AVANGAAD

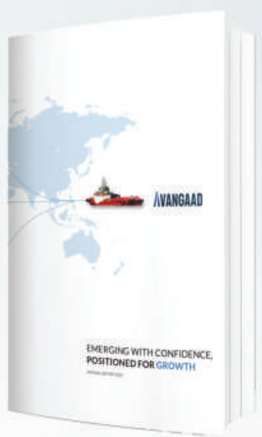
EMERGING WITH CONFIDENCE, POSITIONED FOR GROWTH

ANNUAL REPORT 2025

AVANGAAD BERHAD
Suite 27-01, Level 27,
Menara Vista Petaling,
No. 137, Jalan Puchong,
58200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

www.avangaad.com

INSIDE THIS REPORT



The tagline of the cover design encapsulates Avangaad's progression through a period of transition and its re-establishment on firmer ground. It conveys a forward-looking stance while emphasising its readiness to capture growth opportunities and its strategic positioning to participate in emerging demand cycles across marine and offshore sectors.

On the cover, the globe within a location pin symbolises Avangaad's expanding geographical reach, while the interconnected network of lines and nodes represents its integrated operations and strong connectivity across regions. Together, these elements highlight Avangaad's stronger operational footing to pursue sustainable growth and strengthen portfolio strategy.

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SECTION 1

CORPORATE OVERVIEW
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Further information can also be found on our website:

https://avangaad.com

SCAN ME

The digital version of **Avangaad Berhad** Annual Report 2025 is available on our website.

CORPORATE INFORMATION

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Independent Non-Executive Chairman

DATUK WIRA MUBARAK HUSSAIN BIN AKHTAR HUSIN
Executive Director

DATO' LAI KENG ONN
Executive Director

DATO' SERI NAZIR HUSSIN BIN AKHTAR HUSSIN
Executive Director

MICHAEL CHEAH CHOY CHIN
Independent Non-Executive Director

TONG SIUT MOI
Independent Non-Executive Director

MOHD FARIS ADLI BIN SHUKERY
Non-Independent Non-Executive Director

SECRETARIES

CHUA SIEW CHUAN
SSM PC No. 201908002648
(MAICSA 0777689)

CHENG CHIA PING
SSM PC No. 202008000730
(MAICSA 1032514)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Telephone : 603-2084 9000
Fax No. : 603-2094 9940
Email : info@sshsb.com.my

CORPORATE OFFICE

Suite 27-01, Level 27,
Menara Vista Petaling,
No. 137, Jalan Puchong,
58200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Telephone : 603-2709 2418
Fax No. : 603-2084 9000
Email : connect@avangaad.com

NORTHPORT, PELABUHAN KLANG OFFICE
Bangunan Marine,
Jalan Pelabuhan Utara,
Pelabuhan Utara,
42000 Pelabuhan Klang,
Selangor, Malaysia.
Telephone : 6016-923 7515
Email : rais.hakim@avangaad.com

SG. UDANG PORT, MELAKA OFFICE
16, Jalan Seri Buana 3,
Taman Tangga Batu Perdana,
76400 Tanjung Kling,
Melaka, Malaysia.
Telephone : 6012-730 5224
Email : khairulnizam@avangaad.com

KERTIH PORT, TERENGGANU OFFICE
Bangunan Pentadbiran Kertih Port Sdn. Bhd.
Lot 3633 Kawasan Bukit Tengah,
KM105, Jalan Kuantan,
Kuala Terengganu,
24300 Kertih Kemaman,
Terengganu, Malaysia.
Telephone : 6012-502 9224
Email : nurhayat@avangaad.com

KOTA KINABALU PORT, SABAH OFFICE
Lot 4, First Floor,
Wisma KKM, Mile 5,
Jalan Tuaran,
88450 Kota Kinabalu,
Sabah, Malaysia.
Telephone : 6019-825 8712
Email : zaid@avangaad.com

SUBSIDIARY OFFICE

Johor Shipyard and Engineering Sdn. Bhd.
Lot PT8436-A,
Mukim Hutan Melintang,
36400 Daerah Hilir Perak,
Perak Darul Ridzuan, Malaysia.
Telephone : 605-641 2514
Email : jse@avangaad.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Telephone : 603-2084 9000
Fax No. : 603-2094 9940
Email : info@sshsb.com.my

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Listed since: 11 December 2014
Sector : Transportation & Logistics
Stock name: AVANGAAD
Stock code : 5259

PRINCIPAL BANKERS

RHB Bank Berhad
RHB Islamic Bank Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
United Overseas Bank (Malaysia) Berhad
Bank Pembangunan Malaysia Berhad
Malaysian Industrial Development
Finance Berhad

AUDITORS

Grant Thornton Malaysia PLT
Level 11, Sheraton Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur,
Malaysia.
Telephone : 603-2692 4022
website : info@my.gt.com

AUDIT COMMITTEE

Chairman
MICHAEL CHEAH CHOY CHIN
Independent Non-Executive Director

Members
DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Independent Non-Executive Chairman

TONG SIUT MOI
Independent Non-Executive Director

BOARD NOMINATION & REMUNERATION COMMITTEE

Chairperson
TONG SIUT MOI
Independent Non-Executive Director

Members
DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Independent Non-Executive Chairman

