company considered the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at the end of the reporting period was:

Company

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2025			
Low credit risk	<u>5,938</u>	<u>-</u>	<u>5,938</u>
2024			
Low credit risk	<u>10,049</u>	<u>-</u>	<u>10,049</u>

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings as well as financial guarantees given to banks for credit facilities granted to the subsidiaries.

Risk management objectives, policies and processes for managing the risk

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(b) Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
Group						
2025						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	161,133	-	161,133	161,133	-	-
Lease liabilities	10,634	2.40-7.66	11,466	4,019	7,441	6
Bank overdraft	32,194	6.90	32,194	32,194	-	-
Hire purchase liability	63	2.04	64	64	-	-
	<u>204,024</u>		<u>204,857</u>	<u>197,410</u>	<u>7,441</u>	<u>6</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(b) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
Group (Cont'd)						
2024						
<i>Non-derivative financial liabilities</i>						
Term loan – Commodity	101,061	4.87	103,260	103,260	-	-
Murabahah Term Financing – I (secured)	16,131	6.60-7.41	18,888	10,569	8,319	-
Term loans (secured)	328,809	-	328,809	328,809	-	-
Trade and other payables	13,238	2.40-7.66	14,504	4,185	10,303	16
Lease liabilities	128	2.04	133	70	63	-
Hire purchase liability	459,367		465,594	446,893	18,685	16



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(b) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest/ coupon rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000
Company					
2025					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	17,751	-	17,751	17,751	-
Amount due to a subsidiary	629,235	4.90	660,068	660,068	-
Financial guarantee	-	-	32,194	32,194	-
	646,986		710,013	710,013	-
2024					
<i>Non-derivative financial liabilities</i>					
Term loan – Commodity Murabahah	101,061	4.87	103,260	103,260	-
Term Financing – I (secured)	30,325	-	30,325	30,325	-
Trade and other payables	596,718	4.90	625,957	625,957	-
Amount due to a subsidiary	-	-	16,131	16,131	-
Financial guarantee	728,104		775,673	775,673	-

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(i) Currency risk

The Group is exposed to foreign currency risk on receivables, payables and borrowings that are denominated in a currency other than the respective functional currencies of group entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD") and United States Dollar ("USD").

Exposure to foreign currency risk

The Group's exposure to foreign currency risk attributable to currencies other than the functional currencies of group entities, based on the carrying amounts as at the end of the reporting period was:

Group	Denominated in	
	USD RM	SGD RM
2025		
<u>Financial assets</u>		
Trade and other receivables	594	332
Cash and cash equivalents	437	17
	<u>1,031</u>	<u>349</u>
<u>Financial liabilities</u>		
Trade and other payables	<u>(60,097)</u>	<u>(19,089)</u>
Net currency exposure	<u>(59,066)</u>	<u>(18,740)</u>



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(i) Currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

Group	Denominated in	
	USD RM	SGD RM
2024		
<u>Financial assets</u>		
Trade and other receivables	45,678	6,766
Cash and cash equivalents	197	-
	<u>45,875</u>	<u>6,766</u>
<u>Financial liabilities</u>		
Trade and other payables	<u>(479,675)</u>	<u>(19,838)</u>
Net currency exposure	<u>(433,800)</u>	<u>(13,072)</u>

Currency risk sensitivity analysis

A 10% (2024: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and pre-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remained constant.

Group	Profit or loss	
	2025 RM'000	2024 RM'000
USD#	5,907	43,380
SGD	<u>1,874</u>	<u>1,307</u>

Inclusive of foreign currency effect arising from intercompany balances based on functional currencies of the group entities.

A 10% (2024: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Interest rate risk

The Group's fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term other investments and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and process for managing the risk

The Group monitors its exposure to changes in interest rates on a regular basis.

Borrowings are negotiated with a view to securing the best possible terms, including interest rates, to the Group.



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Financial assets				
- Other investments	312,975	298,709	-	-
- Other financial assets	45,742	47,480	-	3,000
- Deposits placed with licensed banks	140,039	176,933	-	-
Financial liabilities				
- Hire purchase liability	(63)	(128)	-	-
- Lease liabilities	(10,634)	(13,238)	-	-
	<u>488,059</u>	<u>509,756</u>	<u>-</u>	<u>3,000</u>
Floating rate instruments				
Financial liabilities				
- Bank overdraft	(32,194)	-	-	-
- Term loan - Commodity Murabahah Term Financing - I (secured)	-	(101,061)	-	(101,061)
- Term loans (secured)	-	(16,131)	-	-
	<u>(32,194)</u>	<u>(117,192)</u>	<u>-</u>	<u>(101,061)</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2025		2024	
	Profit or loss		Profit or loss	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	RM'000	RM'000	RM'000	RM'000
Group				
Floating rate instruments	<u>(245)</u>	<u>245</u>	<u>(891)</u>	<u>891</u>
Company				
Floating rate instruments	<u>-</u>	<u>-</u>	<u>(768)</u>	<u>768</u>

(iii) Other price risk

Equity price risk arises from the Group's investments in equity securities.



NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.3 Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(iii) Other price risk (Cont'd)

Risk management objectives, policies and processes for managing the risk

Management monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by management.

There is no sensitivity analysis performed as any change will be insignificant to the Group.

28.4 Fair value information

The carrying amounts of cash and cash equivalents, other financial assets, other investments, short term receivables and payables and short-term deposits and borrowings approximate fair value due to the relatively short-term nature of these financial instruments.

The carrying amounts of floating rate borrowings approximate their fair values as these instruments are subject to variable interest rates which in turn approximate the current market interest rates of similar instruments at the end of the reporting period.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2025			
Group			
Financial liabilities			
Hire purchase liability	<u>(64)</u>	<u>(64)</u>	<u>(63)</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (Cont'd)

28.4 Fair value information (Cont'd)

	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2024			
Group			
Financial liabilities			
Hire purchase liability	(135)	(135)	(128)

Level 3 fair value

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

29. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain the confidence of investors, creditors and other stakeholders in the Group and to sustain the future development of its businesses.

There were no changes in the Group's approach to capital management during the financial year.

30. Capital commitments

	Group	
	2025 RM'000	2024 RM'000
Property, plant and equipment		
Approved and contracted for	39,190	33,916



NOTES TO THE FINANCIAL STATEMENTS

31. Related parties

Identity of related parties

For the purposes of these financial statements, a party is considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Significant related party transactions, other than compensations to key management personnel (see Note 24) and those disclosed elsewhere in the financial statements, are as follows:

	Company	
	2025	2024
	RM'000	RM'000
<i>Transactions with subsidiaries</i>		
Interest expense	22,296	22,296
Management fees	(27,613)	(41,160)
	<u> </u>	<u> </u>
	Group	
	2025	2024
	RM'000	RM'000
<i>Transactions with certain Directors and companies in which certain Directors and close members of their families have or are deemed to have substantial interest</i>		
Rental of premises paid	2,969	2,932
Provision of services	4,038	6,156
	<u> </u>	<u> </u>
<i>Transaction with a related party of a corporate shareholder</i>		
Purchase of land	<u> </u>	<u>20,700</u>

Significant party balances related to the above transactions are disclosed in the statements of financial position as well as Notes 9 and 18 to the financial statements. Related party transactions are based on negotiated terms. All the amounts outstanding are unsecured and expected to settle in cash.

NOTES TO THE FINANCIAL STATEMENTS

32. Sales and Service Tax matters

In 2024, a subsidiary received an email from Royal Malaysia Customs Department – Sarawak (“Customs”) requesting the subsidiary to submit certain documents for the financial years from year 2021 to 2023. On 9 May 2024, the Customs emailed and claimed that there was a total short payment of service tax amounting to RM15,413,291.30 arising from the daily charter fee for the financial years from year 2021 to 2023. Consequently, the subsidiary engaged a firm of tax consultants and a law firm to assist in handling the alleged short payment of service tax issue with the Customs.

On 16 July 2024, the Customs further requested the documents for seven (7) financial years from the year 2018 to 2023, which the subsidiary has complied.

On 20 August 2024, the management of the subsidiary with the assistance of the appointed tax consultants explained to the Customs that the subsidiary’s vessels are to provide maintenance/work and not to provide accommodation services. Customs acknowledged the explanation but have yet to revert on their decision regarding the alleged short payment of service tax issue.

Based on management’s assessment and after taking into consideration the advice of appointed tax consultants, the management is of the view that the chartering of marine vessels does not constitute the activity of providing accommodation services and therefore should not be subjected to service tax. There has been no progress or development from Customs since the last financial year. Hence, management has not made a provision for this alleged short payment of service tax in the financial statements of the subsidiary as at and for the years ended 31 December 2025 and 31 December 2024.

33. Subsequent event

Purchase of a maintenance/work vessel

On 20 January 2026, a subsidiary of the Company had entered into a shipbuilding contract with Shin Yang Shipyard Sdn. Bhd., a wholly-owned subsidiary of Shin Yang Group Berhad, for the construction and delivery of a 91-metre Maintenance/Work Vessel at a purchase price of RM117.7 million (excluding sales and service tax), subject to the terms and conditions contained in the agreement.

