

## CHAIRMAN'S STATEMENT



### DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, it is my honour and privilege to present the Annual Report for Dayang Enterprise Holdings Bhd ("the Group") for the financial year ended 31 December 2024 ("FY 2024").



## CHAIRMAN'S STATEMENT



During the FY2024, the activities within the oil and gas industry have increased significantly due to the stable price of crude oil.

As a result, for the FY2024, the Group remarked a historical high revenue of RM1.47 billion compared to RM1.11 billion in FY2023. The overall financial performance of the Group had significantly improved with the Group's profit after tax ("PAT") stood at RM364.59 million for the FY2024, representing an increase of 55.03% as compared to RM235.18 million in FY2023. The strong financial performance was supported by higher contract value, daily charter rates ("DCR") and utilisation rate. During the period under review, the Group recorded 68% vessel utilisation rate compared to 58% in FY2023.

Moving forward, the Group will strive to remain financially and operationally solid by continuously improving its profitability and remaining a cost-efficient service provider for the industry without compromising health and safety standards. We will continue to monitor the current operating environment and remain salient on capital preservation, cash flow

management, and cost efficiency.

As a result of better performance, I am happy to report that the Board of Directors declared its 1st interim dividend of RM0.03 per ordinary share in the aggregate amount of RM35 million, which was distributed on 18 September 2024 and the final dividend of RM0.07 per ordinary share in the aggregate amount of RM81 million was distributed on 17 March 2025.

Finally, I would like to take this opportunity to express my utmost appreciation and gratitude to all members of the Board, management team and employees for their undivided commitment and dedication. Moving forward, we are confident that the Group shall continue to perform and generate better results.

Yours sincerely,

**Datuk Hasmi Bin Hasnan**  
Executive Chairman



# MANAGEMENT DISCUSSION AND ANALYSIS

## Dear Valued Shareholders,

During the financial year 2024 ("FY2024"), the Group delivered a strong performance, benefiting from the stabilisation of crude oil prices coupled with strong economic performance. With the continued demand and stable oil prices, we are optimistic that the FY2025 will continue to be profitable for the Group.

In FY2024, the Group recorded a total revenue of RM1.47 billion, reflecting an increase of 31.91% from RM1.11 billion recorded in FY2023. The Topside Maintenance division contributed a total revenue of RM941.83 million as compared to RM730.37 million in FY2023, of which RM771.92 million was generated from Maintenance, Construction and Modification (MCM) and RM169.91 million was from the Integrated Hook-Up and Commissioning ("IHUC") unit.

The Marine Division also generated higher revenue of RM526.31 million in FY2024, and the strong performance of the Marine division was significantly driven by a high utilisation rate of 68% and higher Daily Chartered Rates (DCR) for all types of vessels as well as third-party vessels. During the period under review, The Group managed to enhance the gross profit margin to 45.67% from 42.58% while reducing group wide risk profile.





# MANAGEMENT DISCUSSION AND ANALYSIS

It is worth to note that during the year, Dayang has been awarded three new MCM contracts, namely package A3 and A5 from Petronas Carigali Sdn. Bhd. and package B4 from Shell Sarawak Sdn. Bhd. with an estimated contract value of RM4.00 billion for a primary period of five years with an option period of another five years. Together, the Group has four running contracts including Asset Integrity Facilities (AIF) that will provide earnings visibility for the next 10 years. During the review period, the Group participated in various tender submissions and is currently awaiting results.

Moving forward, the Group will continue to deliver outstanding performance and committed to deploy efficient capital and assets to build strong competitive advantage and maintain an impeccable track record.

## Financial Review

For FY2024, the Group recorded a profit after tax of RM364.59 million compared to RM235.18 million in FY2023. The increase in profit was mainly driven by higher work orders, improved productivity and stronger performance in the Marine division, reflected in the higher DCR and utilisation rates.



## Prospects

Dear Shareholders,

The forecast for the global economy in the year 2025 suggests a cautiously optimistic outlook, with growth anticipated despite potential challenges. For the oil and gas industry, we initially anticipated the oil price to stabilise between USD65 and USD70 per barrel.

However, taking into account of the recent tariff imposed by America, the price of oil has become volatile. We still believe our segment of platform maintenance will be least affected as not to avoid any disruption in oil production.

The Group's resilience, bolstered by three secured contracts for the next five years, positions the Group for continued success. The expected increase in capital expenditure from clients aiming to enhance oil and gas production is a promising sign that demand for our services in Topside Maintenance and Offshore Support Vessels will remain strong.

Thank you.

**TENGKU DATO' YUSOF BIN TENGKU AHMAD SHAHRUDDIN**

Group Managing Director





# SUSTAINABILITY STATEMENT

## ABOUT THIS SUSTAINABILITY STATEMENT

The Board of Directors (the "Board") of Dayang Enterprise Holdings Berhad ("Dayang" or the "Company") presents this Sustainability Statement ("Statement") for the financial year ended 31 December 2024 ("FY2024"). This Statement discloses the sustainability strategies, priorities, progress, and performance of Dayang and its subsidiaries ("Dayang Group" or the "Group") during FY2024.

## Sustainability Scope and Reporting Period

The scope of this Statement encompasses all wholly-owned business segments of the Group, namely the Topside Maintenance Services and Marine Offshore Support Services. The sustainability performance of the Group's subsidiary, Perdana Petroleum Berhad ("PPB"), which is also a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), is not consolidated in this Statement and they are reported in the PPB's Annual Report and Sustainability Statement.

Data presented in this Statement covers the reporting period from 1 January 2024 to 31 December 2024, unless stated otherwise. This Statement has been prepared in adherence to the Main Market Listing Requirements ("MMLR") of Bursa Securities and has taken into account the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa Securities.

## Assurance

This Statement has not been subjected to internal reviews by the internal auditor nor has it been subjected to external, independent assurance.

## Feedback

We value stakeholders' feedback on this Statement. Any feedback or enquiries regarding this Statement can be channelled to [zaim.husni@desb.net](mailto:zaim.husni@desb.net).

## OUR VALUE CHAIN

Dayang is one of the earliest and most experienced providers of integrated services to the oil and gas industry, offering services in maintenance, fabrication operations, hook-up and commissioning, and chartering of marine vessels.





# SUSTAINABILITY STATEMENT

## OUR VALUE CHAIN (CONT'D)

The Group operates mainly in two segments and the four business operations are categorised as follows:

### TOPSIDE MAINTENANCE SERVICES



#### Provision of Maintenance Services

Dayang Enterprise Sdn Bhd ("DESB") undertakes the overall provision of maintenance services, which focuses on the following areas:

- Maintenance of topside structures
- Maintenance of pipes and valves
- Electrical and instrumentation maintenance

Maintenance services are provided either on a routine or scheduled basis, or in the event of a breakdown or emergency, in which case maintenance works are carried out due to fault or failure.



#### Fabrication Operations

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



#### Hook-Up & Commissioning

In addition, Dayang provides hook-up and commissioning for steel structures and electrical and instrumentation services as part of its supporting products and services to the oil and gas industry. The tasks related to hook-up and commissioning of electrical and instrumentation include electrical engineering, system design, equipment and system procurement, wiring, panel installation, and testing and commissioning.

### MARINE OFFSHORE SUPPORT SERVICES



#### Charter of Marine Vessels

Dayang possesses seven marine vessels, consisting of six maintenance/work vessels and one landing craft ("LCT") used for offshore marine support services, as well as marine crew and catering services (except LCT) to facilitate the provision of its supporting services.

Its subsidiary PPB owns fourteen vessels consisting of eight Anchor Handling Tug Supply Vessels ("AHTS"), five maintenance/ work vessels, and one workboat ("WB"), providing offshore marine support services for the upstream oil and gas industry.



# SUSTAINABILITY STATEMENT

## OUR VALUE CHAIN (CONT'D)

We acknowledge our responsibility to operate sustainably and safeguard the long-term interests of the people and environment we work with. Thus, business sustainability, in the environmental, social, and governance aspects ("ESG"), is integral to Dayang's corporate success. Doing business responsibly and sustainably means creating shared values with our clients, employees, shareholders, business partners, and the greater environment and community.

### Vision

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



### Mission

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



In the pursuit of long-term value creation, Dayang is guided by its Sustainability Policy, which focuses beyond financial performance and compliance. We adopt ethical business standards, anti-corruption and anti-bribery, commit to minimising pollution, and strive to safeguard the safety of those who work with us.

### Compliance and Ethics



- Complying with all applicable legal and regulatory requirements, covering but not limited to environmental and social laws and regulations.
- Conducting business ethically and with integrity.
- Zero tolerance against bribery and corruption.

### Environment



- Zero spillage or pollution incidents that result in fines or penalties.
- Minimise the negative environmental and social impacts caused by waste generated.
- Incorporating climate-related considerations in its long-term business strategies and incorporate alignment with the Recommendations and the Task Force on Climate-related Financial Disclosures.
- Seeking to account for and address its Scope 1 and Scope 2 emissions.

### People



- Safeguarding the safety and health of all people.
- Embracing diversity and being an equal opportunity employer and not discriminating against anyone on the basis of race, religion, gender, age, sexual orientation, disabilities, or nationality.
- Respecting the freedom of association and right to collective bargaining of all its employees and workers.
- Fostering a culture of continuous learning and growth.

The Sustainability Policy is available on our corporate website at [www.desb.net](http://www.desb.net).

Guided by the Sustainability Policy, the Group has established an ESG Management Framework to provide guidance to our employees regarding their responsibilities, processes for managing sustainability-related issues, indicators, and performance, as well as engaging with relevant stakeholders.



# SUSTAINABILITY STATEMENT

## United Nations Sustainable Development Goals ("UN SDGs")

In addition to acting responsibly, Dayang Group also acknowledges the role it plays in global development and progress. In this regard, we look into the United Nations ("UN") 2030 Agenda for Sustainable Development and consider how we are able to contribute to the UN's 17 Sustainable Development Goals ("SDGs").

The SDGs that are relevant to our business operations are summarised as follows:

3



### Good Health and Well Being

Ensure healthy lives and promote well-being for all at all ages.

4



### Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

5



### Gender Equality

Achieve gender equality and empower all women and girls.

8



### Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

10



### Reduced Inequalities

Reduce inequality within and among countries.

11



### Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

12



### Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

13



### Climate Action

Take urgent action to combat climate change and its impacts.

16



### Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE STRUCTURE



The Board holds ultimate responsibility for the Group's sustainability, including ensuring the business strategic plans align with long-term value creation, encompassing the establishment of sustainability strategies, priorities, and targets. In this regard, the Board reviews the Group's Material Sustainability Matters ("MSMs"), as assessed by the Management, and the initiatives, progress, and performance of the relevant MSMs.

The Board ensures that the Group's governance structure is appropriate to manage business sustainability. The Board also reviews the overall engagement with stakeholders to ensure the Group has effective engagement channels with stakeholders, including channels to communicate key sustainability strategies, initiatives, targets, and performance to stakeholders. As appropriate, stakeholders' views and interests are considered or incorporated in business decisions.

The Board is supported by the Corporate Sustainability Committee ("CSC"), which oversees the Group's overall sustainability matters and their performance, ensuring the management of sustainability matters aligns with the Group's Vision, Mission, strategic direction, as well as long-term value creation goals. The CSC is tasked with reviewing the Group's sustainability strategies, initiatives, and key performance indicators ("KPIs") before presenting recommendations to the Board.

The Management, including the heads of department and function, is led by the Managing Director and Deputy Managing Director. The Management is responsible for performing materiality assessment to determine the Group's MSMs and overseeing their management via the sustainability management process. Management also ensures risks and opportunities relevant to the MSMs are considered and managed through the Group's risk management process. The implementation of sustainability-related strategies and the achievement of sustainability targets are also the responsibility of the Management.




# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT

It is important to understand our stakeholders and incorporate their interests, as relevant, in the way we do business. Such an approach allows us to align the Group's long-term interest better and develop longer-term business sustainability.

We have established various engagement channels suited for different engagement objectives, including to communicate relevant information and to obtain feedback.



The table below summarises our key stakeholders, the engagement methods employed, the frequency, and the key topics discussed.

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objectives
 Customer	Monthly meeting and Annual Management Review Meeting	Monthly	<p>Monthly Meeting to discuss quality/operation issues, including changes in the quality system or procedure, if any</p> <p>Management Review Meeting to review the previous year's quality performance and achievement, including revising and amending any procedure, policy, and objective, if any</p>
	System Audit – HSE/Operation/ Tendering/QAQC/ HRA/Inventory/ Manpower/ Procurement Audit	Annually	<p>We have implemented internal and external audits to ensure ongoing monitoring of the delivery of our safety and quality of our operation:</p> <ul style="list-style-type: none"> <li>For Internal Audit - one cycle per year is conducted by the internal auditor, planned by the QAQC Dept</li> <li>For External Audit - one cycle per year, which will be conducted by SIRIM QAS International</li> </ul>
	DESB Marine Services Sdn Bhd ("DMSSB"): International Safety Management ("ISM") DOC Audit – Operation/ HSSE/Shipboard Management/ Procurement/Vessel Maintenance/Human Resource ("HR") (Ship Crew)	Annually	<p>We have implemented internal and external audits to monitor the ongoing delivery of our safety and quality of our services:</p> <ul style="list-style-type: none"> <li>For Internal Audit – a minimum of one cycle per calendar year is conducted by the internal auditor, planned by the Designated Person Ashore ("DPA")/ Company Safety Officer ("CSO").</li> <li>For External Audit - one cycle per year, which will be conducted by the Malaysia Marine Department ("MMD")</li> </ul>



# SUSTAINABILITY STATEMENT




## STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objectives
 Employee	Meeting with the management & employees, both office & marine crew - employees will raise issues	Monthly	Sharing & bonding with the management & employee (Formal or Informal)  Safety connect session – monthly OSH Meeting
	DMSSB: Management Visit	Annually	Senior Management to lead the site visit (onboard) and engagement with the frontliner
	Cost Optimisation - Meeting and discussion	Monthly	Cost efficiency
	Brand Value – Meeting and KPIs	Monthly – Project Team (Once a year for Turnaround)	Minimise operation/project downtime and improve turnaround time
	Diesel Usage and Schedule Waste Management	Monthly	To monitor the diesel consumption and scheduled waste disposal and comply with MARPOL 73/78 and Department of Environment (“DOE”) requirements  Environmental Regulatory Compliance Monitoring Meeting
	Accident Rate – Meeting and engagement	Monthly	Zero accident tolerances  Monthly OSH Meeting
 Suppliers/ Subcontractors & Business Partners	Anti-Bribery and Corruption Policies and Procedures (“ABC Policy”)	Quarterly	Ensure the bidders are required to comply with the ABC Policy and HSSE requirements  Sub-Contractor Engagement  Vendor Questionnaire included Anti-Bribery and Corruption Declaration during the pre-assessment stage
	HSSE Requirement	Quarterly	HSSE Policies and Procedures  Sub-Contractor Engagement
	Invitation to bid	As and when required	Invite at least 3 bidders (based on the client’s requirement) and award to the technically acceptable and commercially lowest bidder



# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objectives
 <b>Suppliers/ Subcontractors &amp; Business Partners</b>	Establish a Price Agreement ("PA") for cost optimisation	Yearly	Invite at least 3 bidders (based on the client's requirement) and award to the technically acceptable and commercially lowest bidder
	Perform Technical Evaluation	As and when required	Project Management Team to monitor and ensure the delivery of safe and quality work to clients
	Quarterly assessment of Contractors/ Subcontractors	Quarterly	Sub-Contractor Engagement  Regular meetings with suppliers/contractors, if there are any issues
	Audit/Site Visit on Contractor/ Subcontractor	Annually	Audit and site visit on Contractor/ Subcontractor to assess their capabilities and ensure compliance  Sub-Contractor Audit (QHSSE Audit)
 <b>Regulators</b>	Compliance with local authorities' requirements	Ongoing	Comply with all the authorities' requirements <ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Labour law</li> <li>• Environmental management and compliance</li> <li>• Occupational Health and Safety</li> <li>• Maritime Rules &amp; Regulations (Marine Offshore Division)</li> </ul>
 <b>Community</b>	Community development programs	As and when required	We care about our society and communities

## OUR MATERIALITY ASSESSMENT PROCESS

We identified and determined the Group's MSMs through a materiality process, prioritising sustainability matters with greater significance to the Group and its diverse stakeholders. The Management team performed a materiality assessment, considering the Group's businesses, business strategies, and short and long-term objectives, amongst others.



# SUSTAINABILITY STATEMENT

## OUR MATERIALITY ASSESSMENT PROCESS (CONT'D)

Dayang adopts a definition for “materiality” that is largely in line with the MMLR, where a MSM is one that reflects the Group’s significant economic, environmental, and social impacts or substantively influences the assessments or decisions of stakeholders. The assessment has also considered the common sustainability matters stipulated in the MMLR.

During the assessment, Management has also taken into consideration the topics or issues concerning stakeholders which were raised during the Group’s ongoing engagement with stakeholders.

The MSMs identified are further analysed to consider the risks and opportunities, enabling more effective management and resource allocation for the Group to prioritise the management of MSMs. Associated risks are also incorporated into the Group’s risk management process for ongoing and periodic monitoring, together with the Group’s overall risk management processes.

During the year, the Management conducted a review of the materiality assessment and determined that the 15 previously identified sustainability matters continued to be relevant to the Group’s operations and operating environment. During the assessment, Dayang identified that the:

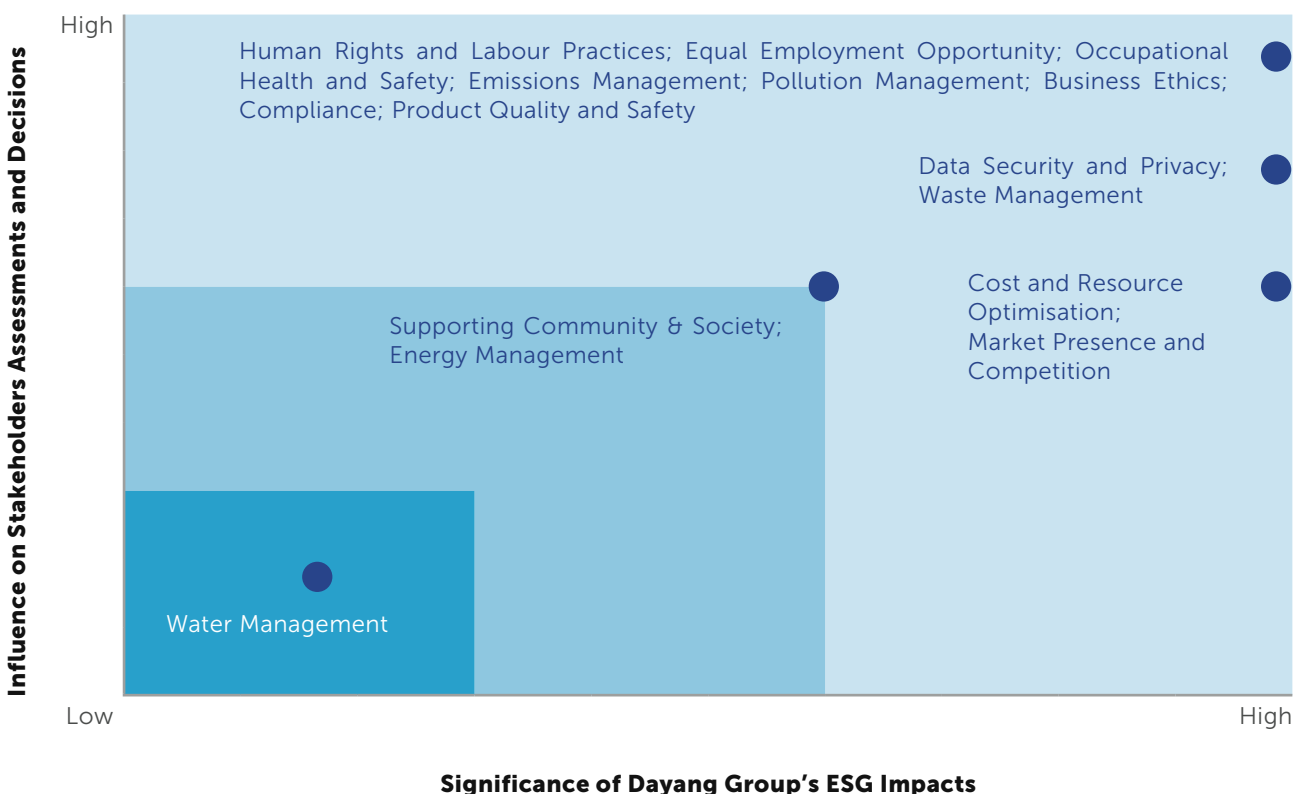
“Business Ethics”, “Equal Employment Opportunity”, “Emissions Management”, as well as “Pollution Management” have **increased**



“Product Quality” was **renamed to “Product Quality and Safety”**



The materiality matrix for FY2024 is illustrated as follows:





# SUSTAINABILITY STATEMENT



## BUSINESS ETHICS

The Group's long-term sustainability depends on how we – and those working on our behalf – do business. Dayang Group is committed to upholding business ethics and integrity and complying with applicable laws and regulations, and delivering our legal obligations towards relevant stakeholders.

The Board, as the highest governance body responsible for setting corporate culture, sets the tone and expectations for ethical business practices in our operations and among our employees. We require all employees to uphold high standards of integrity by strictly following the General Code of Conduct and Discipline. The Group adopts a strict stance against all types of abusive or coercive behaviours, including verbal or physical violence and sexual harassment. In FY2024, the Board established a Conflict of Interest ("COI") Policy to enhance the quality of conflict-of-interest disclosures, including for Directors, Key Senior Management, employees, and legal representatives of the Group, strengthen governance practices, and ensure accountability in managing conflicts-of-interest across Dayang Group.

All new employees are introduced to the General Code of Conduct and Discipline alongside other key policies of the Group. They are required to read, understand the code and provide acknowledgement to adhere to the code.

## Compliance

We are committed to adhering to all applicable legal and regulatory requirements, including those concerning environmental, occupational health and safety, and labour practices. Relevant policies are developed to communicate to stakeholders the Group's stance in relation to specific topics, such as policies relating to safety and environmental protection. Key compliance matters are also managed and monitored via established processes or management systems.

A review of any cases of non-compliance is included in Management's monthly business management reports to ensure timely reporting and management of non-compliance cases. Action plans will also be followed-through to ensure the relevant issues or causes are addressed.

From time to time, gap assessment reviews are conducted against new or updated laws and regulations for the Group's operations to remain compliant. This year, Dayang Group reviewed its practices against the latest amendments to the relevant laws and regulations governing employment practices and ensured compliance with the applicable regulatory requirements.

Where necessary, training is provided to employees to heighten their awareness, knowledge, and ongoing compliance with the latest laws and regulations.



# SUSTAINABILITY STATEMENT

## Data Security and Privacy

The Group maintains and regularly reviews its cybersecurity system to safeguard the integrity of the Group's information and sensitive data, protecting against potential cyber threats. We comply with the Personal Data Protection Act 2010 ("PDPA") in relation to the collection and handling of personal data.

We keep ourselves up-to-date with the latest technological changes and emerging cyber threats to prevent and safeguard our systems. Various security measures are undertaken for our IT system and communication channels, including Multi-Factor Authentication ("MFA"), password complexity requirements, firewall, and others. System updates are also regularly carried out to keep them up-to-date. Data backups are conducted daily.

It is also crucial to ensure our employees adopt good IT security practices. The Group communicates and raises awareness among employees on proper IT usage and the prevention of cyberattacks. Cybersecurity training and programmes also form part of the induction process for new hires and are continually updated to address emerging threats.

Regular IT audits are also conducted by the Quality Assurance/ Quality Control ("QAQC") Department, internal audit, and external entities such as SIRIM for ISO9001 compliance.

We are pleased to announce that there were no cases of PDPA issues or substantiated complaints concerning breaches of customer privacy and losses of customer data or cybersecurity.

