



SUSTAINABILITY STATEMENT



ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement ("Statement"), reviewed by the Board of Directors (the "Board") of Dayang Enterprise Holdings Bhd ("Dayang" or the "Company"), provides an overview of Dayang and its subsidiaries ("Dayang Group" or the "Group") sustainability strategies, priorities, progress, and performance for the financial year ended 31 December 2025 ("FY2025").

Sustainability Scope and Reporting Period

Unless otherwise stated, the data and information presented in this Statement cover the reporting period from 1 January 2025 to 31 December 2025. This Statement has been prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa").

The scope of this Statement continues to cover the Group's core business segments, namely Topside Maintenance Services and Marine Offshore Support Services. This year, we are also incorporating the Group's subsidiary, Perdana Petroleum Berhad ("PPB"), which is also listed on the Main Market, in relation to selected sustainability data as follows:

- number of cases reported in relation to anti-corruption, violation of human rights, and loss of customer data or breach of customer privacy;
- spills incidents resulting in fines/ penalties;
- operations assessed for anti-corruption risk;
- applicable vessels comply with SEEMP monitoring; and
- energy and emission data (Scope 1 and Scope 2 only).

Clarification notes are appended in relation to data that includes PPB's sustainability data or performance.

Assurance

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

Feedback

The Group values the feedback of its stakeholders in strengthening its sustainability reporting. Should you have any feedback, comments, or enquiries regarding this Statement, please reach out to zaim.husni@desb.net.

SUSTAINABILITY STATEMENT

OUR VALUE CHAIN

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

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.



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OUR VALUE CHAIN (Cont'd)

The Group acknowledges our responsibility to conduct business in a sustainable manner while protecting the long-term interests of the people and environment in which we operate. Sustainability across the environmental, social, and governance aspects (“ESG”) is therefore integral to Dayang’s corporate success. Operating responsibly and sustainably reflects the Group’s objective to develop shared values for our clients, employees, shareholders, business partners, and the broader environment and community we serve.

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 pursuit of long-term value creation, Dayang Group is guided by its Sustainability Policy, which extends beyond financial performance and regulatory compliance. We uphold ethical business standards, anti-corruption and anti-bribery, commit to minimising pollution, and strive to ensure the safety and well-being of all those who work with us.

As of the Group’s progressive approach to sustainability reporting and in line with its adoption of IFRS S2 Climate-related Disclosures, for the current year, Dayang Group has undertaken a review and updated its Sustainability Policy and other governance documents. This review ensures that the Group’s sustainability governance structure remains robust, relevant, and aligned with the applicable standards and requirements, while also strengthening the transparency and consistency of climate-related disclosures presented to stakeholders.

The Group’s Sustainability Policy is as follows.

Compliance and Ethics	Environment	People
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 develop the necessary business resilience. • Seeking to account for and address its Scope 1 and Scope 2 emissions. 	<ul style="list-style-type: none"> • 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 accessible on our corporate website at www.desb.net.

In accordance with its Sustainability Policy, the Group has established an ESG Management Framework to provide guidance to our employees on their respective responsibilities, the processes for managing sustainability-related issues, as well as the indicators and performance measures used to monitor progress and facilitate meaningful engagement with relevant stakeholders.

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United Nations Sustainable Development Goals ("UN SDGs")

Beyond operating responsibly, Dayang Group also recognises the role it plays in contributing to global development and progress. In this regard, the Group looks to the United Nations ("UN") 2030 Agenda for Sustainable Development as a guiding framework, and considers how its operations and initiatives can 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.





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SUSTAINABILITY GOVERNANCE STRUCTURE

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

In line with the Group's adoption of IFRS S2, the Board has extended their governance responsibilities to encompass the oversight of climate-related risks and opportunities. The Board ensures that climate considerations are integrated into the Group's overall business strategy and risk management processes and holds responsibility for reviewing and approving climate-related targets while monitoring the Group's progress in achieving them. In recognition of this heightened governance obligation, the Board Charter and relevant Terms of Reference of the relevant Board Committees have been duly updated to incorporate climate-related matters, ensuring that accountability for climate governance is clearly embedded within the Group's governance structure. These revisions also serve to formalise the Board's commitment to transparent and consistent climate-related disclosures, ensuring that governance structures are not only compliant with regulatory expectations but also reflective of the Group's long-term sustainability ambitions.

The Board further ensures that the Group's governance structure remains appropriate and effective in managing business sustainability. This includes overseeing the Group's stakeholder engagement activities to ensure that effective communication channels are maintained to communicate key sustainability strategies, initiatives, targets, and performance. Where appropriate, the views and interests of stakeholders are considered and incorporated into the Group's business decisions.

The Board is supported by the Corporate Sustainability Committee ("CSC"), which serves as the primary oversight body for the Group's overall sustainability and climate matters and their performance. The CSC is responsible for ensuring that the management of sustainability and climate matters remains aligned with the Group's Vision, Mission, strategic direction, and long-term value creation goals. To achieve this, the CSC reviews the Group's sustainability strategies, initiatives, and key performance indicators ("KPIs"), and presents its findings and recommendations to the Board for consideration and approval.

The Management, led by the Managing Director and Deputy Managing Director and comprising the heads of department and function, is responsible for the day-to-day execution of the Group's sustainability activities. This includes conducting materiality assessment to identify and determine the Group's MSMs and overseeing their management through the sustainability management process. Management also ensures that sustainability and climate-related risks and opportunities associated with the MSMs are considered and managed via the Group's risk management process. The Management is also accountable for implementing sustainability and climate-related strategies and driving the achievement of the Group's sustainability and climate targets.

Furthermore, sustainability-related and climate-related risks are further considered in the existing Group's risk management process to ensure the Group addresses key risks through a structured process and implements relevant controls and monitoring. The risk management process is overseen by the Risk Management Committee.

To support the Group's adoption of IFRS S2, a briefing on IFRS S2 has been provided to our key management personnel across key functions and levels throughout the financial year. This training is not only to build foundational awareness of the standard's requirements, but also to equip the Management with a practical understanding of how IFRS S2 applies within the context of their specific roles and day-to-day responsibilities.




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STAKEHOLDER ENGAGEMENT

Understanding our stakeholders and integrating their interests into our business practices is fundamental to how we operate. This approach enables us to better align our long-term strategic objectives with broader stakeholder expectations, fostering enduring business sustainability and resilience. To facilitate meaningful and effective engagement, we have established a range of communication channels tailored to the distinct needs and engagement objectives of each stakeholder group. These channels are designed not only to communicate relevant information, including our sustainability strategies, priorities, progress, and performance, but they are also used to actively obtain feedback that may be considered within our strategic direction and risk management processes.


The table below provides a summary of our key stakeholder groups, the engagement methods employed, the frequency of engagement, and the key topics discussed.

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objective
 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"> • For Internal Audit - one cycle per year is conducted by the internal auditor, planned by the QAQC Dept • For External Audit - one cycle per year, which will be conducted by SIRIM QAS International
	DESB Marine Services Sdn Bhd ("DMSSB"): OVMSA Level 1.5 Compliance	Annually (Vessels) 3 Yearly (Office)	Maintain Assurance: Demonstrate continuous improvement and compliance with oil major and offshore standards.
	OVMSA & Compliance Audits: Client-led audits and self-assessments (OVMSA Level 1.5).		




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STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objective
 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 Leadership Visibility: Demonstrate management commitment to onboard safety, welfare, and operational standards and also the ship's crew motivation.
	DMSSB: HSEW Monthly Ship/ Shore Engagement (when vessels are in operation) Safety connects sessions, hazard reporting reviews ("UAUC"), and open dialogues.	Monthly	Safety Culture: Promote a zero-incident mindset, ensure strict adherence to HSSE policies, and foster two-way communication.
	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
	Anti-Bribery and Corruption Policies and Procedures ("ABC Policy")	Annually	Raise ABC awareness among employees
	Accident Rate – Meeting and engagement	Monthly	Zero accident tolerances Monthly OSH Meeting

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STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objective
 Suppliers/ Subcontractors & Business Partners	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
	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
	Anti-Bribery and Corruption Policies and Procedures ("ABC Policy")	On-going	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
	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)
	DMSSB: HSSE Contractor Engagement/ Meeting	6-Monthly	Senior Management or their designated representative (e.g., Fleet Manager) shall lead and conduct engagement sessions to monitor and review the vendor's HSSEW performance, progress and status of the HSSE Plan, UAUC trends, and other HSSEW matters impacting vessel operations. The vendor shall present their HSSE performance and achievements during these engagements. Performance Monitoring: Ensure continuous alignment with HSSEW targets and resolve any safety or quality of service discrepancies.





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STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objective
 Regulators	Compliance with local authorities' requirements	Ongoing	Comply with all the authorities' requirements <ul style="list-style-type: none"> Regulatory compliance Labour law Environmental management and compliance Occupational Health and Safety Maritime Rules & Regulations (Marine Offshore Division)
	DMSSB: International Safety Management ("ISM") DOC Audit – Operation/ HSSE/ Shipboard Management/ Procurement/ Vessel Maintenance/ Human Resource ("HR") & (Ship Crew)	Annually	We have implemented internal and external audits to monitor the ongoing delivery of our safety and the quality of our services: <ul style="list-style-type: none"> 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") For External Audit - one cycle per year, which will be conducted by the Malaysia Marine Department ("MMD")
	DMSSB: Vessel's International Ship and Port Facility Security ("ISPS") Code Compliance	Annually	We have implemented internal and external audits to monitor the ongoing delivery of our ship security of our vessels: <ul style="list-style-type: none"> 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") For External Audit – two cycles per 5-years, which will be conducted by Classification Society (namely, ABS) on behalf of the Malaysia Marine Department ("MMD") Maintain ship security compliance, awareness and access control. Validate security plans, records and readiness.
	DMSSB: Diesel Usage for MARPOL 73/78 Annex VI, IAPP Compliance	Yearly	To monitor the diesel consumption Environmental Regulatory Compliance Monitoring Meeting

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STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objective
 Regulators	DMSSB: Schedule Waste Disposal Management for Environmental Regulatory Compliance	Monthly	To monitor the scheduled waste disposal and comply with the Department of Environment ("DOE") requirements
	DMSSB: Vessel Class Surveys - Hull & machinery inspections, safety equipment verifications, and risk assessments.	Annually / As Scheduled	Asset Integrity & Risk Mitigation: Maintain vessel seaworthiness, prevent detentions, and minimise liability exposures and insurance premiums.
 Community	Community development programs	As and when required	We care about our society and communities
	Community Development & CSR Programs: initiatives and local environmental dialogues.	As Required	Corporate Social Responsibility: Enhance brand value, build public trust, and ensure operations do not adversely affect local environments.

OUR MATERIALITY ASSESSMENT PROCESS

We identified and determined the Group's MSMs via a materiality process. This process is designed to determine the sustainability matters that are most significant to the Group and its diverse stakeholders, while ensuring alignment with the Group's business strategies and short and long-term objectives, amongst others. The materiality assessment process is conducted by the Management team.

Dayang Group applied a definition of "materiality" that is substantially aligned with the MMLR, whereby a MSM is defined as a matter that reflects the Group's significant economic, environmental, and social impacts or substantively influences the assessments or decision-making of stakeholders. The assessment continues to incorporate the common sustainability indicators required by Bursa, alongside insights gathered through the Group's ongoing stakeholder engagement initiatives.

The materiality assessment enables the Group to allocate resources effectively, strengthen governance oversight, and embed sustainability considerations into strategic and operational decision-making. In line with the Group's enterprise risk management framework, sustainability-related risks, including climate-related risks identified, are integrated into the overall risk management processes. These risks are subject to continuous monitoring, periodic review, and reporting to ensure proactive management, resilience, and long-term value creation for stakeholders.