Reduction of share capital

A subsidiary of the Company proposed the reduction of share capital via the cancellation of the issued share capital of RM600 million pursuant to Section 116 of the Companies Act 2016.

The credit arising from the Proposed Share Capital Reduction shall be utilised to set off the accumulated losses of the subsidiary while the balance, if any, will be credited to the retained earnings of the Company.



STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 126 to 210 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin
Director

.....
Datuk Ling Suk Kiong
Director

Miri,

Date: 9 April 2026

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Datuk Ling Suk Kiong**, the Director primarily responsible for the financial management of Dayang Enterprise Holdings Bhd., do solemnly and sincerely declare that the financial statements set out on pages 126 to 210 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed, **Datuk Ling Suk Kiong**, at Miri in the State of Sarawak on 9 April 2026.

.....
Datuk Ling Suk Kiong

Before me:



INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dayang Enterprise Holdings Bhd., which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 126 to 210.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition from topside maintenance services
Refer to Note 19 Revenue

Key audit matter	How our audit addressed the key audit matter
<p>The Group generates its revenue from provision of maintenance services, fabrication operations, hook-up and commissioning, charter of marine vessels, and equipment rental. Revenue from contracts with customers from maintenance services continued to be the major segment followed by marine vessel charter.</p> <p>Revenue recognised from topside maintenance services segment, which was approximately RM505 million, representing 54% of total revenues. Contracts of topside maintenance services varies, each with different terms. This leads to complexity around the calculation and timing of recognition of revenue from contracts with customers. Currently, the revenue from the maintenance service is tracked manually, and where necessary, significant judgement is made to measure the progress of the services provided and revenue recognised over time in accordance with relevant accounting standard.</p> <p>Accordingly, revenue recognition has been considered as the key audit matter.</p>	<p>Our audit procedures included, amongst others:</p> <ol style="list-style-type: none"> We evaluated the design and implementation as well as tested the operating effectiveness of key control over the preparation of manual journals relating to sales. We inspected all new contracts secured during the year to assess the performance obligations and the transaction prices in accordance with relevant accounting standards. We assessed the fulfillment of the performance obligations by inspecting the progress/milestone reports, job completion tickets and other relevant documents (including timesheets, vessel daily reports, daily status reports, equipment movement notices, etc.). We assessed whether the Group's revenue recognition based on over time or point in time is appropriate according to the terms in the contracts with customers. We obtained an understanding on the basis of estimation applied by the Group in regard to the required cost to complete the jobs and checked on the sample basis on the cost to supplier invoices. We inspected manual journal entries to revenue and revenue related accounts based on specific criteria and compared details with supporting documents and approval. We sent confirmations for trade receivables balances on sample basis and performed alternative test on non-replies by inspecting underlying service orders, work completion forms and other underlying source documents. We assessed the completeness, accuracy and appropriateness of disclosures as required by relevant accounting standard.



INDEPENDENT AUDITORS' REPORT

Key Audit Matters (Cont'd)

2. Impairment assessment of goodwill
Refer to Note 5 Goodwill

Key audit matter	How our audit addressed the key audit matter
<p>The Group has goodwill of RM418 million as at 31 December 2025 relating to the acquisition of Perdana Petroleum Berhad ("Perdana") in 2015. Goodwill with indefinite useful lives are not amortised but are tested for impairment annually.</p> <p>As disclosed in Note 5 to the financial statements, the estimation of recoverable amount used a combination of the value in use approach, which involved forecasting and discounting the future cash flows of the cash generating unit attached to the goodwill and the fair value less cost of disposal approach, whichever is higher.</p> <p>The estimated recoverable amount is dependent upon significant judgement and estimation by the Group, in respect of the utilisation rate, daily charter hire rate, growth rate, daily operating costs, salvage value and discount rate, as well as comparison with recent market transactions of similar vessels of similar age and specifications.</p> <p>We focused on this area as a key audit matter due to the degree of the Group's judgement involved and assumptions of future events that are inherently uncertain. Changes in judgements and the related estimates throughout the projection years could result in material adjustments to the estimated recoverable amount, hence, affect the carrying amount of goodwill.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> i) We evaluated the design and implementation of the key control over the preparation of the valuation model used to assess recoverable amount of the cash generating units. ii) We compared the cashflow forecasts prepared at the end of last financial year for the purpose of impairment assessment with the actual performance of the businesses for the current year to assess how accurate the cash flow forecasts were and making enquiries with the Group as to the reasons for any significant variations identified. iii) We evaluated the valuation methodology and significant inputs used in the valuation by the independent valuer. We also checked the competency and independence of the valuer. iv) We challenged the key assumptions used in the projected cash flows with reference to our understanding of the business, historical trends and available industry information and available market data. v) We evaluated the sensitivity of the impairment calculation to changes in the key assumptions used. vi) We considered the adequacy of the Group's disclosures about the assumptions to which the outcome of the impairment assessment were most sensitive.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (Cont'd)