	FY2023	FY2024
<b>Cases of PDPA issues (number)</b>	0	0
<b>Substantiated complaints concerning breaches of customer privacy and losses of customer data (number)</b>	0	0

## Anti-Bribery and Corruption Policies and Procedures

Dayang Group adopts a zero-tolerance stance against all forms of bribery and corruption, whether active or passive. The Company has established an Anti-Bribery and Corruption Policy ("ABC Policy") to formalise this anti-corruption stance. The ABC Policy also serves as a communication tool and is available on the Company's corporate website.

The ABC Policy applies to all Directors and employees of the Group. Business Associates providing services to and on behalf of the Group are also expected to comply with the policy.

The ABC Policy provides guidance in relation to higher-risk transactions such as gifts, entertainment, hospitality, and charitable donations, amongst others. Facilitation payment is considered a bribe and is strictly prohibited.

We manage corruption and bribery through a risk-based approach, where corruption and bribery risk is considered in our annual risk management process. The Group has an Anti-Bribery and Corruption Compliance Committee ("ABCC") whose responsibilities include reviewing and monitoring the Group's corruption risks, measures, and relevant performance. All operations of the Group have been considered in the corruption risk assessment.

	FY2023	FY2024
<b>Operations assessed for bribery and corruption-related risk (%)</b>	100%	100%

The Group communicates sufficiently with employees, through reminders, announcements, and training, to ensure they are aware of the ABC Policy. All newly joined employees are briefed on the ABC Policy and they are required to sign an acknowledgement of their understanding and commitment to the policy.

During FY2024, approximately 23% of our employees have received training on anti-corruption. In addition, these employees may have also attended anti-corruption training in previous years. All Senior Management and Middle Management personnel have been communicated on the Group's ABC Policy.

# SUSTAINABILITY STATEMENT

## Anti-Bribery and Corruption Policies and Procedures (cont'd)

Employees who have received training on anti-bribery and corruption <sup>1</sup>	FY2023	FY2024
Senior Management	6 (38%)	0 (0%)
Middle Management	14 (37%)	0 (0%)
Executive	108 (50%)	170 (28%)
Non-Executive	23 (47%)	8 (7%)
Total	151 (47%)	178 (23%)

<sup>1</sup> Measured based on anti-corruption training provided during the financial year under review. For FY2023, the Group covers all permanent employees in the reporting scope. For 2024, the Group includes all office-based employees, including permanent and contract-based employee categories. Contract-based crew staff is not included due to their short-term contract nature.

The Group also communicates its ABC Policy to its business associates, emphasising to stakeholders the importance of adherence to ethical standards and fostering a culture of integrity within our industry and the broader business ecosystem. This proactive communication strategy is aimed at promoting a shared commitment to ethical conduct and minimising the risk of illicit practices through the spreading of awareness.

### Whistleblowing Policy

Dayang Group has established a Whistleblowing Policy that puts in place a whistleblowing channel. The whistleblowing channel provides an avenue for all employees and stakeholders to report in good faith any concerns, including improper conduct, criminal offences, unsafe work practices, abuse of power, corruption, and others.

The Whistleblowing Policy safeguards the confidentiality of the whistleblower's identity to enable reports to be made without fear. Whistleblowers will be protected from retaliation within the Group as a direct consequence of making such reports.

The whistleblowing channel also provides an avenue to report to the Audit Committee Chairman, who is independent from the Management. This provides greater objectivity to the reporting and case handling procedures.

The ABC Policy and Whistleblowing Policy are publicly available on the corporate website.

During the financial year under review, there were zero bribery and corruption incidents reported.

	FY2023	FY2024
Incidents of bribery and corruption (number)	0	0

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

### Market Presence and Competition and Cost and Resource Optimisation

Dayang Group offers a range of services, including maintenance, fabrication operations, hook-up and commissioning, and chartering of marine vessels, as well as vessel technical specifications. This integrated diversification forms an integral part of our sustainable business model.

The oil and gas industry continues to face challenges, including increasingly competitive markets, fluctuating oil prices, geopolitical tensions, political instability, climate change, and increasingly demanding compliance requirements. Against such a challenging landscape, our focus includes maintaining relevance in the market and ensuring the operational efficiency of our operations, amongst others.

We continuously aim to increase our competitiveness through distinctive service quality for customers and generating shareholders' value via cost optimisation. We have well-implemented, efficient, and proactive maintenance strategies to keep us competitive and efficient. These measures help us to reduce inefficient operations, minimise environmental impacts, and optimise resource consumption, and this also supports our endeavour towards sustainable and responsible operations.

# SUSTAINABILITY STATEMENT

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT (CONT'D)

### Market Presence and Competition and Cost and Resource Optimisation (cont'd)

In addition to operational efficiency focuses, other business management initiatives include resource allocation plans, cost optimisation analysis, and collaboration with business stakeholders such as customers and service providers to identify streamlining opportunities and develop solutions to enhance our business. We actively seek synergistic opportunities that create better value and growth opportunities for the Group.

For detailed information regarding the Group's performance, please refer to the Management Discussion and Analysis and Financial Highlights section of this Annual Report for FY2024.

### Products and Services Quality

Dayang Group's products and services are guided by quality objectives, which set out the quality standards expected of our products and services. Our commitment to quality extends throughout our organisation, from the project management of our project teams to the products and services we deliver to our customers. Overall quality of products and services is safeguarded by the Project Management Teams, which are responsible for monitoring and ensuring the delivery of safe and quality work to our customers.

DESB holds certification for its Quality Management System in accordance with MS ISO 9001:2015. The system has undergone maintenance and ongoing improvement through the Group's internal audit programs and annual SIRIM audit assessment.

We continue to be recognised by our customers and the industry, as demonstrated via the following:

- Certificate of Appreciation for industry survey for review of petroleum regulations (Safety measures) (Transportation of petroleum through pipelines) 1985 by Jabatan Keselamatan dan Kesihatan Pekerjaan (Kementerian Sumber Manusia) and Pengarah Bahagian Keselamatan Petroleum JKKP Malaysia;
- Commemoration of Sarawak Vendors in OGSE Industry 2024 Participation on 1st July 2024;
- Certificate of the Best Overall Vessel Operator Award from Shell Malaysia to DESB Marine Services Sdn Bhd at Marine Business Partner Engagement 2024;
- Certificate from Shell Malaysia to Dayang Enterprise Sdn Bhd at Shell Malaysia Safety Awards 2023 in recognition of the outstanding achievement in the category of SAFETY AWARD-FINALIST UPSTREAM CATEGORY;
- Certificate from Shell Malaysia for the achievement of Timi Project Goal Zero for the SK318 project;
- Certificate of Appreciation to Dayang Enterprise Sdn Bhd as an employer carnival MYFUTUREJOBS in conjunction with the national training week ("NTW") WP Labuan 2024 from Kementerian Sumber Manusia (PERKESO);
- HSE Acknowledgement from JX Nippon Oil & Gas Exploration (M) Ltd to Dayang Enterprise Sdn Bhd contributed towards maintaining ZERO Lost Time Incidents ("LTI") throughout the contract duration, cultivating a proactive safety culture that has resulted in a safer working environment, and demonstrating active participation in UCUX submissions on 23 September 2024;
- Recognition of achieving 2024 HSE Performance Excellence as Best Contractor Award from JX Nippon Oil & Gas Exploration (M) Ltd to Dayang Enterprise Sdn Bhd at HSE Forum 2024;
- 18PH3 project received a Quality+ Certificate of Appreciation from PETRONAS, being the First Petronas Project excelled in Creating New Ways of Working ("NWOW"). The award was presented on 27th November 2024;
- DESB proudly received the prestigious Outstanding Industry Partnership Award 2024 from UTM at the UTM Strategic Partner Appreciation Ceremony and held on 24th November 2024 at the Opero Hotel, Johor Bahru;
- 15th October 2024, at Hotel Permai, Kuala Terengganu, DESB was awarded a Certificate of Appreciation for securing 3rd place in the 2024 Best OSH Practices Competition at the JKKP Terengganu state level;
- The Head of QHSE at Dayang Enterprise Sdn Bhd, was honoured with the prestigious Best Quality Personality Award at the PETRONAS MOGSC QWG #14 event on 28th November 2024;
- D18PH3 project achieved First Oil from D18JT-D platform via well 406-B on 18th November 2024, increasing oil production by 1800 BOPD. Achieved two days ahead of schedule with 790k Safe Manhours and zero LTI;
- On 9th December 2024, we celebrated a key achievement with the successful RFSU for additional well 508L at Bokor E Platform, Sarawak after mothballing for four(4) years; and
- Recognition of Excellence in Collaboration Execution from Hibiscus Petroleum at Hibiscus Malaysia Operated Asset Sabah Integrated Wells Campaign 2024.
- Recognition of QHSE Excellence and Outstanding Efforts for achieving incident free operation of D21 Phase 3 Well Campaign 2024 from ROC Oil to Dayang Enterprise Sdn Bhd on 16th May 2024





# SUSTAINABILITY STATEMENT

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT (CONT'D)

### Market Presence and Competition and Cost and Resource Optimisation (cont'd)

#### Products and Services Quality (cont'd)

The Management conducts monthly meetings to monitor business progress and performance, including addressing any quality and operational issues. Management Review Meetings are further held periodically with Senior Management to monitor key quality performance and achievements. These processes enable the Management to keep a close eye on key business performance indicators, including safety matters, enabling the Corporate Health, Safety, Security and Environment ("HSSE") Department and the QAQC Department to identify potential amendments or enhancements to policies, procedures, and objectives. The QAQC Department is also responsible for auditing the operational units to ensure adherence to ISO Standards.

For further details regarding the quality management system, please refer to the Statement of Risk Management and Internal Control of the Annual Report FY2024.

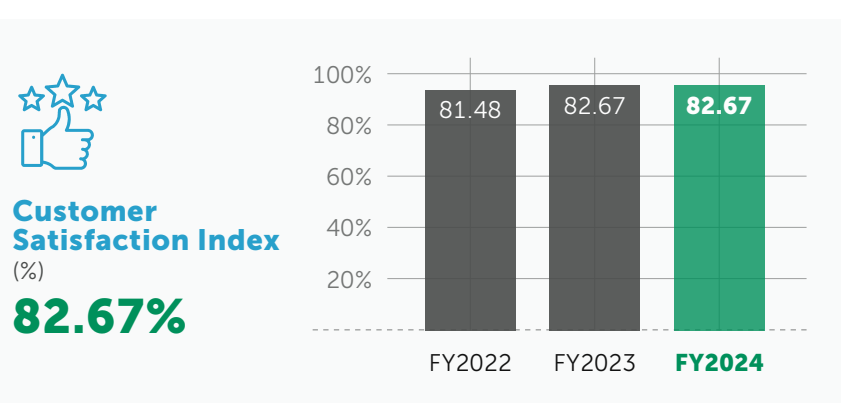
We further utilise internal and external audits to provide independent assurance on the quality and safety of our operations. Annual audits, planned together with the QAQC Department, are carried out by the Group's internal auditors to assess the adequacy and effectiveness of the Group's risk management and internal control system. The operations are also subject to an annual external audit conducted by SIRIM QAS International.

#### Customer Satisfaction

We engage with customers via various approaches to obtain their feedback and understand their concerns regarding our products, services, and operations. A Quality Project Plan is implemented not only to invite constructive views but also to oversee and monitor customer satisfaction.

We measure the "Customer Satisfaction Index" every year via the Group's "Customer Survey Feedback" tool. Customers are invited to provide their scoring, comments, and views regarding our products and services. The feedback is valuable as it provides insight into where our strengths are and also helps us to identify areas for improvement.

We recorded an average Customer Satisfaction Index of 82.67% for FY2024.



#### Suppliers and Service Providers

We also place a strong emphasis on fair and proper business practices in all dealings with stakeholders, including governmental authorities, customers, suppliers, vendors, agents, representatives, contractors, subcontractors, and competitors. We expect stakeholders to adhere to applicable laws and regulations governing free and fair competition within the industry and in our supply chain.

As part of our commitment, all our new suppliers are required to complete a Vendor/Subcontractor Pre-Assessment Sheet and the ABC Declaration form, which is included in the Vendor/Subcontractor questionnaire. The assessment forms part of our evaluation and review process, ensuring our suppliers adhere to the Group's ethical and standards and requirements, as well as meeting our business requirements. We also have regular meetings with contractors and subcontractors to keep all parties of the project updated with the latest progress, including any challenges or risks affecting project progress, in addition to facilitating proactive problem resolution.

# SUSTAINABILITY STATEMENT

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT (CONT'D)

### Market Presence and Competition and Cost and Resource Optimisation (cont'd)

#### Supporting the Local Economy

During the financial year under review, all of the Group's goods and services were procured from local suppliers or service providers.

	FY2023	FY2024
<b>Local Procurement<sup>2</sup></b>	99%	<b>100%</b>

<sup>2</sup> Local procurement refers to procurement sourced from entities registered in Malaysia.

	FY2023	FY2024
<b>Average full-time contract-based crews<sup>3</sup></b>	2,068	<b>2,482</b>

<sup>3</sup> Full-time contract-based crews = total monthly full-time contract-based crews / 12

## EQUAL AND SUSTAINABLE WORKPLACE

### Equal Employment Opportunity

Employees are key human capital for Dayang Group. We believe in equality and diversity, and we strongly advocate for the respect of fundamental human rights of all people. We embrace diversity, non-discrimination, fair treatment, and equal opportunities within our workforce. We aim to cultivate an inclusive organisational culture, nurturing a healthy, secure, and motivated workforce.

Due to the nature of Dayang's business, we rely on contract-based crew staff with whom we have short-term contract arrangements. To better reflect the Group's operation in a more meaningful manner, this year we revised how we present our employee data, reporting contract-based crew staff and office-based employees (which include permanent and contract-based employees) separately. We have also restated FY2023 figures to reflect this new presentation.

The average number of full-time contract-based crews in FY2024 has increased compared to FY2023. The increase is driven by greater projects obtained during the year, requiring additional contract-based crews to support our projects and ensure timely delivery.

### DESB Marine Services Sdn Bhd ("DMSSB")

As part of our commitment to responsible governance and sustainable development, DMSSB upholds strong labour practices that safeguard the welfare of our marine crew. While a significant portion of our workforce operates under contract-based arrangements, we ensure all personnel are engaged under a structured compensation framework that is both competitive and compliant with Malaysian labour laws, International Maritime Standards, STCW Code, and the Maritime Labour Convention ("MLC"), 2006.

In alignment with the United Nations Sustainable Development Goal 8 (Decent Work and Economic Growth) and guided by Bursa Malaysia's Sustainability Reporting Framework, we maintain fair wage practices through a proper pay scheme system. This includes timely salary disbursements, adherence to safe working hours, provision of insurance coverage, and access to welfare support. These measures affirm our ESG commitment to 'Social Responsibility, ensuring that the rights and benefits of our crew – whether permanent or contractual – are upheld transparently and equitably.

As of 31 December 2024, Dayang employed 770 office-based employees, comprising 29% permanent employees and 71% contract-based employees. The breakdown of the Group's office-based employees, based on gender, age group, and employee categories, employment type, and turnover and new hire numbers, is as follows.



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Equal Employment Opportunity (Cont'd)

Number (%) of employees (office-based employees)	As at 31 Dec 2024				
	Gender		Age		
	Male	Female	<30	30 - 50	>50
<b>Board of Directors</b>	6 (67%)	3 (33%)	0 (0%)	0 (0%)	9 (100%)
<b>Employees Category</b>					
Senior Management	12 (75%)	4 (25%)	0 (0%)	2 (12%)	14 (88%)
Middle Management	23 (88%)	3 (12%)	0 (0%)	13 (50%)	13 (50%)
Executive	391 (64%)	216 (36%)	122 (20%)	406 (67%)	79 (13%)
Non-Executive	58 (48%)	63 (52%)	44 (36%)	59 (49%)	18 (15%)
<b>Total</b>	<b>484 (63%)</b>	<b>286 (37%)</b>	<b>166 (22%)</b>	<b>480 (62%)</b>	<b>124 (16%)</b>

Number of new hires and employee turnover (office-based employees)	31 Dec 2024	
	New hires number	Turnover number
<b>Employees Category</b>		
Senior Management	0	0
Middle Management	2	7
Executive	140	140
Non-Executive	26	27
<b>Total</b>	<b>168</b>	<b>174</b>

Number (%) of employees (office-based employees)	Full-time permanent (%)	Part-time permanent (%)	Full-time contract-based (%)	Part-time contract-based (%)
31 Dec 2023	319 (35%)	0 (0%)	587 (65%)	0 (0%)
<b>31 Dec 2024<sup>4</sup></b>	<b>227 (29%)</b>	<b>0 (0%)</b>	<b>543 (71%)</b>	<b>0 (0%)</b>

<sup>4</sup> The number of full-time permanent office-based employees as at 31 December 2023 has been restated to reflect the revised reporting scope covering only office-based employees.



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Equal Employment Opportunity (Cont'd)

Number (%) of employees (office-based employees)	As at 31 Dec 2023 <sup>5</sup>				
	Gender		Age		
	Male	Female	<30	30 - 50	>50
<b>Board of Directors</b>	8 (73%)	3 (27%)	0 (0%)	0 (0%)	11 (100%)
<b>Employees Category</b>					
Senior Management	14 (82%)	3 (18%)	0 (0%)	4 (24%)	13 (76%)
Middle Management	41 (68%)	19 (32%)	0 (0%)	31 (52%)	29 (48%)
Executive	440 (66%)	230 (34%)	157 (23%)	432 (64%)	81 (12%)
Non-Executive	83 (52%)	76 (48%)	58 (36%)	78 (49%)	23 (14%)
<b>Total</b>	<b>578 (64%)</b>	<b>328 (36%)</b>	<b>215 (24%)</b>	<b>545 (60%)</b>	<b>146 (16%)</b>

Number of new hires and employee turnover (office-based employees)	31 Dec 2023 <sup>6</sup>	
	New hires number	Turnover number
<b>Employees Category</b>		
Senior Management	0	0
Middle Management	1	0
Executive	168	146
Non-Executive	30	15
<b>Total</b>	<b>199</b>	<b>161</b>

<sup>5</sup> The total number of employees by employee category, age group, and gender as at 31 December 2023 has been restated to report only office-based employees (which include permanent and contract-based employees).

<sup>6</sup> The total number of new hires and employee turnover as at 31 December 2023 has been restated to reflect the revised reporting scope, covering only office-based employees.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Human Rights and Labour Practices

The Group is committed to upholding human rights. Our commitment is reflected in the Group's Sustainability Policy and Human Rights Policy, designed to foster an equal and inclusive working environment throughout our operations. All our employees are required to adhere to relevant policies and procedures.

Guided by the Human Rights Policy, we embrace diversity, strive to create equal opportunity, and do not tolerate discrimination or harassment. We strive to maintain a workplace that is free from discrimination or harassment based on factors such as race, sex, ethnicity, religion, gender, age, sexual orientation, disabilities, or nationality. The basis for recruitment, hiring, placement, development, training, compensation, and advancement at our operations is justified through qualifications, performance, skills, and experience.

The Group recognises and supports the freedom of association and the rights to collective bargaining for all employees and workers. We do not prohibit or obstruct employees from exercising such a right.

We also explicitly prohibit the use of forced labour, human trafficking, and child labour in our operations. We are committed to complying with applicable laws and industry standards concerning working hours, wages, benefits, and holiday entitlements. We aim to maintain reasonable working conditions while treating every individual with utmost respect and dignity.

Occupational health and safety are among our utmost priorities for active management. Dayang has policies and management systems to support the risk identification, management, monitoring, and reporting of safety and health matters to ensure a safe working environment for all.

Due diligence is conducted to identify and mitigate any actual or potential adverse impacts on our activities or our business relationships. Recognising that human rights due diligence is an ongoing process, we emphasise specific attention at certain stages in our business activities, such as the establishment of new partnerships or our operating conditions, and additional due diligence may also be carried out, as appropriate.

### Reporting concerns or violations

Dayang Group has established relevant grievance mechanisms for employees to highlight any issues related to their employment and work conditions, including those related to human rights or employment practices, to the Human Resources Department. The mechanism aims to facilitate effective conflict resolution. Serious misconduct may be further reported via the whistleblowing mechanism. On the other hand, we also promote awareness amongst employees about their rights and knowing when to seek help or report violations. Such awareness briefings are carried out for new employees during their Human Resource Induction Session.

During the financial year under review, there were no substantiated complaints concerning human rights violations.

	FY2023	FY2024
Substantiated complaints concerning human rights violations	0	0

### Employee Engagement and Talent Development

Dayang Group maintains open and transparent communication with its employees. Employee engagement is one of the tools for building a sustainable workforce. In addition to employees' usual work, the Group carries out various engagement activities to enable employees' sense of work-life balance, sense of community, and personal and professional development. Activities such as training, town hall, and team building are carried out to strengthen team cohesion, promote cooperation and learning, stimulate creativity and innovation, cultivate skills and knowledge, and enhance alignment with the organisation's direction.

Dayang Group gave our Long Service Awards to 14 employees in FY2024.

Employee surveys are carried out from time to time to seek feedback from employees. In addition, all employees are subject to annual performance appraisals to review their performance during the year.

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Employee Engagement and Talent Development (Cont'd)

Dayang develops the Group's human capital through empowerment and ongoing investments in the skills and competencies of its workforce through the provision of training and talent development programs. The Group's employee development strategies also incorporate succession planning, which considers the ongoing leadership and management skills required by the Group in the medium and long-term.

#### Top Side Maintenance Services

Under the Top Side Maintenance Services, our full-time contract-based crews are also required to meet all client requirements to ensure their competence when working and servicing at our client facilities. In addition to the obligatory Medical Fitness Report, the competency training completed by our crew includes, but is not limited to:

- Internal training includes a supervisory course, Bolt Flange joint integrity ("BFJI"), mercury awareness, Noise Hearing, Conversation awareness ("NHCA"), Safe handling of Chemical ("SHOC") and Hydrotest; and
- External training includes T-Bosiet, T-Foet, Basic H2S, rigging/ slinging, scaffolding, welding, fire watcher, rescue at height ("RAH"), working at height ("WAH"), blasting painting, and PTW 1 and 2.

#### Marine Offshore Support services

All marine crew under DMSSB are employed on a contract-based basis, and they are fully certified and competent, having successfully completed the required Standards of Training, Certification and Watchkeeping ("STCW") courses, as well as mandatory industry-specific and client-required training programs. This includes competencies in offshore safety, emergency preparedness, and vessel operations, ensuring full compliance with both regulatory standards and client expectations.

Our training and compliance framework ensures that every crew member deployed to our vessels is qualified, current in certifications, and fully prepared to support project execution in demanding offshore environments. We work closely with our clients to continuously align our training requirements with evolving industry standards and operational needs.

This commitment reflects our dedication to crew safety, service quality, and sustainability – supporting SDG Goal 4: Quality Education and SDG Goal 8: Decent Work and Economic Growth, while upholding the governance principles under our ESG strategy.

In FY2024, the Group provided a total of 4,313 training hours to its office-based employees, including permanent and contract-based employees. Employees are required to attend various and relevant training sessions to ensure compliance with safety regulations, operational excellence, and industry standards.

Total Hours of Training (office-based employees)	FY2023 <sup>7</sup>	FY2024
<b>Employees Category</b>		
Senior Management	0	<b>24</b>
Middle Management	198	<b>112</b>
Executive	4,874	<b>3,519</b>
Non-Executive	1,271	<b>658</b>
<b>Total</b>	<b>6,343</b>	<b>4,313</b>

The training topics provided to employees, which may be conducted internally or by external parties, are included as follows:

Enhanced COI Framework	Analysis and Case Studies on the Reporting Framework for Beneficial Ownership of Legal Persons
ESG - Role of the Accountant and Financial Reporting	Understanding Requirements of BNM & SSM on Beneficial Ownership of Legal Persons
ACCA Virtual Seminar - Post Budget 2025	ASME IX Welding Qualification Workshop
MFRS Updates 2024	IMM Certified Coating Inspector Level 1
MIA Town Hall 2024/2025	Understanding the Sarawak Labour Ordinance and Employment (Amendment) Act 2022
ACCA: Budget 2025 Highlights	IMM-JWES Welding Engineer
Sales & Service Tax ("SST") Latest Updates - Common implementation issues and health check in preparation for audit	Invoice Strategy
Understanding of New SST Imposed on Logistics, Repair or Maintenance Services	Employers' Tax Obligation
Recent Amendments to Listing Requirements: Enhanced Conflict of Interest Framework	3rd Conference QHS2E GPP
Latest Updates: Service Tax for Service Industry	

<sup>7</sup> We have restated the training data in FY2023 to reflect the revised reporting scope, covering only office-based employees. Due to the revision in reporting scope, HSSE training hours for KL office-based employees were not available for FY2023. HSSE training hours for KL office-based employees are included for FY2024 data.





# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety

The Group is committed to promoting a safe, conducive, and healthy working environment for all individuals, encompassing employees, including foreign employees, workers, and visitors, in Dayang Group's business operations and services. We also make our commitment clear through the Group's Safety and Health Policy and Sustainability Policy.

In this regard, the HSSE Department, chaired by the HSSE Manager, plays a crucial role in overseeing the overall management of health, safety, security, and environmental considerations in the Group's operations. The HSSE Department is responsible for overseeing and ensuring adherence to HSSE policies, regulations, and guidelines, promoting HSSE awareness and fostering a work culture that prioritises the overarching objective of preventing harm to individuals and safeguarding the environment in which we operate and reside.

Our HSSE practices are guided by established HSSE Guidelines, which cover the following areas:



**Construction Risk Register**



**Incident Investigation Procedure**



**Minimum Health Management**



**Chemical Management**

Furthermore, HSSE at Dayang Group is managed via the HSSE Management System ("HSSE-MS"), which has undergone reviews and improvements to align with industry standards, including that of one of our key clients, Petronas. The HSSE-MS addresses the following elements.



**Leadership and Commitment**



**Policy and Strategic Objectives**



**Organisation, Responsibilities, Resources, Standards and Documents**



**Hazards and Effects Management Process**



**Planning and Procedures**



**Implementation and Monitoring**



**Assurance**



**Management Review**

# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety (cont'd)

To ensure the ongoing effectiveness and efficiency of the HSSE-MS, the Management Review process requires that the HSSE policies, procedures, and other documents are reviewed by the Management at planned intervals.

HSSE at operational sites is overseen by the respective Occupational Safety and Health ("OSH") Committees, which have a balanced representation of Management-level personnel and ground-level employees to actively involve stakeholders in decision-making processes related to health and safety, thereby fostering a comprehensive and collaborative approach to maintaining a secure and compliant operational environment.

The breakdown of Dayang's OSH Committee representatives is summarised as follows:

Representatives in the OSH Committees	FY2022	FY2023	FY2024
Management	30	31	31
Employee	30	31	31

HSSE meetings and monthly OSH Committee Meetings are conducted at various levels, encompassing offshore locations, warehouse yards and offices, serving as a platform for effective communication. The meetings include as follows:

- Daily Toolbox Meeting;
- Monthly Location HSSE Meeting/LOCHSEC;
- Join meeting with the operation team from the client;
- Monthly HSSE Community Meeting;
- Quarterly Contractor Engagement; and
- Annually QHSSE Week/Day.

The Group ensures alignment with regulatory safety frameworks such as the Malaysian Occupational Safety and Health Act 1994, Environmental Quality Act 1974, regulation orders and other relevant Codes of Practice. This alignment ensures that our activities adhere to established standards and legal requirements and uphold the expected level of safety standards. Similarly, the Group's HSSE processes and controls are also subject to internal audits to assess the adequacy and effectiveness of the system.

HSSE risk areas and hazards are identified through regular HSSE risk assessments, where risk areas are analysed for their likelihood and impacts. Mitigative steps are subsequently devised to address the identified risk areas. The HSSE Department makes the effort to take effective steps to prevent potential accidents and injuries to employees' health by minimising, so far as is reasonably practicable, and in cooperation with its employees, the causes of hazards inherent in the workplace.

On the other hand, the OSH Committees of the respective sites work together with the HSSE Department to manage and monitor HSSE risks specific to their sites. The HSSE Department also serves as a centralised role to gather the experience and feedback from the various sites to standardise and develop standard operating procedures that incorporate better practices for consistent implementation throughout the Group, as appropriate.



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety (cont'd)

We collect, analyse, and manage records related to workplace accidents, dangerous occurrences, occupational poisoning, and occupational diseases that occurred. In the event of any accident/ incident or injuries, investigations will be conducted promptly to identify root causes and implement corrective measures. The health and safety performance, investigation, and control undertaken will be reported to the HSSE Department and OSH Committees, and awareness will be shared within the operations to prevent the recurrence of similar accidents or incidents. Apart from that, our workplace is periodically inspected to assess whether any machinery, plants, equipment, substances, appliances, or processes or types of manual labour used therein pose any safety risks.

All employees receive relevant safety briefings or training to ensure that they are sufficiently equipped with HSSE knowledge and skills to carry out their work safely. SHO Continuous Education Programmes are also provided to all our employees to ensure that our employees stay abreast of industry advancements, emerging trends, and evolving best practices relating to HSSE.

During the financial year under review, there were 46 office-based employees, including permanent and contract-based employees, trained on health and safety standards.

Due to the nature of our business and to comply with legal regulations, as well as client expectations, all our full-time contract-based crews are required to attend relevant and required health and safety standards. In FY2024, HSSE training provided for employees includes the following topics:

#### H2S Safety

Tropical Basic Offshore Safety Induction and Emergency Training)

Incident investigation & Reporting

Authorised Entrant & Standby Person for Confined Space

Defensive Driving Course

Seminar Akta A1648

Road Safety Heroes "Road Traffic Safety Management"

Incident Reporting & Analysis Technique

Scheduled Waste Management Train the Trainer

Construction Work Design and Management Seminar 2024

Seminar AKKP (Pindaan) - AKJ (Pemansuhan)

OSHCOF 24: Trends and Transformation In Occupational Health

Simposium Pengurusan Air Dan Marin ke arah Kelestarian Alam Sekitar

International Fire Conference And Exhibition Malaysia

Awareness of Hearing Conservation Programme

Assistant Medical Review Officer

#### Office-based employees and contract-based crews

FY2023<sup>8</sup>

FY2024

#### Employees trained on health and safety standards (number)

42

46

<sup>8</sup> The number of employees trained on health and safety standards in FY2023 has been restated to reflect the revised reporting scope, covering only office-based employees. Due to the revision in reporting scope, the number of employees trained on health and safety standards for KL office-based employees were not available for FY2023 and FY2024.



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Occupational Health and Safety (cont'd)

Dayang Group's safety performance in FY2024 is summarised as follows:

Office-based employees	FY2023	FY2024	
	Performance	Target	Performance
<b>HSSE rule breaking/violation</b> (cases)	0	0	0
<b>Work-related accident/incident</b> (cases)	3	0	9
<b>Total Recordable Case Frequency ("TRCF")/Lost Time Incident Rate ("LTIR")<sup>9</sup></b> (cases)	0.38	0.00	0.32
<b>Near miss reporting</b> (cases)			2
<b>Work-related fatalities</b> (cases)			0

<sup>9</sup> TRCF/LTIR = number of incidents/ manhours x 1,000,000

All cases that occurred in FY2024 were investigated, and appropriate controls were implemented to prevent similar incidents from recurring in our business operations.

### Supporting Community & Society

Dayang is supportive of community investments and contributions that benefit society overall, particularly in initiatives supporting vulnerable communities so that they are not left behind as society and the country progress.

We provided our support where we could, through various methods, including donating a van, sponsoring to Petronita Orchid Run & Ride 2024, making donations to the charity GALA Dinner, and contributing to the Sarawak Unity Education Fund under the MyKasih Foundation. Among others, we also donated to various recipients such as Sekolah Kebangsaan Long Bemang, Ahli Lembaga Pelawat Hospital Miri, Miri Cerebral Palsy Association, Elim Rehabilitation Centre, and Victory Home, as well as sponsoring the Miri Baby-Friendly Hospital Initiative for World Breastfeeding Week 2024.

We have a target of making at least 3 donations or contributions to society every year. In FY2024, we made about 11 contributions amounting to approximately RM 267,891 and benefiting about 260 beneficiaries. The CSR activities conducted by the Group are documented in the Annual Report FY2024.

	FY2023	FY2024
<b>Amount invested in the community<sup>10</sup></b> (RM)	22,000	267,891
<b>Estimated number of beneficiaries of the investment in communities</b> (number)	694	260

<sup>10</sup> Exclude beneficiaries that are internal to the Group



# SUSTAINABILITY STATEMENT

## EQUAL AND SUSTAINABLE WORKPLACE (CONT'D)

### Supporting Community & Society (cont'd)



Beach Cleanup Event



Dayang Invitational Golf 2024



Blood Donation Day



Palliative Care 2024



Palliative Care 2024



Petronita Charity Run & Ride Event 2024

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION

The Group continues to ensure environmental compliance through its management system and performance monitoring. We remain steadfast in our commitment to comply with relevant environmental laws and regulations. Dayang Group views pollution risks seriously and has established an Environment Policy to commit to compliance and strives towards efficiently utilising materials and resources.

The Heads of Departments hold regular meetings to review business performance, which also includes a review of compliance with relevant environmental regulations. Environmental Regulatory Compliance Monitoring ("ERCM") reporting is conducted monthly to facilitate close monitoring, and it also serves as a platform to enable environmental issues to be highlighted and discussed proactively, as well as other regulatory updates. These initiatives support ongoing improvement in the Group's environmental compliance and performance. Regular internal audits are also carried out to assess the adequacy and efficiency of our internal controls in relation to environmental compliance and performance.

In addition to compliance matters, the Group also acknowledges its responsibility in addressing climate-related concerns and risks in relation to the sustainability of the Group as well as the sustainability of the environment in which it operates.

### Climate Change & Greenhouse Gas Emissions

#### Energy and Emissions Management

We continue to carry out initiatives to monitor and manage our energy consumption. We continue to take actions to save and optimise energy consumption in our offices, as well as promote an energy-saving mindset among employees.

#### DESB Marine Services Sdn Bhd ("DMSSB")

All active officers and crews underwent operational emissions mitigation training periodically. By implementing this regular training, we aim to foster a culture of environmental responsibility throughout our operations.

During periods of vessel off-hire, such as standby or maintenance, we prioritise the utilisation of electricity supplied from the shore to the greatest extent possible. This helps us reduce reliance on diesel for electricity for vessel standby and maintenance.

All our vessels comply with the Ship Energy Efficiency Management Plan ("SEEMP"), International Air Pollution Prevention, and, in addition, our workboats comply with the Fuel Oil Management Plans while in operation.

The Group consumed a total of 130,286 MWh in FY2024, comprising 127,985 MWh from fossil fuels used in Group-owned and controlled assets and vehicles, and 2,301 MWh from purchased electricity.

	FY2023	FY2024
<b>Diesel</b> (MWh)	126,782 <sup>11</sup>	<b>127,872</b>
<b>Petrol</b> (MWh)	72	<b>113</b>
<b>Electricity</b> (MWh)	2,659	<b>2,301</b>
<b>Energy consumption</b> (MWh)	<b>129,513</b>	<b>130,286</b>

<sup>11</sup> FY2023 diesel has been restated to include diesel consumption from the Equipment Rental Division, which was previously not included.



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Climate Change & Greenhouse Gas Emissions (cont'd)

#### Energy and Emissions Management (Cont'd)

The emissions reported by the Group are generally derived from its energy consumption. The Group recorded 31,602 tCO<sub>2</sub>e in Scope 1 emissions and 1,018 tCO<sub>2</sub>e in Scope 2 emissions in FY2024. This year, we are also reporting our Scope 3 Category 6 – Business Travel and Category 7 – Employee Commuting emissions, estimated at 532 tCO<sub>2</sub>e and 773 tCO<sub>2</sub>e, respectively.

During the financial year under review, the Group recorded 32,620 tCO<sub>2</sub>e of scope 1 and 2 emissions, which are mainly derived from energy use. The Group also restated FY2023's emissions data to align with updated data provided by the Malaysian Energy Commission.

#### Pollution Management

Pollution management continues to be a challenge and a focus area for our industry.

We ensure our vessels comply with the SEEMP under the International Convention for the Prevention of Pollution from Ships ("MARPOL"). We continue to take efforts to comply with the Department of Environment ("DOE") regulations governing yard operations and MARPOL requirements for marine vessels. Maintenance, testing, and repair work for vessels and machines are scheduled and carried out in time to prevent or reduce pollution arising from under-maintained equipment.

	FY2023	FY2024
<b>Scope 1 emissions<sup>12</sup></b> (tCO <sub>2</sub> e)	31,320 <sup>13</sup>	<b>31,602</b>
<b>Scope 2 emissions<sup>14</sup></b> (tCO <sub>2</sub> e)	1,282	<b>1,018</b>
<b>Total Scope 1 and 2 emissions generated</b> (tCO <sub>2</sub> e)	<b>32,602</b>	<b>32,620</b>
<b>Scope 3 emissions<sup>15</sup></b> (tCO <sub>2</sub> e)		
Category 6 Business Travel	N/A <sup>16</sup>	532
Category 7 Employee Commuting	N/A <sup>17</sup>	773

<sup>12</sup> Scope 1 GHG emissions for fuels were estimated based on the GHG Protocol's Calculation Tools, namely the Stationary Combustion Tool (version 4.2) and Transport Tool (version 2.7). Source: <https://ghgprotocol.org/calculation-tools-and-guidance>.

<sup>13</sup> FY2023 Scope 1 emissions have been restated to include diesel consumption from the Equipment Rental Division, which was previously not included.

<sup>14</sup> Estimated using:

- For FY2023: restated using (1) Peninsular's Grid Emission Factor for FY2022: 0.774 Gg CO<sub>2</sub>e/ GWh (2) Sabah's Grid Emission Factor for FY2022: 0.525 Gg CO<sub>2</sub>e/ GWh (3) Sarawak's Grid Emission Factor for FY2022: 0.199 Gg CO<sub>2</sub>e/ GWh. Source: <https://myenergystats.st.gov.my/news-resources>.
- For FY2024: estimated using (1) Peninsular's Grid Emission Factor for FY2022: 0.774 Gg CO<sub>2</sub>e/ GWh (2) Sabah's Grid Emission Factor for FY2022: 0.525 Gg CO<sub>2</sub>e/ GWh (3) Sarawak's Grid Emission Factor for FY2022: 0.199 Gg CO<sub>2</sub>e/ GWh. Source: <https://myenergystats.st.gov.my/news-resources>.

<sup>15</sup> FY2024 Scope 3 GHG emissions for Business Travel and Employee Commuting were estimated based on the GHG Protocol's Calculation Tools, namely the Stationary Combustion Tool (version 4.2) and Transport Tool (version 2.7). Source: <https://ghgprotocol.org/calculation-tools-and-guidance>.

<sup>16</sup> We began to report Scope 3 Category 6 Business Travel data in FY2024.

<sup>17</sup> We began to report Scope 3 Category 7 Employee Commuting data in FY2024.



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Climate Change & Greenhouse Gas Emissions (cont'd)

#### Pollution Management (Cont'd)

##### **Dayang Enterprise Sdn Bhd ("DESB")**

DESB carries out strategies for sustainable energy practices and emissions reduction. DESB identifies and capitalises on opportunities to transition to renewable alternatives, in line with the global trend to move towards clean and sustainable energy while reducing the carbon footprint.

From time to time, DESB considers opportunities and projects to offset or avoid emissions, such as using energy-efficient LED lighting, recycling of e-waste, and promoting energy conservation among employees. By engaging in these initiatives, DESB seeks to balance and neutralise the environmental impact of Dayang's operations, contributing to a more ecologically responsible and sustainable business model.

##### **DESB Marine Services Sdn Bhd ("DMSSB")**

DMSSB emphasises compliance with international environmental standards, particularly in the realm of air pollution prevention. The company ensures that its vessels strictly adhere to the regulations of the MARPOL 73/78 Annex VI. This international maritime agreement sets forth guidelines and measures aimed at curbing air pollution from ships by regulating emissions of pollutants such as sulphur oxides ("SOx") and nitrogen oxides ("NOx"). By adhering to MARPOL 73/78 Annex VI, DMSSB not only demonstrates its commitment to environmental responsibility but also contributes to the broader global effort to mitigate the impact of shipping activities on air quality and marine ecosystems. DMSSB also carries out various measures such as installation and proper functioning of essential equipment, including oily water separators, sewage treatment plants, garbage compactors, and more.



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Waste Management

Dayang has a Scheduled Waste Management Policy in alignment with the organisation's unwavering commitment to environmental protection and strict adherence to the Environment Quality Act 1974. Dayang is committed to minimising the negative environmental and social consequences associated with the waste generated from the Group's business activities, operations, and products.

Dayang Group places a high priority on ensuring proper waste management. We have in-house personnel certified as Competent Certified Environmental Professionals in Scheduled Waste Management ("CepSwam") to manage all scheduled waste for our operation. The CepSwam-certified personnel also oversee and implement the Group's waste management policies.

We monitor our schedule waste management via the Electronic Scheduled Waste Information System ("eSWIS"), which facilitates systematic monitoring, tracking, and documentation of scheduled waste management. The system also enables efficient management and compliance with regulations. The scheduled waste generated is collected by qualified service providers who carry out disposal in accordance with environmental standards and guidelines.

The Group has also implemented several initiatives for the storage and collection of both waste and recyclables, including having dedicated area and storage for the collection of non-hazardous material for recycling, facilitating the reduction of scheduled waste generated that is hauled and disposed of by licensed disposal companies, and designating a dedicated area where on-site sorted waste materials can be stored in separate skids for collection facilities.

Dayang Group generated 829 tonnes of waste in FY2024, comprising 570 tonnes of hazardous waste and 259 tonnes of non-hazardous waste.

	FY2024				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste					
SW104 (Used Garnet)	409.75	0.00	0.00	388.92	20.83
SW 109 (Waste containing mercury or its compound)	0.56	0.00	0.29	0.27	0.00
SW 305 (Spent lubricating oil)	2.55	0.00	0.00	2.55	0.00
SW 309 (Oil-water mixture such as ballast water)	3.60	0.00	0.00	3.60	0.00
SW 311 (Waste oil or oily sludge)	41.85	0.00	32.95	8.90	0.00
SW322 (Waste of non-halogenated organic solvent)	0.00	0.00	0.00	0.00	0.00
SW409 (Contaminated Paint Can, Container, bags/equipment contaminated with chemicals, pesticides, minerals)	37.35	0.00	2.50	34.85	0.00
SW410 (Contaminated cotton rag, oil filter, Plastics, Paper/filters)	9.39	0.00	0.00	9.39	0.00
SW 417 (Waste of inks, paints, pigments, lacquer, dye/vanish)	56.66	0.00	0.25	56.41	0.00
SW 418 (Discarded Paint)	7.74	0.00	0.00	7.74	0.00

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Waste Management (cont'd)

	FY2024				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste (cont'd)					
SW 422 (A mixture of scheduled and non-scheduled wastes)	0.27	0.00	0.00	0.27	0.00
SW429 Chemicals that are discarded/ off specification	0.20	0.00	0.00	0.20	0.00
Total	569.71	0.00 35.98	35.98	512.90 533.73	20.83
Non-hazardous waste					
E-Waste	0.03	0.00	0.03	0.00	0.00
Scrap Metal	258.31	258.31	0.00	0.00	0.00
Used Battery	0.26	0.26	0.00	0.00	0.00
Used Copier Toner & Drum Cartridge	0.37	0.00	0.37	0.00	0.00
Total	258.97	258.57 258.97	0.40	0.00 0.00	0.00
Total Waste Generated	828.68	258.57	36.38	512.90	20.83
FY2023					
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste <sup>18</sup>					
SW102	0.35	0.00	0.00	0.35	0.00
SW104 (Used Garnet)	266.70	0.00	0.00	245.47	21.23
SW 109 (Waste containing mercury or its compound)	0.10	0.09	0.00	0.01	0.00
SW 305 (Spent lubricating oil)	2.44	0.00	0.00	2.44	0.00
SW 309 (Oil-water mixture such as ballast water)	12.74	0.00	0.00	12.74	0.00
SW 311 (Waste oil or oily sludge)	33.89	0.00	27.33	6.56	0.00
SW322 (Waste of non-halogenated organic solvent)	2.37	0.00	0.00	0.00	2.37
SW409 (Contaminated Paint Can, Container, bags/equipment contaminated with chemicals, pesticides, minerals)	35.16	0.00	2.68	31.28	1.20
SW410 (Contaminated cotton rag, oil filter)	7.06	0.00	0.00	7.02	0.04



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL CONSERVATION & PROTECTION (CONT'D)

### Waste Management (cont'd)

	FY2023				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste (cont'd)					
SW 417 (Waste of inks, paints, pigments, lacquer, dye/vanish)	49.15	0.00	0.85	48.30	0.00
SW 418 (Discarded Paint)	13.31	0.00	0.00	13.31	0.00
SW 422 (A mixture of scheduled and non-scheduled wastes)	0.57	0.00	0.04	0.53	0.00
SW 429 Chemicals that are discarded/off specification	0.02	0.00	0.00	0.02	0.00
Total	423.84	0.00 30.99	30.99	368.03 392.87	24.84
Non-hazardous waste					
Domestic Waste	1.20	0.00	0.00	0.00	1.20
Scrap Metal	354.56	354.56	0.00	0.00	0.00
Used Battery	1.50	1.50	0.00	0.00	0.00
Total	357.26	356.06 356.06	0.00	0.00 1.20	1.20
Total Waste Generated	781.12	356.06	30.99	368.03	26.04

<sup>18</sup> FY2023 hazardous waste has been restated to include the waste data from the marine division.

### Water Management

Dayang Group does not have a significant water-related impact on its operation, deeming water management a lower risk in relation to our business operations. Despite this, we ensure that our operations conscientiously utilise water resources in a responsible manner. We do not have any business operating in water-stressed areas.

During the financial year under review, the Group recorded 16.94 megalitres ("ML") of water consumption.

Dayang Group	FY2023	FY2024
<b>Water Consumption (MI)</b>	18.44	<b>16.94</b>



# SUSTAINABILITY STATEMENT

## PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

The performance data below, generated from the ESG Reporting Platform, highlights key indicators aligned with our Material Matters as follows:

Indicator	Measurement Unit	2023	2024
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	38.00	0.00
Middle Management	Percentage	37.00	0.00
Executive	Percentage	50.00	28.00
Non-Executive	Percentage	47.00	7.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	22,000.00	267,891.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	694	260
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Under 30	Percentage	0.00	0.00
Senior Management Between 30-50	Percentage	24.00 *	12.00
Senior Management Above 50	Percentage	76.00 *	88.00
Middle Management Under 30	Percentage	0.00	0.00
Middle Management Between 30-50	Percentage	52.00 *	50.00
Middle Management Above 50	Percentage	48.00 *	50.00
Executive Under 30	Percentage	23.00	20.00
Executive Between 30-50	Percentage	64.00 *	67.00
Executive Above 50	Percentage	12.00 *	13.00
Non-Executive Under 30	Percentage	36.00 *	36.00
Non-Executive Between 30-50	Percentage	49.00 *	49.00
Non-Executive Above 50	Percentage	14.00 *	15.00
Gender Group by Employee Category			
Senior Management Male	Percentage	82.00 *	75.00
Senior Management Female	Percentage	18.00 *	25.00
Middle Management Male	Percentage	68.00 *	88.00
Middle Management Female	Percentage	32.00 *	12.00
Executive Male	Percentage	66.00 *	64.00
Executive Female	Percentage	34.00 *	36.00
Non-Executive Male	Percentage	52.00 *	48.00
Non-Executive Female	Percentage	48.00 *	52.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	73.00	67.00
Female	Percentage	27.00	33.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00



# SUSTAINABILITY STATEMENT

## PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2023	2024
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	129,513.00 *	130,286.00
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.38	0.32
Bursa C5(c) Number of employees trained on health and safety standards	Number	42 *	46
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	0 *	24
Middle Management	Hours	198 *	112
Executive	Hours	4,874 *	3,519
Non-Executive	Hours	1,271 *	658
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	65.00 *	71.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	0	0
Middle Management	Number	0	7
Executive	Number	146 *	140
Non-Executive	Number	15 *	27
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	100.00
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	18.440000	16.940000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	781.12 *	828.68
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	387.05 *	294.95
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	394.07 *	533.73
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	31,320.00 *	31,602.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	1,282.00 *	1,018.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	1,305.00

Internal assurance   External assurance   No assurance

(\*) Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Dayang Enterprise Holdings Bhd recognises corporate governance as being essential for the long term sustainability of the Group's businesses and performance. The Board believes that a sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to enhance long-term shareholders' value, increase in investors' confidence and protect stakeholders' interests.