MICHAEL CHEAH CHOY CHIN
Independent Non-Executive Director

RISK & GOVERNANCE COMMITTEE

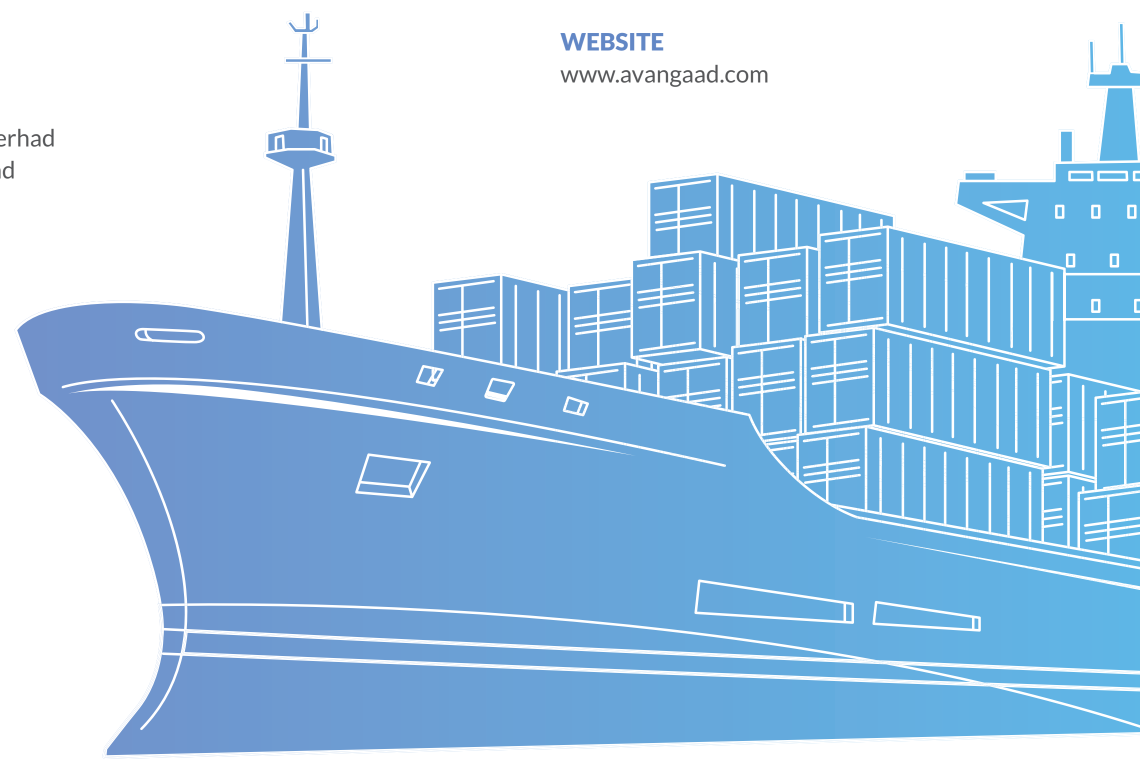
Chairman
MICHAEL CHEAH CHOY CHIN
Independent Non-Executive Director

Members
DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Independent Non-Executive Chairman

TONG SIUT MOI
Independent Non-Executive Director

WEBSITE

www.avangaad.com



Avangaad Berhad (“**Avangaad**” or “**The Group**”) was incorporated in Malaysia on 18 January 1993 and listed on the main market of Bursa Malaysia on 11 December 2014.

CORPORATE PROFILE

Following its rebranding in February 2025, the Group is now recognised as a more **credible** and **coordinated** maritime company, driven by **disciplined**, **contract-led execution**.

Avangaad’s core activities span marine transportation, offshore oil and gas storage, and port marine services, supported by a diversified fleet of 26 vessels as at 31 December 2025, as well as marine engineering and tugboat service capabilities through its subsidiaries.

AVANGAAD

MARINE

C	O	P
Coordinator	Operator	Partner

The Recurring A’s Signify the Group’s

- **Astounding** Services
- Quality **Assurance**
- **Accountability**

VISION

To position ourselves as a global leader, championing Malaysia’s maritime industry on the world stage guided by our founding principles of accountability and innovation.

MISSION

To forge strategic, long-term alliances that empower our people, partners and customers while maintaining ourselves as the region's preferred maritime operations partner.