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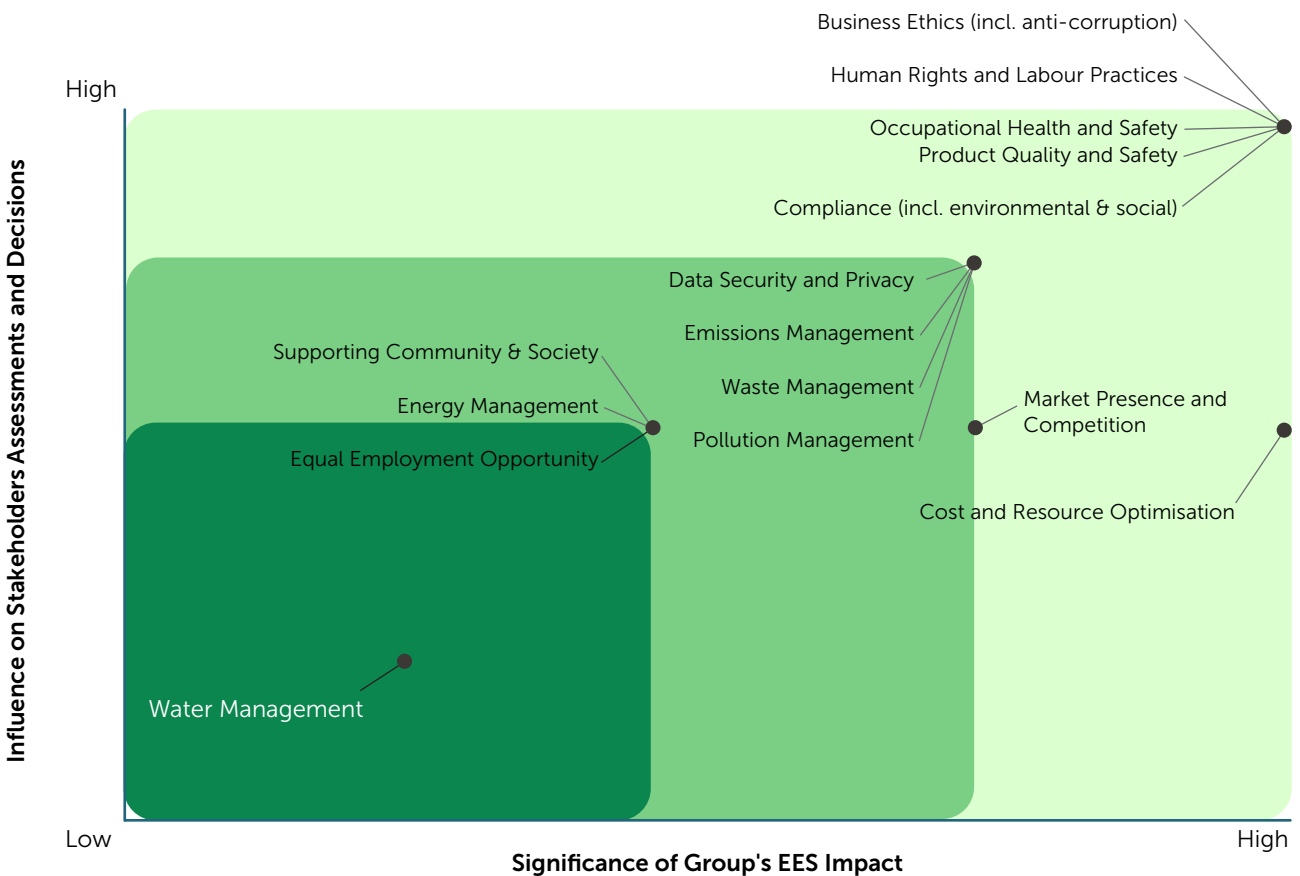
OUR MATERIALITY ASSESSMENT PROCESS (Cont'd)

During the financial year, the Management carried out a review of the materiality assessment to ensure its continued relevance and alignment with evolving business conditions and stakeholder expectations. This review process involved gathering input and perspectives from relevant management personnel across the Group’s business divisions and key operational units, taking into account risks specific to each business division and key operational unit, strategic priorities, regulatory developments, and sustainability impacts. The changes are summarised as follows.

- updates to the ratings for Equal Employment Opportunity, Data Security and Privacy, Waste Management, Emissions Management, Pollution Management, and Market Presence and Competition

Overall, the updated materiality matrix currently illustrates a greater priority for Business Ethics, Human Rights and Labour Practices, Occupational Health and Safety, Product Quality and Safety, and Compliance, which are also aligned with the sustainability focuses of the industry.

The materiality matrix for FY2025 is presented as follows:



Sustainability targets and performance

The Group has established a set of key performance indicators and targets to measure the sustainability performance of the Group as a whole. The targets serve as the foundation for measuring and monitoring the Group’s overall sustainability progress, with the corresponding performance and status presented in the table below. These key performance indicators and their performance outcomes are tabled to the Board for review and approval, ensuring that sustainability efforts remain aligned with the Group’s strategic direction and long-term objectives.

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OUR MATERIALITY ASSESSMENT PROCESS (Cont'd)

Sustainability targets and performance (Cont'd)

MSMs	Policy/ Direction	FY2025 Targets	FY2025 Performance	Status
Compliance	Comply with applicable environmental & social laws/regulations and embed sustainability into governance and risk management.	0 major fines/ penalties	0	Achieved
Business Ethics	Zero tolerance against bribery & corruption; conduct business ethically and with integrity; maintain adequate procedures under Section 17A.	100% employee ABAC training completion	100%	Achieved
		100% high-risk third parties screened	100%	Achieved
Emissions Management	Incorporate climate considerations into long-term strategy; manage Scope 1 & 2 and progressively assess relevant Scope 3 (IFRS S2 readiness).	100% applicable vessels comply with SEEMP monitoring	100%	Achieved
Pollution Management	Zero spillage/pollution incidents resulting in fines/penalties; maintain MARPOL compliance and spill prevention controls.	0 spill incidents resulting in fines/ penalties	0	Achieved
Waste Management	Minimise environmental impacts caused by waste from operations and services.	0 major waste non-compliance cases	0	Achieved
Occupational Health & Safety	Safeguard the safety and health of employees, workers, contractors and visitors; uphold oil major HSE expectations.	0 fatalities	0 fatalities	Achieved
		Maintain/improve LTIF and TRCF vs FY2024 baseline	LTIF: 0 TRCF: 0.15	LTIF: achieved TRCF: in progress
Human Rights & Labour Practices	Respect labour standards and rights; provide grievance mechanisms and fair workplace practices.	All grievances addressed	0	Achieved
Equal Employment Opportunity	Promote diversity, inclusion and equal opportunity in employment and offshore deployment.	0 substantiated discrimination cases	0	Achieved

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BUSINESS ETHICS

The long-term sustainability of the Group is linked to the manner in which we conduct our business and the standards we hold those acting on our behalf to. Recognising that ethical conduct underpins resilience and stakeholder trust and confidence, Dayang Group is committed to maintaining high standards of business ethics and integrity, complying with all applicable laws and regulations, and fulfilling our legal obligations to relevant stakeholders.

The Board, as the highest governance body responsible for setting corporate culture and overseeing sustainability, sets the tone and expectations for ethical business conduct across our operations and among our employees. All employees are required to uphold high standards of integrity through strict adherence to the Group's General Code of Conduct and Discipline. The Group maintains a strict stance towards all forms of abusive or coercive behaviours, including verbal or physical violence and sexual harassment in the workplace.

In FY2024, the Board introduced a Conflict of Interest ("COI") Policy to strengthen the quality of conflict-of-interest disclosures. This COI Policy applies to Directors, Key Senior Management, employees, and legal representatives of the Group, reinforcing governance practices and ensuring clear accountability in the management of conflicts of interest at all levels of the organisation.

All new employees are introduced to the General Code of Conduct and Discipline alongside other key policies of the Group. Each employee is required to read and understand the Code, and to provide a signed acknowledgement confirming their commitment to uphold its principles.

Compliance

The Group is committed to complying with all applicable legal and regulatory requirements governing our operations, including those pertaining to 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 through established processes or management systems to ensure ongoing monitoring.

We aim to achieve zero major fines, where major fines are defined as fines greater than RM10,000. During the year, we received a minor fine of RM4,000 relating to waste management, for which corrective actions have been taken immediately. There are no other fines or penalties for non-compliance with environmental or social laws and regulations in FY2025.

	Target	FY2025
Major fines/ penalties in relation to environmental and social laws and regulations (RM)	0	0

Any cases of non-compliance are reviewed and reported through Management's monthly business management reports, ensuring timely reporting and remedial action. Where non-compliance is identified, action plans are developed and monitored to resolution, ensuring that root causes are addressed.

To ensure that the Group's operations remain current with the evolving regulatory landscape, gap assessment reviews are conducted periodically against new or updated laws and regulations.

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

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BUSINESS ETHICS (Cont'd)

Data Security and Privacy

The Group places focus on the protection of its information assets and sensitive data. Our cybersecurity system is actively maintained and regularly reviewed to preserve data integrity and safeguard against potential cyber threats or incidents. In the handling and collection of personal data, Dayang complies with the requirements of the Personal Data Protection Act 2010 ("PDPA").

To stay ahead of emerging threats, the Group continuously monitors developments in the cybersecurity landscape and proactively updates our defences in response to technological changes. A range of technical security measures has been implemented across our IT system and communication channels, including Multi-Factor Authentication ("MFA"), password complexity requirements, and firewall protection, among others. Regular system updates are performed to ensure our infrastructure remains current and resilient, while daily data backups are conducted to minimise the risk of data loss and support business continuity.

Recognising that human behaviour is a crucial component of cybersecurity resilience, the Group places equal emphasis on cultivating a culture of IT security awareness among our workforce. Employees are regularly briefed on proper IT usage practices and the prevention of cyberattacks through internal communications and awareness programmes. Cybersecurity training and programmes also form part of the onboarding process for all new hires and are continually refreshed to address the latest and most relevant threats.

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

We are pleased to report that in FY2025, there were no cases of PDPA issues or substantiated complaints concerning breaches of customer privacy and losses of customer data or cybersecurity.

	FY2023	FY2024	FY2025
Cases of PDPA issues (number)	0	0	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data (number)	0	0	0 ¹

Anti-Bribery and Corruption Policies and Procedures

Dayang Group maintains a zero-tolerance stance against all forms of bribery and corruption, whether active or passive. To formalise this anti-corruption stance, the Group has established an Anti-Bribery and Corruption Policy ("ABC Policy"), which sets out the Group's expectations, prohibitions, and guidance for ethical conduct. The ABC Policy is publicly accessible on the Company's corporate website, reflecting our commitment to transparency to all stakeholders.

The ABC Policy applies to all Directors and employees across the Group. Business Associates engaged to provide services to and on behalf of the Group are also expected to comply with the policy, ensuring that our anti-corruption standards extend consistently across our value chain.

The ABC Policy provides guidance on the management of higher-risk transactions and interactions, including the giving and receiving of gifts, entertainment, hospitality, and charitable donations, amongst others. Facilitation payment is considered a bribe and is strictly prohibited.

We manage corruption and bribery risks via a risk-based approach, whereby these risks are identified, assessed, and addressed as part of our annual risk management process. The Group has an Anti-Bribery and Corruption Compliance Committee ("ABCCC") whose responsibilities include reviewing and monitoring the Group's corruption risks, the effectiveness of mitigation measures, and tracking relevant performance indicators. All of the Group's operations have been assessed for bribery and corruption-related risk.

	FY2023	FY2024	FY2025
Operations assessed for bribery and corruption-related risk (%)	100%	100%	100% ²

To sustain a culture of integrity, the Group maintains ongoing communication with employees regarding the ABC Policy through regular reminders, announcements, and training. All newly joined employees are briefed on the ABC Policy as part of their onboarding process and are required to sign an acknowledgement confirming their understanding and commitment to the policy.

¹ FY2025 data includes PPB

² FY2025 data includes PPB

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BUSINESS ETHICS (Cont'd)

Anti-Bribery and Corruption Policies and Procedures (Cont'd)

During the financial year under review, approximately 20% of our office-based employees received training on anti-corruption, representing a decrease compared to the previous year. Nonetheless, Directors and employees assessed for higher risks due to their nature of position and work have been briefed on the Group's policies and protocols on managing corruption risks in previous years. The Group continues to ensure that briefing and training are provided to raise anti-corruption awareness among Directors and employees.