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 takes guidance from the key Corporate Governance ("CG") principles as set out in the Malaysian Code of Corporate Governance ("MCCG") issued by the Securities Commission Malaysia.

This CG Overview Statement provides an overview of the corporate governance practices of the Group for the financial year ended 31 December 2024. It is to be read in conjunction with the Corporate Governance Report ("CG Report") which is available on the corporate website at [www.desb.net](http://www.desb.net). The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year 2024.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1. BOARD RESPONSIBILITIES

The Board recognises that its primary role is to protect and promote the interests of its shareholders, with the overriding objective of enhancing the long-term value of the Group. Thus, the Board remains focused on the Group's overall governance by ensuring the implementation of strategic plans and that accountability to the Group and stakeholders is monitored effectively.

The Board plays an active role in reviewing and adopting the strategic business plans of the Group, ensuring that the strategies proposed by the Management are discussed at length, supervising management, reviewing performance and determining business risks parameters.

The Board practices a clear division of responsibilities between the Chairman, Managing Director, Non-Independent Executive Directors, Independent Non-Executive Directors and Non-Independent Non-Executive Director. The position of the Chairman and the Managing Director are held by two different individuals in line with the CG Code's recommendation.

The Chairman is primarily responsible for the orderly conduct of the Board meetings and to ensure the effectiveness of the Board.

The Managing Director and the Non-Independent Executive Directors are responsible for the day to day operations of the Group whereby operational issues and problems are discussed and matters relating to the Group are reviewed and operational strategies are formulated. Independent Directors are involved in various committees and contribute in areas such as performance monitoring and providing independent view for enhancement of corporate governance and controls.

The role of the Senior Management is to manage the Company in accordance with the direction of and delegation by the Board. The Board plays the strategic role in overseeing that the Senior Management carries out the delegated duties to achieve the Group's corporate objectives with long term strategic plans of the business.

In order to ensure the orderly and effective discharge of its functions and responsibilities, the Board has established six (6) Board Committees, namely:

- i) Audit Committee (AC);
- ii) Joint Remuneration & Nomination Committee (JRNC);
- iii) Risk Management Committee (RMC);
- iv) Corporate Social Responsibility Committee (CSRC);



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. BOARD RESPONSIBILITIES (CONT'D)

In order to ensure the orderly and effective discharge of its functions and responsibilities, the Board has established six (6) Board Committees, namely: (cont'd)

- v) Anti-Bribery & Corruption Compliance Committee (ABCC); and
- vi) Corporate Sustainability Committee (CSC)

Each committee has been given clear terms of reference that have been approved by the Board. Issues were deliberated by the respective committees before putting up for recommendation to the Board. The Chairman of the respective Board Committee will provide highlights to the Board of the respective Board Committees meeting at the quarterly Board meetings so as to keep the Board abreast of the decision and deliberation made by each Board Committee. The Board retains full responsibility for approval of these recommendations.

#### Qualified and Competent Company Secretary

The Board has full access to the Company Secretary who provides advisory services particularly on matters relating to the constitution of the Company, facilitating compliance with the listing requirements and the relevant legislation.

The Company Secretary provides support in the execution of corporate proposals. In addition to their statutory duties, the Company Secretary also facilitates communication between the Board and Management. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensure that accurate and proper records of the proceedings of the Board meetings and resolutions passed are recorded and kept in the minutes book at the registered office of the Company.

#### Access to Information and Advice

All Directors have direct access to the advice and services of the Company Secretary on compliance issues and ensure that the Company's policies and procedures are followed. The Directors are also empowered to seek independent professional advice at the expense of the Company, should they consider necessary in their course of duties.

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

Prior to Board Meetings, all Directors are provided with an agenda together with appropriate board papers containing information on major financial, operational and corporate matters of the Group, normally five (5) days prior to the Board meetings to enable the directors sufficient time to review the papers in preparation for the meeting and to obtain further explanations, where necessary and also to give the directors time to deliberate on the issues to be raised at the meeting.

All matters discussed and resolutions passed at each Board meeting are recorded in the minutes of the Board meeting. These minutes are circulated to all Directors for their perusal and confirmation and any Director can request for further clarification on the minutes prior to their confirmation.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. BOARD RESPONSIBILITIES (CONT'D)

#### Board Charter

The Board has adopted a Board Charter which outlines the roles, composition and responsibilities of the Board. The Board conducts a regular review of the Charter when necessary to ensure the continuous relevance of the Charter in line with changes in the expectations of the investors and stakeholders of the Company in general and the guidelines issued by the regulatory authorities from time to time. The Board Charter is published on the Company's website at [www.desb.net](http://www.desb.net).

#### Code of Ethics and Conduct

The Code of Ethics which forms part of the Board Charter, sets out the broad standards of conduct and basic principles to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity.

The Ethics Conduct provides commitment to ethical values through key requirements relating to conflict of interest, confidential information, insider information, protection of the Group's assets and compliance with law and regulations.

The Group has in place a Code of Ethics for its employees which encompasses all aspects of its day to day business operations. Directors and employees of the Group are expected to observe high standards of integrity and ensure compliance with applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties.

#### Anti-Bribery & Corruption Policies and Procedures

Arising from the implementation of Section 17A of the Malaysian Anti-Corruption Commission Amendment Act 2018, the Group adopted Anti-Bribery & Corruption Policies and Procedures on 28 May 2020. This Policy is intended to help the Group and persons associated with the Group to understand the implications pertaining to offenses committed by commercial organisations and persons associated therewith, and to provide guidance on how to implement adequate procedures as a defence against the risks of corruption prosecution and potential hefty fines. The Anti-Bribery & Corruption Policies and Procedures are published on the Company's website at [www.desb.net](http://www.desb.net).

The Anti-Bribery & Corruption Compliance Committee was established on 22 February 2022 to provide independent oversight to anti-bribery & corruption compliance.

#### Whistle Blowing Policy

The Company has adopted a Whistle Blowing Policy to encourage employees and members of the public to bring to the attention of the Board any improper conduct committed or about to be committed within the Group. The Group is committed to absolute confidentiality and fairness in relation to all matters raised and will support and protect those who report violations in good faith without the risk of reprisal.

Details of the Policy are available on the Company's website at [www.desb.net](http://www.desb.net).

#### Fit and Proper Policy

The Board established the Directors' Fit and Proper Policy (FPP) on 30 June 2022, to ensure that any person to be appointed or elected/ re-elected as a Director of Bursa Malaysia Group shall possess the character, experience, integrity, competence and time commitment to effectively discharge his/her roles and responsibilities in the best interest of the Company and its stakeholders.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. BOARD RESPONSIBILITIES (CONT'D)

#### Fit and Proper Policy (Cont'd)

Details of the Policy are available on the Company's website at [www.desb.net](http://www.desb.net).

#### Sustainability Policy

The Company established the Sustainability Policy on 22 February 2024 that sets the Group's stance and commitments pertaining to key sustainability topics. The Group also established the Framework pertaining to the Sustainability Policy to enhance the Group's management of sustainability matters. The Sustainability Policy and Framework further support the Group's sustainability practices in meeting the enhanced sustainability disclosure requirements of the Listing Requirements. The Group's approach to sustainability for the financial year under review is set out in the Sustainability Report on pages 32 to 63 of this Annual Report.

Details of the Sustainability Policy are available on the Company's website at [www.desb.net](http://www.desb.net).

#### Conflict of Interest Policy

The Company adopted the Conflict of Interest Policy on 21 November 2024, aimed to improve the quality of conflict of interest disclosures of the Company and its stakeholders, promoting better governance practices and accountability to manage conflict of interest among the Group and enhancing investors' confidence. This policy also serves as a guide to the Audit Committee Board and Board of Directors of the Group in discharging their duties and obligations, to ensure that management establishes a comprehensive framework for the purposes of identifying, evaluating, approving, reporting and monitoring of conflict of interest situations that arose, persist or may arise within the Group.

Details of the Conflict of Interest Policy are available on the Company's website at [www.desb.net](http://www.desb.net).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION

#### Board Balance

The current Board composition comprised as follows:

Designation	Number of Directors	Percentage (%)
Non-Independent Executive Directors	5	45
Independent Non-Executive Directors	5	45
Non-Independent Non-Executive Directors	1	10
<b>Total</b>	<b>11</b>	<b>100.00</b>

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 ensures objectivity in issues deliberated and impartiality in the decision-making process.

The current size and composition of the Board are adequate to facilitate effective and objective decision-making, given the scope and nature of the Group's business and operations. In addition, the Board collectively provides an appropriate balance and mix of skills, expertise, knowledge, and experience to guide the Group. Following are the collective skills & competence of the Board.

Skill/Competence	Description
Leadership	Overall Stewardship of the Group, business leadership, and public listed company experiences
Strategy and Entrepreneurial Acumen	Business development, project management, assessment of existing and emerging opportunities
Sustainability and Stakeholder Management	Governmental relations, community and investor relations and corporate governance
Technical	Oil and gas, real estate and property development, Construction, Information Technology, Contracting Procurement and other related skills
Finance and Corporate	Accounting and audit, legal, corporate financing, risk management and etc

The Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing with the Group in order to ensure that they remain truly capable of exercising independent judgment and act in the best 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.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION (CONT'D)

#### Ethnic Diversity

During the year under review, the Board comprised 55% Bumiputra and 45% Non-Bumiputra. The Board believed that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance.

Ethnic	Percentage (%)
Bumiputra	55
Non-Bumiputra	45
<b>Total</b>	<b>100.00</b>

#### Gender Diversity

The Company currently comprises six (6) male directors representing 55% of the Board and five (5) female directors, presenting 45% of the Boards. Female representation as a percentage of the full Board is 45%, which is in line with the 30% recommended under Practices 5.9 of the MCCG.

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

#### Board and Key Senior Management Diversity

The Board continually evaluates its requirements as to the appropriate mix of skills and experience required to ensure that its composition remains optimal for the effective discharge of its responsibilities. Their expertise and know-how have been gained through their years of involvement as players in their respective fields. The profiles of the Directors are provided on pages 14 to 24 of the Annual Report.

The appointment of key senior management was also made with due regard for diversity in skills, experience, age, and cultural background.

During the year under review, the key senior management team comprised 3 male senior management staff, representing 75 % and 1 female senior management staff, representing 25% of the team.

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



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION (CONT'D)

#### Tenure of Independent Director

The MCCG provides that the tenure of the independent director shall 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.

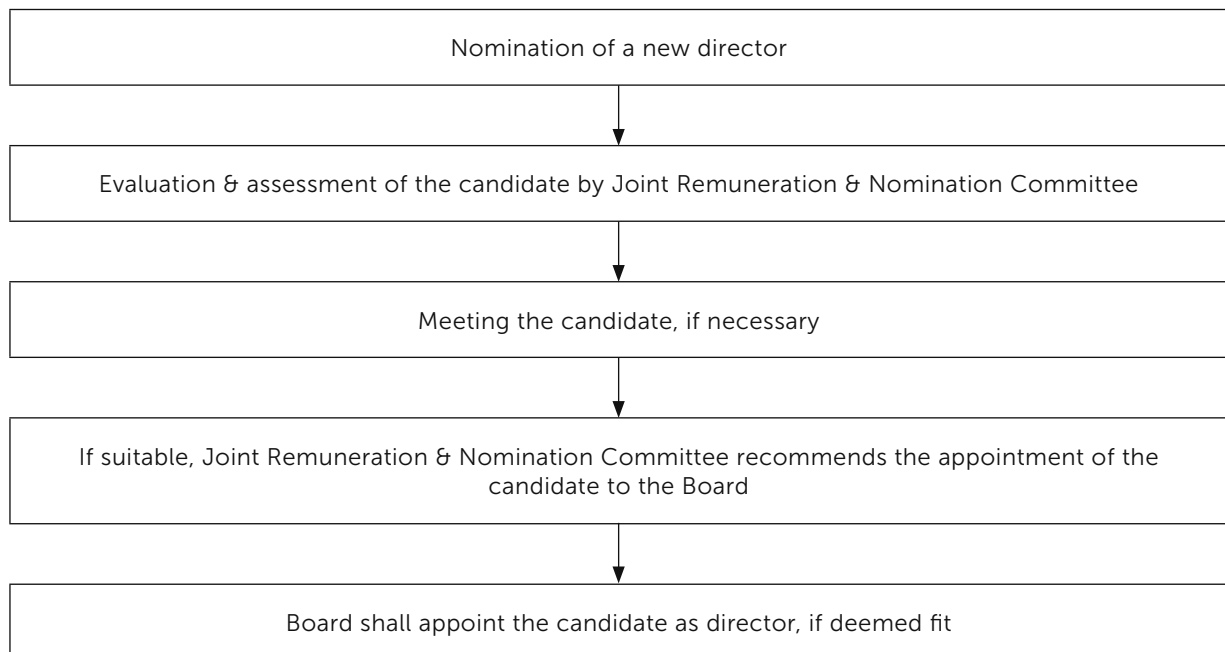
#### Board Appointment

Based on the recommendation of the Joint Remuneration & Nomination Committee, the Board appoints new Directors to the Board. In the election for Board appointment, the Board believes in and provides equal opportunity to candidates who have the right skills, experience, core competencies and other qualities regardless of gender, ethnicity and age. The Board would consider sourcing new directors via independent sources in future.

#### Appointment and Retirement of Directors

The process adopted by Dayang for Board appointments is as follows:

#### **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 for the time being, or the number nearest to one-third (1/3) shall retire from office at each Annual General Meeting.

All Directors of the Company are subject to retirement by rotation at least once every three (3) years. The directors to retire shall be those longest in service since their last appointment.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION (CONT'D)

#### Appointment and Retirement of Directors (Cont'd)

Newly appointed directors shall hold office until the next annual general meeting and shall then be eligible for re-election by shareholders as provided in Article 100 of the Company's Constitution.

The Directors due to retire at the forthcoming AGM are outlined in the Notice of Meeting (Ordinary Resolution 1 to 6).

#### Board Effectiveness

The Board is expected to commit sufficient time as and when required to carry out their responsibilities, besides attending meetings of the Board and Board Committees. All directors shall not hold more than five (5) directorships each in public listed companies.

The existing directors are obliged to notify the Board before accepting any new directorship in other listed issuers. The notification is to ensure the Directors have sufficient time to discharge their duties to the Board and other Board Committees on which they serve.

The Board meets at least five (5) times a year at quarterly intervals with the meetings scheduled in advance before the end of the preceding year to facilitate the Directors in managing their meeting plans. Additional meetings are convened to deliberate on matters requiring immediate attention that need to be made between scheduled meetings.

In the event Directors are unable to attend Board meetings physically, the Company's Constitution allows for such meetings to be conducted via telephone, video conferencing or any other form of electronic or instantaneous communication.

During these meetings, the Board reviews the Group's financial performance, business operations, reports of the various Board Committees and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

The Board met six (6) times during the financial year ended 31 December 2024 where it deliberated and considered a variety of matters affecting the Group's operations including the Group's financial results, business plan and the direction of the Group. All proceedings of the Board meetings are duly minuted by the Company Secretary and signed by the Chairman of the Meeting. The details of attendance of the directors held during the financial year were as follows:-

Name of Director	No. of Meetings Attended
Datuk Hasmi Bin Hasnan	5/6
Datuk Ling Suk Kiong	6/6
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	6/6
Joe Ling Siew Loung @ Lin Shou Long	6/6
Jeanita Anak Gamang	6/6
Ali Bin Adai (Deceased on 16 November 2024)	3/5
Koh Ek Chong (Resigned on 20 February 2025)	6/6
Datu Hasmawati Binti Sapawi	5/6
Chin Hsiun	6/6
Siti Nazrah Binti Ahmad Zaiden	6/6
Jamalludin Bin Obeng (Resigned on 10 June 2024)	4/4
Professor Dr. Ho Poh Ling (Appointed on 1 February 2025)	0/0
Zahirudin Khan Bin Asghar Khan (Appointed on 20 February 2025)	0/0
Wong Ping Eng (Appointed on 20 February 2025)	0/0

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION (CONT'D)

#### Directors' Training

The Board acknowledges that continuous education is vital for the Board members to gain insight into the state of the economy, latest regulatory developments and management strategies. Therefore, the Directors are encouraged to attend training on a continuous basis to enhance their knowledge to enable the Directors to discharge their responsibilities more effectively.

For the year under review, the Directors have individually or collectively attended the following courses/seminars:

Seminar/Workshop	Organiser	Date
2024 Solution Focused Coach Training I, 60 Hours	Academy of Solution Focused Training Pte Ltd	8 January – 8 March 2024
Common Offences under Companies Act 2016	Companies Commission of Malaysia	2 April 2024
Recent Amendments to Listing Requirements: Enhanced Conflict of Interest Framework	CKM Advisory	6 August 2024
Exploring Various RPT Exemption	CKM Advisory	5 September 2024
Mandatory Accreditation Programme Part II: (Leading for Impact (LIP)	ICDM (Institute of Corporate Directors Malaysia)	Throughout 2024

#### Remuneration

The JRNC Committee is also responsible to recommend the remuneration packages for the Non-Independent Executive Directors of the Company to the Board. The Board recommends the remuneration of the Independent Non-Executive Directors and Non-Independent and Non-Executive to the shareholders for approval. Directors shall abstain from deliberation and decisions made in respect of their own remuneration.

The Non-Independent Executive Directors' remuneration is linked to experience, scope of responsibilities, seniority as well as performance. The Independent Non-Executive Directors and Non-Independent and Non-Executive are paid Directors' fee and meeting allowance.

Disclosure of each Director's remuneration is set out under Practice 8.1 in the Corporate Governance Report.

The Board shall continue with the practice of ensuring the confidentiality of the remuneration of its employees to avoid adverse implication including dissatisfaction and animosity among the staff.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. AUDIT COMMITTEE (“AC”)

The composition of the Audit Committee meets the Main Market Listing Requirement where the majority of the members of the Committee are Non-Executive Independent Directors. The members of the Audit Committee comprise the following:

Member	Designation
Professor Dr. Ho Poh Ling (Chairman) (Appointed on 20 February 2025)	Independent Non-Executive Director
Koh Ek Chong (Chairman) (Resigned on 20 February 2025)	Independent Non-Executive Director
Ali Bin Adai (Deceased on 16 November 2024)	Independent Non-Executive Director
Chin Hsiun	Independent Non-Executive Director
Datu Hasmawati Binti Sapawi (Appointed on 18 November 2024)	Independent Non-Executive Director
Wong Ping Eng (Appointed on 20 February 2025)	Non-Independent Non-Executive Director

The role of the AC and the number of meetings held during the year as well as the attendance record of each member are spelt out in the Audit Committee Report in this Annual Report.

The Board strives to provide a balanced, clear and timely assessment of the Group’s financial performance and prospects by ensuring quality financial reporting through the annual audited statements and quarterly financial results to the stakeholders, in particular, shareholders, investors and the regulatory authorities.

The AC assists the Board in the review of the financial statements of the Group and the Company to ensure that they are prepared in compliance with the provisions of the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Act in Malaysia.

The AC reviewed the Company’s quarterly financial reports and audited financial statements of the Group prior to recommending them for approval by the Board.

The AC maintains a transparent and professional relationship with the External Auditors of the Company. The AC oversees and appraises the quality of the audits conducted by external auditors. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the Main Market Listing Requirements.

During the year, the AC met with the external auditors two times to discuss their audit plans, audit findings and their reviews of the Group’s financial results/statutory statement of accounts. In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders’ questions on the conduct of the statutory audit and the preparation and contents of their audit report.

### 2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK

The Board has established an effective risk management and internal control framework for managing risks affecting its business and operations as set out in the Statement on Risk Management and Internal Control (SORMIC). A structured process has been set up to identify and assess risks arising from the Group’s operations through the use of risk impact and risk matrix as a guide for actions to be taken for each type of risk.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### 2. RISK MANAGEMENT COMMITTEE AND INTERNAL CONTROL FRAMEWORK (CONT'D)

The Risk Management Committee has been tasked to identify and communicate the existing and potential critical risks areas faced by the Group and the management action plans to mitigate such risks by working with the Internal Auditors in providing periodic reports and updates to the Board.

The Risk Management Committee shall have authority and access to all information, records and reports relevant to the Group's activities to perform its duties. The Committee shall invite any Director and/or employees as it may deem appropriate, to attend a Committee meeting and assist in the discussion and consideration of matters relating to the business and operating risks.

During the financial year under review, the Risk Management Committee met twice with the respective Head of Departments/ Project Teams to identify and discuss the existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks.

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 is outsourced to an independent professional firm. ("Outsourced Internal Auditor") The Outsourced Internal Auditor reports directly to the Audit Committee and is independent of the activities it audits.

The internal audit function also performed a follow-up to assess the status of Management-agreed action plans based on recommendations raised in preceding cycles of internal audit. The outcome thereof was summarised in a follow-up report to the Audit Committee tabled in the quarterly Audit Committee meetings highlighting those issues that had yet to be fully addressed by Management including specific timeliness for those outstanding matters to be resolved.

All internal audits carried out are guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors. The internal audit function of the Company whose scope of work covered during the financial year under review is provided in the Audit Committee Report as set out on pages 81 to 83 of this Annual Report.

The Group's Statement on Risk Management and Internal Control which has been reviewed by the external auditors, is set out on pages 84 to 88 of this Annual Report.

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

The JRNC comprises three (3) Independent Non-Executive Directors.

The JRNC meets as and when required and at least once a year. During the year under review, the JRNC met two (2) times to carry out its responsibilities and the attendance of the members for the meetings held are as follows:-





# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### 3. JOINT REMUNERATION & NOMINATION COMMITTEE ("JRNC") (CONT'D)

The members of the Joint Remuneration & Nomination Committee are as follows:

Member	Designation
Ali Bin Adai (Chairman) (Deceased on 16 November 2024)	Independent Non-Executive Director
Zahirudin Khan Bin Asghar Khan (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

All the members of the JRNC are Independent Directors. The independent Directors are free from any business or other relationship that could interfere with the exercise of independent judgment and they should be willing to express their opinions freely at the Board.

The JRNC conducts an annual review of the composition of the Board and Board Committees as well as the performance, fitness, and propriety of Individual Directors as and when required. For FY 2024, the evaluation, which was conducted internally, involved Individual Directors and Committee members completing separate evaluation questionnaires regarding the Board and the Committee processes, their effectiveness, and areas for potential improvement. They also undertook a self-review and peer review, assessing their fellow Directors' performance. The Company Secretary compiled and analysed the results and presented them at the board meeting, where the Board noted the findings and areas for improvement.

Based on the 2024 Board evaluation findings, the Board has the required mix of skill sets, experience, and other core competencies to enable the Board to discharge its duties more effectively, given the challenging economic and operating environment in which the Group operates. In addition, the Board continues to review its size and composition, emphasising its impact on the effective functioning behalf of the Board.

The Terms of Reference of the JRNC is available on the corporate website at [www.desb.net](http://www.desb.net).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR")

The CSR Committee assists the Board on matters relating to the implementation of a framework for sustainable development that delivers economic, social and environmental benefits for all stakeholders.