3. Impairment assessment of marine vessels
Refer to Note 2.2 Impairment testing of marine vessels

Key audit matter	How our audit addressed the key audit matter
<p>The Group's main customers are oil and gas companies involved in upstream exploration activities. The volatility of crude oil prices in 2024/2025 have continued to affect the business activities of the industry in which the Group operates. The Group's profitability has deteriorated in 2025 when compared with 2024 due to the decline in the global demand for offshore support vessels.</p> <p>In previous year, the Group has recognised a net impairment loss of RM1.85 million on certain vessels. Following the assessment during the financial year, the Group has recognised an additional net impairment loss of RM1.62 million on certain vessels in profit or loss.</p> <p>As disclosed in Note 2.2 to the financial statements, the estimation of recoverable amounts involved forecasting and discounting future cash flows to be generated by the respective marine vessels, as well as comparison with recent market transactions of similar vessels of similar age and specifications.</p> <p>This was a key audit matter due to the degree of the Group's judgement involved and assumptions of future events that are inherently uncertain. Changes in judgements and the related estimates throughout the useful lives of the marine vessels could result in material adjustments to the carrying amounts of marine vessels.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> i) We evaluated the design and implementation of the key control over the preparation of the valuation model used to assess recoverable amount of the cash generating units. ii) We compared the cashflow forecasts prepared at the end of last financial year for the purpose of impairment assessment with the actual performance of the businesses for the current year to assess how accurate the cash flow forecasts were and making enquiries with the Group as to the reasons for any significant variations identified. iii) We evaluated the valuation methodology and significant inputs used in the valuation by the independent valuer. We also checked the competency and independence of the valuer. iv) We challenged the key assumptions used in the projected cash flows with reference to our understanding of the business, historical trends and available industry information and available market data. v) We evaluated the sensitivity of the impairment calculation to changes in the key assumptions used. vi) We considered the adequacy of the Group's disclosures about the assumptions to which the outcome of the impairment assessment were most sensitive.



INDEPENDENT AUDITORS' REPORT

Key Audit Matters (Cont'd)

4. Valuation of investment in subsidiaries – Company level
Refer to Note 4 Investment in subsidiaries

Key audit matter	How our audit addressed the key audit matter
<p>One of the subsidiaries of the Company, which had been previously partially impaired due to loss making, has shown decline in its financial performance.</p> <p>During the financial year, the Company has recognised impairment loss of RM97 million.</p> <p>As disclosed in Note 4.1 to the financial statements, the estimation of recoverable amounts involved forecasting and discounting future cash flows to be generated by the subsidiary, as well as comparison with recent market transactions of similar vessels of similar age and specifications.</p> <p>This was a key audit matter due to the degree of judgement involved and assumptions of future events that are inherently uncertain. Changes in judgements and the related estimates throughout the useful lives of the marine vessels could result in material adjustments to the carrying amounts of marine vessels.</p>	<p>Our audit procedures included, amongst others:</p> <p>i) We obtained an understanding of the methodology adopted by the Company in estimating the recoverable amount.</p> <p>ii) We compared the cashflow forecasts prepared at the end of last financial year for the purpose of impairment assessment with the actual performance of the businesses for the current year to assess how accurate the cash flow forecasts were and making enquiries with the Company as to the reasons for any significant variations identified.</p> <p>iii) We evaluated the valuation methodology and significant inputs used in the valuation by the independent valuer. We also checked the competency and independence of the valuer.</p> <p>iv) We challenged the key assumptions used in the projected cash flows with reference to our understanding of the business, historical trends and available industry information and available market data.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors are disclosed in Note 4 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants

Miri,

Date: 9 April 2026

Tai Yoon Foo

Approval Number: 02948/05/2026 J
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

Class of Share : Ordinary shares
Voting Rights : One vote per share
Issued Share Capital : 1,157,771,718