In addition, these employees may have also attended anti-corruption training in previous years. All Senior Management and Middle Management personnel have been informed of the Group's ABC Policy.

Employees who have received training on anti-bribery and corruption³ (office-based employees)

	FY2023	FY2024	FY2025
Senior Management	6 (38%)	0 (0%)	6 (60%)
Middle Management	14 (37%)	0 (0%)	15 (36%)
Executive	108 (50%)	170 (28%)	63 (18%)
Non-Executive	23 (47%)	8 (7%)	14 (17%)
Total	151 (47%)	178 (23%)	98 (20%)

The Group extends its anti-bribery and anti-corruption commitment beyond its own operations by actively communicating the ABC Policy to its business associates and relevant stakeholders, emphasising to stakeholders the importance of adherence to ethical standards and fostering a culture of integrity across our industry and the broader business ecosystem. Through this proactive engagement approach, the Group aims to foster a shared commitment to ethical conduct among key parties in our business value chain, while reducing the risk of illicit practices via the spreading of awareness.

Whistleblowing Policy

Dayang Group has established a Whistleblowing Policy that establishes a whistleblowing channel through which all employees and stakeholders may raise concerns in good faith. This whistleblowing channel covers a broad range of reported matters, including improper conduct, criminal offences, unsafe work practices, abuse of power, corruption, and others. By providing a secure avenue for reporting, the Group seeks to ensure that potential misconduct is promptly addressed in an appropriate and timely manner.

The Whistleblowing Policy is designed to encourage open and fearless reporting by providing confidentiality and protection to whistleblowers. The confidentiality of a whistleblower's identity is strictly safeguarded throughout the reporting and investigation process, and all whistleblowers are protected from any form of retaliation or consequence arising directly from the act of making a report in good faith.

To ensure the independence of the reporting process, the whistleblowing channel also provides a direct avenue for reports to be escalated to the Chairman of the Audit Committee, who operates independently from Management. This independent oversight ensures that reported concerns are handled fairly and that case management procedures are not subject to undue influence.

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

The Group is pleased to report that there were no incidents of bribery and corruption recorded during the financial year under review.

	FY2023	FY2024	FY2025
Incidents of bribery and corruption (number)	0	0	0 ⁴

³ 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.

⁴ FY2025 data includes PPB

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Market Presence and Competition and Cost and Resource Optimisation

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

The oil and gas industry continues to navigate an evolving landscape, characterised by heightened market competition, volatile oil prices, geopolitical uncertainties, ongoing regional conflicts, political instability, and the escalating demands of regulatory compliance. Compounding these pressures is the accelerating pace of climate-related transition risks and physical risks – factors that are increasingly shaping strategic decision-making across the energy sector, especially the oil and gas industry. In response, the Group remains focused on sustaining its market relevance and strengthening operational efficiency as foundational priorities.

SUSTAINABILITY STATEMENT

RESPONSIBLE SUPPLY CHAIN MANAGEMENT (Cont'd)

Market Presence and Competition and Cost and Resource Optimisation (Cont'd)

To enhance our competitive positioning, we aim to deliver distinctive service quality to our customers while driving shareholders' value through cost optimisation. Our well-implemented, efficient, and proactive maintenance strategies are central to this approach, enabling us to minimise operational inefficiencies, reduce environmental impacts, and optimise resource consumption, supporting our endeavour towards sustainable and responsible business operations and long-term growth and financial resilience.

Beyond operational efficiency, Dayang Group promotes a range of business management initiatives, including 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 remain proactive in seeking synergistic opportunities that generate 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 FY2025.

Products and Services Quality and Safety

Dayang Group's products and services are guided by quality objectives that establish the quality standards expected across all our products and services. Our commitment to quality is embedded throughout the organisation, spanning the project management of our project teams to the products and services delivered to our customers. Overall quality of products and services is safeguarded by the Project Management Teams, which are responsible for monitoring project execution and ensuring that all work delivered to our customers meets the required safety and quality benchmarks.

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

Our dedication to quality is further reflected in the recognition we continue to receive from our customers and the broader industry, as demonstrated by the following:

- Shell Malaysia presented the Certificate of Achievement to Dayang Enterprise Sdn Bhd for Safety Award - Bronze for Upstream Category at the CEO HSSE Forum 2025;
- Shell Malaysia Safety Awards 2024 presented the Safety Award - Bronze for Upstream Category to Dayang Enterprise Sdn Bhd;
- Received the Best Big Scale Turnaround Award from Petronas at the DM Series: Turnaround Appreciation Event 2025;
- Received recognition from Petronas for our commitment and dedication at the DM Series: Malaysia Turnaround Appreciation Event 2024; and
- Received a token of appreciation by HSE & PSM at the SKA-Partner Top Leaders HSE Engagement 2025.

The Management conducts monthly meetings to monitor business progress and performance, including addressing any quality and operational issues that may arise. In addition, Management Review Meetings are further held periodically with Senior Management to monitor key quality performance and achievements. These processes enable the Management to maintain close oversight of critical business performance indicators, including safety matters, enabling the Corporate Health, Safety, Security and Environment ("HSSE") Department and the QAQC Department to identify or implement timely amendments and enhancements to policies, procedures, and objectives. The QAQC Department is also responsible for conducting audits of operational units to ensure ongoing adherence to ISO Standards.

To provide independent assurance, the Group employs both internal and external audits to evaluate the quality and safety of our operations. Annual audits, planned in coordination with the QAQC Department, are conducted 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.



SUSTAINABILITY STATEMENT

RESPONSIBLE SUPPLY CHAIN MANAGEMENT (Cont'd)

Market Presence and Competition and Cost and Resource Optimisation (Cont'd)

For further details regarding the quality management system, please refer to the Statement of Risk Management and Internal Control of the Annual Report FY2025.

Customer Satisfaction

The Group actively engages with our customers through multiple approaches to gather feedback and develop an understanding of their concerns and expectations relating to our products, services, and operations. Central to this effort is the implementation of a Quality Project Plan, which serves not only as a channel for inviting constructive views from customers, but also for overseeing and continuously monitoring overall customer satisfaction.

We measure the "Customer Satisfaction Index" on an annual basis through the Group's "Customer Survey Feedback" tool. Through this process, customers are invited to provide scores, comments, and views on their experience with our products and services, with different focuses tailored to the respective business segments. The feedback is valuable as it provides insight into where our strengths are and also helps us to identify areas for improvement.

During the financial year under review, the Group recorded an average Customer Satisfaction Index of 71%.

Suppliers and Service Providers

The Group places strong emphasis on upholding fair and proper business practices across all dealings with its stakeholders, encompassing governmental authorities, customers, suppliers, vendors, agents, representatives, contractors, subcontractors, as well as competitors. We expect all stakeholders to adhere to the applicable laws and regulations governing free and fair competition, within the industry and throughout our supply chain, as a fundamental condition of engagement with the Group.

	FY2023	FY2024	FY2025
Customer Satisfaction Index (%)	82.67	82.67	70.73

As part of our commitment, all 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 supplier evaluation and review process, ensuring our suppliers adhere to the Group's ethical standards and requirements and meet our business requirements.

Beyond the onboarding stage, the Group maintains regular meetings with contractors and subcontractors to keep all relevant parties of the project updated with the latest progress, including any challenges or potential risks that may affect project progress, in addition to facilitating proactive problem resolution.

Beginning from FY2025, we are also gradually implementing an internal initiative to obtain an annual declaration by existing suppliers on their adherence to the Group's ABC Policy.

	FY2023	FY2024	FY2025
Local procurement⁵ (%)	99	100	99

Supporting the Local Economy

In FY2025, 99% of the Group's goods and services were procured from local suppliers or service providers.

⁵ Local procurement refers to procurement sourced from entities registered in Malaysia.

SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE

Equal Employment Opportunity

Our employees are the cornerstone of the Group's human capital, and we recognise that their contributions are fundamental to our continued success. We are committed to attracting and retaining the right talent by fostering a workplace built on equality and diversity, ensuring that Dayang Group is well-positioned to secure and sustain a strong pipeline of capable individuals who drive the organisation forward. We strongly uphold the fundamental human rights of every individual within our organisation, and our approach to people management centres on diversity, fair treatment, non-discrimination, and equal opportunities across all levels of the workforce. We aim to cultivate an inclusive organisational culture, nurturing a healthy, secure, and motivated workforce.

Given the nature of our business operations, the Group engages contract-based crew staff with whom we have short-term contract arrangements to support project-based and operational requirements that are inherent to our industry. As such, our workforce includes both contract-based crew staff and office-based employees (including permanent and contract-based employees). To provide a clearer and more meaningful representation of our workforce structure, Dayang Group reports contract-based crew staff separately from office-based employees.

The average number of full-time contract-based crews in FY2025 has decreased compared to FY2024. The decrease is driven by a lower number of contracts secured by the Group.

	FY2023	FY2024	FY2025
Average full-time contract-based crews ⁶	2,068	2,482	1,763

⁶ Full-time contract-based crews = total monthly full-time contract-based crews / 12

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 2025, Dayang employed 486 office-based employees. The breakdown of the Group's office-based employees, based on gender, age group, and employee categories, employment type, 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 2025				
	Gender		Age		
	Male	Female	<30	30-50	>50
Board of Directors	6 (55%)	5 (45%)	0 (0%)	0 (0%)	11 (100%)
Employees Category					
Senior Management	9 (90%)	1 (10%)	0 (0%)	0 (0%)	10 (100%)
Middle Management	30 (71%)	12 (29%)	0 (0%)	22 (52%)	20 (48%)
Executive	204 (58%)	146 (42%)	75 (21%)	230 (66%)	45 (13%)
Non-Executive	47 (56%)	37 (44%)	23 (27%)	49 (58%)	12 (15%)
Total	290 (60%)	196 (40%)	98 (20%)	301 (62%)	87 (18%)

Number of new hires and employee turnover (office-based employees)	31 Dec 2025	
	New hire number	Turnover number
Employees Category		
Senior Management	0	0
Middle Management	0	1
Executive	32	201
Non-Executive	4	29
Total	36	231

Youth Employment and Internship

In FY2025, Dayang Group has employed 29 interns within our operations, providing them with practical exposure and hands-on experience across various functions.

Human Rights and Labour Practices

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

SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Human Rights and Labour Practices (Cont'd)

Guided by our Human Rights Policy, we actively embrace diversity and are committed to creating equal opportunities for all individuals within our workforce. We maintain a zero-tolerance stance toward discrimination or harassment in any form. Our workplace is built on the principles that every individual deserves to be treated with fairness and respect and free from discrimination or harassment, regardless of race, sex, ethnicity, religion, gender, age, sexual orientation, disabilities, or nationality. The basis for recruitment, hiring, placement, development, training, compensation, and advancement within our operations is based on qualifications, performance, skills, and experience, ensuring that opportunities are provided based on merit.

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

We maintain an explicit prohibition on forced labour, human trafficking, and child labour in all our operations. Moreover, we are committed to complying with all applicable laws and industry standards governing working hours, wages, benefits, and holiday entitlements. We believe that sustainable business performance is built on a foundation of reasonable working conditions, and we treat every individual within our organisation with utmost respect and dignity.

Occupational health and safety remain among our utmost priorities for active management. Dayang Group has established relevant policies and management systems to support the risk identification, management, monitoring, and reporting of safety and health matters. These policies are designed to ensure a safe working environment for all employees, contractors, and other individuals engaged in our operations.

To safeguard against adverse human rights impacts, the Group conducts ongoing due diligence to identify and mitigate any actual or potential harm arising from our activities or business relationships. We recognise that human rights due diligence is not a one-time exercise, but a continuous process. As such, we emphasise specific attention at certain stages in our business activities, such as the establishment of new partnerships or our operating conditions, and we conduct additional due diligence as and when circumstances require.

Reporting concerns or violations

Dayang Group has established relevant grievance mechanisms to provide employees with a channel to raise concerns about their employment and work conditions. These mechanisms cover a range of matters, including issues pertaining to human rights or employment practices, and are directly to the Human Resources Department for appropriate action. The mechanism aims to facilitate effective conflict resolution and to ensure that employee concerns are heard, taken seriously, and addressed in a fair and transparent manner.