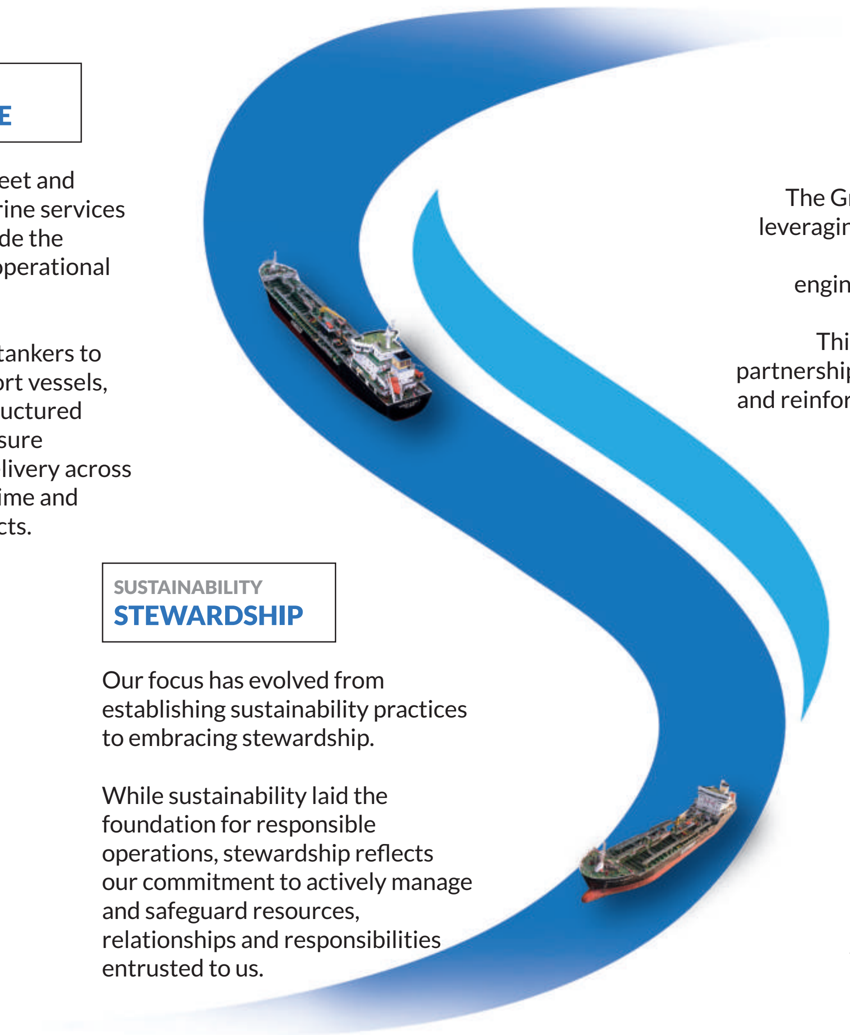
STRENGTH IN ALLIANCE

The backbone of the Group is built on partnerships we’ve carefully fostered. Our alliances with industry leaders and trusted networks create a strong foundation that enables us to meet the industry’s diverse and dynamic needs with a comprehensive approach.

CORPORATE STRUCTURE

AVANGAAD BERHAD ***Strategic in Alliance***	Avangaad Berhad (Avangaad) (5259: Bursa Malaysia) **Driving Maritime Excellence and Industry Leadership** Avangaad Berhad is a Malaysia-based marine logistics and offshore support services provider, owning and operating a fleet of marine vessels across Oil & Gas marine transportation, offshore storage and port marine services. Incorporated on 18 January 1993 and listed on Bursa Malaysia's Main Market on 11 December 2014, the Group has built its position through disciplined execution, dependable delivery and long-standing customer relationships. **From Expertise to Execution Excellence** The Group began as a marine consultancy and cargo broking business before expanding into vessel operations in 1995 through the acquisition of its product tanker. During the same period, Avangaad secured registration with PETRONAS and the Ministry of Finance, establishing a platform to support the operational needs of Malaysia's growing Oil & Gas sector. **Rebranding Today for Tomorrow's Progress** In 2025, Avangaad undertook a rebranding initiative that reflects the Group's forward direction and reinforces its strategic intent. This milestone represents a sharpened commitment to purposeful growth, stronger operating discipline, and continued progress in innovation, sustainability and service excellence. **End-to-End Maritime Solutions** Avangaad's capabilities span key segments of the maritime value chain: • **Chartering Services** Tankers for O&G transportation, offshore storage, and marine tug vessels for port services • **Offshore Support Vessels** Fast crew boats for personnel and light cargo transport to offshore facilities • **Shipbuilding and Repair** A robust division offering shipbuilding, ship repair, and fabrication services *Putting Progress in Motion – Combining Innovation & Alliance*
JOHOR SHIPYARD & ENGINEERING SDN. BHD.	Johor Shipyard and Engineering Sdn. Bhd. ("JSE"), a wholly-owned subsidiary of Avangaad Berhad, provides ship repair and minor fabrication services that support the Group's core marine operations.
LIBRA PERFEX PRECISION SDN. BHD.	Libra Perfex Precision Sdn. Bhd. ("LPP"), a wholly-owned subsidiary of Avangaad Berhad, was acquired on 22 November 2016 and holds the contract to provide tugboat services for PETRONAS Floating LNG 1 (L) Ltd ("PFLNG 1"). Following its consolidation into the Group for the financial year ended 31 December 2016, LPP has strengthened Avangaad's service depth and operating footprint in specialised offshore and marine support work.

CORE VALUES



STABILITY
STRUCTURE

A diversified fleet and integrated marine services platform provide the backbone for operational stability.

From product tankers to offshore support vessels, Avangaad's structured capabilities ensure dependable delivery across complex maritime and offshore projects.

STEADFAST
SYNERGY

The Group remains steadfast in leveraging synergies across vessel operations, shipbuilding, engineering, and port services.

This integration strengthens partnerships, drives recurring value, and reinforces trust with clients and stakeholders.

SUSTAINABILITY
STEWARDSHIP

Our focus has evolved from establishing sustainability practices to embracing stewardship.

While sustainability laid the foundation for responsible operations, stewardship reflects our commitment to actively manage and safeguard resources, relationships and responsibilities entrusted to us.

SECURITY
SCALE

Strategic fleet deployment, stable contract pipelines, and disciplined execution provide operational and financial security.

By scaling intelligently across markets, Avangaad ensures continuity, resilience, and visibility into long-term growth.

4S Engineered Through Marine COP: Integrating assets, people, and partners to deliver contract-backed, operational performance.

Avangaad's original 4S framework defined the engine of execution— Stability, Steadfastness, Sustainability and Security. **Today**, we elevate this into a market-facing value proposition: **Structure, Synergy, Scale**, and **Stewardship** — delivering not just performance, but confidence, dependable and future-ready.

2024
LEGACY MEETS INNOVATION

ASPIRING

TRUSTWORTHY

PARTNERS, NOT CUSTOMERS

2025
RECALIBRATED FOR PERFORMANCE

FORWARD-LOOKING EXCELLENCE

OPERATIONAL INTEGRITY

EMBEDDED PARTNERSHIP MODELS

CORE BUSINESSES

Our specialty lies in **integrated marine services,** spanning marine transportation, offshore storage solutions, port marine services, and shipbuilding and repair, including hull construction, machinery installation, equipment integration, painting and thorough testing. By leveraging industry expertise and precision engineering, we offer comprehensive inspection, modification, and maintenance solutions to keep vessels performing at their best.