Category	No. of Holders	% of Holders	No. of Holders	% of Holders
1 - 99	278	3.439	7,888	0
100 - 1,000	1,858	22.989	1,082,694	0.093
1,001 - 10,000	4,106	50.804	19,119,760	1.651
10,001 - 100,000	1,428	17.668	43,626,251	3.768
100,001 - 57,888,584 (*)	410	5.073	858,083,678	74.115
57,888,585 and above (**)	2	0.024	235,851,447	20.371
Total	8,082	100.000	1,157,771,718	100.000

Notes:

* - Less than 5% of the total number of issued shares
** - 5% and above of the total number of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS

No	Name of Substantial Holders	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Naim Holdings Berhad	280,401,447	24.22	-	0.00
2.	Datuk Ling Suk Kiong	79,172,463	6.84	42,274,270 ^(a)	3.65
3.	Joe Ling Siew Loung @ Lin Shou Long	42,274,270	3.65	79,172,463 ^(b)	6.84
4.	Datuk Hasmi Bin Hasnan	1,057,030	0.09	280,401,447 ^(c)	24.22
5.	Datuk Abdul Hamed Bin Haji Sepawi	-	0.00	280,401,447 ^(c)	24.22

Notes:

(a) - Deemed interest by virtue of the interest of his children in the Company pursuant to Section 8 of the Act.
(b) - Deemed interest through shares held by his parents.
(c) - Deemed interest by virtue of Section 8 of the Act, held through Naim Holdings Berhad.

DIRECTORS' SHAREHOLDINGS

No	Name	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Datuk Hasmi Bin Hasnan	1,057,030	0.09	280,401,447	24.22
2.	Datuk Ling Suk Kiong	79,172,463	6.84	42,274,270	3.65
3.	Tengku Dato' Yusof Bin Tengku	35,323,960	3.05	-	0.00
4.	Joe Ling Siew Loung @ Lin Shou Long	42,274,270	3.65	79,172,463	6.84
5.	Jeanita Anak Gamang	-	0.00	-	0.00
6.	Datu Hasmawati Binti Sapawi	-	0.00	-	0.00
7.	Chin Hsiun	-	0.00	-	0.00



ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

DIRECTORS' SHAREHOLDINGS (CONT'D)

No	Name	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
8.	Siti Nazrah Binti Ahmad Zaiden	-	0.00	-	0.00
9.	Professor Dr Ho Poh Ling	-	0.00	-	0.00
10.	Zahirudin Bin Khan Asghar Khan	-	0.00	-	0.00
11.	Wong Ping Eng	28,000	0.00	-	0.00

LIST OF TOP 30 SHAREHOLDERS

No	Name	No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD – CIMB FOR NAIM HOLDINGS BERHAD (PB)	145,114,147	12.533
2	NAIM HOLDINGS BERHAD	90,737,300	7.837
3	LING SUK KIONG	48,089,763	4.153
4	NAIM HOLDINGS BERHAD	44,550,000	3.847
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	44,151,600	3.813
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EXEMPT AN FOR AIA BHD.	36,754,200	3.174
7	TENGGU YUSOF BIN TENGGU AHMAD SHAHRUDDIN	35,323,960	3.051
8	KENANGA NOMINEES (TEMPATAN) SDN BHD – LING SUK KIONG	31,082,700	2.684
9	KENANGA NOMINEES (TEMPATAN) SDN BHD – JOE LING SIEW LOUNG @ LIN SHOU LONG	23,180,520	2.002
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	22,000,000	1.9
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)	21,915,100	1.892
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – URUSHARTA JAMAAH SDN. BHD. (2)	20,000,000	1.727
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	19,226,600	1.66
14	JOE LING SIEW LOUNG @ LIN SHOU LONG	19,093,750	1.649
15	LEMBAGA TABUNG HAJI	18,450,900	1.593
16	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD – DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND	17,609,200	1.52
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	15,856,300	1.369
18	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ISLAMIC OPPORTUNITIES FUND	13,911,800	1.201
19	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ISLAMIC SELECT TREASURES FUND	12,101,900	1.045
20	VOGUE EMPIRE SDN BHD	11,718,187	1.012
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	11,138,700	0.962
22	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD – PEMBANGUNAN SUMBER MANUSIA BERHAD	10,010,100	0.864
23	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD – KAF CORE INCOME FUND	9,600,000	0.829
24	CARTABAN NOMINEES (ASING) SDN BHD – THE BANK OF NEW YORK MELLON FOR WISDOMTREE EMERGING MARKETS HIGH DIVIDEND FUND	8,892,300	0.768

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

LIST OF TOP 30 SHAREHOLDERS (CONT'D)