As at 31 December 2024, the members of the Corporate Social Responsibility Committee are as follows:

Member	Designation
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin (Chairman)	Managing Director

The activities of Corporate Social Responsibility are included in the Sustainability Report from page 54 to page 55 of the Annual Report.

### 5. ANTI-BRIBERY & CORRUPTION COMPLIANCE COMMITTEE ("ABCC")

The ABCC Committee is tasked to provide independent oversight to anti-bribery and corruption compliance monitoring of the relevant laws, regulations, internal policies and procedures.

The members of the ABCC 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

### 6. Corporate Sustainability Committee ("CSC")

The CSC was established to oversee the formulation, implementation and effective management of the Group's sustainability matters in line with the strategies.

The CSC assists the Board in managing business sustainability, including in the areas of Environmental, Social and Governance ("ESG" or "sustainability"), which is fundamental to Dayang's corporate success in the short and long-term.

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
Ali Bin Adai (Chairman) (Deceased on 16 November 2024)	Independent Non-Executive Director
Joe Ling Siew Loung @ Lin Shou Long	Deputy Managing Director
Chin Hsiun	Independent Non-Executive Director



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### 1. COMMUNICATION WITH STAKEHOLDERS

The Company is guided by the corporate disclosure guide for directors issued by Bursa Securities to promote timely and quality disclosure of material information to the public. The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

The Annual General Meeting is the principal forum for dialogues with shareholders. General Meetings are important platforms for Directors to engage shareholders to facilitate greater understanding of the Company's governance, performance and address their concerns.

The Group's investor relationship is helmed by the Group Managing Director, Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin and the Head of Corporate Affairs, Mr Zaim Husni Bin Omar who will attend to the needs of the investment community, shareholders, fund managers and analysts.

The Group maintains a website at [www.desb.net](http://www.desb.net) for shareholders and the public to access information in respect of the Group's background and business, Board and Management, corporate governance, terms of reference and financial performance for easy reference.

As there may be instances where investors and shareholders may prefer to express their concerns to an Independent Professor Dr. Ho Poh Ling has been appointed to play her role as the Independent Non-Executive Director of the Board to whom concerns may be conveyed. Professor Dr. Ho Poh Ling is also the Chairman of the Board, the Chairman of Corporate Sustainability Committee and a member of the Joint Remuneration and Nomination Committee.

Her email contact is [paulineho@curtin.edu.my](mailto:paulineho@curtin.edu.my).

### 2. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting (AGM) is especially important for individual shareholders as it is the principal forum for dialogue and interaction with the Board whereby they are given the opportunity to present their views or seek clarification on the progress, performance and major developments of the Company. Where it is not possible to provide immediate answers to shareholders' queries, the Board will undertake to provide the answers after the AGM.

The Notice of AGM and a Circular to Shareholders in relation to the recurrent and new related party transactions mandates, if applicable, are sent to the shareholders at least 28 days prior to the AGM in accordance to the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016. This provides shareholders with sufficient time to fully evaluate new resolutions being proposed to make informed voting decisions at the AGM.

At the 18<sup>th</sup> AGM of the Company, to ensure transparency, the Board also shared with the shareholders the Board's responses to questions submitted in advance by the Minority Shareholder Watchdog Group. The External Auditors of the Company are also invited to attend the AGM to answer any questions relating to the conduct of the audit and content of the Auditor's report.

In line with the Listing Requirements of Bursa Securities, all resolutions put to the general meeting will be voted by poll. An independent scrutineer will be appointed to validate the votes cast at general meeting. Decision for each resolution and the name of the independent scrutineer will be announced to Bursa Securities in the same day.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## COMPLIANCE STATEMENT

The Board is of the view that the group has in all material aspects applied with the principles and recommendations of the Code where the Board deems 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 10 April 2025.



# 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 2024, the directors have:

- adopted the appropriate accounting policies and applied them consistently;
- ensured that all applicable accounting standards have been followed;
- made judgments 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 10 April 2025.



# ADDITIONAL COMPLIANCE INFORMATION

## AS AT 31 DECEMBER 2024

### 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 2024 were as follows:

	Group (RM'000)	Company (RM'000)
Audit fees	578	106
Non-Audit fees:		
Tax fee	636	68
Other advisory fee	30	17
Total	666	85

### 3. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries during the financial year ended 31 December 2024 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 161.



# AUDIT COMMITTEE REPORT

The members of the Audit Committee are as follows:

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)
Ali Bin Adai (Deceased on 16 November 2024)	Member (Independent Non-Executive Director)
Chin Hsiun	Member (Independent Non-Executive Director)
Datu Hasmawati Binti Sapawi (Appointed on 21 November 2024)	Member (Independent Non-Executive Director)
Wong Ping Eng (Appointed on 20 February 2025)	Member (Non-Independent Non-Executive Director)

The Chairman, 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 FOR THE FINANCIAL YEAR 2024 ("FY24")

The AC held six (6) meetings during the FY2024 with one (1) private meeting with the external auditors, to give the opportunity to the external auditors to raise any matters without the presence of the executive board members and management.

A quorum, ascertained by the presence of a majority of Independent Directors was always fulfilled. The Head of Corporate Affairs, Senior Corporate Finance, Group Accountant, and representative of external and internal auditors were invited to the Audit Committee meetings to provide information in terms of financial and internal controls.

The details of attendance of each member are as follows:

Name of Directors	Attendance
Koh Ek Chong (Resigned on 20 February 2025)	6 / 6
Ali Bin Adai (Deceased on 16 November 2024)	4 / 5
Chin Hsiun	6 / 6
Datu Hasmawati Binti Sapawi (Appointed on 21 November 2024)	0 / 0
Professor Dr. Ho Poh Ling (Appointed on 20 February 2025)	0 / 0
Wong Ping Eng (Appointed on 20 February 2025)	0 / 0

The Terms of Reference of the Audit Committee can also be found on the corporate website at [www.desb.net](http://www.desb.net).

The minutes of each Audit Committee meeting was tabled to the Audit Committee for adoption. All matters discussed at the Audit Committee were reported to the Board for endorsement.

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee performed the following activities during the financial year 2024:

### Financial Reporting

- Reviewed the unaudited quarterly reports and annual financial statements of the Group and its subsidiaries with management and external auditor to ensure compliance with the generally accepted accounting principles and Financial Reporting Standards.
- Reviewed the Group's unaudited quarterly financial results together with the business prospects and annual audited financial statements of the Company including the announcements pertaining thereto before recommending to the Board for approval and release to Bursa Securities.

# AUDIT COMMITTEE REPORT

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

### Related Party Transactions

- Reviewed related party transactions on a quarterly basis where the commercial relationship existed between each director, major shareholders and persons connected to Dayang Group and its subsidiaries, the Audit Committee and the Board would ensure that such transactions were on normal commercial terms that were not more favorable to the related parties than those generally available to the public.

### Internal Audit

- Reviewed and monitored on the internal audit reports tabled during the year, audit recommendations made and Management's response to the issues tabled.
- Monitored the implementation of the actions suggested by the Management on outstanding issues to ensure all high and significant risk issues highlighted are properly addressed.
- Reviewed the audit plan for the FY 2024.

### External Audit

- Reviewed the external auditors' scope of work and their audit plan, as well as the audit procedures.
- Reviewed with the external auditors the results of their audit, the audit report and recommendations in respect of improvements in internal control procedures noted in the course of their audit.
- Reviewed the external auditors' fees and services including the non-assurance services.

### Risk Management and Internal Control

- Reviewed the Audit Committee Report and the Statement of Risk Management and Internal Control for inclusion in the Annual Report prior to Board's approval.

### Conflict of Interest ("COI") Declaration

- Reviewed the declaration made by the Director and/or Key Senior Management by completing the Conflict of Interest ("COI") Declaration Form as set out in the COI policy adopted by Dayang Board on 21 November 2024.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm ("Outsourced Internal Auditor") which reports directly to the Audit Committee. The Board obtains sufficient assurance of the effectiveness of the internal control and governance processes in the Group, through regular reviews and appraisals conducted by the Outsourced Internal Auditor. The Audit Committee determines the adequacy of the scope, function and resources of the internal audit function as well as the competency of the Outsourced Internal Auditor.

In its endeavour to provide reasonable assurance on the state of internal control in the Group, the Outsourced Internal Auditor carried out its reviews based on the 2024 Internal Audit Plan which was developed using a risk-based approach and approved by the Risk Management Committee.

The Internal Audit Reports were issued to the relevant Management at the conclusion of every audit engagement and reviewed by the Audit Committee. Audit findings that required corrective actions were highlighted to the Audit Committee and the relevant management. The relevant Management was made responsible to implement corrective actions for the reported weaknesses within the required timeframe. In addition, the Outsourced Internal Auditor would conduct follow-up audits to ensure the corrective actions were implemented by the relevant management.



# AUDIT COMMITTEE REPORT

## INTERNAL AUDIT FUNCTION (CONT'D)

The following audits were carried out during FY2024 and reported by the Outsourced Internal Auditor:

- Tendering and Contract Management
- Human Resource and Payroll Management
- Procurement & Receiving Controls and Vendor Management
- Contract Execution, Billing Control and Account Receivable Management

Based on the audit conducted within the proposed scope of work, the internal auditors opined that the overall internal control system was satisfactory.

For FY2024, an amount of RM94,384.90 was incurred by the Group for internal audit activities carried out by the Outsourced Internal Auditor.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance ("Code") sets out the principle that the Board of Directors ("Board") of a listed company should establish a sound risk management framework and internal control system to safeguard shareholders' investment and assets of the Group.

The Statement on Risk Management and Internal Control presented by the Board on the Group is made pursuant to paragraph 15.26(b) of the Listing Requirement of Bursa Malaysia Securities Berhad and in accordance with the Principles and Recommendations relating to risk management and internal control provided in the Code.

## BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets and for reviewing the adequacy and integrity of the system. The Group's system of internal control covers risk management, financial, operational and compliance controls.

The Management reports to the Risk Management Committee ("RMC") on the risk areas faced by the Group. On a quarterly basis, the Internal Auditor reports the findings identified from the internal audit reviews as well as the actions taken by the Management to address on those audit findings to the Audit Committee ("AC"). Minutes of the meetings of the RMC and AC were presented to the Board.

In view of the limitations inherent in any system of internal control, such a system is designed to mitigate rather than eliminate risks of failure to achieve corporate objectives. Accordingly, the system provides reasonable and not absolute assurance against material error, misstatement or loss.

## RISK MANAGEMENT FRAMEWORK

The RMC is charged with the responsibility to ensure the implementation of a proper and appropriate system to manage the principal risks identified by the Management. The Group has in place a risk management framework to promote effective risk management and to enhance the corporate governance assurance process. The framework provides an integrated risk management structure with the establishment of the respective risk workgroups to ensure major areas of risks are controlled and coordinated.

This risk management process is applied to all levels of activity in the Group, with the objective of establishing accountability and ensuring mitigation at the source of the risk.

Types of Major Risks					
Strategic risk	Operational risk	Financial risk	Information Technology risk	Human Resources risk	Compliance risk

The following risk management approach has been adopted and applied to facilitate the identification, assessment, responding, monitoring and reporting of risks within the Group:-

- The risk workgroups which made up of Senior Managers from the major operating units established the risk profiles of the Group during the risk assessment sessions.
- The level of risk tolerance of the Group highlighted in the risk profiles is tabled through the use of a risk impact and likelihood matrix.
- Once the risk level is determined, the risk owner is required to deal with the relevant risks by adhering to the Group's risk treatment guidance on the actions to be taken and establish risk action plans to detail out activities to be carried out to mitigate the risks.





# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## RISK MANAGEMENT FRAMEWORK (CONT'D)

The following risk management approach has been adopted and applied to facilitate the identification, assessment, responding, monitoring and reporting of risks within the Group:- (cont'd)

- iv. Meetings were held by the risk owners to ensure the risk action plans were carried out in order to manage the risks identified.
- v. The progress was reported to the RMC.

## INTERNAL CONTROLS SYSTEM

The key elements of the Group's internal controls system are described as below:

### ***Clear Organisation Structure***

The Group has a well-defined organisational structure that is aligned to its business requirements and ensures check and balance through the segregation of duties. Clear reporting lines and authority limits govern the approval process, driven by Limits of Authority ("LOA") set by the Board.

All key strategic, business and investment plans are approved and monitored by the Board. Comprehensive Board papers, which include both financial and non-financial matters such as cash flow forecasts, business strategies, business opportunities, corporate exercises and any other key matters to be considered for the Group, are escalated to the Board for deliberation and approval.

### ***Internal Audit***

The Board recognises that the internal audit function is an integral part of the governance process of the Group. The Internal Audit ("IA") function provides independent assurance on the adequacy and effectiveness of the internal control systems implemented by the Group and reports its findings directly to the AC. The IA function reviews the Group's system of internal controls, its operations and selected key activities based on the risk assessment and in accordance with the annual audit plan that is approved by the AC.

The Group's Internal Audit function is outsourced to Baker Tilly Monteiro Heng Governance Sdn Bhd, which examines the adequacy and effectiveness of the Group's system of internal control. The AC receives quarterly IA reports and reviews all IA reports including the agreed actions that are to be taken in order to mitigate and close the highlighted control gaps. All issues raised and action plans to close gaps are monitored and the status is reported on a quarterly basis to the AC. The key activities of the IA function are as set out in the AC report section of this annual report.

### ***Strategic Business Planning, Budgeting and Reporting***

Annual Business Plan and Budget are prepared on a yearly basis and are deliberated and approved by the Board. The Group's business plan maps out the strategic objectives and business direction of the Group. The Group's business and financial performance are monitored and measured against the business plan and approved budget. Any major variance will be reviewed and corrective actions are undertaken. Quarterly financial results are presented to and reviewed by the AC and the Board to enable them to monitor and evaluate the business and financial performance of the Group.

### ***Policies, Procedures and Limits of Authority ("LOA")***

Well-defined limits of authority on all financial commitments for each level of management within the Group and clearly documented internal policies, standards and procedures are in place to ensure compliance with internal controls, Regulations and Requirements are updated when required to reflect changing risks or resolve operational deficiencies. Ad hoc review is carried out to ensure that documentation remains current and relevant. All policies and standards are approved by the Board and cases of non-compliance are reported to the Board by exception.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL CONTROLS SYSTEM (CONT'D)

### ***Tender Committee***

The Tender Committee which comprised cross functional representatives is established to review all incoming enquiries and provide the oversight function on tendering matters prior to submission of tender proposals and approval by the relevant Approving Authorities as set out by the Company's LOA.

### ***Quality Management System ("QMS")***

Quality Management System which complies with ISO9001:2015 Quality Management System Requirements is implemented by one of the subsidiaries of the Group. The ISO9001 implementation started back in 1999 and was continuously upgraded in accordance with the latest ISO9001 revision, currently the ISO9001:2015. The Group's QMS system had been tailored for offshore oil & gas maintenance and engineering services to deliver quality service to our clients.

Quality Assurance and Quality Control ("QAQC") Department is the custodian of the company QMS. The task also includes conducting of audit on the operating units to ensure continuous compliance to the ISO Standards. The QAQC Department is actively reviewing and improvising the Group's risk and opportunities assessment as required by the requirements and continuously plan to serve our clients better.

### ***Health, Safety, Security and Environment ("HSSE")***

DESB business owners and staffs hold the most responsibility when it comes to workplace health and safety including security and environment. They are rightfully required to keep everyone and anyone that might be affected by their business safe from harm, including visitors, customers, temporary workers and contractors.

Therefore, Corporate HSSE Department is tasked to ensure that all the risks are being assessed and correct control measures are being in place and practiced by everyone in the Group. And also, accountable to monitor HSSE performance, such as Key Performance Indicators' are met and risks are managed accordingly or to as low as reasonably practicable ("ALARP").

Through its HSSE management system, it brings about and assimilates all the elements of HSE-MS into their daily operations, to ensure all hazards and risks are being controlled or eliminated. Campaigns, promotion and trainings are part and parcel to enhance the awareness among the population and in order to pursue the ultimate goal of no harm to people and to protect the environment.

Monthly meetings are scheduled at various levels in the Group and used as a platform to share and communicate all HSSE related issues.

### ***Information and Communication***

Timely communication of relevant information such as the Group's achievement and changes with regard to corporate and organisational structure and policies and procedures, enabling the employees to focus on and perform their responsibilities effectively. Respective Heads of operating entities within the Group also participate in business dialogue programs with Senior Management to discuss on strategies and challenges faced towards achieving the business goals and objectives.

### ***Anti-Corruption and Bribery Policy ("ABC Policy")***

The Group established the Anti-Corruption and Bribery Policy, and the Policy shall complement the core principles set out in the Code of Conduct and Code of Ethics, as included in the Group Employee Handbook and Board Charter. The ABC Policy is available for reference on the Company's website at [www.desb.net](http://www.desb.net).



# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL CONTROLS SYSTEM (CONT'D)

### ***Sustainability Policy***

The Group established the Sustainability Policy and Framework to enhance the Group's management of sustainability matters. The Sustainability Policy and Framework further support the Group's sustainability practices in meeting the enhanced sustainability disclosure requirements of the Listing Requirements. The Group Sustainability Policy is available for reference on the Company's website at [www.desb.net](http://www.desb.net).

### ***Conflict of Interest Policy***

The Group adopted the Conflict of Interest Policy on 21 November 2024, aimed to improve the quality of conflict of interest disclosures of directors and/or key senior management and/or employees and/or legal representative of the Group, promoting better governance practices and accountability to manage conflict of interest among the Group or its subsidiaries and enhancing investors' confidence. The Group Conflict of Interest Policy is available for reference on the Company's website at [www.desb.net](http://www.desb.net).

## REVIEW BY THE BOARD

The Board's review the effectiveness of risk management and internal controls system based on information from:

- Senior Management within the organisation responsible for the development and maintenance of the Risk Management Framework and internal controls system; and
- The work by the internal audit function which submits reports to the AC together with the assessment of the internal controls system relating to key risks and recommendations for improvement.

The Board is satisfied that during FY24, the existing risk management framework and internal controls system are sound and adequate to safeguard the Group's assets at the existing level of operation of the Group. The Board recognises that the development of risk management framework and internal controls system is an ongoing process. Therefore, in striving for continuous improvement the Board will continue to take appropriate action plans to further enhance the Group's system of risk management and internal controls system.

## ASSURANCE TO THE BOARD

The Board received assurance from the Executive Deputy Chairman, Managing Director and Senior Corporate Finance that the Group's risk management and internal controls system are operating adequately and effectively, in all material aspects based on the risk management framework and internal controls system of the Group. During the financial year, the Board was not aware of any issues which would result in any material losses, deficiencies or errors arising from any inadequacy or failure of the internal controls system that would require disclosure in the Company's Annual Report. The Management will continue to take measures to strengthen the internal control environment.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in 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") for inclusion in the annual report of the Group for the year ended 31 December 2024, and reported to the Board of Directors that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

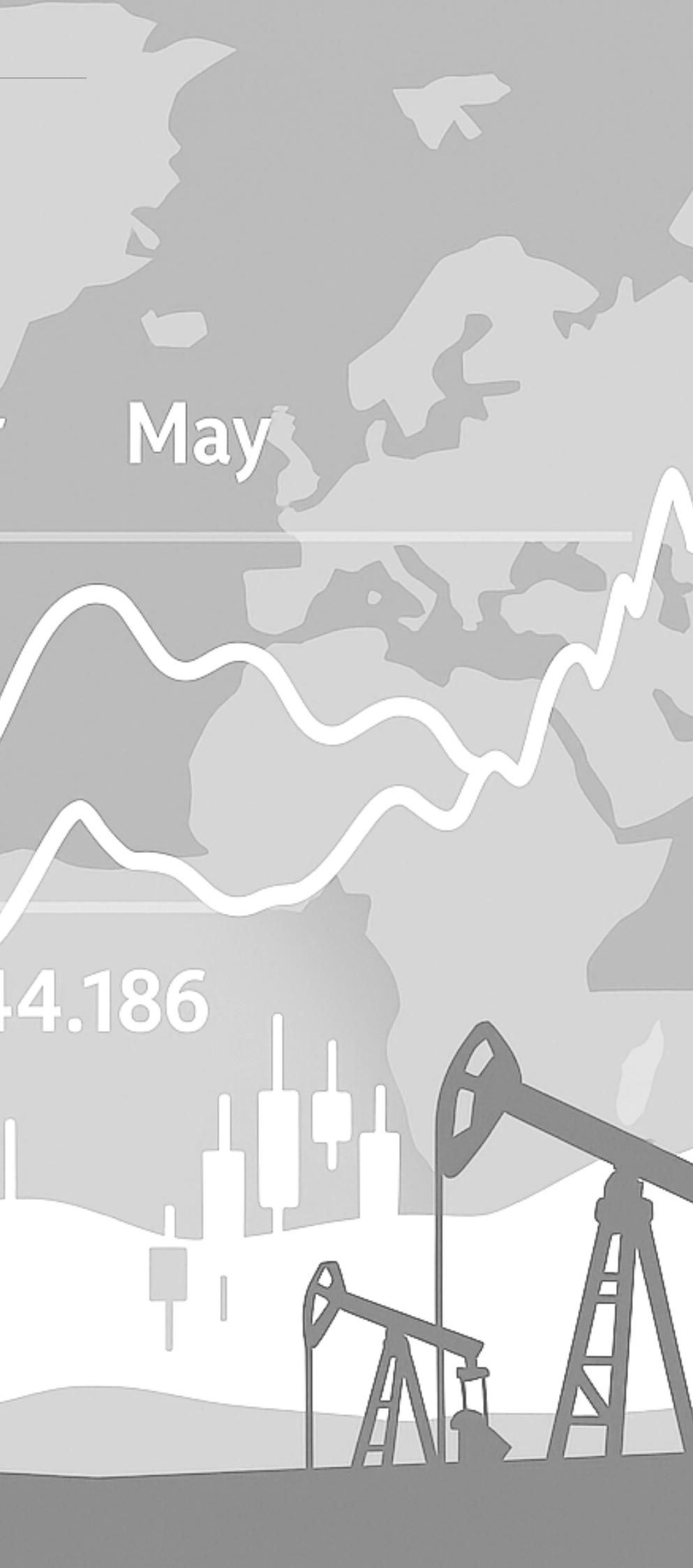
- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS (CONT'D)

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The statement is made in accordance with a resolution of the Board of Directors dated 10 April 2025.



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

## Directors' report for the year ended 31 December 2024

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 2024.

## 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	311,142	234,136
Non-controlling interests	53,452	-
	364,594	234,136

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

## 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 2023, a second interim single-tier exempt dividend of RM0.03 per ordinary share totalling RM34,733,152 was declared on 22 February 2024 and paid on 22 March 2024.
- (ii) In respect of the financial year ended 31 December 2024, a first interim single-tier exempt dividend of RM0.03 per ordinary share totalling RM34,733,152 was declared on 22 August 2024 and paid on 18 September 2024.

After the end of the reporting date, in respect of the financial year ended 31 December 2024, a second interim single-tier exempt dividend of RM0.07 per ordinary share totalling RM81,044,020 was declared on 20 February 2025 and paid on 17 March 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

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



# DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

## Directors of the Company

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

Tengku Dato' Yusof bin Tengku Ahmad Shahrudin\*  
Datuk Ling Suk Kiong\*  
Joe Ling Siew Loung @ Lin Shou Long\*  
Jeanita Anak Gamang\*  
Datuk Hasmi Bin Hasnan\*  
Chin Hsiun  
Hasmawati Binti Sapawi  
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)  
Jamalludin bin Obeng\* (resigned on 10 June 2024)  
Shaharum Bin Ramli (alternate director to Jamalludin Bin Obeng) (resigned on 10 June 2024)  
Ali Bin Adai (deceased on 16 November 2024)  
Koh Ek Chong (resigned on 20 February 2025)

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

## 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 Lazin  
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 (appointed on 2 August 2024)  
Akbar Bin Md Thayoob (appointed on 1 January 2025)

# DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

## 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:

	At 1.1.2024	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
<b>Interests in the Company</b>				
Tengku Dato’ Yusof bin Tengku Ahmad Shahrudin - own	37,306,060	-	(3,000,000)	34,306,060
Datuk Ling Suk Kiong - own	84,079,763	900,000	(1,500,000)	83,479,763
Joe Ling Siew Loung @ Lin Shou Long - own	45,810,207	-	(2,500,000)	43,310,207
Datuk Hasmi Bin Hasnan - own	1,057,030	-	-	1,057,030
<b>Deemed interests in the Company</b>				
Datuk Ling Suk Kiong	19,660,737	-	(442,550)	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
<b>Interests in Perdana Petroleum Berhad:</b>				
Datuk Ling Suk Kiong - own	97	1,000,000	-	1,000,097
Datuk Hasmi Bin Hasnan - own	290,202	-	-	290,202
Tengku Dato’ Yusof bin Tengku Ahmad Shahrudin - own	500,000	-	-	500,000
<b>Deemed interest in Perdana Petroleum Berhad:</b>				
Datuk Ling Suk Kiong	1,412,390,042	-	-	1,412,390,042
Datuk Hasmi Bin Hasnan	1,489,346,379	-	(76,986,429)	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 Hasmi Bin Hasnan is 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).



# DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

## Directors' benefits (cont'd)

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM	From subsidiary companies RM
Directors' of the Company		
- Fees	2,919,644	98,000
- Short-term employee benefits	34,499,616	2,285,077
	37,419,260	2,383,077

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.

## 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 RM86,858 (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.

# DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

## 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
- 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 impairment loss on property, plant and equipment of RM1,852,926 for the Group and reversal of impairment loss on investment in a subsidiary of RM97,975,000 for the Company, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 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 2024

## 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 RM618,000 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: 10 April 2025



# STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Assets</b>					
Property, plant and equipment	2	973,616	1,040,871	-	-
Right-of-use assets	3	61,171	36,328	-	-
Investment in subsidiaries	4	-	-	1,227,678	1,129,703
Goodwill	5	418,261	418,261	-	-
Deferred tax assets	6	3,655	6,246	-	-
<b>Total non-current assets</b>		1,456,703	1,501,706	1,227,678	1,129,703
Inventories	7	7,985	7,689	-	-
Contract assets	8	302,393	269,848	-	-
Trade and other receivables	9	213,611	172,508	10,056	4,123
Deposits and prepayments	10	10,426	9,599	254	244
Current tax assets		4,952	3,711	-	-
Other investments	11	298,709	223,217	-	-
Other financial assets	12	47,480	45,454	3,000	3,000
Cash and cash equivalents	13	386,253	271,864	9,286	28,813
		1,271,809	1,003,890	22,596	36,180
Assets classified as held for sale	14	-	3,201	-	-
<b>Total current assets</b>		1,271,809	1,007,091	22,596	36,180
<b>Total assets</b>		2,728,512	2,508,797	1,250,274	1,165,883
<b>Equity</b>					
Share capital	15	891,288	891,288	891,288	891,288
Retained earnings/(Accumulated losses)	15	881,869	642,267	(374,106)	(538,776)
Other reserves	15	101,712	118,983	-	-
<b>Total equity attributable to owners of the Company</b>		1,874,869	1,652,538	517,182	352,512
Non-controlling interests	4	280,511	234,946	-	-
<b>Total equity</b>		2,155,380	1,887,484	517,182	352,512



# STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Liabilities</b>					
Loans and borrowings	16	6,515	117,764	-	101,061
Lease liabilities	17	9,604	5,619	-	-
Deferred tax liabilities	6	69,324	73,281	-	-
<b>Total non-current liabilities</b>		85,443	196,664	-	101,061
Loans and borrowings	16	110,805	120,692	101,061	110,249
Lease liabilities	17	3,634	2,787	-	-
Trade and other payables	18	328,809	258,265	627,043	598,981
Current tax liabilities		44,441	42,905	4,988	3,080
<b>Total current liabilities</b>		487,689	424,649	733,092	712,310
<b>Total liabilities</b>		573,132	621,313	733,092	813,371
<b>Total equity and liabilities</b>		2,728,512	2,508,797	1,250,274	1,165,883

The notes on pages 105 to 162 are an integral part of these financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Revenue</b>	19	1,468,140	1,112,987	214,402	188,136
Cost of services		(797,626)	(639,105)	-	-
<b>Gross profit</b>		670,514	473,882	214,402	188,136
Other income	20	16,881	49,055	97,975	88,350
Administrative expenses		(184,913)	(142,877)	(40,054)	(26,523)
Other expenses	20	(4,066)	(25,365)	(112)	-
Net gain on impairment of financial instruments		-	1,239	-	-
<b>Results from operating activities</b>	21	498,416	355,934	272,211	249,963
Finance income	22	15,160	13,468	314	1,815
Finance costs	22	(9,956)	(32,038)	(29,867)	(53,277)
<b>Net finance income/(costs)</b>		5,204	(18,570)	(29,553)	(51,462)
<b>Profit before tax</b>		503,620	337,364	242,658	198,501
Tax expense	23	(139,026)	(102,186)	(8,522)	(5,442)
<b>Profit for the year</b>		364,594	235,178	234,136	193,059
<b>Other comprehensive (expense)/income net of tax</b>					
<b>Item that is or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation		(27,232)	36,644	-	-
<b>Other comprehensive (expense)/income for the year</b>		(27,232)	36,644	-	-
<b>Total comprehensive income for the year</b>		337,362	271,822	234,136	193,059
<b>Profit for the year attributable to:</b>					
Owners of the Company		311,142	218,980	234,136	193,059
Non-controlling interests	4	53,452	16,198	-	-
<b>Profit for the year</b>		364,594	235,178	234,136	193,059
<b>Total comprehensive income for the year attributable to:</b>					
Owners of the Company		293,871	242,289	234,136	193,059
Non-controlling interests		43,491	29,533	-	-
<b>Total comprehensive income for the year</b>		337,362	271,822	234,136	193,059
Basic/Diluted earnings per share (sen)	25	26.87	18.91		

The notes on pages 105 to 162 are an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Attributable to owners of the Company  
Non-distributable Distributable

Group	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Subtotal RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 January 2023</b>	891,288	95,842	458,836	1,445,966	204,429	1,650,395
Profit for the year	-	-	218,980	218,980	16,198	235,178
Foreign currency translation differences for foreign operations	-	23,309	-	23,309	13,335	36,644
Total comprehensive income for the year	-	23,309	218,980	242,289	29,533	271,822
Changes in ownership interests in a subsidiary	-	(168)	(816)	(984)	984	-
Dividends to owners of the Company (Note 26)	-	-	(34,733)	(34,733)	-	(34,733)
Total transactions with owners of the Company	-	(168)	(35,549)	(35,717)	984	(34,733)
<b>At 31 December 2023</b>	891,288	118,983	642,267	1,652,538	234,946	1,887,484
	(Note 15)	(Note 15)	(Note 15)			
<b>At 1 January 2024</b>	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)
<b>At 31 December 2024</b>	891,288	101,712	881,869	1,874,869	280,511	2,155,380
	(Note 15)	(Note 15)	(Note 15)			

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

<b>Company</b>	<b>Note</b>	<b>Share capital RM'000</b>	<b>Non-distributable Accumulated losses RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 2023</b>		891,288	(697,102)	194,186
Profit/Total comprehensive income for the year		-	193,059	193,059
Dividends to owners of the Company	26	-	(34,733)	(34,733)
<b>At 31 December 2023/1 January 2024</b>		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)
<b>At 31 December 2024</b>		891,288	(374,106)	517,182
		(Note 15)	(Note 15)	

The notes on pages 105 to 162 are an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		503,620	337,364	242,658	198,501
<i>Adjustments for:</i>					
Depreciation of right-of-use assets	3	4,315	3,853	-	-
Depreciation of property, plant and equipment	2	98,019	85,152	-	1
Adjustment of property, plant and equipment	2	46	-	-	-
Reversal of impairment loss on investment in a subsidiary	21	-	-	(97,975)	(88,168)
Impairment loss/(Reversal of impairment loss) on property, plant and equipment	2	1,853	(41,731)	-	-
Reversal of impairment loss on financial assets	21	-	(1,239)	-	-
Impairment loss on goodwill	5	-	6,021	-	-
Dividend income	19	-	-	(173,242)	(162,192)
Gain on lease modification	20,21	(54)	(203)	-	-
Gain on disposal of property, plant and equipment	20,21	(3,297)	(107)	-	-
Gain on disposal of assets held for sale	20,21	(948)	-	-	-
Finance costs	22	9,956	32,038	29,867	53,277
Finance income	22	(15,160)	(13,468)	(314)	(1,815)
Property, plant and equipment written off	21	837	16	-	-
Net unrealised foreign exchange (gain)/loss	20,21	(10,565)	12,416	-	-
<b>Operating profit/(loss) before changes in working capital</b>		<b>588,622</b>	<b>420,112</b>	<b>994</b>	<b>(396)</b>
Changes in working capital:					
Inventories		(296)	(144)	-	-
Contract assets		(32,545)	(12,336)	-	-
Trade and other payables		60,876	57,511	(7,286)	(10,800)
Trade and other receivables, deposits and prepayments		(42,855)	(46,819)	(5,943)	9,052
<b>Cash generated from/(used in) operations</b>		<b>573,802</b>	<b>418,324</b>	<b>(12,235)</b>	<b>(2,144)</b>
Net tax paid		(140,102)	(87,489)	(6,614)	(2,588)
Interest paid		(677)	(505)	-	-
Interest received		15,160	13,468	314	1,815
<b>Net cash from/(used in) operating activities</b>		<b>448,183</b>	<b>343,798</b>	<b>(18,535)</b>	<b>(2,917)</b>



# STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	2	(71,096)	(34,827)	-	-
Refundable deposits refunded		-	12,000	-	-
Proceeds from disposal of property, plant and equipment		23,541	131	-	-
Proceeds from disposal of assets held for sale		4,149	-	-	-
Dividend received		-	-	173,242	162,192
Net movement in other financial assets		(2,026)	37,818	-	38,805
Net movement in other investments		(75,492)	(166,957)	-	24,700
<b>Net cash (used in)/from investing activities</b>		<b>(120,924)</b>	<b>(151,835)</b>	<b>173,242</b>	<b>225,697</b>
<b>Cash flows from financing activities</b>					
Dividends paid to owners of the Company		(69,466)	(34,733)	(69,466)	(34,733)
Repayment of term loans	(ii)	(120,577)	(27,292)	(110,249)	(9,187)
Repayment of term loan - Islamic	(ii)	-	(9,821)	-	-
Repayment of hire purchase liability	(ii)	(64)	(61)	-	-
Payment of lease liabilities	(ii)	(3,572)	(3,322)	-	-
Advances from a subsidiary	(ii)	-	-	13,341	13,000
Drawdown of term loan	(ii)	-	220,497	-	220,497
Repayment of sukuk	(ii)	-	(361,800)	-	(361,800)
Term loans interest paid		(9,567)	(4,596)	(7,860)	(861)
Coupon payments arising from Sukuk		-	(21,596)	-	(21,596)
Guarantee fee payment arising from Sukuk		-	(890)	-	(890)
<b>Net cash used in financing activities</b>		<b>(203,246)</b>	<b>(243,614)</b>	<b>(174,234)</b>	<b>(195,570)</b>
Net increase/(decrease) in cash and cash equivalents		124,013	(51,651)	(19,527)	27,210
Effect of exchange rate movements		(9,624)	10,235	-	-
Cash and cash equivalents at 1 January		271,864	313,280	28,813	1,603
<b>Cash and cash equivalents at 31 December</b>	13	<b>386,253</b>	<b>271,864</b>	<b>9,286</b>	<b>28,813</b>



# STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

## Notes:

### (i) Cash outflows from leases as a lessee

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Included in net cash from operating activities:</b>				
Payment relating to short-term leases	131,070	107,239	-	-
Payment relating to leases of low-value assets	155	166	-	-
Interest paid in relation to lease liabilities	608	427	-	-
<b>Included in net cash from financing activities:</b>				
Payment of lease liabilities	3,572	3,322	-	-
	135,405	111,154	-	-

# STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

## Notes: (Cont'd)

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

	At 1.1.2023 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Other 31.12.2023/ 1.1.2024 RM'000	At 31.12.2023/ 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 RM'000
<b>Group</b>									
Sukuk	350,697	(361,800)	-	11,103	-	-	-	-	-
Secured term loans	43,400	193,205	1,659	-	238,264	(120,577)	(495)	-	117,192
Hire purchase liability	253	(61)	-	-	192	(64)	-	-	128
Term loan - Islamic	8,908	(9,821)	-	913	-	-	-	-	-
Lease liabilities	7,652	(3,322)	-	4,076	8,406	(3,572)	-	8,404	13,238
Total liabilities from financing activities	410,910	(181,799)	1,659	16,092	246,862	(124,213)	(495)	8,404	130,558
<b>Company</b>									
Amount due to a subsidiary (Note 18)	570,377	13,000	-	-	583,377	-	13,341	-	596,718
Sukuk	350,697	(361,800)	-	11,103	-	11,103	-	-	-
Term loan	-	211,310	-	-	211,310	-	(110,249)	-	101,061
	921,074	(137,490)	11,103	794,687	(96,908)	697,779			

The notes on pages 105 to 162 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 2024 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 2024 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 10 April 2025.

## 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 the accounting standards 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:

MFRS Accounting Standards/Amendments	Effective date
Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9, <i>Financial Instruments</i> and MFRS 7, <i>Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments that are part of Annual Improvements – Volume 11:	
• Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	
• Amendments to MFRS 7, <i>Financial Instruments: Disclosures</i>	
• Amendments to MFRS 9, <i>Financial Instruments</i>	
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i>	
• Amendments to MFRS 107, <i>Statement of Cash Flows</i>	1 January 2026
Amendments to MFRS 9, <i>Financial Instruments</i> and MFRS 7, <i>Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

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

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- 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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Basis of preparation (cont'd)

### (a) Statement of compliance (cont'd)

The Group and the Company plan to apply the abovementioned accounting standards and amendments: (cont'd)

- from the annual period beginning on 1 January 2027 for the amendments that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the above accounting standards or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

### (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) RM'000	Containers RM'000	Offshore equipment RM'000	Furniture and fittings RM'000	Subtotal RM'000
<b>Cost</b>						
At 1 January 2023	58,129	1,650,277	25,085	121,228	17,619	1,872,338
Reclassification	-	-	-	-	55	55
Additions	-	8,767	-	10,086	216	19,069
Transfers	-	-	-	-	-	-
Transfer to assets held for sale (Note 14)	-	(10,842)	-	-	-	(10,842)
Disposals	-	-	-	(45)	-	(45)
Write-offs	-	(5)	-	(1,283)	(6)	(1,294)
Effect of movements in exchange rate	-	62,725	-	-	-	62,725
At 31 December 2023/1 January 2024	58,129	1,710,922	25,085	129,986	17,884	1,942,006
Reclassification	-	-	1,542	(1,542)	-	-
Adjustments	-	-	-	-	-	-
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	58,233	1,662,737	34,653	130,367	17,923	1,903,913



# 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
<b>Cost (cont'd)</b>						
At 1 January 2023	1,872,338	4,783	10,985	1,432	121	1,889,659
Reclassification	55	(55)	-	-	-	-
Additions	19,069	636	434	383	14,305	34,827
Transfers	-	233	-	-	(233)	-
Transfer to assets held for sale (Note 14)	(10,842)	-	-	-	-	(10,842)
Disposals	(45)	-	(1,110)	-	-	(1,155)
Write-offs	(1,294)	(5)	-	-	(5)	(1,304)
Effect of movements in exchange rate	62,725	-	-	-	-	62,725
At 31 December 2023/1 January 2024	1,942,006	5,592	10,309	1,815	14,188	1,973,910
Reclassification	-	-	-	-	-	-
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	1,903,913	6,651	10,513	955	7,224	1,929,256



## 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)					
	Buildings RM'000	Offshore equipment RM'000	Containers RM'000	Offshore equipment and fittings RM'000	Furniture RM'000	Subtotal RM'000
<b>Accumulated depreciation and impairment loss</b>						
At 1 January 2023	17,174	614,005	15,837	95,094	12,574	754,684
Accumulated depreciation	-	93,867	-	-	-	93,867
Accumulated impairment loss	17,174	707,872	15,837	95,094	12,574	848,551
Reclassification	-	-	-	-	166	166
Depreciation for the year (Note 21)	2,906	66,762	2,404	10,622	846	83,540
Reversal of impairment loss charge for the year (Note 21)	-	(41,731)	-	-	-	(41,731)
Transfer to assets held for sale (Note 14)	-	(7,641)	-	-	-	(7,641)
Disposals	-	-	-	(21)	-	(21)
Write-offs	-	(5)	-	(1,272)	(6)	(1,283)
Effect of movements in exchange rate	-	36,337	-	-	-	36,337
At 31 December 2023	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

# 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
<b>Accumulated depreciation and impairment loss (cont'd)</b>						
At 1 January 2023	754,684	4,051	9,784	955	-	769,474
Accumulated depreciation	93,867	-	-	-	-	93,867
Accumulated impairment loss	848,551	4,051	9,784	955	-	863,341
Reclassification	166	(166)	-	-	-	-
Depreciation for the year (Note 21)	83,540	715	420	477	-	85,152
Reversal of impairment loss charge for the year (Note 21)	(41,731)	-	-	-	-	(41,731)
Transfer to assets held for sale (Note 14)	(7,641)	-	-	-	-	(7,641)
Disposals	(21)	-	(1,110)	-	-	(1,131)
Write-offs	(1,283)	(5)	-	-	-	(1,288)
Effect of movements in exchange rate	36,337	-	-	-	-	36,337
At 31 December 2023	865,782	4,595	9,094	1,432	-	880,903
Accumulated depreciation	52,136	-	-	-	-	52,136
Accumulated impairment loss	917,918	4,595	9,094	1,432	-	933,039



## 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)					
	Buildings RM'000	RM'000	Containers RM'000	Offshore equipment RM'000	Furniture and fittings RM'000	Subtotal RM'000
<b>Accumulated depreciation and impairment loss (cont'd)</b>						
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 charge 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)	Subtotal RM'000	Office equipment RM'000	Motor vehicles RM'000	Others RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Accumulated depreciation and impairment loss (cont'd)</b>						
At 1 January 2024	865,782	4,595	9,094	1,432	-	880,903
Accumulated depreciation	52,136	-	-	-	-	52,136
Accumulated impairment loss	917,918	4,595	9,094	1,432	-	933,039
Reclassification	-	-	-	-	-	-
Depreciation for the year (Note 21)	96,290	872	602	255	-	98,019
Impairment loss charge for the year (Note 21)	1,853	-	-	-	-	1,853
Disposals	(34,869)	(1)	(1,312)	-	-	(36,182)
Disposals – Impairment loss	(10,029)	-	-	-	-	(10,029)
Write-offs	(2,857)	(279)	-	(960)	-	(4,096)
Effect of movements in exchange rate	(26,964)	-	-	-	-	(26,964)
At 31 December 2024	897,382	5,187	8,384	727	-	911,680
Accumulated depreciation	43,960	-	-	-	-	43,960
Accumulated impairment loss	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	
	Buildings RM'000	Office equipment RM'000	Motor vehicles RM'000	Others RM'000	Furniture and fittings RM'000	RM'000	RM'000
Net carrying amount At 31 December 2023	38,049	949,328	6,844	25,563	4,304	1,024,088	
At 31 December 2024	35,241	889,161	13,154	20,935	4,080	962,571	
Group (cont'd)	Capital work-in-progress				Total		
	Subtotal RM'000	Office equipment RM'000	Motor vehicles RM'000	Others RM'000	RM'000	RM'000	
Net carrying amount At 31 December 2023	1,024,088	997	1,215	383	14,188	1,040,871	
At 31 December 2024	962,571	1,464	2,129	228	7,224	973,616	



# NOTES TO THE FINANCIAL STATEMENTS

## 2. Property, plant and equipment (cont'd)

Company	Note	Furniture and fittings RM'000
<b>Cost</b>		
At 1 January 2023/31 December 2023/1 January 2024 and 31 December 2024		30
<b>Accumulated depreciation</b>		
At 1 January 2023		29
Depreciation for the year	21	1
At 31 December 2023/1 January 2024		30
Depreciation for the year	21	-
At 31 December 2024		30
<b>Net carrying amount</b>		
At 31 December 2023		-
At 31 December 2024		-

### 2.1 Securities

Nine (2023: Ten) marine vessels with a total carrying amount of RM264 million (2023: RM315 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 current financial year, a marine vessel with carrying amount of RM30.1 million was discharged from the pledge due to full settlement of a bank facility.

### 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 2023/2024 has continued to affect the business activities of the industry in which the Group operates. Nonetheless, the Group's profitability has improved in 2024 when compared with 2023 due to the growth in the global demand for offshore support vessels.

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%-11.6% (2023: 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.

##### FVLCD approach

FVLCD 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 November to December 2023. The management has allowed for a one-year depletion of value of the vessels in 2024.

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.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Market comparable approach:</b> 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.	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.	(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). (ii) The estimated fair value would increase/(decrease) if the useful lives and the residual values of the vessels are higher/(lower).

# 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

During the financial year, the Group has 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 amount 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 amount 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 has recognised a net impairment loss of RM1.85 million on certain vessels as other expenses in the profit or loss.

##### Impairment of property, plant and equipment during the financial year ended 31 December 2023

In the previous financial year, the Group had recognised an impairment loss of RM12.04 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 amount of these vessels for which an impairment loss was made during the year was RM182.65 million, which was determined based on their VIU.

The Group also recognised a reversal of impairment loss of RM53.77 million on fourteen vessels in the profit or loss, as the estimated recoverable amounts of these vessels are higher than their carrying amounts. The recoverable amount of these vessels for which a reversal of impairment loss was made during the year was RM571.01 million, where RM544.07 million was determined based on their VIU and RM26.94 million was determined based on their FVLCOD.

Following the assessment, the Group had recognised a net reversal of impairment loss of RM41.73 million on certain vessels as other income 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% (2023:1%) in the discount rate used would have increased in the impairment loss by RM8.2 million (2023: RM11.1 million).
- A 5% (2023: 5%) decrease in average utilisation rate used would have increased in the impairment loss by RM37.7 million (2023: RM51.7 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 365 days. 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:

	2024 RM'000	2023 RM'000
<b>Group</b>		
Vessel charter income	479,976	331,826

The operating lease payments to be received are as follows:

	2024 RM'000	2023 RM'000
<b>Group</b>		
Less than one year/Total undiscounted lease payments	30,181	44,733

### 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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Property, plant and equipment (cont'd)

#### 2.4 Material accounting policy information (cont'd)

##### (b) Depreciation (cont'd)

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

### 3. Right-of-use assets – Group

	<b>Leasehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 January 2023	32,815	16,504	49,319
Additions	-	7,112	7,112
Derecognition	-	(5,496)	(5,496)
At 31 December 2023/1 January 2024	32,815	18,120	50,935
Additions	20,700	10,624	31,324
Derecognition	-	(5,054)	(5,054)
At 31 December 2024	53,515	23,690	77,205
<b>Accumulated depreciation</b>			
At 1 January 2023	4,247	9,164	13,411
Depreciation for the year (Note 21)	454	3,399	3,853
Derecognition	-	(2,657)	(2,657)
At 31 December 2023/1 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	5,255	10,779	16,034
<b>Net carrying amount</b>			
At 31 December 2023	28,114	8,214	36,328
At 31 December 2024	48,260	12,911	61,171



# NOTES TO THE FINANCIAL STATEMENTS

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

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.