MARINE TRANSPORTATION

Offshore Supply Vessels (OSVs) & Fast Crew Boats (FCBs)

Our OSVs and FCBs transport personnel and light cargo safely between shore bases, offshore platforms, and marine facilities, and are equipped for standby and support duties, emergency response and night operations.

Floating Storage Unit/ Offloading (FSU | FSO)

Our FSU/FSO assets provide offshore storage and offloading solutions at brownfield fields, supporting production platforms by storing oil prior to transfer to export tankers.

Product Tankers - Offshore Storage of Oil & Gas

- LPG Vessels (Gas Carrier)
- Diesel & Petrol
- Dirty Petroleum Products
- Clean Petroleum Products

Our product tankers carry refined petroleum products. Including LPG, clean petroleum products, diesel and petrol, and dirty petroleum products. Between refineries, terminals and end users across regional routes.

MARINE ENGINEERING SERVICES

Shipbuilding:

- Construction of hulls and marine structures
- Installation of machinery, equipment, instruments and embedded systems on board
- Painting, coating, testing and commissioning of newbuild vessels

Ship Repair:

- Inspection and condition assessment
- Component replacement and modification
- Removal and installation of machinery and equipment
- Cleaning and remedial works to restore operational readiness

Our shipyard specialises in fabricating steel structures for marine applications, including skids and piping systems that are integral to vessel structural integrity and operational efficiency.

- High-Quality
- Purpose-built Solutions

All fabricated structures are built to stringent maritime standards to support vessel modifications, repairs and enhancements throughout their lifecycle.

PROVISION OF PORT MARINE SERVICES

Through our tug and support vessel fleet, we provide: **escort assistance** and **towage for LNG carriers** and other vessels, **mooring and dockside services** at ports, **refineries and terminals, environmental monitoring support,** and **assistance for ship-to-ship (STS)** transfer operations, including at **PFLNG** and **major Malaysian ports**.

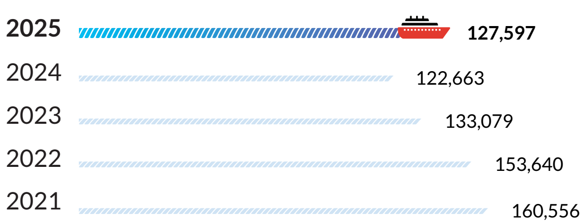
5-YEAR FINANCIAL HIGHLIGHTS

FOR YEAR ENDED 31 DECEMBER 2025

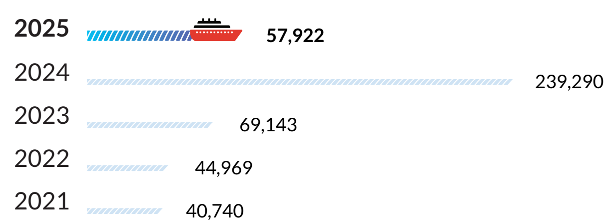
	'25 RM'000	'24 RM'000	'23 RM'000	'22 RM'000 Restated	'21 RM'000
Revenue	**127,597**	122,663	133,079	153,640	160,556
Gross Profit	**49,380**	50,057	47,520	24,947	26,464
Gross Profit Margin	**38.70%**	**40.81%**	**35.71%**	**16.24%**	**16.48%**
EBITDA	**57,922**	239,290	69,143	44,969	40,740
EBITDA Margin	**45.39%**	**195.08%**	**51.96%**	**29.27%**	**25.37%**
Profit/(Loss) Before Tax	**29,018**	211,154	29,879	8,977	(149,532)
PBT/(LBT) Margin	**22.74%**	**172.14%**	**22.45%**	**5.84%**	**(93.13%)**
Profit/(Loss) After Tax	**44,716**	154,330	23,692	16,297	(150,644)
Net EPS	**3.37**	16.45	4.47	3.07	(28.40)
Current ratio	**2.57**	1.43	0.27	0.29	0.25
Gearing Ratio [1]	**0.08**	0.24	1.44	3.34	11.88

Notes:
[1] *Calculated based on the total borrowings minus the corresponding cash and bank balances and short term deposits divided by the total shareholders' equity.*