No	Name	No. of Shares Held	%
25	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD – DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS SMALL-CAP FUND	7,357,500	0.635
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD – HONG LEONG ASSET MANAGEMENT BHD FOR HONG LEONG ASSURANCE BERHAD (LP FUND ED102)	7,180,000	0.62
27	CITIGROUP NOMINEES (ASING) SDN BHD – EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	7,129,400	0.615
28	HONG LEONG ASSURANCE BERHAD – AS BENEFICIAL OWNER (LIFE PAR)	7,101,000	0.613
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	7,036,100	0.607
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – LEMBAGA TABUNG HAJI (AIIMAN)	6,711,100	0.579



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth General Meeting ("20th AGM") of DAYANG ENTERPRISE HOLDINGS BHD ("the Company") will be held at Danum 3, Level 5, Imperial Hotel Miri, Lot 827, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Thursday, 21 May 2026 at 10.00 a.m. to transact the following businesses: -

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31st December 2025 together with the Reports of the Directors and the Auditors thereon.
(Please refer to Explanatory Note A)
2. To re-elect the following directors who retire in accordance with Clause 93 of the Company's Constitution and who being eligible, have offered themselves for re-election: -
 - (i) Datuk Ling Suk Kiong **Ordinary Resolution 1**
 - (ii) Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin **Ordinary Resolution 2**
 - (iii) Joe Ling Siew Loung @ Lin Shou Long **Ordinary Resolution 3**
 - (iv) Siti Nazrah Binti Ahmad Zaiden **Ordinary Resolution 4**
3. To approve the payment of Directors' Fees of RM2,952,916 for the financial year ended 31 December 2025.
Ordinary Resolution 5
4. To approve the payment of Meeting Allowance of RM500.00 per meeting to Non-Executive Directors from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company.
Ordinary Resolution 6
5. To re-appoint Messrs. KPMG PLT as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration.
Ordinary Resolution 7

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

6. **Proposed Renewal of Existing and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPT") of a Revenue or Trading Nature which is necessary for the day-to-day operations with the related parties as set out in Section 1.5 (i) of the Circular to Shareholders dated 21 April 2026, be and is hereby renewed, AND THAT mandate be and is hereby granted by the shareholders of the Company to apply to the new RPT as set out in Section 1.5 (ii) of the Circular with the related party mentioned therein, provided that:

- i. such transactions are undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.

AND THAT such approval shall continue to be in force until:-

- i. the conclusion of the next Annual General Meeting ("AGM") at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- ii. the expiration of the period within the next AGM of the Company to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- iii. revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

Ordinary Resolution 8

7. **Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and waiver of pre-emptive rights.**

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being;

AND THAT pursuant to Section 85 of the Act to be read together with Clause 8(d) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT disclosure will be made in the Annual Report in accordance with the Main Market Listing Requirements of Bursa Securities.



NOTICE OF ANNUAL GENERAL MEETING

7. **Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and waiver of pre-emptive rights. (Cont'd)**

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary resolution 9

8. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

CHEE SU LING (MIA 36749)
SSM Practicing Certificate No. 202208000142

Company Secretary

Miri, Sarawak
Dated this 21 April 2026

NOTES:

1. Only members whose names appear in the Record of Depositors as at 14 May 2026 shall be entitled to attend, speak and vote at the 20th AGM.
2. A proxy may but need not be a member of the Company but shall be of full age.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where the member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds and where the member is an Exempt Authorised Nominee, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. The instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via <https://srmy.vistra.com>. Kindly refer to the Administrative Guide for the 20th AGM. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.

NOTICE OF ANNUAL GENERAL MEETING

NOTES: (Cont'd)

6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. The last day and time for lodging proxy form is Wednesday, 20 May 2026 at 10.00 a.m.
7. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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 or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
8. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at 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 or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
9. The Notice of the 20th AGM together with the Form of Proxy, Administrative Guide, Annual Report 2025 and Circular to Shareholders are published on the Company's website at www.desb.net or Bursa Malaysia's website at www.bursamalaysia.com.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put on vote by poll. The poll will be conducted electronically and an independent scrutineer will be appointed.

EXPLANATORY NOTES

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as an approval from the shareholders is not required pursuant to the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, this Agenda is not put forward for voting.

2. Ordinary Resolutions 1 – 4 on the Re-election of Directors

The performance, contribution, effectiveness and independence (as the case may be) of each Director who is recommended for re-election have been assessed through the Board annual evaluation. In addition, the Joint Remuneration and Nomination Committee has also conducted an assessment on the fitness and propriety of the retiring Directors including the review of their fit and proper assessment declarations in accordance with the Directors' Fit & Proper Policy of the Company. The Joint Remuneration and Nomination Committee and the Board of Directors are satisfied with the performance, contribution, effectiveness and independence (as the case may be) of Datuk Ling Suk Kiong, Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin, Joe Ling Siew Loung @ Lin Shou Long and Siti Nazrah Binti Ahmad Zaiden who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 20th AGM.