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	2024 RM'000	2023 RM'000
At 1 January		1,129,703	1,041,535
Add: Reversal of impairment loss	4.1	97,975	88,168
At 31 December		1,227,678	1,129,703

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	
			2024 %	2023 %
Direct subsidiaries				
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	63.42	63.61
Subsidiaries of PPB				
Intra Oil Services Berhad	Provision of marine support services for the oil and gas industry	Malaysia	63.42	63.61
Ampangship Marine Sdn. Bhd.	Provision of marine support services for the oil and gas industry	Malaysia	63.42	63.61
Perdana Nautika Sdn. Bhd.	Provision of marine support services for the oil and gas industry	Malaysia	63.42	63.61





# 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	
			2024 %	2023 %
Subsidiaries of PPB (cont'd)				
Perdana Neptune Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.42	63.61
Perdana Pluto Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.42	63.61
Perdana Saturn Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.42	63.61
Perdana Earth Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.42	63.61
Perdana Mars Limited	Provision of leasing business activities in Labuan	Federal Territory of Labuan, Malaysia	63.42	63.61
Perdana Jupiter Limited	Inactive	Federal Territory of Labuan, Malaysia	63.42	63.61
Petra Offshore Limited	Inactive	Federal Territory of Labuan, Malaysia	63.42	63.61
Perdana Marine Offshore Pte. Ltd.*	Inactive	The Republic of Singapore	63.42	63.61
Perdana Uranus Limited	Inactive	Federal Territory of Labuan, Malaysia	63.42	63.61

# 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	
			2024 %	2023 %
<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	63.42	63.61

\* 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
<b>2024</b>	
NCI percentage of ownership interest and voting interest	36.58%
Carrying amount of NCI	280,511
Profit allocated to NCI	53,452

### Summarised financial information before intra-group elimination

	Perdana Petroleum Berhad RM'000
<b>2024</b>	
<b>As at 31 December</b>	
Non-current assets	671,413
Current assets	288,425
Non-current liabilities	(77,939)
Current liabilities	(96,524)
<b>Net assets</b>	<b>785,375</b>



# 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)*

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

	<b>Perdana Petroleum Berhad RM'000</b>
<b>2023</b>	
NCI percentage of ownership interest and voting interest	36.39%
Carrying amount of NCI	234,946
Profit allocated to NCI	16,198

### *Summarised financial information before intra-group elimination*

	<b>Perdana Petroleum Berhad RM'000</b>
<b>2023</b>	
<b>As at 31 December</b>	
Non-current assets	703,019
Current assets	204,508
Non-current liabilities	(117,451)
Current liabilities	(123,592)
<b>Net assets</b>	<b>666,484</b>

# 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)*

	<b>Perdana Petroleum Berhad RM'000</b>
<b>2023 (cont'd)</b>	
<b>Year ended 31 December</b>	
Revenue	313,913
Profit for the year	44,511
Total comprehensive income	81,155
<hr/>	
Cash flows from operating activities	72,316
Cash flows used in investing activities	(4,970)
Cash flows used in financing activities	(56,364)
<hr/>	
<b>Net increase in cash and cash equivalents</b>	<b>10,982</b>
<hr/>	

### **4.1 Accumulated impairment loss**

The performance of one of the subsidiaries of the Company, which had been previously impaired due to loss making, has shown improvement in its financial performance.

In the previous financial year, the Company recognised a reversal of impairment loss of RM88.2 million in the subsidiary as other income in profit or loss based on the estimated recoverable amount of RM511 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 a reversal of impairment loss of RM98.0 million as other income in profit or loss for the subsidiary based on the estimated recoverable amount of RM609 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:

	<b>Group RM'000</b>
<b>Marine Offshore Support Services</b>	
At 1 January 2023	424,282
Less: Allowance for impairment loss (Note 21)	(6,021)
At 31 December 2023, 1 January 2024 and 31 December 2024	418,261

### 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 ("FVLCD") approach (see Note 2.2 on FVLCD 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 FVLCD was as follows:

	<b>Group 2024 RM'000</b>	<b>2023 RM'000</b>
Recoverable amount	1,298,687	1,265,871

### 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%-11.6% (2023: 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Goodwill (cont'd)

#### ***b) Impairment testing sensitivity analysis***

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

- An increase of 1% (2023: 1%) in the discount rate used would not increase in the impairment loss (2023: RM41.4 million).
- A 5% (2023: 5%) decrease in average utilisation rate used would have increased in the impairment loss by RM14.4 million (2023: RM99.2 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	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	-	-	(56,988)	(78,914)	(56,988)	(78,914)
Right-of-use assets	-	-	(14,427)	4,847	(14,427)	4,847
Lease liabilities	-	-	2,919	1,945	2,919	1,945
Trade and other payables	1,049	665	-	-	1,049	665
Capital allowances carried forward	-	46	-	-	-	46
Other temporary differences	3,511	6,307	(1,733)	(1,931)	1,778	4,376
Deferred tax assets/(liabilities)	4,560	7,018	(70,229)	(74,053)	(65,669)	(67,035)
Set-off of tax	(905)	(772)	905	772	-	-
Net deferred tax assets/(liabilities)	3,655	6,246	(69,324)	(73,281)	(65,669)	(67,035)

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

Group	Recognised		At Recognised		At	
	At	in profit	At	in profit	At	in profit
	1.1.2023	or loss	31.12.2023/	or loss	31.12.2024	or loss
	RM'000	RM'000	1.1.2024	RM'000	RM'000	RM'000
Property, plant and equipment	(79,828)	914	(78,914)	21,926	(56,988)	(56,988)
Right-of-use assets	5,095	(248)	4,847	(19,274)	(14,427)	(14,427)
Lease liabilities	1,836	109	1,945	974	2,919	2,919
Trade and other payables	281	384	665	384	1,049	1,049
Capital allowances carried forward	46	-	46	(46)	-	-
Tax losses carried forward	4,784	(4,784)	-	-	-	-
Other temporary differences	2,699	1,677	4,376	(2,598)	1,778	1,778
	(65,087)	(1,948)	(67,035)	1,366	(65,669)	(65,669)

(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):

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Unabsorbed capital allowances	541	655
Unutilised tax losses	14,889	14,889
	<b>15,430</b>	<b>15,544</b>

Deferred tax assets of the Group of RM3.7 million (2023: 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 affected group entities 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:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tax losses for which no deferred tax assets was recognised expire as follows:</b>		
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
	<b>14,889</b>	<b>14,889</b>

## 7. Inventories – Group

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

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Materials and consumables - at cost	7,985	7,689
Recognised in profit or loss:		
Inventories recognised as part of cost of services	25,630	24,008



# NOTES TO THE FINANCIAL STATEMENTS

## 7. Inventories – Group (cont'd)

### **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

	2024 RM'000	2023 RM'000
Contract assets	302,393	269,848

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.

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

	2024 RM'000	2023 RM'000
Contract assets at beginning of the period transferred to trade receivables	252,488	227,508

## 9. Trade and other receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade</b>					
Trade receivables		213,450	170,142	-	-
Less: Allowance for impairment losses	9.1	(10,676)	(10,676)	-	-
		202,774	159,466	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Trade and other receivables (cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-trade</b>					
Amount due from subsidiaries	9.2	-	-	10,049	4,083
Other receivables	9.3	10,837	13,042	7	40
		10,837	13,042	10,056	4,123
Total		213,611	172,508	10,056	4,123

### 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 million (2023: RM5 million) in relation to repair cost for a marine vessel owned by a subsidiary of the Company.

## 10. Deposits and prepayments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits	3,895	3,000	212	204
Prepayments	6,531	6,599	42	40
	10,426	9,599	254	244

## 11. Other investments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed deposits with original maturities exceeding three months	298,709	223,217	-	-

### Material accounting policy information

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



# NOTES TO THE FINANCIAL STATEMENTS

## 12. Other financial assets

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits pledged with licensed banks (Note 12.1)	47,480	45,454	3,000	3,000

### 12.1 Deposits pledged as security:

- a. In 2023, deposits of RM3 million of the Group and of the Company were designated as Finance Services Reserve Account ("FSRA") to ensure that a minimum balance in the FSRA equivalent to the next three months profit payment payable under Commodity Murabahah Term Financing-i (see Note 16.1).
- b. Deposits of RM44.5 million (2023: RM42.5 million) of the Group is pledged as security for the banking facilities of a subsidiary.

## 13. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks with original maturities not exceeding three months	176,933	153,723	-	10,000
Cash on hand and at banks	209,320	118,141	9,286	18,813
Total cash and cash equivalents	386,253	271,864	9,286	28,813

The covenants of a bank loan taken by a subsidiary require the Group to hold unencumbered cash of not less than USD7 million or the equivalent in any other currency and maintaining a minimum credit balance that is not less than 3 months of the principal amount and interest payable in Retention Accounts as disclosed in Note 16.3.

## 14. Assets classified as held for sale – Group

	Note	2024 RM	2023 RM
Property, plant and equipment	2	-	3,201

The carrying value of the vessel was the same as its carrying value before it was being reclassified to current asset. The sale was completed on 2 May 2024.

# NOTES TO THE FINANCIAL STATEMENTS

## 15. Capital and reserves

### 15.1 Share capital

	Group and Company			
	2024		2023	
	Number of shares	Amount RM'000	Number of shares	Amount RM'000
Ordinary shares				
<b>Issued and fully paid shares with no par value classified as equity instruments:</b>				
Opening and closing balances	1,157,771,718	891,288	1,157,771,718	891,288

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.

### 15.2 Reserves

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-distributable:-</b>				
Other reserves (Note 15.3)	101,712	118,983	-	-
<b>Distributable/(Non-distributable):-</b>				
Retained earnings/(Accumulated losses)	881,869	642,267	(374,106)	(538,776)
	983,581	761,250	(374,106)	(538,776)

### 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

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>					
Term loan – Commodity Murabahah					
Term Financing – I (secured)	16.1	-	101,061	-	101,061
Term loans (secured)	16.2	6,453	16,574	-	-
Hire purchase liability		62	129	-	-
		6,515	117,764	-	101,061
<b>Current</b>					
Term loan – Commodity Murabahah					
Term Financing – I (secured)	16.1	101,061	110,685	101,061	110,249
Term loans (secured)	16.2	9,678	9,944	-	-
Hire purchase liability		66	63	-	-
		110,805	120,692	101,061	110,249
Total		117,320	238,456	101,061	211,310

### 16.1 Term loan – Commodity Murabahah Term Financing – I

On 8 October 2014, a subsidiary of the Group accepted a term loan facility denominated in United States Dollar (USD) with a nominal value of USD20,000,000. The tenure of the loan, which was initially repayable over seven (7) years, was extended by four (4) years in January 2020. The loan was fully settled during the year.

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 is 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;
- (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.

# NOTES TO THE FINANCIAL STATEMENTS

## 16. Loans and borrowings (cont'd)

### 16.2 Secured term loans

The term loans are 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.

### 16.3 Significant covenants on loans and borrowings

The Group is also subjected to the following significant loan covenants on loans and borrowings:

- (i) debt to equity ratio of not greater than 1.2 times;
- (ii) debt service coverage ratio of at least 1.25 times;
- (iii) tangible net worth equals to or more than RM500 million;
- (iv) unencumbered cash not less than USD7 million or the equivalent in any other currency; and
- (v) maximum total interest-bearing debt to book equity of 2.5 times;
- (vi) minimum book equity of USD100 million; and
- (vii) maintaining a minimum credit balance that is not less than 3 months of the principal amount and interest payable in Retention Accounts.

## 17. Lease liabilities - Group

	2024 RM'000	2023 RM'000
Current	3,634	2,787
Non-current	9,604	5,619
Lease liabilities	13,238	8,406

	Future minimum lease payment RM	Interest RM	Present value of minimum lease RM
<b>2024</b>			
<b>Non-current</b>			
Between one and five years	10,319	715	9,604
<b>Current</b>			
Less than one year	4,185	551	3,634
	14,504	1,266	13,238
<b>2023</b>			
<b>Non-current</b>			
Between one and five years	6,003	384	5,619
<b>Current</b>			
Less than one year	3,119	332	2,787
	9,122	716	8,406



# NOTES TO THE FINANCIAL STATEMENTS

## 18. Trade and other payables

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade</b>					
Trade payables		158,910	160,674	-	-
Trade accruals		90,827	65,121	-	-
		249,737	225,795	-	-
<b>Non-trade</b>					
Other payables		17,342	4,849	-	277
Accrued expenses		61,730	27,621	30,325	15,327
Amount due to a subsidiary	18.1	-	-	596,718	583,377
		79,072	32,470	627,043	598,981
Total		328,809	258,265	627,043	598,981

18.1 Amount due to a subsidiary is unsecured, subject to interest at 4.90% (2023: 5.60%) per annum and repayable on demand.

## 19. Revenue

	Note	2024 RM'000	2023 RM'000
<b>Group</b>			
Revenue from contracts with customers	19.1	988,164	781,161
Other revenue - vessel charter income		479,976	331,826
		1,468,140	1,112,987
<b>Company</b>			
Revenue from contracts with customers	19.1	41,160	25,944
Other revenue - dividend income from a subsidiary		173,242	162,192
		214,402	188,136

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.

	2024 RM'000	2023 RM'000
<b>Group</b>		
<b>Type of contracts</b>		
Topside maintenance services		
- Lump sum	328,461	298,090
- Unit rate	543,190	359,171
- Reimbursable	70,181	73,108
Catering services	46,332	50,792
	988,164	781,161
<b>Geographical market</b>		
Malaysia	988,164	781,161
<b>Timing and recognition</b>		
At a point in time	70,181	73,108
Over time	917,983	708,053
	988,164	781,161
<b>Company</b>		
<b>Major service line</b>		
Management services	41,160	25,944
<b>Geographical market</b>		
Malaysia	41,160	25,944
<b>Timing and recognition</b>		
Over time	41,160	25,944



# 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 (2023: within one year).

	2024 RM'000	2023 RM'000
Topside maintenance services	20,948	460,981

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Other income</b>				
Gain on foreign exchange	10,565	271	-	-
Gain on disposal of property, plant and equipment	3,297	107	-	-
Gain on disposal of assets held for sale	948	-	-	-
Gain on lease modification	54	203	-	-
Government subsidy	-	318	-	-
Insurance claim	567	5,042	-	-
Reversal of impairment loss on property, plant and equipment (Note 2.2)	-	41,731	-	-
Reversal of impairment loss on investment in a subsidiary (Note 4)	-	-	97,975	88,168
Others	1,450	1,383	-	182
	16,881	49,055	97,975	88,350
<b>Other expenses</b>				
Loss on foreign exchange	140	12,416	-	-
Impairment loss on goodwill (Note 5)	-	6,021	-	-
Impairment loss on property, plant and equipment (Note 2.2)	1,853	-	-	-
Vessel repair cost	-	5,499	-	-
Penalty	1,150	334	112	-
Others	923	1,095	-	-
	4,066	25,365	112	-



# NOTES TO THE FINANCIAL STATEMENTS

## 21. Results from operating activities

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Results from operating activities is arrived at after charging/(crediting):</b>					
<b>Auditors' remuneration:</b>					
- Audit fees					
- KPMG PLT		578	545	106	100
- Others		10	7	-	-
- Non-audit fees					
- KPMG PLT		30	30	17	17
- Affiliates of KPMG PLT		636	578	68	107
<b>Material expenses/(income):</b>					
Depreciation of property, plant and equipment	2	98,019	85,152	-	1
Depreciation of right-of-use assets	3	4,315	3,853	-	-
Gain on disposal of property, plant and equipment		(3,297)	(107)	-	-
Gain on disposal of assets held for sale		(948)	-	-	-
Gain on lease modification		(54)	(203)	-	-
Government subsidy		-	(318)	-	-
Impairment loss on goodwill	5	-	6,021	-	-
Net loss/(gain) on foreign exchange - Realised		140	(271)	-	-
Impairment loss/(Reversal of impairment loss) on property, plant and equipment	2	1,853	(41,731)	-	-
Reversal of impairment loss on investment in a subsidiary	4	-	-	(97,975)	(88,168)
Reversal of impairment loss on financial assets		-	(1,239)	-	-
Loss from refinancing of loans and borrowings		-	1,082	-	-
Personnel expenses (including key management personnel):					
- Contributions to the Employees Provident Fund		19,776	16,427	183	160
- Wages, salaries and others		306,233	249,536	1,621	1,453
Property, plant and equipment written off		837	16	-	-
Net unrealised foreign exchange (gain)/loss		(10,565)	12,416	-	-
<b>Expenses arising from leases:</b>					
Expenses relating to short-term leases		131,070	107,239	-	-
Expenses relating to low-value assets		155	166	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 22. Finance income/(costs)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Recognised in profit or loss</b>				
Interest expense of financial liabilities:				
- Loans	(9,278)	(5,143)	(7,571)	(1,406)
- Amount due to a subsidiary	-	-	(22,296)	(25,481)
- Lease liabilities	(608)	(427)	-	-
- Bank overdraft	(70)	(4)	-	-
- Revolving credit	-	(74)	-	-
Profit payments of Sukuk	-	(26,390)	-	(26,390)
	(9,956)	(32,038)	(29,867)	(53,277)
Interest income of financial assets:				
- Short term deposits	14,751	13,209	314	1,815
- Current accounts	409	259	-	-
	15,160	13,468	314	1,815
Net finance income/(costs) recognised in profit or loss	5,204	(18,570)	(29,553)	(51,462)

## 23. Tax expense

### Recognised in profit or loss

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Income tax expense</b>				
Malaysian - current year	139,873	99,131	8,070	5,444
- prior year	519	1,107	452	(2)
	140,392	100,238	8,522	5,442
<b>Deferred tax expense (Note 6)</b>				
- Reversal of temporary differences	(1,498)	(997)	-	-
- Under provision in prior year	132	2,945	-	-
	(1,366)	1,948	-	-
Tax expense	139,026	102,186	8,522	5,442



# NOTES TO THE FINANCIAL STATEMENTS

## 23. Tax expense (cont'd)

### Recognised in profit or loss (cont'd)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Reconciliation of tax expense</b>				
Profit for the year	364,594	235,178	234,136	193,059
Tax expense	139,026	102,186	8,522	5,442
Profit excluding tax	503,620	337,364	242,658	198,501
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	120,869	80,967	58,238	47,640
Tax effect under Labuan Business Activity Act 1990	(14,141)	(4,458)	-	-
Movement in unrecognised deferred tax assets	(27)	962	-	-
Non-deductible expenses	31,693	20,746	14,924	17,934
Non-taxable income	(19)	(83)	(65,092)	(60,130)
Under/(Over) provision in prior year	138,375	98,134	8,070	5,444
	651	4,052	452	(2)
Tax expense	139,026	102,186	8,522	5,442

## 24. Compensations to key management personnel

Compensations to key management personnel are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors:				
- Fees	3,018	2,970	2,920	2,970
- Remuneration	36,785	20,932	34,499	19,419
	39,803	23,902	37,419	22,389
Other key management personnel:				
- Short term employee benefits	2,482	2,103	756	660
	42,285	26,005	38,175	23,049

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 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 2024 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to ordinary shareholders	311,142	218,980
<hr/>		
<b>Weighted average number of ordinary shares</b>		
Weighted average number of ordinary shares at 31 December ('000)	1,157,772	1,157,772
<hr/>		
<b>Basic/diluted earnings per share (sen)</b>	<b>26.87</b>	<b>18.91</b>
<hr/>		

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

## 26. Dividends

Dividends recognised by the Group:

	<b>Sen per share</b>	<b>Total RM'000</b>	<b>Date of payment</b>
<b>2024</b>			
<b>In respect of financial year ended 31 December 2023:</b>			
Second interim ordinary	3.0	34,733	22 March 2024
<b>In respect of financial year ended 31 December 2024:</b>			
First interim ordinary	3.0	34,733	18 September 2024
		69,466	
<hr/>			
<b>2023</b>			
<b>In respect of financial year ended 31 December 2022:</b>			
Second interim ordinary	1.5	17,367	17 March 2023
<b>In respect of financial year ended 31 December 2023:</b>			
First interim ordinary	1.5	17,366	20 December 2023
		34,733	
<hr/>			



# NOTES TO THE FINANCIAL STATEMENTS

## 26. Dividends (cont'd)

After the end of the reporting date, in respect of the financial year ended 31 December 2024, a second interim single-tier exempt dividend of RM0.07 per ordinary share totalling RM81,044,020 was declared on 20 February 2025 and paid on 17 March 2025. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

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:

### **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 2024 and 2023.

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Segment profit</b>	318,649	248,384	210,181	142,604	528,830	390,988
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	941,833	730,369	526,307	382,618	1,468,140	1,112,987
Inter-segment revenue	-	-	110,124	87,258	110,124	87,258
Depreciation and amortisation	(8,777)	(8,411)	(81,027)	(68,422)	(89,804)	(76,833)
Finance costs	(518)	(370)	(6,550)	(8,526)	(7,068)	(8,896)
Finance income	37,517	38,840	3,506	2,155	41,023	40,995
(Impairment loss)/Reversal of impairment loss on property, plant and equipment	-	-	(1,853)	41,731	(1,853)	41,731
Net unrealised foreign exchange gain/(loss)	-	-	10,565	(12,416)	10,565	(12,416)
<b>Segment assets</b>	1,615,331	1,407,335	1,329,391	1,335,148	2,944,722	2,742,483

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

	2024 RM'000	2023 RM'000
Total profit for reportable segments	528,830	390,988
Other non-reportable segments	(25,210)	(53,624)
Consolidated profit before tax	503,620	337,364



# 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
<b>2024</b>					
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
<b>2023</b>					
Total reportable segments	1,112,987	(76,833)	(8,896)	40,995	2,742,483
Other non-reportable segments	-	(12,172)	(53,303)	2,634	116,611
Goodwill	-	-	-	-	418,261
Elimination of inter-segment transactions or balances	-	-	30,161	(30,161)	(768,558)
Consolidated total	1,112,987	(89,005)	(32,038)	13,468	2,508,797

### Major customers

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

	Revenue 2024 RM'000	Revenue 2023 RM'000	Segment
Companies under common control of: - Customer A	884,757	681,963	Topside maintenance services and marine offshore support services

# NOTES TO THE FINANCIAL STATEMENTS

## 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
<b>2024</b>			
<b>Financial assets</b>			
<b>Group</b>			
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	386,253	386,253
<b>Company</b>			
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	9,286	9,286
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	16	(117,320)	(117,320)
Trade and other payables	18	(328,809)	(328,809)
<b>Company</b>			
Loans and borrowings	16	(101,061)	(101,061)
Trade and other payables	18	(627,043)	(627,043)
<b>2023</b>			
<b>Financial assets</b>			
<b>Group</b>			
Deposits	10	3,000	3,000
Trade and other receivables	9	172,508	172,508
Other investments	11	223,217	223,217
Other financial assets	12	45,454	45,454
Cash and cash equivalents	13	271,864	271,864



# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments (cont'd)

### 28.1 Categories of financial instruments (cont'd)

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

	Note	Carrying amount RM'000	AC RM'000
<b>2023 (cont'd)</b>			
<b>Financial assets (cont'd)</b>			
<b>Company</b>			
Deposits	10	204	204
Trade and other receivables	9	4,123	4,123
Other financial assets	12	3,000	3,000
Cash and cash equivalents	13	28,813	28,813
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	16	(238,456)	(238,456)
Trade and other payables	18	(258,265)	(258,265)
<b>Company</b>			
Loans and borrowings	16	(211,310)	(211,310)
Trade and other payables	18	(598,981)	(598,981)

### 28.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Net gains/(losses) arising on:</b>				
Financial assets measured at amortised cost	25,725	14,978	314	1,815
Financial liabilities measured at amortised cost	(9,488)	(45,536)	(29,867)	(53,277)
	16,237	(30,558)	(29,553)	(51,462)

### 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

# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments (cont'd)

### 28.3 Financial risk management (cont'd)

#### (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.

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 (2023: one) counterparties of RM123,139,974 (2023: RM80,143,346) 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
<b>2024</b>			
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)	-
	213,450	(10,676)	202,774
<b>2023</b>			
Current (Not past due)	85,237	-	85,237
1-30 days past due	34,293	-	34,293
31-90 days past due	36,441	-	36,441
91-365 days past due	3,495	-	3,495
More than 365 days past due	10,676	(10,676)	-
	170,142	(10,676)	159,466

# 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:

	<b>Credit impaired RM'000</b>
<b>Balance at 1 January 2023</b>	12,353
Amount written off	(438)
Net remeasurement of loss allowance	(1,239)
<b>Balance at 31 December 2023/1 January 2024 and 31 December 2024</b>	<b>10,676</b>

##### 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.

	<b>Credit impaired RM'000</b>
<b>Balance at 1 January 2023</b>	1,433
Amount written off	(1,433)
<b>Balance at 31 December 2023/1 January 2024 and 31 December 2024</b>	<b>-</b>



# 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 RM16.1 million (2023: RM26.5 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.