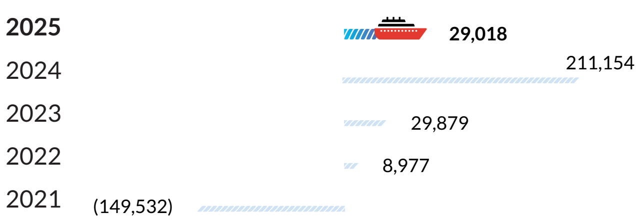
REVENUE
RM'000



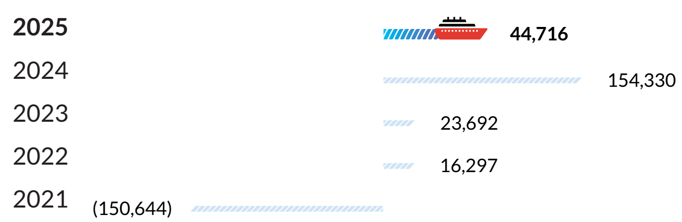
EBITDA
RM'000



PROFIT/(LOSS) BEFORE TAX
RM'000

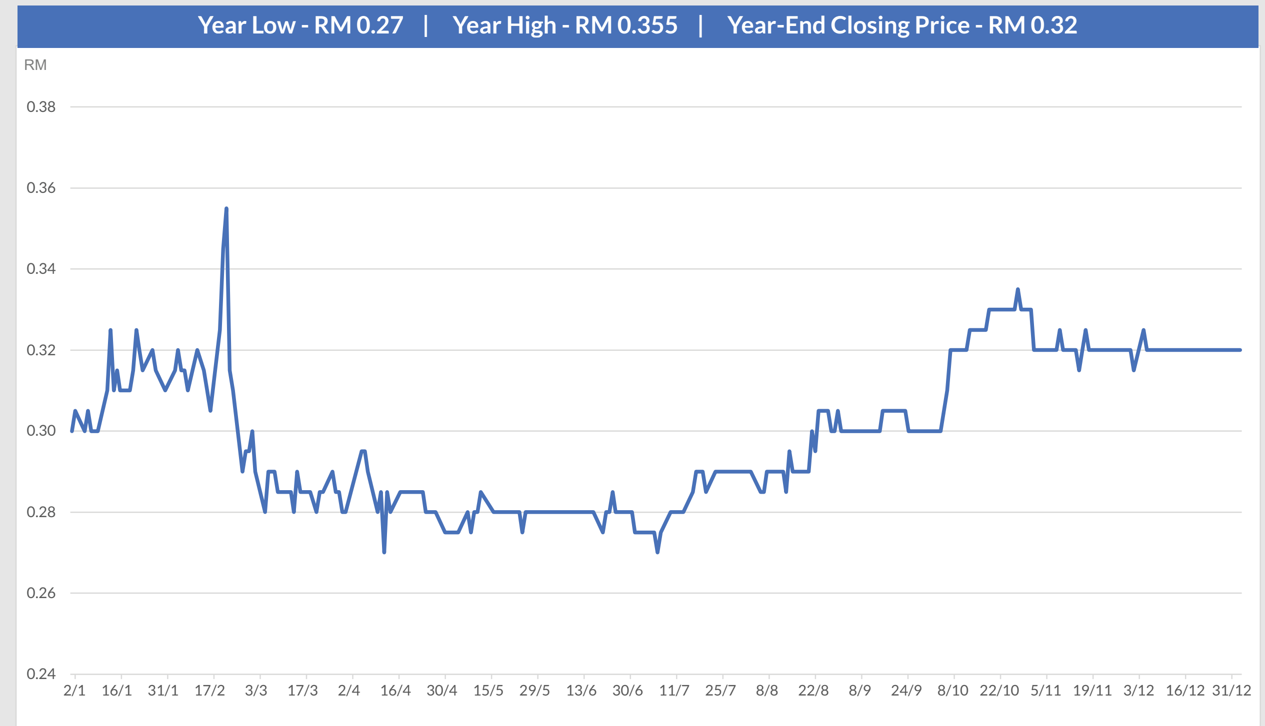


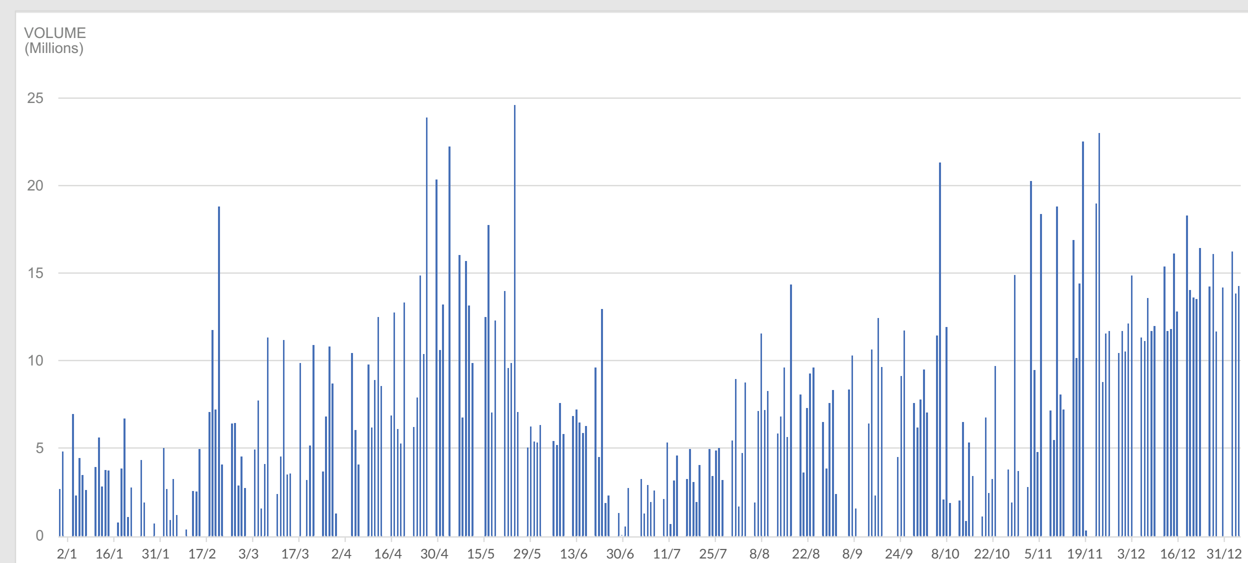
PROFIT/(LOSS) AFTER TAX
RM'000



SHARE PERFORMANCE

SHARE PRICE & VOLUME
(2 JANUARY - 31 DECEMBER 2025)





OUR FLEET

FAST CREW BOAT

- NAUTICA GAMBIR (NGR)
- NAUTICA LANGSAT (NLT)
- NAUTICA TG. PUTERI XXX (NTP 30)

MOORING BOAT

- NAUTICA TG. PUTERI XVIII (NTP 18)

TANKER

- NAUTICA KLUANG 2 (NKL2)
- NAUTICA PONTIAN 2 (NPT2)

FLOATING STORAGE OFFLOADING (FSO)

- FOIS NAUTICA TEMBIKAI (FNT)