The respective profiles of the above Directors are set out in the Board of Directors' profile of the Annual Report 2025.



NOTICE OF ANNUAL GENERAL MEETING

3. **Ordinary Resolution 5 and 6 on Directors' Fee and Allowance**

The proposed Resolution 5, if passed, will authorise the payment of the Directors' fee up to the amount of RM2,952,916 for the financial year ending 31 December 2025.

The proposed Resolution 6, if passed, will authorize the payment of the Meeting Allowance of RM500.00 per meeting to Non-Executive Directors from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company.

4. **Ordinary Resolutions 7 on the Appointment of Auditors and authorisation for the Directors to fix their remuneration**

The Audit Committee and the Board have considered the re-appointment of KPMG PLT as Auditors of the Company and collectively agree that KPMG PLT meets the criteria of the adequacy of experience and resources of the firm and the audit team assigned to the audit as prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. **Ordinary Resolution 8 on the Proposed Renewal of Existing and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Resolution 8 if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions involving the interest of Related Parties which are of a revenue or trading in nature and necessary for the Company's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not detrimental to minority shareholders of the Company. The authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

Please refer to the Circular to Shareholders dated 21 April 2026 for further information.

6. **Authority to issue shares pursuant to Sections 75 and 76 of the Act and waiver of pre-emptive rights**

This is the renewal of the mandate obtained from the members at the last Annual General Meeting held on 21 May 2026 ("the Previous Mandate"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

The proposed resolution 9, if passed, will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investments projects, working capital and/ or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 8(d) of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities. Thus, a waiver is required.

ADMINISTRATIVE GUIDE FOR THE TWENTIETH ANNUAL GENERAL MEETING (“20TH AGM”) OF DAYANG ENTERPRISE HOLDINGS BHD

Date : 21 May 2026, Thursday
 Time : 10.00 a.m.
 Broadcast Venue : Danum 3, Level 5, Imperial Hotel Miri, Lot 827, Jalan Pos, 98000 Miri, Sarawak, Malaysia.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 14 May 2026 shall be entitled to attend, speak and vote at the 20th AGM of the Company or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- A proxy may but need not be a member of the Company but shall be of full age.
- If you are unable to attend the meeting, you may appoint the Chairman of the Meeting as your proxy and indicate your voting instructions in the Proxy Form.
- If you wish to participate in the 20th AGM, you are advised not to submit a Proxy Form. You will not be allowed to participate in the 20th AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 20th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 20 May 2026 at 10.00 a.m.**:

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

(ii) By Electronic form:

All members can have the option to submit proxy forms electronically via The Portal at <https://srmy.vistra.com> and the steps to submit are summarised below:

Procedure	Action
i. Steps for individual holders	
Register as a User with The Portal	<ul style="list-style-type: none"> • Visit the website at https://srmy.vistra.com. • Click "Register" and select "Individual Holder" and complete the New User Registration Form. • For guidance, you may refer to the tutorial guide available on the homepage. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. • Once you receive the confirmation, activate your account by creating your password. • If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.



ADMINISTRATIVE GUIDE FOR THE TWENTIETH ANNUAL GENERAL MEETING ("20TH AGM") OF DAYANG ENTERPRISE HOLDINGS BHD

Procedure	Action
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login to https://srmy.vistra.com with your username (i.e. email address) and password. Select the corporate event: Dayang 20th AGM - "Submission of Proxy Form". Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". Read and agree to the Terms and Conditions and confirm the Declaration. Indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with The Portal	<ul style="list-style-type: none"> > Visit the website at https://srmy.vistra.com. > Click "Register" and select "Representative of Corporate Holder" and complete the New User Registration Form. > Complete the registration form with your personal details. > Once registration is completed, you will receive an email notification to verify your registered email address. > After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. > Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to https://srmy.vistra.com with your email address and password Select the corporate exercise name: "Dayang 20th AGM: Submission of Proxy Form" Navigate to the icon ">" at the end of the corporate event. Read and agree to the Terms and Conditions and confirm the Declaration. Select the corporate holder's name. Proceed to download the submission file. Prepare the file for the appointment of proxy(ies) by inserting the required data. Proceed to upload the duly completed proxy appointment file. Select "Confirm" to complete your submission. Print the confirmation report of your submission for your record.

- Any proxy form received after the stipulated time shall be invalid.