For matters of a more serious nature, the Group's whistleblowing mechanism serves as an additional and confidential avenue through which employees may report significant misconduct. On the other hand, we also ensure that our employees are aware of their rights and know how to exercise them. The Group actively promotes such awareness by incorporating relevant awareness briefings on human rights and reporting procedures into the Human Resource Induction Session for all new employees. This ensures that every employee is equipped with the knowledge they need to seek help or report violations when necessary.

In FY2025, there were no substantiated complaints concerning human rights violations or substantiated cases relating to discrimination.

	Target	FY2023	FY2024	FY2025
Substantiated complaints concerning human rights violations (number)		0	0	0 ⁷
Substantiated cases relating to discrimination (number)	0	na	na	0

⁷ FY2025 data includes PPB



SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Employee Engagement and Talent Development

Dayang Group places great importance on maintaining open and transparent communication with its employees, recognising that a well-engaged workforce is fundamental to building organisational resilience and long-term sustainability. Beyond day-to-day work responsibilities, the Group organises a diverse range of engagement activities designed to support employees' work-life balance, strengthen their sense of community, and facilitate both personal and professional development. These activities, including training, town hall, and team building, are conducted to foster team cohesion, promote a culture of cooperation and continuous learning, cultivate skills and knowledge, stimulate creativity and innovation, and ensure that employees remain well-aligned with the organisation's direction.

In recognition of long-term dedication and loyalty, the Group presented Long Service Awards to nine (9) employees during FY2025.

To ensure that employee voices are heard and valued, the Group conducts employee surveys from time to time, providing a channel through which employees can share their feedback on their working experience and overall organisational environment. In addition, all employees are subject to annual performance appraisals to review their performance during the year.

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.

Dayang develops the Group's human capital via 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 considered succession planning, which includes the ongoing leadership and management skills required by the Group in the medium and long term.

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 FY2025, the Group provided a total of 2,008 training hours to its office-based employees, including permanent and contract-based employees, with an average of 4.13 training hours per employee. The total training hours decreased significantly due to a reduction in the number of employees as at 31 December 2025, driven by fewer projects compared to the previous year. Employees are required to attend various and relevant training sessions to ensure compliance with safety regulations, operational excellence, and industry standards.

SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Employee Engagement and Talent Development (Cont'd)

Total Hours of Training (office-based employees)	FY2023 ⁸	FY2024	FY2025
Employees Category			
Senior Management	0	24	12
Middle Management	198	112	420
Executive	4,874	3,519	1,478
Non-Executive	1,271	658	98
Total	6,343	4,313	2,008

A summary of the training topics provided to employees, which may be conducted internally or by external parties, is presented below.

- 1 SKM Radiographic Interpretation ("RI") Level 2
- 2 Scrum Master Certification
- 3 PMI-PMP: Project Management Professional
- 4 Unlocking ISO 29001:2020: Your Guide to Quality & Compliance
- 5 E-Invoice Accounting and Its Implementation Mechanism
- 6 FORUM KHAS 2025 - LHDN/KWSP/PERKESO/JTK
- 7 ACCA Virtual Seminar - Post Budget 2026 and 2027
- 8 Hasil - MEF TAX SEMINAR 2025
- 9 MYSST
- 10 Labour Ordinance Sarawak
- 11 Microsoft Excel - Intermediate Level (Online)
- 12 IFRS S1 & S2: The Essentials
- 13 MBRS 2.0 Annual Return
- 14 Know the Difference between IAS 1 and the new IFRS/MFRS 18 presentation
- 15 Provision of financial assistance
- 16 SST updates for implementation requirements
- 17 Closed period and insider trading
- 18 New service tax scope for construction industry
- 19 HSSE training (please refer to the Occupational Health and Safety section for details)

⁸ 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

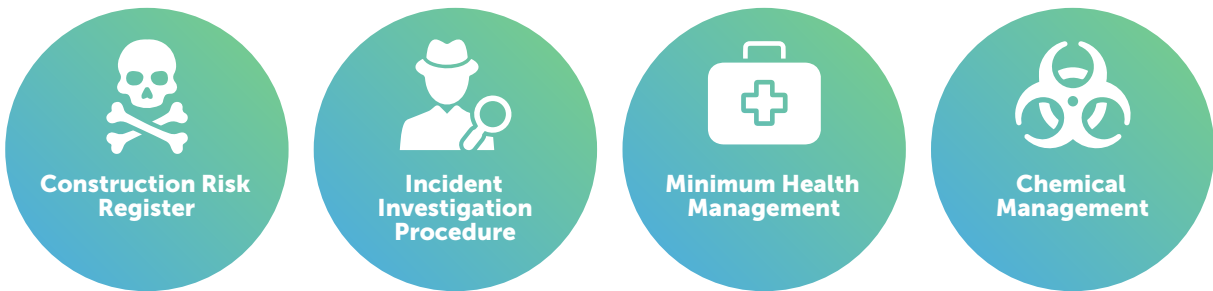
EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Occupational Health and Safety

The Group is committed to fostering a safe, conducive, and healthy working environment for all individuals across our business operations and services, including local and foreign employees, workers, and visitors. This commitment is clearly embedded in the Group's Safety and Health Policy and Sustainability Policy.

To uphold this commitment, the HSSE Department, led by the HSSE Manager, serves as the central governing body responsible for overseeing the overall management of health, safety, security, and environmental considerations in the Group's operations. The HSSE Department ensures strict adherence to applicable HSSE policies, regulations, and guidelines, while actively promoting HSSE awareness and fostering a work culture that prioritises the overarching objective of preventing harm to individuals and the protection of the environment in which we operate and reside.

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



Underpinning these efforts is the HSSE Management System ("HSSE-MS"), a structured system that has been continuously reviewed and enhanced to align with industry standards, including those of one of our key clients, Petronas. The HSSE-MS addresses the following elements.



SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Occupational Health and Safety (Cont'd)

To maintain the ongoing effectiveness and efficiency of the HSSE-MS, the Management Review process requires the HSSE policies, procedures, and other documents to be periodically reviewed by the Management at planned intervals, ensuring alignment with evolving regulatory requirements and best practices.

At the operational level, HSSE matters are further overseen by the respective Occupational Safety and Health ("OSH") Committees. These committees are structured to ensure balanced representation between Management-level personnel and ground-level employees, fostering meaningful stakeholder participation in health and safety decision-making. This collaborative approach reinforces a culture of a secure and compliant working environment across all operational sites.

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

	FY2023	FY2024	FY2025
Representatives in the OSH Committees			
Management	31	31	27
Employee	31	31	27

HSSE meetings and monthly OSH Committee Meetings are conducted at various levels across offshore locations, warehouse yards and offices, serving as a platform for effective communication on safety and health matters. The meetings cover the following:

- Toolbox Meeting (Daily);
- Monthly Site HSSE Committee Meeting/Location HSSE Meeting (LOCHSEC Meeting);
- Monthly OSH Committee Meeting (at corporate level);
- Join a meeting with the operations team from client;
- Quarterly Contractor QHSSE Engagement;
- Annually Mega Toolbox Meeting; and
- Annual Management Review Meeting.

The Group ensures alignment with applicable regulatory safety frameworks, including the Malaysian Occupational Safety and Health Act 1994, Environmental Quality Act 1974, regulation orders and other relevant Codes of Practice. This alignment serves as the foundation for ensuring that all Group activities are conducted in accordance with established standards and legal requirements and uphold the expected level of safety standards. In addition, the Group ensure that its business operations strictly comply with safety and operational procedures in the execution of contract requirements. Apart from regulatory compliance, the Group's HSSE processes and controls are also subject to internal audits, which are conducted to assess the adequacy and effectiveness of the system.

To proactively manage workplace risks, HSSE risk areas and hazards are identified through regular HSSE risk assessments. Each identified risk area is evaluated based on its likelihood and impacts, following which appropriate mitigative measures are developed and implemented. The HSSE Department takes effective steps to prevent potential accidents and injuries and protect employees' health by minimising, so far as is reasonably practicable, and in cooperation with employees, the causes of hazards inherent in the workplace.

At the site level, the respective OSH Committees work together with the HSSE Department to manage and monitor site-specific HSSE risks. The HSSE Department also plays an important role in collecting the experience and feedback from the various sites to develop and standardise 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)

Records pertaining to workplace accidents, dangerous occurrences, occupational poisoning, and occupational diseases are diligently collected, analysed, and managed. In the event of any accident/ incident or injuries, prompt investigations are carried out to identify root causes and implement the necessary corrective and preventive measures. Findings from these investigations, along with health and safety performance updates and control undertaken, are reported to the HSSE Department and OSH Committees, and awareness is shared across operations to minimise the likelihood of recurrence. In addition, workplaces are subject to periodic inspections to evaluate whether any machinery, plants, equipment, substances, appliances, processes or forms of manual labour in use present potential safety risks that require attention.

All employees are provided with relevant safety briefings or training to ensure that they are adequately equipped with the necessary HSSE knowledge and skills to perform their roles safely and responsibly. Furthermore, SHO Continuous Education Programmes are made available to all employees, enabling them to remain current with industry advancements, emerging trends, and evolving best practices relating to HSSE.

In FY2025, a total of 62 office-based employees, comprising both permanent and contract-based employees, received training on health and safety standards, with a total of 688 training hours attended.

Office-based employees	FY2023 ⁹	FY2024	FY2025
Employees trained on health and safety standards (number)	42	46	62

Due to the nature of the Group's business operations, 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 FY2025, our full-time contract-based crews completed a total of 30,623 hours of health and safety training.

⁹ 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 was not available for FY2023 and FY2024.

SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Occupational Health and Safety (Cont'd)

In FY2025, HSSE training provided to employees covered the following topics:

Office-based employees

- New Requirement OSHA 1994;
- KKP Seminar;
- H2S;
- First Aid course;
- Assistant Medical Review Officer ("AMRO");
- Combined ISM & ISPS Code Internal Auditor;
- Authorised Gas Tester & Entry Supervisor for Confined Space;
- ESG Awareness & Strategy for Businesses to Drive Change;
- CHRA: Interpretation and Post Activities;
- OPITO TROPICAL Bosiet with CA-EBS & Travel Safely by Boat (Code 5509);
- OPITO Tropical Foet with CA-EBS & Further Travel Safely by Boat (Code:5927);
- OPITO Basic H2S;
- Authorised Gas Tester & Entry Supervisor for Confined Space Refresher;
- Navigating The Usechh and Class Regulation: Key Insight for Compliance ;
- National Occupational Safety and Health Seminar;
- Chemical Issue at Workplace with Its Solution (Part 3);
- Accident Prevention; and
- Understanding And Compliance to OSH (Amendment Act 2022).

Contract-based crews

- AMRO (Assistant Medical Review Officer);
- Banksman Training;
- Basic Rigging & Slings Course & Rigger Training (API-U);
- Basic Training (Refresher);
- CA-EBS Initial Deployment;
- Designated First Aider ("DFA");
- Designated Security Duties ("DSD");
- Basic Food Handling;
- Offshore Pedestal Crane Operator Course;
- SEAH PTW & PCSB PTW (Level 2);
- PTW Level 2 ("PCSB");
- Rescue At Height ("RAH");
- T-Bosiet with CA-EBS Tsbb ("OPITO") & T-FOET with CA-EBS Ftsbb ("OPITO");
- OPITO Basic H2S & OPITO H2S (9014) Course;
- TBOSIET (5509);
- TFOET (5927);
- CAEBS & TSBB;
- Banksman (2 Days) Course;
- Person In Charge;
- Firewatcher Course;
- Working At Height - Basic & Awareness Training (Petronas Approved) & (Level 1) & (Level 2);
- Site Emergency Response Team (Member);
- AESP CSE – R; and
- IMM PCT L1L2 Refresher & Recertification.



SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Occupational Health and Safety (Cont'd)

The summary safety performance of Dayang Group in FY2025 is presented as follows:

Office-based employees	FY2023		FY2024		FY2025
	Performance	Target	Performance	Target	Performance
HSSE rule-breaking/ violation (cases)	0	0	0	0	1
Work-related lost-time injury (cases)	0	0	0	0	0
Near miss reporting (cases)			2		2
Work-related fatalities (cases)			0	0	0
Lost-time Injury Rate ("LTIR") ¹⁰	0	0	0	0	0
Total Recordable Case Frequency ("TRCF") ¹¹	0.38	0.00	0.32	0.00	0.15

We performed a review of and re-alignment of the Group's safety reporting to include a focus on lost-time injuries and lost-time injury rate, compared to previous reporting, which includes all incidents regardless of severity. Subsequent to our review, the safety performance of FY2023 and FY2024 is also restated to reflect the outcome of our revision.

Supporting Community & Society

Dayang is supportive of community investments and contributions that benefit society as a whole, particularly initiatives that assist vulnerable communities to ensure they are not left behind as society and the country continue to progress.

Throughout the year, the Group continues its support to a range of community initiatives through both cash contributions and in-kind assistance. Our efforts spanned several areas, including community welfare, social support, and sport development. Among the beneficiaries of our contributions were organisations and programmes such as Victory Home, Palliative Care Association of Miri, Methodist Hope Centre, and Rumah Chalie Sungai Sawa Sera Sebauh, as well as contributions to the Elmina Bronco Rugby Club development programme, among others.

We have a target of making at least 3 donations or contributions to society every year. In FY2025, we made about 24 contributions, which amounted to approximately RM 216,620 and benefited about 24 beneficiaries. The CSR activities conducted by the Group are documented in the Annual Report FY2025.

	FY2023	FY2024	FY2025
Amount invested in the community ¹² (RM)	22,000	267,891	216,620
Estimated number of beneficiaries of the investment in communities (number)	694	260	24

¹⁰ LTIR = total lost time injury case/ total hours worked * 1,000,000

¹¹ TRCF = total recordable case/ total hours worked * 1,000,000

¹² Exclude beneficiaries that are internal to the Group

SUSTAINABILITY STATEMENT

EQUAL AND SUSTAINABLE WORKPLACE (Cont'd)

Supporting Community & Society (Cont'd)



Dayang Invitational Golf 2025 – Community Contribution Ceremony



Search and Rescue Exercise Maritime Mass Rescue Operation (MMRO) Eksesais Limbawan Tahun 2025



Environment Audit (First Internal Audit Cycle) at Labuan



CePBFO Training



Commyunication Day with PCSB @ Sky Hotel KK.



Shell Safety Award - Bronze Upstream Category

SUSTAINABILITY STATEMENT

ENVIRONMENTAL CONSERVATION & PROTECTION

The Group continues to ensure environmental compliance via its management system and performance monitoring. Dayang Group is committed to ensuring full compliance with all applicable environmental laws and regulations governing its operations. Recognising the material risks associated with pollution, the Group has established an Environment Policy that not only commits to regulatory compliance but also drives efforts towards the efficient and responsible utilisation of materials and resources across its operations.

To embed environmental compliance within its governance structure, the Heads of Departments hold regular meetings to review business performance, which also includes a review of adherence to relevant environmental regulations. Environmental Regulatory Compliance Monitoring (“ERCM”) reporting is carried out on a monthly basis to facilitate close monitoring of the Group’s environmental obligations. The ERCM reporting process also serves as a proactive platform for highlighting and discussing emerging environmental issues, as well as other regulatory updates. These initiatives support a culture of continuous improvement in the Group’s environmental compliance and overall performance. Regular internal audits are further conducted to determine the adequacy and efficiency of internal controls pertaining to environmental compliance and performance.

Beyond regulatory compliance, the Group recognises its responsibility in identifying, assessing, and addressing climate-related risks and opportunities that may impact the long-term sustainability of both the Group and the environment in which it operates. In this regard, the Group acknowledges the growing importance of climate-related financial disclosures as a cornerstone of transparent and accountable corporate reporting.

This year marks the first year Dayang Group prepares and presents a statement on Climate-related Financial Disclosure in alignment with IFRS S2. Relevant considerations are also incorporated into the Group’s governance structure, risk management processes, and strategic planning, thereby strengthening the Group’s resilience in dealing with the risks and opportunities, including financial impacts, in relation to climate change.

Climate Change & Greenhouse Gas Emissions

Energy and Emissions Management

We continue to implement approaches to manage and monitor our energy consumption. Relevant efforts are also undertaken to optimise energy use within our offices while promoting an energy-saving mindset among employees

Charter of Marine Vessels (including PPB)

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.

	Target	FY2025
Applicable vessels comply with SEEMP monitoring (%)	100	100 ¹³

This year, we are including PPB’s energy and emission consumption data in the scope of Dayang Group’s energy consumption. As a result, the Group’s FY2025 energy data will not be comparable with FY2023 and FY2024 energy data.

¹³ FY2025 data included PPB.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL CONSERVATION & PROTECTION (Cont'd)

Climate Change & Greenhouse Gas Emissions (Cont'd)

Energy and Emissions Management (Cont'd)

The Group consumed a total of 60,980 MWh in FY2025, comprising 58,796 MWh from fossil fuels used in Group-owned and controlled assets and vehicles, and 2,184 MWh from purchased electricity.

We performed a review of the Group's energy data collection process and have recategorised diesel consumption used in the Group's machinery, but during the period rented to clients, as indirect consumption. Accordingly, such usage is excluded from the Group's reported consumption. We have also revised the energy conversion factor for diesel and petrol. FY2023 and

FY2024 energy consumption and Scope 1 and Scope 2 GHG emissions data have been restated to incorporate these revisions.

The Group reports significantly higher energy consumption in FY2025 due to the inclusion of PPB's usage of marine gas oil which is significant due to its nature of business. On the other hand, electricity consumption decreased in FY2025, after incorporating PPB's electricity consumption, due to streamlined operations for Dayang's operations during the financial year under review.

	FY2023	FY2024	FY2025 ¹⁴
Diesel and Marine Gas Oil (MWh)^{15 16}	3,504	4,527	58,501
Petrol (MWh)¹⁷	71	111	295
Electricity (MWh)	2,659	2,301	2,184
Energy consumption (MWh)	6,234	6,939	60,980

¹⁴ FY2025 data included PPB.

¹⁵ The estimated amount of indirect use of diesel for machinery in FY2023 and 2024 has been removed.

¹⁶ The diesel amount in FY2023 and FY2024 has been restated due to the update in the energy conversion factor used for diesel.

¹⁷ The petrol amount in FY2023 and FY2024 has been restated due to the update in the energy conversion factor used for petrol.

The Group's GHG emissions are primarily derived from its energy consumption activities across its operations. Dayang Group measures and reports its emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The Group adopts an operational control approach as its consolidation methodology, considering the nature of its service-based business, as well as the nature of its industry.

During the financial year under review, the Group recorded 14,119 tCO₂e in Scope 1 emissions and 1,001 tCO₂e in Scope 2 emissions. Combined, the Group's total Scope 1 and Scope 2 emissions for FY2025 amounted to 15,120 tCO₂e.

In addition, the Group continues to report selected Scope 3 emissions, namely Category 6 – Business Travel, estimated at 188 tCO₂e, and Category 7 – Employee Commuting, estimated at 427 tCO₂e for FY2025. Moving forward, the Group will continue to explore opportunities to identify and incorporate additional Scope 3 categories as data availability and estimation methodologies mature.



SUSTAINABILITY STATEMENT

ENVIRONMENTAL CONSERVATION & PROTECTION (Cont'd)

Climate Change & Greenhouse Gas Emissions (Cont'd)

Energy and Emissions Management (Cont'd)

	FY2023	FY2024	FY2025 ¹⁸
Scope 1 emissions¹⁹ (tCO₂e)	1,053	1,365	14,119
Scope 2 emissions²⁰ (tCO₂e)	1,277	1,016	1,001
Total Scope 1 and 2 emissions generated (tCO₂e)	2,330	2,381	15,120

¹⁸ FY2025 data included PPB.

¹⁹ 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>.

²⁰ Estimated using:

- For FY2023: restated using (1) Peninsular's Grid Emission Factor for FY2022: 0.774 Gg CO₂e/ GWh (2) Sabah's Grid Emission Factor for FY2022: 0.525 Gg CO₂e/ GWh (3) Sarawak's Grid Emission Factor for FY2022: 0.199 Gg CO₂e/ GWh. Source: <https://myenergystats.st.gov.my/news-resources>
- For FY2024: estimated using (1) Peninsular's Grid Emission Factor for FY2022: 0.774 Gg CO₂e/ GWh (2) Sabah's Grid Emission Factor for FY2022: 0.525 Gg CO₂e/ GWh (3) Sarawak's Grid Emission Factor for FY2022: 0.199 Gg CO₂e/ GWh. Source: <https://myenergystats.st.gov.my/news-resources>
- For FY2025: estimated using (1) Peninsular's Grid Emission Factor for FY2024: 0.740 Gg CO₂e/ GWh (2) Sabah's Grid Emission Factor for FY2024: 0.539 Gg CO₂e/ GWh (3) Sarawak's Grid Emission Factor for FY2024: 0.199 Gg CO₂e/ GWh. Source: <https://myenergystats.st.gov.my/news-resources>

	FY2023	FY2024	FY2025
Scope 3 emissions²¹ (tCO₂e)			
Category 6 Business Travel	NA ²²	532	188
Category 7 Employee Commuting	NA ²³	773	427

Pollution Management

Pollution management remains a key challenge and priority within our industry due to the potential environmental impacts associated with marine and yard operations. The Group ensures our vessels comply with the SEEMP under the International Convention for the Prevention of Pollution from Ships ("MARPOL").

In addition, we continue to ensure compliance with applicable regulations issued by the Department of Environment ("DOE") governing yard operations, as well as the requirements set out under MARPOL for marine vessels. To further mitigate pollution risks and their potential impacts, the Group implement regular maintenance, testing, and repair schedules for vessels and machines to ensure that equipment is properly maintained and operates efficiently. These preventive measures help reduce the likelihood of pollution incidents arising from equipment malfunction or inadequate maintenance.

²¹ 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>.

²² We began to report Scope 3 Category 6 Business Travel data in FY2024.

²³ 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 the installation and proper functioning of essential equipment, including oily water separators, sewage treatment plants, garbage compactors, and more.

The Group has set a target of zero spill incidents resulting in fines/ penalties. We are pleased to report that this target was met in FY2025, with no such incidents recorded during the year.

	Target	FY2025
Spill incidents resulting in fines/ penalties	0	0 ²⁴

Climate-related Financial Disclosures

Dayang Group acknowledges the growing relevance of climate change and the importance of addressing climate change-related risks and opportunities in the Group's business. In accordance with the disclosure regulations of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Dayang Group publishes this Climate-related Financial Disclosure that discloses the Group's governance, strategies, risk management, metric and targets in relation to the Group's climate-related risks and opportunities. This statement is prepared in alignment with the IFRS S2 – Climate-related Disclosures, and the Group's disclosure will continue to be improved as we work towards full alignment with the IFRS Sustainability Disclosure Standards.

This is the first year the Group reports in alignment with IFRS S2. The Group has applied the transition reliefs provided by the Listing Requirements as well as the transition reliefs provided by the IFRS S2 Climate-related Disclosures.

It is important to note that the scenario analysis, climate risk assessment, and resulting quantitative data reported in this section are based on hypothetical assumptions in an effort to quantify possible future financial and non-financial impacts, and should not be interpreted as forecasts or guarantees of future outcomes.

²⁴ FY2025 data included PPB.



SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Governance

Dayang's Board of Directors (the "Board") is ultimately responsible for ensuring the Group's sustainability matters, including climate-related risks and opportunities, are incorporated in the Group's business strategies and considered in relation to long-term business value creation and business resilience. The Board is further supported by the Corporate Sustainability Committee ("CSC"), which assists the Board in overseeing the Group's management of sustainability and climate-related risks and opportunities, including strategies, policies, performance monitoring, and disclosures. Internal controls, risk management, and financial-related considerations relating to sustainability and climate-related risks and opportunities are also incorporated in the Group's relevant corporate governance process, including in the roles and functions of the Audit Committee and Risk Management Committee.