TUG

Harbour Tug

- NAUTICA TG. PUTERI I (NTP 1)
- NAUTICA TG. PUTERI XVII (NTP 17)
- NAUTICA TG. PUTERI XXII (NTP 22)
- NAUTICA TG. PUTERI XIX (NTP 19)
- NAUTICA TG. PUTERI XX (NTP 20)
- NAUTICA TG. PUTERI XXI (NTP 21)
- NAUTICA TG. PUTERI XXIV (NTP 24)
- NAUTICA TG. PUTERI XXV (NTP 25)
- NAUTICA TG. PUTERI XXVI (NTP 26)
- NAUTICA TG. PUTERI XI (NTP 11)
- NAUTICA TG. PUTERI XII (NTP 12)
- NAUTICA TG. PUTERI XV (NTP 15)
- NAUTICA TG. PUTERI XVI (NTP 16)
- NAUTICA TG. PUTERI XXXVIII (NTP 38)

OSV Tug

- NAUTICA TG. PUTERI XXIII (NTP 23)
- NAUTICA TG. PUTERI XXIX (NTP 29)
- NAUTICA TG. PUTERI XXVII (NTP27)
- NAUTICA TG. PUTERI XXVIII (NTP 28)
- NAUTICA TG. PUTERI XXXVII (NTP 37)

KEY ACHIEVEMENTS AND MILESTONES

A selective timeline showing how the Group evolved from a marine consultancy business into a broader marine services platform.

BUILDING THE FOUNDATION

1993

INCORPORATION

Established its footprint in the Malaysian market, delivering marine consultancy services

1995

ENTRY INTO MARINE OPERATIONS

Expanded into marine vessel operations, acquired the first product tanker, and secured registrations with PETRONAS and the Ministry of Finance.

1997

FIRST LONG-TERM CONTRACT

Secured the first (1st) tanker contract with PETRONAS Dagangan, establishing an early operating track record in marine transportation.

2004

PORT MARINE SERVICES

Diversified beyond tankers through the Group's first (1st) harbour tugboat contracts, marking entry into port marine services.

2007

SHIPYARD AND OFFSHORE EXPANSION

Established Johor Shipyard and Engineering Sdn. Bhd. and expanded into offshore support vessel activities.

2008

TANKER PLATFORM STRENGTHENING

Advanced double hull tanker development while reinforcing in-house shipbuilding capabilities through JSE.

KEY ACHIEVEMENTS AND MILESTONES

Expanding Capabilities, Defining a New Chapter

A continuation of the corporate journey, culminating in the defining transition of 2025 and the strengthening of Avangaad's post-regularisation platform

EXPANSION AND TRANSITION

2012 - 2014

BROADENED CAPABILITIES

Expanded shipyard capacity, entered floating storage-related operations, and strengthened participation in tugboat, LNG support and offshore marine services.

2015 - 2021

BUILT A WIDER RECURRING BASE

Expanded across floating storage, fast crew boats, port marine services and coastal tanker operations.

2022 - 2023

REINFORCED DEPLOYMENT VISIBILITY

Secured new awards and extensions across tugboats, mooring boats, tankers and fast crew boats, supporting stronger fleet utilisation and service continuity.

2024

ADVANCED STRATEGIC REPOSITIONING

Strengthened leadership, progressed the Group's regularisation journey, and secured further contract extensions and new awards across marine segments.

2025

A DEFINING TRANSITION YEAR

Successfully uplifted from PN17 status, completed the change of name to Avangaad Berhad, and continued building contract momentum across both oil and gas and non-oil and gas sectors.

KEY ACHIEVEMENTS AND MILESTONES

KEY ACHIEVEMENTS AND MILESTONES

CONTRACTS SECURED ACROSS OUR YEARS OF SERVICE AT SEA

1995

Kaikura
Acquired our first product tanker

1997

M.T. Nautica Kluang (currently known as Princess Sofea)
Secured first Contract with PETRONAS Dagangan which continued until end of 2013

1999

Product Tankers
Secured additional Time Charter Contract from PETRONAS Dagangan

2002

M.T. Nautica Mersing
Acquired an additional 3,042 DWT product tanker

2003

M.T. Nautica Segamat
Acquired a Liquified Petroleum Gas (LPG) tanker to venture into operation of Liquified Petroleum Gas.

2004

M.T. Nautica Segamat
Secured a 5-year Time Charter Contract which was disposed off upon completion of contract

M.T. Nautica Tg. Puteri I, M.V. Nautica Tg. Puteri II
Secured Time Charter Contract for provision of port marine services

2006

M.T. Nautica Johor Bahru
Contracted the design and construction of our 5,500 DWT Double Hull Product Tanker (completed in 2008)

2007

M.T. Nautica Muar
Acquired to service a 3+1 Time Charter Contract

2008

10,000 DWT Double Hull Product Tankers
Secured 3 Time Charter Contracts of 10+3 years

M.T. Nautica Maharani
A 10,000 DWT Double Hull Product Tanker designed and constructed through Johor Shipyard

M.T. Nautica Johor Bahru
Construction for our 5,500 DWT Double Hull Product Tanker was completed

2009

M.V. Nautica Tg. Puteri VII, M.V. Nautica Tg. Puteri VIII
Secured Time Charter Contract for port marine services for an O&G terminal in Malacca.

2010

Utility Boats & Harbour Tugboats
Secured 4 Time Charter Contracts

Tugboats
Constructed 4 units via Johor Shipyard and Engineering Sdn. Bhd.

2012

Floating Storage Unit
Awarded Time Charter Contract

4 Marine Vessels for Port Marine Services
Secured 3-year contracts with Sungai Udang LEKAS Regasification Project

Harbour Tugboat
Secured 3-year Time Charter Contract

2013

Pressurised LPG Tankers
Secured 1-year Time Charter Contract

Construction and Operation of Six Harbour Tugboats
Awarded 10+2 year contract for Northport

M.T. Nautica Muar
Converted into a FSU

2014

Pressurised LPG Tankers
Secured 3-year Time Charter Contract

Floating Storage & Offloading Vessel
Awarded 4+2 year contract from Vestigo Petroleum to service Tembikai marginal oilfields

M.T. FOIS Nautica Tembikai
Acquired to service Tembikai marginal oilfields.