ADMINISTRATIVE GUIDE FOR THE TWENTIETH ANNUAL GENERAL MEETING (“20TH AGM”) OF DAYANG ENTERPRISE HOLDINGS BHD

Meeting Registration

- Registration will start at 9.00 a.m. in Danum 3, Level 5, Imperial Hotel Miri, Lot 827, Jalan Pos, 98000 Miri, Sarawak, Malaysia.
- Please present your original MyKad/passport to the registration staff for verification.
- Upon verification, you are required to write your name, and sign the attendance list placed on the registration table.
- No person will be allowed to register on behalf of another person even with the original Mykad/passport of the other person.
- Please arrive early to facilitate registration and avoid delays.
- No recording or photography of the 20th AGM proceedings is allowed without prior consent of the Company.

Voting at the meeting

- All resolutions set out in the Notice of the 20th AGM will be put to vote by poll. The poll will be conducted electronically and an independent scrutineer will be appointed to verify the poll results.

Annual Report

- The Annual Report 2025 is available on the Company’s website at www.desb.net and Bursa Malaysia’s website at www.bursamalaysia.com under Company’s announcements.
- In line with the Company’s sustainability efforts, shareholders are encouraged to refer to the digital version of the Annual Report.
- You may request a printed copy of the Annual Report at <https://srmy.vistra.com> by selecting “Request for Annual Report” under the “Investor Services”.
- Kindly consider the environment before you decide to request a printed copy of the Annual Report.
- Environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

Enquiry

- If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday).

CDS Account No.	
No. of shares Held	
Shareholder's Contact No.	

PROXY FORM

I/We _____
(FULL NAME AS PER NRIC IN BLOCK CAPITAL)
IC No./ID No./Company No. _____ (new) _____ (old)
of _____
(FULL ADDRESS)

being member/members of DAYANG ENTERPRISE HOLDINGS BHD ("the Company") hereby appoint-

First Proxy

Full Name	NRIC/Passport No.	Proportion of Shareholdings represented	
		No. of Shares	%

and/ or failing him/her

Second Proxy

Full Name	NRIC/Passport No.	Proportion of Shareholdings represented	
		No. of Shares	%

Or failing him/her the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company will be held at Danum 3, Level 5, Imperial Hotel Miri, Lot 827, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Thursday, 21 May 2026 at 10.00 a.m. or any adjournment thereof, in the manner indicated below by marking an "X" in the appropriate box:

Resolution	FOR	AGAINST
Ordinary Resolution 1 Re-election of Director: Datuk Ling Suk Kiong		
Ordinary Resolution 2 Re-election of Director: Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin		
Ordinary Resolution 3 Re-election of Director: Joe Ling Siew Loung @ Lin Shou Long		
Ordinary Resolution 4 Re-election of Director: Siti Nazrah Binti Ahmad Zaiden		
Ordinary Resolution 5 Approval of payment of Directors' Fee of RM2,952,916 for the financial year ended 31 December 2025		
Ordinary Resolution 6 Approval of meeting allowance of RM500.00 per meeting for each Non-Executive Director for the period from May 2026 until the next AGM of the Company		
Ordinary Resolution 7 Re-appointment of Auditors: Messrs KPMG PLT as Auditors and authorising the Directors to fix their remuneration		
Special Business		
Ordinary Resolution 8 Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 9 Authority to allot and issue Shares and waiver of pre-emptive rights		

(Please indicate your voting instructions above. In the absence of specific directions, the proxy/proxies will vote or abstain at their discretion.)

Dated this _____ day of _____ 2026.

Signature of Shareholders(s)/Common Seal

**AFFIX
STAMP**

The Share Registrar

Tricor Investors & 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.

FOLD
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NOTES:

1. Only members whose names appear in the Record of Depositors as at 14 May 2026 shall be entitled to attend, speak and vote at the 20th AGM.
2. A proxy may but need not be a member of the Company but shall be of full age.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where the member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds and where the member is an Exempt Authorised Nominee, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. The instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means
The proxy form can be electronically lodged with the Share Registrar of the Company via <https://srmy.vistra.com>. Kindly refer to the Administrative Guide for the 20th AGM. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. The last date and time for lodging proxy form is Wednesday, 20 May 2026 at 10.00 a.m.
7. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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 or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
8. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at 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 or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
9. The Notice of the 20th AGM together with the Form of Proxy, Administrative Guide, Annual Report 2025 and Circular to Shareholders are published on the Company's website at www.desb.net or Bursa Malaysia's website at www.bursamalaysia.com.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by poll. The poll will be conducted electronically and an independent scrutineer will be appointed.


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