At the management level, the Managing Director provides leadership to the Senior Management in relation to the assessment of sustainability and climate-related risks and opportunities, development of relevant strategies, as well as the execution of action plans to address the identified risks. This includes conducting scenario analysis and climate risk assessment exercises to identify and prioritise climate-related risks and opportunities in relation to their impact on the business. The Group also leverages its sustainability management and risk management processes to manage and monitor prioritised climate-related risks and opportunities. Climate-related risks are also incorporated in the Group's risk management and internal control systems. The performance of the Group's management of sustainability matters, including climate-related risks and opportunities, is reported to the CSC, which reports to the Board at least annually.

The skills, competencies, and performance of the Directors in relation to the Board's management of sustainability and climate-related risks and opportunities are evaluated during the annual assessment of the Board. The outcome of the evaluation is also used to inform the Directors' skills development and training needs. From time to time, Executive Directors also attend industry events and exhibitions through which they engage with industry players and keep abreast with the latest industry and technological developments. Sustainability and climate-related topics are also considered when scheduling training for Directors.

Sustainability and climate-related risks and opportunities are integral to the Board's review of the Group's strategies, progress, and targets. These reviews are supported by group-wide policies on material topics such as workplace safety and environmental protection, which guide daily operations. In shaping business strategies and major decisions, including significant transactions, the Group considers stakeholder interests, long- and short-term resilience, and the balance between risks, opportunities, and available resources.

At present, climate-related performance has not yet been explicitly tied to executive remuneration. The Group is in the process of developing internal mechanisms to align with IFRS S1 and S2 and to ensure compliance with Listing Requirements. It believes that linking remuneration to climate-related outcomes will be more appropriate and meaningful once these processes are fully established and mature.

Climate-related Risks and Opportunities and Strategies

The Group uses scenario analysis to identify climate-related risks and opportunities relevant to the Group. At the end of 2025, the Group carried out its first scenario analysis, covering all main operations of the Group (excluding PPB's operations), to consider the possible risks and opportunities to the business under different possible climate scenarios. Selected climate-related risks and opportunities are further assessed for their impact or risk levels to evaluate the resilience of the business under the selected climate scenarios.

The scenario analysis aims to enable strategic planning and risk management, with an aim to develop business resilience and sustainability in the longer term.

SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Climate-related Risks and Opportunities and Strategies (Cont'd)

The analysis considered 3 scenarios, as follows:

- **Scenario A – Orderly Transition** – representing a “Paris Agreement-aligned” scenario leading to global warming below 2°C by 2100, where governments are expected to be proactive and aggressive with respect to energy policies and market policies to support transition towards a low-carbon economy. Transition risks are assumed to be high, while physical risks are assumed to be low.

In this scenario, a carbon price is expected to be imposed at a price similar to Singapore’s introductory price; the Malaysian government is expected to reduce subsidies for energy to discourage the use of fossil-based fuel; in the long term, fossil-fuel prices are expected to meet competition from maturing renewable energy; and environmental regulations are expected to be stricter.

- **Scenario B – Current Pathway** – representing a “current trajectory” pathway in which global warming continues to be addressed at a moderate pace, reflecting existing policies and prevailing trends. In this scenario, policies are not expected to support the achievement of the “2°C or below” target, while the projected warming is expected to be around 2 - 3°C by 2100. Both transition risks and physical risks are assumed to be present but moderate.

In this scenario, governments are more inclined towards a wait-and-see approach; policies and initiatives, including a carbon price, are expected to be less aggressive than Scenario A and fragmented, resulting in greater market uncertainty.

- **Scenario C – High Physical Risk** – representing a higher global warming scenario where governments are passive in relation to setting policies and initiatives addressing global warming. This scenario is expected to result in much greater warming of 3 – 5°C at 2100. Physical risks are assumed to be high while transition risks are assumed to be low.

In this Scenario, fossil fuels are expected to face strong market demand, driven by the pursuit of business growth; there will be no carbon price; and waste management costs are expected to increase as physical climate conditions increase the frequency of materials being damaged or deteriorating.

The Group considers that the selected scenarios reflect a diverse range of climate pathways, from both ends of the spectrum relative to current trends. These scenarios are deemed sufficient at this stage to provide a foundational understanding of the transition and physical risks and opportunities relevant to the Group. The scenario analysis forms the basis for identifying climate-related risks and opportunities that may affect the business and their potential financial implications. Transition risks arise from the shift toward a lower carbon economy, encompassing policy, legal, technological, and market factors. Physical risks, on the other hand, stem from changes in climate patterns or the occurrence of extreme climate events. The Group manages these risks through mitigation, transition, and adaptation measures.



SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Scenario analysis

Scenario analysis is applied to all the Group's main business operations, including its topside maintenance services and chartering of marine vessels, considering the impact areas within the business model and value chain as follows:

- contract bidding and market demand;
- manpower, talents and skills;
- operations;
- raw materials, handling of materials, and waste management;
- safety and health;
- finance and financing; and
- asset lifespan and value.

The scenario analysis adopts the following time horizons.

- **Short term** – 3 years or below. This timeframe reflects the general timeframe from bidding through execution to the completion of projects.
- **Medium term** – more than 3 years to 5 years. This timeframe reflects the interim period for the review of business strategies and capital investments.
- **Long term** – more than 5 years. This timeframe reflects the generation duration required for business strategy alignment and long-term planning of asset investments.

Selected risks identified from the scenario analysis are further assessed, including quantification where possible, for the financial impacts.

The outcome of the scenario analysis and the assessment of selected climate risks and/or opportunities are further considered in the Group's risk management processes, business strategies or business decisions, as relevant. Climate-related risks and opportunities with significant impact on the business are further managed via strategies, initiatives, and action plans developed by the Management.

SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Climate-related Risks and Opportunities

A summary of the key climate-related risks and opportunities identified is as follows.

Scenario	Topic	Risk categories	Risk or Opportunity Topic	Time horizon	Description and potential impact	
					Risks	Opportunities
Scenario A	Contract bidding and market demand	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Global energy transition to lower carbon economy 	<ul style="list-style-type: none"> Medium/ Long 	<ul style="list-style-type: none"> Energy transition resulting in reduced oil and gas-related contracts affecting revenue Potentially lower charter rate for higher emission vessels, affecting revenue Increased market competition 	<ul style="list-style-type: none"> Potential expansion of renewable energy, low-carbon, and transition projects, posing revenue opportunities
	Manpower, talents and skills	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Transition of skills and talents Changing workforce requirements and arrangements 	<ul style="list-style-type: none"> Medium/ Long 	<ul style="list-style-type: none"> Potential skills mismatch in relation to skills required to support energy transition projects or low-carbon projects 	<ul style="list-style-type: none"> Opportunity for the Group to position itself as a specialist and as a multi-engineering support provider
	Operations	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Stricter client requirements, as well as environmental and safety regulations higher operating and input costs due to energy policies 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Increased ESG and environmental compliance requirements Increased operating cost due to stricter compliance requirements, such as waste management regulations Increased operating cost due to carbon price (including carbon tax) 	<ul style="list-style-type: none"> Early adoption of low-carbon technologies helps reduce long-term cost exposures (to energy-related expenses)
	Finance and financing	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Higher cost of capital for carbon-intensive activities Financiers are selective of projects 	<ul style="list-style-type: none"> Medium/ Long 	<ul style="list-style-type: none"> Higher cost of capital if perceived by financiers as slow to transition Reduced access to funding for climate-intensive activities 	<ul style="list-style-type: none"> Access to green financing in relation to participation in 'green projects'



SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Climate-related Risks and Opportunities (Cont'd)

Scenario	Topic	Risk categories	Risk or Opportunity Topic	Time horizon	Description and potential impact	
					Risk	Opportunities
Scenario A	Asset lifespan and value	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Declining relevance of assets tied to oil and gas activities 	<ul style="list-style-type: none"> Medium/ Long 	<ul style="list-style-type: none"> Risk of asset obsolescence if assets are not transition-ready Reduced asset utilisation in relation to declining oil and gas activities 	<ul style="list-style-type: none"> Transition-aligned fleet renewal strategy potentially enhances long-term competitiveness
Scenario B	Contract bidding and market demand	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Greater uncertainties in oil and gas projects, due to more fragmented energy policies 	<ul style="list-style-type: none"> Short / Medium 	<ul style="list-style-type: none"> Greater uncertainty in oil and gas project timing increases the difficulty in project planning Increased market competition 	<ul style="list-style-type: none"> Continued demand for existing services
	Manpower, talents and skills	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Higher uncertainties in workforce arrangement and talent development 	<ul style="list-style-type: none"> Short / Medium 	<ul style="list-style-type: none"> Uncertainties in talent development strategies and investments 	<ul style="list-style-type: none"> Current contract-based workforce enables flexibility in workforce arrangement and deployment
	Operations	<ul style="list-style-type: none"> Transition risk Physical risk 	<ul style="list-style-type: none"> Moderately higher operating cost and compliance cost 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Increased operating cost due to carbon price (including carbon tax) and increased regulations Climate variability may affect project progress moderately 	<ul style="list-style-type: none"> Opportunities for voluntary initiatives for process optimisation and enhancements ahead of tightening regulations support competitiveness
	Raw materials, handling of materials, and waste management	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Increasing material cost Supply chain resilience 	<ul style="list-style-type: none"> Short/ Medium 	<ul style="list-style-type: none"> Increase in raw material prices increases input cost 	<ul style="list-style-type: none"> Opportunities to develop a resilient supply chain through diversification and consideration of alternate materials

SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Climate-related Risks and Opportunities (Cont'd)

Scenario	Topic	Risk categories	Risk or Opportunity Topic	Time horizon	Description and potential impact	
					Risk	Opportunities
Scenario B	Safety and health	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Stricter safety regulations Moderate increase in safety risks due to climate conditions 	<ul style="list-style-type: none"> Short/ Medium 	<ul style="list-style-type: none"> Increased safety and health regulations Increased safety risks due to climate variability 	<ul style="list-style-type: none"> Potential to position the Group as a contractor with safety best practices
	Finance and financing	<ul style="list-style-type: none"> Transition risk 	<ul style="list-style-type: none"> Limited financial incentives for transition 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Limited immediate financial incentives for transition initiatives 	<ul style="list-style-type: none"> /
	Asset lifespan and value	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Weather and climate conditions affecting asset quality and lifespan 	<ul style="list-style-type: none"> Medium/ Long 	<ul style="list-style-type: none"> Climate variability may increase exposure of assets to flooding and site disruption Asset-related maintenance and insurance costs may increase 	<ul style="list-style-type: none"> /
Scenario C	Contract bidding and market demand	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Weather and climate conditions are increasing the demand for services 	<ul style="list-style-type: none"> Medium/ Long 	<ul style="list-style-type: none"> Climate variability results in greater difficulty in tender cost/pricing estimation 	<ul style="list-style-type: none"> Increased demand for repair, maintenance, and climate resilience services Opportunities to participate in adaptation and emergency response projects Potentially higher vessel chartering rate



SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Climate-related Risks and Opportunities (Cont'd)

Scenario	Topic	Risk categories	Risk or Opportunity Topic	Time horizon	Description and potential impact	
					Risk	Opportunities
Scenario C	Operations	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Climate/ weather conditions affecting productivity and progress Increased operating cost 	<ul style="list-style-type: none"> Short / Medium / Long 	<ul style="list-style-type: none"> Worsening climate conditions shorten machinery lifespan, requiring more frequent maintenance Delays or cancellation of project activities due to extreme weather Higher insurance premium Potentially higher fuel and operating costs due to disruption and delays 	<ul style="list-style-type: none"> Efficiency initiatives may help mitigate increases in operating costs Investments in climate-resilient planning and procedures and predictive tools may enhance competitiveness
	Raw materials, handling of materials, and waste management	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Climate/ weather is accelerating damage to materials, challenges to site management, and disrupting the supply chain 	<ul style="list-style-type: none"> Short/ Medium 	<ul style="list-style-type: none"> Extreme weather conditions are accelerating the damaging of stored materials and equipment Higher costs associated with site operations, drainage, and housekeeping activities Unfavourable climate events and conditions affect the supply chain, resulting in high procurement costs or affecting supply stability 	<ul style="list-style-type: none"> /
	Safety and health	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Higher safety risk due to climate conditions Lower productivity 	<ul style="list-style-type: none"> Short / Medium 	<ul style="list-style-type: none"> Higher safety and health risk for workers Climate variability resulting in reduced offshore operating windows Increased fatigue leading to decreased productivity 	<ul style="list-style-type: none"> Potential to enhance competitiveness by having leadership in climate-adaptive safety standards

SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Climate-related Risks and Opportunities (Cont'd)

Scenario	Topic	Risk categories	Risk or Opportunity Topic	Time horizon	Description and potential impact	
					Risk	Opportunities
Scenario C	Finance and financing	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Higher cost of capital 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Increased cost of capital due to physical risk exposure Higher operating cost and insurance premiums 	<ul style="list-style-type: none"> Limited stranded asset risk due to the asset-light model
	Asset lifespan and value	<ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> Shorter asset lifespan 	<ul style="list-style-type: none"> Long 	<ul style="list-style-type: none"> Accelerated asset degradation or damage arising from extreme weather events Higher asset repair and replacement costs 	<ul style="list-style-type: none"> Investments in climate-resilience initiatives potentially extend asset lifespan

Assessment of Climate-related Risks

The Group conducted further assessment on selected climate-related risks identified via the scenario analysis, focusing on factors that are more readily quantifiable. This year, we have chosen to focus on the assessment of the following impacts:

- increasing operating cost arising from higher energy costs and the introduction of a carbon price;
- increasing operating cost from expanded waste management requirements.