##### **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.



# 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)

##### *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 (2023: two) subsidiaries of RM10.0 million (2023: RM4.1 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.

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

	<b>Gross carrying amount RM'000</b>	<b>Loss allowance RM'000</b>	<b>Net balance RM'000</b>
<b>2024</b>			
Low credit risk	10,049	-	10,049
<b>2023</b>			
Low credit risk	4,083	-	4,083

#### (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.



# NOTES TO THE FINANCIAL STATEMENTS

## 28. Financial instruments (cont'd)

### 28.3 Financial risk management (cont'd)

#### (b) Liquidity risk (cont'd)

#### ***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.

#### ***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
<b>Group 2024</b>						
<i>Non-derivative financial liabilities</i>						
Term loan – Commodity Murabahah Term Financing – I (secured)	101,061	4.87	103,260	103,260	-	-
Term loans (secured)	16,131	6.60-7.41	18,888	10,569	8,319	-
Trade and other payables	328,809	-	328,809	328,809	-	-
Lease liabilities	13,238	2.40-7.66	14,504	4,185	10,303	16
Hire purchase liability	128	2.04	133	70	63	-
	<b>459,367</b>		<b>465,594</b>	<b>446,893</b>	<b>18,685</b>	<b>16</b>

# 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
<b>Group 2023</b>						
<i>Non-derivative financial liabilities</i>						
Term loan – Commodity Murabahah Term Financing – I (secured)	211,746	4.95-6.90	221,536	118,009	103,527	-
Term loans (secured)	26,518	5.49-7.41	31,272	11,723	19,549	-
Trade and other payables	258,265	-	258,265	258,265	-	-
Lease liabilities	8,406	2.40-4.00	9,122	3,119	5,976	27
Hire purchase liability	192	2.04	209	70	139	-
	<u>505,127</u>		<u>520,404</u>	<u>391,186</u>	<u>129,191</u>	<u>27</u>

	Carrying amount RM'000	Contractual interest/ coupon rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000
<b>Company 2024</b>					
<i>Non-derivative financial liabilities</i>					
Term loan – Commodity Murabahah Term Financing – I (secured)	101,061	4.87	103,260	103,260	-
Trade and other payables	30,325	-	30,325	30,325	-
Amount due to a subsidiary	596,718	4.90	625,957	625,957	-
Financial guarantee	-		16,131	16,131	-
	<u>728,104</u>		<u>775,673</u>	<u>775,673</u>	<u>-</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/ coupon rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000
<b>Company</b>					
<b>2023</b>					
<i>Non-derivative financial liabilities</i>					
Term loan – Commodity					
Murabahah Term Financing					
– I (secured)	211,310	4.95	221,096	117,569	103,527
Trade and other payables	15,604	-	15,604	15,604	-
Amount due to a subsidiary	583,377	5.60	616,046	616,046	-
Financial guarantee	-	-	26,518	26,518	-
	<u>810,291</u>		<u>879,264</u>	<u>775,737</u>	<u>103,527</u>

#### (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"), United States Dollar ("USD") and European Union ("EUR").

##### *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:

	USD RM'000	Denominated in SGD RM'000	EUR RM'000
<b>Group</b>			
<b>2024</b>			
<b>Financial assets</b>			
Trade and other receivables	45,678	6,766	-
Cash and cash equivalents	197	-	-
	<u>45,875</u>	<u>6,766</u>	<u>-</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	USD RM'000	Denominated in SGD RM'000	EUR RM'000
<b>2024 (cont'd)</b>			
<b>Financial liabilities</b>			
Trade and other payables	(479,675)	(19,838)	-
Net currency exposure	(433,800)	(13,072)	-
<b>2023</b>			
<b>Financial assets</b>			
Trade and other receivables	42,181	7,134	-
Cash and cash equivalents	203	-	-
	42,384	7,134	-
<b>Financial liabilities</b>			
Trade and other payables	(433,316)	(25,779)	(14)
Net currency exposure	(390,932)	(18,645)	(14)

##### *Currency risk sensitivity analysis*

A 10% (2023: 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	
	2024 RM'000	2023 RM'000
USD	43,380	39,093
SGD	1,307	1,865
EUR	-	1

A 10% (2023: 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.

#### ***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:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Fixed rate instruments</b>				
<b>Financial assets</b>				
- Other investments	298,709	223,217	-	-
- Other financial assets	47,480	45,454	3,000	3,000
- Deposits placed with licensed banks	176,933	153,723	-	10,000
<b>Financial liabilities</b>				
- Hire purchase liability	(128)	(192)	-	-
- Lease liabilities	(13,238)	(8,406)	-	-
	509,756	413,796	3,000	13,000
<b>Floating rate instruments</b>				
<b>Financial liabilities</b>				
- Term loan – Commodity Murabahah				
Term Financing – I (secured)	(101,061)	(211,746)	(101,061)	(211,310)
- Term loans (secured)	(16,131)	(26,518)	-	-
	(117,192)	(238,264)	(101,061)	(211,310)

# 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) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2024		2023	
	Profit or loss		Profit or loss	
	100bp increase RM'000	100bp decrease RM'000	100bp increase RM'000	100bp decrease RM'000
<b>Group</b>				
Floating rate instruments	(1,172)	1,172	(2,383)	2,383
<b>Company</b>				
Floating rate instruments	(1,011)	1,011	(2,113)	2,113

##### (iii) Other price risk

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

##### *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.



## NOTES TO THE FINANCIAL STATEMENTS

### 28. Financial instruments (cont'd)

#### 28.4 Fair value information (cont'd)

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.

	<b>Fair value of financial instruments not carried at fair value Level 3 RM'000</b>	<b>Total fair value RM'000</b>	<b>Carrying amount RM'000</b>
<b>2024</b>			
<b>Group Financial liabilities</b>			
Hire purchase liability	(135)	(135)	(128)
<b>2023</b>			
<b>Group Financial liabilities</b>			
Hire purchase liability	(198)	(198)	(192)

#### 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.

During 2024, the Group's strategy, which was unchanged from 2023, was to maintain debt to equity ratio of not greater than 1.2 times and debt service coverage ratio of at least 1.25 times.



# NOTES TO THE FINANCIAL STATEMENTS

## 29. Capital management (cont'd)

### (i) Debt to equity ratio

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and borrowings (Note 16)	117,320	238,456
Lease liabilities (Note 17)	13,238	8,406
	130,558	246,862
Total equity attributable to owners of the Company	1,874,869	1,652,538
Debt-to-equity ratio	0.07	0.15

### (ii) Debt service coverage ratio

Nominal value paid for Sukuk	-	141,303
Coupon payments on Sukuk	-	21,596
Guarantee fee payment arising from Sukuk	-	890
Repayment of term loans	120,577	27,292
Repayment of hire purchase liability	64	61
Repayment of term loan - Islamic	-	9,821
Payment of lease liabilities	3,572	3,322
Term loans interest paid	9,567	4,596
	133,780	208,881
Cash and cash equivalents	386,253	271,864
	520,033	480,745
Debt service coverage ratio	3.89	2.30

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

## 30. Capital commitments

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property, plant and equipment</b>		
Approved and contracted for	33,916	16,609



# 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:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><i>Transactions with subsidiaries</i></b>		
Interest expense	22,296	25,481
Management fees	(41,160)	(25,944)

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><i>Transactions with certain Directors and company in which certain Directors and close members of their families have or are deemed to have substantial interest</i></b>		
Rental of premises paid	2,932	2,748
Provision of services	6,539	19,846

### ***Transaction with a related party of a corporate shareholder***

Purchase of land	20,700	-
------------------	--------	---

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

During the year, 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. Hence, management has not made a provision for this alleged short payment of service tax in the financial statements of the Group as at and for the year ended 31 December 2024.



## 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 96 to 162 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 2024 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: 10 April 2025

## 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 96 to 162 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 10 April 2025.

.....  
**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 2024 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 96 to 162.

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 2024, 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### 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
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>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"><li>i) 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.</li><li>ii) We inspected all new contracts secured during the year to assess the performance obligations and the transaction prices in accordance with relevant accounting standards.</li></ul>

# INDEPENDENT AUDITORS' REPORT

## Key Audit Matters (cont'd)

1. Revenue recognition from topside maintenance services (cont'd)  
*Refer to Note 19 Revenue*

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognised from topside maintenance services segment, which was approximately RM942 million, representing 64% 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>iii) 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.).</p> <p>iv) 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.</p> <p>v) 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.</p> <p>vi) We inspected manual journal entries to revenue and revenue related accounts based on specific criteria and compared details with supporting documents and approval.</p> <p>vii) 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.</p> <p>viii) We assessed the completeness, accuracy and appropriateness of disclosures as required by relevant accounting standard.</p>

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 2024 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>Our audit procedures included, amongst others:</p> <p>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.</p>



# INDEPENDENT AUDITORS' REPORT

## Key Audit Matters (cont'd)

2. Impairment assessment of goodwill (cont'd)  
Refer to Note 5 Goodwill

Key audit matter	How our audit addressed the key audit matter
<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>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.</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> <p>v) We evaluated the sensitivity of the impairment calculation to changes in the key assumptions used.</p> <p>vi) We considered the adequacy of the Group's disclosures about the assumptions to which the outcome of the impairment assessment were most sensitive.</p>

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 2023/2024 have continued to affect the business activities of the industry in which the Group operates. Nonetheless, the Group's profitability has improved in 2024 when compared with 2023 due to the growth in the global demand for offshore support vessels.</p>	<p>Our audit procedures included, amongst others:</p> <p>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.</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 Group as to the reasons for any significant variations identified.</p>



# INDEPENDENT AUDITORS' REPORT

## Key Audit Matters (cont'd)

3. Impairment assessment of marine vessels (cont'd)  
Refer to Note 2.2 *Impairment testing of marine vessels*

Key audit matter	How our audit addressed the key audit matter
<p>In previous year, the Group has recognised a net reversal of impairment loss of RM41.73 million. Following the assessment during the year, the Group has recognised a net impairment loss of RM1.85 million on certain vessels as other expenses 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>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> <p>v) We evaluated the sensitivity of the impairment calculation to changes in the key assumptions used.</p> <p>vi) We considered the adequacy of the Group's disclosures about the assumptions to which the outcome of the impairment assessment were most sensitive.</p>

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 impaired due to loss making, has shown improvement in its financial performance.</p> <p>During the financial year, the Company has recognised a reversal of impairment loss of RM98 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>



# INDEPENDENT AUDITORS' REPORT

## Key Audit Matters (cont'd)

4. Valuation of investment in subsidiaries – Company level (cont'd)  
Refer to Note 4 Investment in subsidiaries

Key audit matter	How our audit addressed the key audit matter
	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.

## 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.

## 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.

# INDEPENDENT AUDITORS' REPORT

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

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 subsidiaries of which we have not acted as auditors are disclosed in Note 4 to the financial statements.



# INDEPENDENT AUDITORS' REPORT

## 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: 10 April 2025

### Tai Yoon Foo

Approval Number: 02948/05/2026 J  
Chartered Accountant

# ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

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 Shares	% of Shares
1 - 99	237	2.920	7,420	0.000
100 - 1,000	1,829	22.535	1,106,776	0.095
1,001 - 10,000	4,111	50.653	19,003,237	1.641
10,001 - 100,000	1,428	17.594	43,589,944	3.764
100,001 - 57,888,584 (*)	509	6.271	858,212,894	74.126
57,888,585 and above (**)	2	0.024	235,851,447	20.371
<b>TOTAL</b>	<b>8,116</b>	<b>100.000</b>	<b>1,157,771,718</b>	<b>100.000</b>

**Remark:** \* - 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	No. of Shares Hold		%
			%	Indirect	
1	Naim Holdings Berhad	280,401,447	24.22	-	0.00
2	Datuk Ling Suk Kiong	86,479,763	7.47	62,528,394 <sup>(a)</sup>	5.40
3	Joe Ling Siew Loung @ Lin Shou Long	43,310,207	3.74	105,697,950 <sup>(b)</sup>	9.13
4	Datuk Hasmi Bin Hasnan	1,057,030	0.09	280,401,447 <sup>(c)</sup>	24.22
5	Datuk Abdul Hamed Bin Haji Sepawi	-	0.00	280,401,447 <sup>(c)</sup>	24.22

Note:

<sup>(a)</sup> Deemed interest by virtue of the interest of his children in the Company pursuant to Section 8 of the Act.

<sup>(b)</sup> Deemed interest through shares held by his parents.

<sup>(c)</sup> Deemed interest by virtue of Section 8 of the Act, held through Naim Holdings Berhad.

## DIRECTORS' SHAREHOLDINGS

No	Name of Directors	Direct	No. of Shares Hold		%
			%	Indirect	
1	Datuk Hasmi Bin Hasnan	1,057,030	0.09	280,401,447	24.22
2	Datuk Ling Suk Kiong	86,479,763	7.47	62,528,394	5.40
3	Tengku Dato' Yusof Bin Tengku	35,323,960	3.05	-	0.00
4	Joe Ling Siew Loung @ Lin Shou Long	43,310,207	3.74	105,697,950	9.13
5	Jeanita Anak Gamang	-	0.00	-	0.00
6	Datu Hasmawati Binti Sapawi	-	0.00	-	0.00
7	Chin Hsiun	-	0.00	-	0.00
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



# ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

## LIST OF TOP 30 SHAREHOLDERS

No	Name of Substantial Holders	Holdings	%
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	50,589,763	4.369
4	NAIM HOLDINGS BERHAD	44,550,000	3.847
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	40,226,500	3.474
6	TENGKU YUSOF BIN TENGKU AHMAD SHAHRUDDIN	35,323,960	3.051
7	KENANGA NOMINEES (TEMPATAN) SDN BHD LING SUK KIONG	33,590,000	2.901
8	KENANGA NOMINEES (TEMPATAN) SDN BHD JOE LING SIEW LOUNG @ LIN SHOU LONG	23,180,520	2.002
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	22,000,000	1.900
10	JOE LING SIEW LOUNG @ LIN SHOU LONG	19,093,750	1.649
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (2)	17,398,459	1.502
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 4)	17,351,177	1.498
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	16,759,500	1.447
14	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	14,031,800	1.211
15	VOGUE EMPIRE SDN BHD	11,718,187	1.012
16	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DIVIDEND FUND	11,500,000	0.993
17	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	9,800,000	0.846
18	AMANAHA RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	9,789,900	0.845
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	8,721,500	0.753
20	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	8,719,694	0.753
21	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	8,613,900	0.744
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF) (446190)	8,529,500	0.736
23	VOGUE EMPIRE SDN BHD	7,500,000	0.647
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD HONG LEONG ASSET MANAGEMENT BHD FOR HONG LEONG ASSURANCE BERHAD (LP FUND ED102)	7,180,000	0.620
25	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	7,060,000	0.609
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA EQUITYTRUST FUND (211882)	6,790,800	0.586

## ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

### LIST OF TOP 30 SHAREHOLDERS

No	Name of Substantial Holders	Holdings	%
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	6,285,000	0.542
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NIAM EQ)	6,181,600	0.533
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIMAN)	6,041,200	0.521
30	IFAST NOMINEES (TEMPATAN) SDN BHD GLOBAL SUCCESS NETWORK SDN BHD	6,000,000	0.518



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth General Meeting ("19<sup>th</sup> 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, 22 May 2025 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 2024 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 Hasmi Bin Hasnan **Ordinary Resolution 1**
  - (ii) Chin Hsiun **Ordinary Resolution 2**
  - (iii) Datu Hasmawati Binti Sapawi **Ordinary Resolution 3**
3. To re-elect the following directors who retire in accordance with Clause 100 of the Company's Constitution and who being eligible, have offered themselves for re-election: -
  - (i) Professor Dr Ho Poh Ling **Ordinary Resolution 4**
  - (ii) Zahirudin Khan Bin Asghar Khan **Ordinary Resolution 5**
  - (iii) Wong Ping Eng **Ordinary Resolution 6**
4. To approve the payment of Directors' Fees of RM2,919,643.64 for the financial year ended 31 December 2024. **Ordinary Resolution 7**
5. To approve the payment of Meeting Allowance of RM500.00 per meeting of each Non-Executive Directors from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 8**
6. 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 authorise the Directors to fix their remuneration. **Ordinary Resolution 9**

### AS SPECIAL BUSINESS

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

7. **Proposed Renewal of 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 23 April 2025, be and is hereby renewed, 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 shareholder.



# NOTICE OF ANNUAL GENERAL MEETING

**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 10**

8. **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 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 11**

9. 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 23 April 2025



# NOTICE OF ANNUAL GENERAL MEETING

## NOTES:

1. A proxy may but need not be a member of the Company but shall be of full age.
2. 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.
3. 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.
4. 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, 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 TIH Online at <https://tiah.online>. Kindly refer to the Administrative Details for the 19<sup>th</sup> AGM. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.

5. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
6. Last date and time for lodging the proxy form is Wednesday, 21 May 2025 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 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 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.

# NOTICE OF ANNUAL GENERAL MEETING

- (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 19<sup>th</sup> AGM together with the Form of Proxy, Administrative Details, Annual Report 2024 and Circular to Shareholders are published on the Company's website at [www.desb.net](http://www.desb.net) or Bursa Malaysia's website at [www.bursamalaysia.com](http://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.

## 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 – 6 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 Hasmi Bin Hasnan, Chin Hsiun, Datu Hasmawati Binti Sapawi, Professor Dr Ho Poh Ling, Zahirudin Khan Bin Asghar Khan and Wong Ping Eng who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 19<sup>th</sup> AGM.

The respective profiles of the above Directors are set out in the Board of Directors' profile of the Annual Report 2024.

### 3. Ordinary Resolution 7 and 8 on Directors' Fee and Allowance

The proposed Resolution 7, if passed, will authorise the payment of the Directors' fee up to the amount of RM RM2,919,643.64 for the financial year ending 31 December 2024.

The proposed Resolution 8, if passed, will authorise the payment of the Meeting Allowance of RM500.00 per meeting to each of the Non-Executive Directors from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company.



# NOTICE OF ANNUAL GENERAL MEETING

## **4. Ordinary Resolutions 9 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 10 on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Resolution 10, 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 to the detriment of the 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 23 April 2025 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 27 May 2024 ("the Previous Mandate"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

The proposed resolution 11, 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 DETAILS FOR THE NINETEENTH ANNUAL GENERAL MEETING ("19<sup>th</sup> AGM") OF DAYANG ENTERPRISE HOLDINGS BHD

Date : 22 May 2025, 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 2025 shall be eligible to attend, speak and vote at the 19<sup>th</sup> AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- If you are unable to attend the meeting on 22 May 2025, you may appoint the Chairman of the meeting as proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the 19<sup>th</sup> AGM yourself, please do not submit any Form of Proxy for the 19<sup>th</sup> AGM. You will not be allowed to participate in the 19<sup>th</sup> 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 19<sup>th</sup> AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 21 May 2025 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 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 TIH Online and the steps to submit are summarised below:

Procedure	Action
<b>i. Steps for individual holders</b>	
Register as a User with TIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiah.online">https://tiah.online</a>. Register as a user under the "e-Services". Select the <b>"Sign Up"</b> button and followed by <b>"Create Account by Individual Holder"</b>. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> <li>If you are already a user with TIH Online, you are not required to register again.</li> </ul>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: <b>Dayang 19<sup>th</sup> AGM - "Submission of Proxy Form"</b>.</li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>Review and confirm your proxy(s) appointment.</li> <li>Print the form of proxy for your record.</li> </ul>



## ADMINISTRATIVE DETAILS FOR THE NINETEENTH ANNUAL GENERAL MEETING ("19<sup>th</sup> AGM") OF DAYANG ENTERPRISE HOLDINGS BHD

Procedure	Action
<b>ii. Steps for corporation or institutional shareholders</b>	
Register as a User with TIIH Online Website	<ul style="list-style-type: none"> <li>• Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "<b>Create Account by Representative of Corporate Holder</b>".</li> <li>• Complete the registration form and upload the required documents.</li> <li>• Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>• Proceed to activate your account with the temporary password given in the email and re-set your own password. <ul style="list-style-type: none"> <li>• Note: The representative of a corporation or institutional holder 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.</li> </ul> </li> </ul>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>• Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Select the corporate exercise name: "<b>Dayang 19<sup>th</sup> AGM: Submission of Proxy Form</b>"</li> <li>• Agree to the Terms &amp; Conditions and Declaration.</li> <li>• Proceed to download the file format for "<b>Submission of Proxy Form</b>" in accordance with the Guidance Note set therein.</li> <li>• Prepare the file for the appointment of proxies by inserting the required data.</li> <li>• Submit the proxy appointment file.</li> <li>• Proceed to upload the duly completed proxy appointment file.</li> <li>• Select "Submit" to complete your submission.</li> <li>• Print the confirmation report of your submission for your record.</li> </ul>

### 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.

### Annual Report

- The Annual Report is available on the Company's website at [www.desb.net](http://www.desb.net) and Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under Company's announcements.
- You may request a printed copy of the Annual Report at <https://tiih.online> 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).



**DAYANG ENTERPRISE  
HOLDINGS BHD**

Company No. 200501030106 (712243-U)

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 a member/members of DAYANG ENTERPRISE HOLDINGS BERHAD ("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 19<sup>th</sup> 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, 22 May 2025 at 10.00 a.m. or any adjournment thereof, in the manner indicated below:

Resolution		FOR	AGAINST
<b>Ordinary Resolution 1</b>	Re-election of Director: Datuk Hasmi Bin Hasnan		
<b>Ordinary Resolution 2</b>	Re-election of Director: Chin Hsiun		
<b>Ordinary Resolution 3</b>	Re-election of Director: Datu Hasmawati Binti Sapawi		
<b>Ordinary Resolution 4</b>	Re-election of Director: Professor Dr Ho Poh Ling		
<b>Ordinary Resolution 5</b>	Re-election of Director: Zahirudin Khan Bin Asghar Khan		
<b>Ordinary Resolution 6</b>	Re-election of Director: Wong Ping Eng		
<b>Ordinary Resolution 7</b>	Approval payment of Directors' Fee of RM2,919,643.64 for the financial year ended 31 December 2024		
<b>Ordinary Resolution 8</b>	Approval of meeting allowance of RM500.00 per meeting for each Non-Executive Directors for the period from May 2025 until the next AGM of the Company		
<b>Ordinary Resolution 9</b>	Re-appointment of Auditors: Messrs KPMG PLT as Auditors and authorising the Directors to fix their remuneration		
<b>Special Businesses</b>			
<b>Ordinary Resolution 10</b>	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
<b>Ordinary Resolution 11</b>	Authority to allot and issue Shares and waiver of pre-emptive rights		

(Please indicate with an "X" in the spaces above how you wish your votes to be casted on the resolution specified in the Notice of Meeting. If no specific direction as the voting is indicated, the proxy/proxies will vote abstain from voting as he/she/they think(s) fit.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025.



\_\_\_\_\_  
Signature of Shareholder(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.

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**NOTES:**

1. A proxy may but need not be a member of the Company but shall be of full age.
2. 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.
3. 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.
4. 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 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 TIH Online at <https://tiah.online>. Kindly refer to the Administrative Details for the 19th AGM. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
5. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
6. Last date and time for lodging the proxy form is Wednesday, 21 May 2025 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 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 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 19th AGM together with the Form of Proxy, Administrative Details, Annual Report 2024 and Circular to Shareholders are published on the Company's website at [www.desb.net](http://www.desb.net) or Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

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## **DAYANG ENTERPRISE HOLDINGS BHD**

Company No. 200501030106 (712243-U)

Head Office Sublot 5-10,  
Lot 46, Block 10, Jalan Taman Raja,  
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