Tugboat Services
Awarded 18-month Back-to-Back Time Charter Contract with Libra Perfex Precision Sdn. Bhd.

KEY ACHIEVEMENTS AND MILESTONES

CONTRACTS SECURED ACROSS OUR YEARS OF SERVICE AT SEA (CONT'D)

2015

Fast Support Vessel
Awarded 5-year Bareboat Charter Contract by Classic Marine Sdn. Bhd.

2 units 40 tonnes Bollard Pull Harbour Tugboats
Kertih Port Sdn. Bhd., Petronas Penapisan (Terengganu) Sdn. Bhd.

M.T. Fois Nautica Tembikai
Delivery for 4+2 year contract to Tembikai marginal oilfield

60 tonnes Bollard Pull Harbour Tugboats, 40 tonnes Bollard Pull Harbour Tugboat, Multipurpose Mooring Boat
Sungai Udang Port Sdn. Bhd.

2016

Nautica Tg. Puteri XXX
Awarded 7+1+1 months 25-knot FCB contract by EMEPMI.

2017

60 tonnes Bollard Pull Harbour Tugboats, Fast Crew Boat (25 knot)
Awarded 3 contracts by Bintulu Port Sdn. Bhd. and ExxonMobil Exploration & Production Malaysia Inc

2018

60 tonnes Bollard Pull Harbour Tugboat
Berkat Petroleum Sdn. Bhd.

Short-term Fast Crew Boat Contracts
EnQuest Petroleum Production Malaysia Ltd., KMZ Energy Sdn. Bhd.

Fast Crew Boats (25 knots 60 pax)
EnQuest Petroleum Production Malaysia Ltd., ExxonMobil Exploration

Fast Crew Boat (25 knots 70 pax)
EnQuest Petroleum Production Malaysia Ltd., PETRONAS Carigali Sdn. Bhd.

3 Harbour Tugs Contracts
EnQuest Petroleum Production Malaysia Ltd., Kerteh Port

60 tonnes Bollard Pull Harbour Tugboats, 40 tonnes Bollard Pull Harbour Tugboat, Multipurpose Mooring Boat
Sungai Udang Port Sdn. Bhd.

2019

40 tonnes Bollard Pull Harbour Tugboats
Kertih Port Sdn. Bhd.

40 tonnes Bollard Pull Harbour Tugboat
PETRONAS Penapisan (Terengganu) Sdn. Bhd.

60 & 40 tonnes Bollard Pull Harbour Tugboats & Multipurpose Mooring Boat
Sungai Udang Port Sdn. Bhd. regasification terminal

Long-term Time Charter Coastal Vessel Services
PETCO Trading Labuan Company Limited

Temporary Storage Tanker, Station Keeping & Flexible Riser Tie-In
Sepat Derisk and Early Production System (DEPS) Project

60 tonnes Bollard Pull Harbour Tugboat
Sungai Udang Port Sdn. Bhd. (using third-party vessel Kejora 57)
Naka Bayu Sdn. Bhd.

Harbour Tugboat
Naka Bayu Sdn. Bhd.

FSU Ship Management
Vestigo Petroleum Sdn. Bhd.
- FSU Nautica Muar
(Bentara Field Sarawak)

FOIS Nautica Tembikai Extension
Vestigo Petroleum Sdn. Bhd.

Revised Charter Period for 3 Vessels
PETRONAS Floating LNG 1 (PFLNG)

Contract of Affreightment (COA)
PT. AKR CORPORINDO – Nautica Renggam

2020

Mooring Boat & Mooring Crew
Awarded 2 Term Contracts by Kertih Port Sdn. Bhd.

Harbour Tug
Standby Vessel Contract for Banang Crude Lifting Operation by Petra Marine Sdn. Bhd.

Nautica Renggam
Served one shipment for Felix Petroleum and the passage route covered from Singapore to Cambodia

Nautica Pagoh
Secured Sport Charter with MIDAS, Clearlake, Petro Ocean & Petron

Nautica Tg. Puteri XI, Nautica Tg. Puteri XII, Nautica Tg. Puteri XV and Nautica Tg. Puteri XVI
3-Year Contracts Extension

Nautica Tg. Puteri II, Nautica Tg. Puteri XVIII, Kejora 57 and Kejora 59
1-Year Contract Extension

2021

40 tonnes Bollard Pull Harbour Tugboat & Multipurpose Mooring Boat
Secured RM22.26 million 5+3 years contracts for Regasification Terminal Operation.

Clean Product Tanker: Nautica Renggam
Awarded 6+6 months contract by PETCO Trading Labuan Company Limited.

FSU Nautica Tembikai
2+2 years extension of contract by VESTIGO Petroleum Sdn. Bhd.

Nautica Tg Puteri XXX
1-year Bareboat Charter Contract by Surya Nautica Sdn. Bhd.

KEY ACHIEVEMENTS AND MILESTONES

CONTRACTS SECURED ACROSS OUR YEARS OF SERVICE AT SEA (CONT'D)

2022

Nautica Kluang 2 & Nautica Pontian 2
Awarded Spot Charter Contracts

Nautica Tg. Puteri XXX
Awarded 6 months Time Charter Contract

Nautica Langsat & Nautica Gambir
Secured 1+1 Year Bareboat Contract

Nautica Tg. Puteri XXXVIII, Nautica Tg. Puteri XVIII
5-Years Contract for Harbour Tug & Mooring Boat

Nautica Tg. Puteri XXVII, Nautica Tg. Puteri XXVIII, Nautica Tg. Puteri XXIX, Nautica Tg. Puteri XXIII & Nautica Tg. Puteri XXXVII
Secured 2+2 Years of 3 Units Tugboats Contract and Term Contract for Emergency Standby Vessel Services for PETRONAS Floating LNG (L) Ltd.