The outcomes of the assessment disclosed below should not be construed as definitive or guaranteed financial impacts in relation to the respective scenarios as they are meant to be indicative estimates employed to evaluate the Group's business and financial resilience.

Note that the scope of the following information does not include operations managed by the Group's listed subsidiary, PPB.

Rising direct energy costs and the introduction of a carbon price

In FY2025, the Group's overall expenses in relation to the direct use of fuel and electricity amounted to RM2.4 million or about 0.7% of the Group's FY2025 profit before tax ("PBT"). There are no carbon price-related expenses.

The estimation of carbon-related expenses and rising energy cost applies to the Group's direct use of fuel and electricity, i.e. related to Scope 1 and Scope 2 only, and assumes consistent consumption as FY2025.



SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Rising direct energy costs and the introduction of a carbon price (Cont'd)

We used an assumed introductory price of RM15 per tonne CO₂e for both Scenario A and Scenario B, effective from 2026 onwards. We assumed an increase in carbon price rate of RM20 and RM10 per tonne every two years, for Scenario A and Scenario B, respectively. We assume no carbon price is imposed in Scenario C. Assumptions for fossil fuel costs reflect a mild increase in Scenario A, a moderate increase in Scenario B, and a steeper increase in Scenario C. This aligns with our scenario descriptions: in Scenario A, fossil fuels face competition from renewable energy, but government subsidies may be reduced; in Scenario B, the absence of energy policies drives demand and higher fuel prices. Assumptions for electricity costs follow the same assumption methodology as fossil fuels, but with a more moderate rate of increase, especially for electricity consumption in Sarawak due to its sufficiency and higher renewable mix.

The assessment approximated an introduction of carbon-related expense of not more than RM200,000 in the long term. After accounting for increases in fuel prices and electricity costs, we estimate an increase in operating costs ranging from RM186,000 to RM272,000 (or 8% to 12% of FY2025 energy-related expense) in the short term and between RM457,000 and RM577,000 (or 20% to 25% of FY2025 energy-related expense) in the long term.

The current assessment does not include possible increases in energy consumption and the impact of carbon price and rising energy costs in the Group's supply chain.

Summary of assumptions across Scenarios A, B, and C	Short term (< 3 years)	Medium term (3 - 5 years)	Long term (> 5 years)
Carbon price (RM/tCO ₂ e)	0 - 15	15 - 35	35 - 55
(no carbon price applies to Scenario C)			
Rate of change in fuel prices (%)	2.0% - 4.0% p.a		
Rate of change in electricity cost (%)	2.5% - 4.0% p.a. for Peninsula Malaysia and Sabah; 0.5% - 1.0% p.a. for Sarawak		
Estimated increase in energy-related expenses	RM186,000 to RM272,000	RM295,000 to RM471,000	RM457,000 to RM577,000 by FY2031

Based on the assessment, the Group's energy-related expenses, including an increase in energy cost and carbon price, in relation to direct use of energy is not expected to have a significant impact on the Group's financial performance and financial resilience. The assessment has yet to include the Group's listed subsidiary, PPB, which has notably more significant direct energy consumption. We will include PPB in the scope of our climate risk assessment in FY2026.

Increase in flight-related expenses

Flight-related expenses are one of the key business travel related expenses of our business, derived from flight tickets purchased to mobilise employees to different work locations. In FY2025, flight-related expenses amounted to RM1.1 million, or about 0.3% of the Group's PBT.

Applying an introduction of carbon price and assuming increases in energy price, we estimate an increase of RM70,000 to RM144,000 in the short term; to a range of between RM150,000 to RM305,000 in the long-term. Our estimation assumes the service providers' expenses in relation to carbon price and increase in energy cost are fully transferred to us.

SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Increase in waste management expenses (Cont'd)

Summary of assumptions across Scenarios A, B, and C	Short term (< 3 years)	Medium term (3 - 5 years)	Long term (> 5 years)
Carbon price (RM/tCO ₂ e)	0 - 15	15 - 35	35 - 55
(no carbon price applies to Scenario C)			
Rate of change in fuel prices (%)	2.0% - 4.0% p.a		
Estimated increase in energy-related expenses	RM70,000 to RM144,000	RM98,000 to RM250,000	RM150,000 to RM305,000

The Group's waste management-related expenses during the financial year under review amounted to RM1.6 million.

The scenarios considered assumed increases in waste management either through increasingly stricter environmental regulations or a greater need for waste management due to climate variability. Currently, our estimation assumes a steady increase in all scenarios. We have not incorporated other variables, such as the activity of operations and material cost.

The current assessment estimates an increase of RM0.1 million, RM0.2 million, and RM0.3 million in the short, medium, and long term, respectively.

Business Resilience and Strategies

Financial resilience

Based on the assessment conducted, the increase in operating cost arising from (i) increasing energy cost; (ii) introduction of carbon price; and (iii) increasing waste management expenses is estimated to be less than RM1.2 million in the short, medium, and long term.

This estimated increase is not considered material when compared against the Group's administrative and other expenses of RM132.1 million and profit before tax of RM324.3 million for the financial year ended 31 December 2025. Accordingly, the Group does not expect the increase in these selected expense items to have a material impact on its overall financial performance. During contract bidding, our quotation takes into consideration policies and market forces such as energy cost and carbon price. This enables expenses to be fairly incorporated into contract pricing and the Group's revenue. To the extent that there may be timing differences in cost recovery or short-term increases in operating expenses, the Group's cash and bank balances of RM756.2 million as at 31 December 2025 provide sufficient liquidity to absorb such impacts and support any additional working capital requirements.

The Group acknowledge that the Group's fixed assets, such as fabrication yards, warehouses, and vessels, may be affected by both transition risks and physical risks under different climate scenarios. Towards the "Orderly Transition" end of the spectrum of scenarios, transition risks present themselves as technology and regulation-related, while towards the "High Physical Risk" scenario, the physical risks faced involve a higher risk of damage and greater need for maintenance, and higher insurance costs arising from climate and weather conditions. Currently, the Group has yet to develop the relevant methodology to reliably estimate the financial impacts on our fixed assets in quantified terms.



SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Business Resilience and Strategies (Cont'd)

Financial resilience (Cont'd)

The Group's asset structure is relatively 'light' compared to other operations in the oil and gas industry, due to our nature as a service provider. The Group's fixed assets amounted to RM865.2 million, or comprise about 35% of the Group's total assets, and this asset structure provides flexibility for Dayang Group to pivot with clients' transition strategies. Our financial resilience is further supported by healthy gearing, with low bank borrowings of RM32.3 million and a gearing ratio of 0.02x. The robust financial position also provides strong financial support for future capital investments to align our assets with a lower-carbon economy, through internal funds, as well as bank facilities.

Business resilience

The oil and gas industry remains strategically material to Malaysia, contributing to national income, employment, and broader economic activity. At the same time, the Group acknowledges the industry's and the nation's transition efforts toward a lower carbon economy, including the growing reliance on natural gas as a transition fuel while renewable energy generation is developed and scaled. The Group is positioned to align with this transition as our services continue to be required for natural gas-related activities.

The Group workforce strategy combines both contract-based and permanent-based arrangements, which provides the Group with the flexibility to scale its workforce to match contract requirements. The Group can also capitalise on its workforce strategy to employ skills and talents required to support business needs under different climate scenarios.

Dayang Group adopted a set of strategies to develop resilience against various climate risks, underpinned by 4 Pillars, including Operational Resilience, Asset Resilience, Safety and Protection, and Financial Resilience. A summary of the focus areas of the strategies is as follows:

- enhanced safety protocols and ensured they incorporate anticipated climate-related risks;
- business continuity and contingency planning;
- enhancing coordination between functions and teams to enhance operational efficiency, planning, and safety;
- incorporating climate-resilience consideration in the asset maintenance and upgrading plans; and
- assessment of assets and key costs associated with weather-related disruptions, including adequacy of insurance coverage.

The Group remains cautious in its capital investment activities as it manoeuvres through current market uncertainties such as volatile oil prices and uncertain timing in terms of government policies and energy policies. The Group seeks to align its transition pace with prevailing market dynamics. Accelerating too quickly could lead to more expensive upfront investment at a time when demand may not yet support revenue or justify our investments financially, while delaying transition risks falling behind market trends and eroding competitiveness.

The Group does not have investment plans or allocation specifically for addressing climate-related risks or opportunities currently.

SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Metric and Targets

The Group discloses the metric or indicators required by the IFRS S2 as follows.

Disclosure items	Reference or explanation
GHG emissions (including Scope 1, 2, and 3)	Disclosed in Climate Change & Greenhouse Gas Emissions Section of the Sustainability Statement
Climate-related transition risks	Disclosed in the Assessment of Climate-related Risks Section of Climate-related Financial Disclosures The transition risks assessed include risks associated with increasing energy prices and the introduction of a carbon price.
Climate-related physical risks	Disclosed in the Assessment of Climate-related Risks Section of Climate-related Financial Disclosures The physical risks assessed are the risks associated with increasing energy prices in relation to Scenario III.
Climate-related opportunities	Not quantified at the moment
Capital deployment	No specific investment planned at the moment
Remuneration	The Group has yet to explicitly link climate-related performance to executive remuneration.

The Group is in the midst of carrying out various initiatives, including improvements to its data collection process and enhancing its business strategy in relation to the incorporation of climate-related risks and opportunities. In addition, the Group is also in the process of consolidating the sustainability data of its listed subsidiary, PPB, in its sustainability reporting.

The Group has yet to set specific targets in relation to climate risks or opportunities. Nonetheless, the Group will consider the development of practical targets to support its business strategy and climate resilience efforts, and will disclose the targets in future reports.



SUSTAINABILITY STATEMENT

Climate-related Financial Disclosures (Cont'd)

Risk Management

Dayang Group uses climate scenario analysis to identify climate-related risks and opportunities. The identified risks and opportunities are then prioritised based on a preliminary assessment, while the prioritised risks and opportunities are then assessed in detail via climate risk assessment. In the conduct of the climate risk assessment, the Group deployed quantification methods to estimate the financial impacts of climate-related risks.

Climate risk is incorporated and considered in the Group's risk management process. The outcome of the climate scenario analysis and climate risk assessment will be further incorporated in the risk management process to support risk assessment, including consideration of the likelihood and impact of relevant risks.

The Group's risk management process enables systematic assessment, prioritisation, management, and monitoring of risks, including all key risks of the Group, ranging from strategic, operational, and climate risks. The Group's risk management process and management of key risks are overseen by the Risk Management Committee that assists the Board in relation to risk management matters.

Internal Carbon Price

The Group has yet to set an internal carbon price. Nonetheless, the Management takes into consideration carbon price risk, where relevant, in its key business decisions.

SUSTAINABILITY STATEMENT

Waste Management

Dayang maintains a Scheduled Waste Management Policy that reflects the Group's commitment to environmental protection and compliance with the Environment Quality Act 1974. Recognising that waste generated across the Group's business activities, operations, and products carries both environmental and social impacts, Dayang is committed to minimising these impacts through responsible and systematic waste management practices.

To uphold this commitment, the Group employs in-house personnel who are certified as Competent Certified Environmental Professionals in Scheduled Waste Management ("CepSwam"). The CepSwam-certified personnel are responsible for overseeing, implementing, and ensuring that scheduled waste is managed in accordance with applicable regulatory requirements.

Monitoring and compliance are facilitated through the Electronic Scheduled Waste Information System ("eSWIS"), a digital platform that enables systematic monitoring, tracking, and documentation of scheduled waste activities and management. The system also enables efficient management and compliance with regulations.

All scheduled waste generated is handled by licensed and qualified service providers, who carry out disposal in strict accordance with environmental standards and guidelines. Beyond disposal, the Group has proactively established several waste management initiatives, including relevant safe operating procedures in relation to the management of scheduled waste, dedicated storage areas for non-hazardous recyclable material to reduce the volume of waste requiring licensed disposal, as well as designated on-site sorted areas where waste materials are separated and stored in individual skips to facilitate efficient collection.

The Group's operations are subject to audits or inspections from time to time, by parties including clients and authorities. Findings arising from these audits and inspections are treated seriously, and applicable action plans are developed to address these findings or gaps. Action plans are monitored and followed up on to ensure they are implemented. These processes also contribute to the Group's ongoing process improvement.

Despite a non-major non-compliance fine of RM4,000 for which corrective actions have been implemented, there were no other waste management-related non-compliance cases during the financial year under review.

	Target	FY2025
Major waste-related non-compliance cases (number)	0	0

In FY2025, Dayang Group generated 5,445 tonnes of waste in total, comprising 5,315 tonnes of hazardous waste and 130 tonnes of non-hazardous waste. A summary of the waste generated and its disposal methods is presented in the table below. Detailed breakdowns of hazardous and non-hazardous waste are made available under the Sustainability/ ESG data section of this Statement.



SUSTAINABILITY STATEMENT

Waste Management (Cont'd)

	FY2025				
	Diverted from disposal (tonnes)			Directed to disposal (tonnes)	
	Generated	Reused	Recycled	Incineration	Landfill
Hazardous waste					
SW104 (Used Garnet)	1,809.28	0.00	0.00	270.78	1,538.50
SW 110 Electronic Waste (E-Waste)	0.68	0.00	0.68	0.00	0.00
SW 305 (Spent lubricating oil)	9.35	0.00	5.81	3.54	0.00
SW 306 (Spent Hydraulic Oil)	1.03	0.00	1.03	0.00	0.00
SW 307 (Spend mineral oil-water emulsion)	9.82	0.00	9.82	0.00	0.00
SW 309 (Oil-water mixture such as ballast water)	8.27	0.00	0.00	8.27	0.00
SW 311 (Waste oil or oily sludge)	19.29	0.00	5.27	14.02	0.00
SW 312 (Oily Residue from Automotive Workshop, service station, Oil or grease)	0.17	0.00	0.17	0.00	0.00
SW 403 (Discarded drugs containing psychotropic substances or containing substances that are toxic, harmful, carcinogenic, mutagenic or teratogenic)	0.03	0.00	0.00	0.03	0.00
SW 408 Contaminated sawdust	0.07	0.00	0.00	0.07	0.00
SW409 (Contaminated Paint Can, Container, bags/equipment contaminated with chemicals, pesticides, minerals)	367.92	0.00	0.99	18.93	348.00
SW410 (Contaminated cotton rag, oil filter, Plastics, Paper/filters)	123.45	0.00	1.44	8.51	113.50
SW 417(Waste of inks, paints, pigments, lacquer, dye/ vanish)	2,946.98	0.00	0.00	33.98	2,913.00
SW 418 (Discarded Paint)	16.66	0.00	0.00	16.66	0.00
SW 421 (A Mixture of Schedule Wastes)	0.12	0.00	0.12	0.00	0.00
SW 422 (A mixture of scheduled and non-scheduled wastes)	0.20	0.00	0.00	0.20	0.00
SW429 Chemicals that are discarded/ off specification	1.48	0.00	0.00	1.48	0.00
Total	5,314.80	0.00	25.33	376.47	4,913.00
			25.33	5,289.47	

SUSTAINABILITY STATEMENT

Waste Management (Cont'd)

	FY2025				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Non-hazardous waste					
Scrap Metal	130.37	0.00	130.37	0.00	0.00
Total	130.37	0.00	130.37	0.00	0.00
		130.37		0.00	
Waste generated					
Total	5,445.17	0.00	155.70	376.47	4,913.00

Water Management

Dayang Group's operations do not have a significant water-related impact, and therefore, water management is considered a lower risk area in relation to our business operations. Despite this, we continue to ensure that our operations conscientiously utilise water resources in a responsible manner. The Group does not operate in water-stressed areas, and water used in our operations is sourced through regulated supply channels.

During the financial year under review, the Group recorded a total water consumption of 18 megalitres ("Ml").

	FY2023	FY2024	FY2025
Water Consumption (Ml)	18.44	16.94	18.43



SUSTAINABILITY STATEMENT

SUSTAINABILITY/ ESG DATA

Metrics/ indicators	Unit	31 Dec 2023	31 Dec 2024	31 Dec 2025
Workforce				
Board of Directors (By Age)				
Below 30	Number (%)	0 (0%)	0 (0%)	0 (0%)
Between 30 to 50	Number (%)	0 (0%)	0 (0%)	0 (0%)
Above 50	Number (%)	11 (100%)	9 (100%)	11 (100%)
Board of Directors (By Gender)				
Male	Number (%)	8 (73%)	6 (67%)	6 (55%)
Female	Number (%)	3 (27%)	3 (33%)	5 (45%)
Employees By Employee Category (Office-Based Employees) (By Age)²⁵				
Senior Management, below 30	Number (%)	0 (0%)	0 (0%)	0 (0%)
Senior Management, between 30 to 50	Number (%)	4 (24%)	2 (12%)	0 (0%)
Senior Management, above 50	Number (%)	13 (76%)	14 (88%)	10 (100%)
Middle Management, below 30	Number (%)	0 (0%)	0 (0%)	0 (0%)
Middle Management, between 30 to 50	Number (%)	31 (52%)	13 (50%)	22 (52%)
Middle Management, above 50	Number (%)	29 (48%)	13 (50%)	20 (48%)
Executive, below 30	Number (%)	157 (23%)	122 (20%)	75 (21%)
Executive, between 30 to 50	Number (%)	432 (64%)	406 (67%)	230 (66%)
Executive, above 50	Number (%)	81 (12%)	79 (13%)	45 (13%)
Non-Executive, below 30	Number (%)	58 (36%)	44 (36%)	23 (27%)
Non-Executive, between 30 to 50	Number (%)	78 (49%)	59 (49%)	49 (58%)
Non-Executive, above 50	Number (%)	23 (14%)	18 (15%)	12 (15%)
Total number of employees, below 30	Number (%)	215 (24%)	166 (22%)	98 (20%)
Total number of employees, between 30 to 50	Number (%)	545 (60%)	480 (62%)	301 (62%)
Total number of employees, above 50	Number (%)	146 (16%)	124 (16%)	87 (18%)
By Employee Category (Office-Based Employees) (By Gender)²⁶				
Senior Management, male	Number (%)	14 (82%)	12 (75%)	9 (90%)
Senior Management, female	Number (%)	3 (18%)	4 (25%)	1 (10%)

²⁵The 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).

²⁶The 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).

SUSTAINABILITY STATEMENT

SUSTAINABILITY/ ESG DATA (Cont'd)

Metrics/ indicators	Unit	31 Dec 2023	31 Dec 2024	31 Dec 2025
Workforce (Cont'd)				
By Employee Category (Office-Based Employees) (By Gender)²⁶				
Middle Management, male	Number (%)	41 (68%)	23 (88%)	30 (71%)
Middle Management, female	Number (%)	19 (32%)	3 (12%)	12 (29%)
Executive, male	Number (%)	440 (66%)	391 (64%)	204 (58%)
Executive, female	Number (%)	230 (34%)	216 (36%)	146 (42%)
Non-Executive, male	Number (%)	83 (52%)	58 (48%)	47 (56%)
Non-Executive, female	Number (%)	76 (48%)	63 (52%)	37 (44%)
Total number of employees, male	Number (%)	578 (64%)	484 (63%)	290 (60%)
Total number of employees, female	Number (%)	328 (36%)	286 (37%)	196 (40%)
New Hires²⁷				
By Employee Category (Office-Based Employees)				
Senior Management	Number	0	0	0
Middle Management	Number	1	2	0
Executive	Number	168	140	32
Non-Executive	Number	30	26	4
Total	Number	199	168	36
Turnover²⁸				
By Employee Category (Office-Based Employees)				
Senior Management	Number	0	0	0
Middle Management	Number	0	7	1
Executive	Number	146	140	201
Non-Executive	Number	15	27	29
Total	Number	161	174	231

²⁶The 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).

²⁷The total number of new hires as at 31 December 2023 has been restated to reflect the revised reporting scope, covering only office-based employees.

²⁸The total number of employee turnover as at 31 December 2023 has been restated to reflect the revised reporting scope, covering only office-based employees.



SUSTAINABILITY STATEMENT

SUSTAINABILITY/ ESG DATA (Cont'd)

	FY2023				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste²⁹					
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, Plastics, Paper/filters)	7.06	0.00	0.00	7.02	0.04
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
SW429 Chemicals that are discarded/ off specification	0.02	0.00	0.00	0.02	0.00
Total	423.84	0.00	30.99	368.03	24.84
			30.99	392.87	

²⁹ FY2023 hazardous waste has been restated to include the waste data from the marine division

SUSTAINABILITY STATEMENT

SUSTAINABILITY/ ESG DATA (Cont'd)

	FY2023				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
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	0.00	0.00	1.20
		356.06		1.20	
Waste generated					
Total	781.12	356.06	30.99	368.03	26.04
	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



SUSTAINABILITY STATEMENT

SUSTAINABILITY/ ESG DATA (Cont'd)

	FY2024				
	Generated	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Hazardous waste (Cont'd)					
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
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	512.90	20.83
			35.98	533.73	
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	0.40	0.00	0.00
			258.97	0.00	
Waste generated					
Total	828.68	258.57	36.38	512.90	20.83

SUSTAINABILITY STATEMENT

PRESCRIBED TABLE

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FYE 31/12/2025

Dayang Enterprise Holdings Bhd
IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Emissions Management	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	14,119	—	No assurance	-
Emissions Management	Scope 2 (location-based)	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	1,001	—	No assurance	-
Emissions Management	Scope 3 - Category 6: Business Travel	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	188	—	No assurance	Excludes emissions attributable to Perdana Petroleum Berhad group
Emissions Management	Scope 3 - Category 7: Employee Commuting	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	427	—	No assurance	Excludes emissions attributable to Perdana Petroleum Berhad group
Emissions Management	The amount and percentage of assets or business activities vulnerable to climate-related transition risks	—	Less than RM1 million Less than 1% of FY2025 Profit Before Tax	—	No assurance	Limited to the assessment and scope disclosed in Climate-related Financial Disclosures Section
Emissions Management	The amount and percentage of assets or business activities vulnerable to climate-related physical risks	—	Less than RM1.2 million Less than 1% of FY2025 Profit Before Tax	—	No assurance	Limited to the assessment and scope disclosed in Climate-related Financial Disclosures Section
Emissions Management	The amount and percentage of assets or business activities aligned with climate-related opportunities	—	Nil	—	No assurance	Not measured currently
Emissions Management	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	—	Nil	—	No assurance	Not measured currently