2023

TUGBOATS

Nautica Tg. Puteri I, Nautica Tg. Puteri XXIII, Nautica Tg. Puteri XVII
2-year Contract for 3 Units Tugboat Extension

Nautica Tg. Puteri XIX & Nautica Tg. Puteri XX
1-year Contract for 2 Units Tugboat Extension

40 tonnes Bollard Pull Utility Tug (Nautica Tg. Puteri XV) & 25 tonnes Bollard Pull Utility Tug (Nautica Tg. Puteri XVI)
2+1 Year New Contract awarded by Sungai Udang Port Sdn. Bhd.

Nautica Tg. Puteri XI & Nautica Tg. Puteri XII
2+1 Year New Contract awarded by PG Timur Sdn. Bhd.

FAST CREW BOATS

Nautica Gambir
Secured 2 Spot Contracts
- 42days (+36 days) Provision of Engineering, Preparation, Removal and Disposal (EPRD) service
- 5 months (+1+1+1 month) contract for the provision of EnQuest Drilling Activities

Nautica Langsat
Secured 3 Spot Contracts
- 28 days Spot Contract for Larut Infill Drilling Project (Vestigo Petroleum)
- 37 days Spot Contract for ILCT project to replace Jati 3 (Hibiscus Project)
- 123 days + 258 days Spot Contract for Bebola TA & Baram MSD Campaigns (Petronas Carigali Sdn. Bhd.)

Nautica Tg. Puteri XXX
Awarded 3-year Bareboat Contract

2024

TUGBOATS

Nautica Tg. Puteri XIX & Nautica Tg. Puteri XX
Secured 1-year contract extension for 2 Units of Tugboat

Nautica Tg. Puteri XIX, Nautica Tg. Puteri XX, Nautica Tg. Puteri XXI, Nautica Tg.Puteri XXIV, Nautica Tg. Puteri XXV, Nautica Tg. Puteri XXV and Nautica Tg. Puteri XXVI
Awarded 3+3 months contract extension for 6 Units of Tugboat

Nautica Tg. Puteri XXVII, Nautica Tg. Puteri XXVIII, Nautica Tg. Puteri XXIX, Nautica Tg. Puteri XXIII, Nautica Tg. Puteri XXXVII
Awarded 2-year contract extension from PETRONAS Floating LNG 1 for 5 Units of Tugboat for Emergency Standby Vessel (ESV) and Tugboat service.

FAST CREW BOATS

Nautica Gambir
Secured 180 days Spot Contract
- PETRONAS Carigali Sdn. Bhd.

Nautica Langsat
Awarded 3 months Spot Contract Extension
- PETRONAS Carigali Sdn. Bhd.

Nautica Tg. Puteri XXX
Awarded a 3-Years Long-term Contract for POV
- PETRONAS Carigali Sdn. Bhd.

2025

TUGBOATS

Nautica Tg. Puteri XIX & Nautica Tg. Puteri XXII
Awarded 3+3 year contract for 2 units of Tugboats

Nautica Tg. Puteri XVII
Secured a 1+1 year contract extension

Nautica Tg. Puteri I, Nautica Tg. Puteri XX & Nautica Tg. Puteri XXI
Secured 2-year contract extension for 3 units of Tugboats from Northport (Malaysia) Bhd.

Nautica Tg. Puteri XXIV, Nautica Tg. Puteri XXV & Nautica Tg. Puteri XXVI
Awarded 5+5 year contract for 3 units of Tugboats from Northport (Malaysia) Bhd.

Nautica Tg. Puteri XI & Nautica Tg. Puteri XII
Secured 2-year contract extension for 2 units of Tugboats

Nautica Tg. Puteri XV & Nautica Tg. Puteri XVI
Secured 1-year contract extension for 2 units of Tugboats

FAST CREW BOATS

Nautica Gambir
Awarded 1+1 year contract

Nautica Langsat
Awarded 178+61-day spot charter contract

MEDIA HIGHLIGHTS

AS AT MARCH 2026

2025

JANUARY

7
- EA Technique to get payoff from Petronas to settle vessel lease dispute
- EA Technique 与Vestigo Petroleum友好协商达成共识

FEBRUARY

14
- EA Technique's net profit up over sevenfold in 4Q, applies to exit PN17
- 股东力挺更名 业绩"十连盈" Avangaad展翼腾升迎新篇章

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- E.A. Technique officially unveils a revamped corporate image, rebranded as Avangaad Bhd
- AVANGAAD有限公司正式启航焕新企业形象——全新品牌视觉和官网亮相

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- Bursa approves EA Technique's exit from PN17 status

MAY

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- Avangaad Posts Solid 1Q, Eyes Growth With RM49 Million Marine Expansion
- Avangaad 2025财年首季经营现金流达3200万令吉稳握1.417亿令吉订单 多年期合约支撑成长动能

JULY

1
- Avangaad secures RM66.8m tugboat charter and extension contracts from Northport
- Avangaad 荣获北港6680万港口服务合约

AUGUST

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- Avangaad divests RM44.5m FSO asset to re-allocate capital for next-phase investments
- 先锋公司4450万售FSO 资金部署高回酬资产

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- Avangaad anchors 2Q FY2025 growth on long-term contracts; charter fleet at sustained high utilisation

NOVEMBER

22
- Avangaad's orderbook climbs to RM411m as its core marine operations gain momentum
- Avangaad catat aliran tunai operasi RM42.7 juta, disokong buku pesanan RM411.2 juta

2026

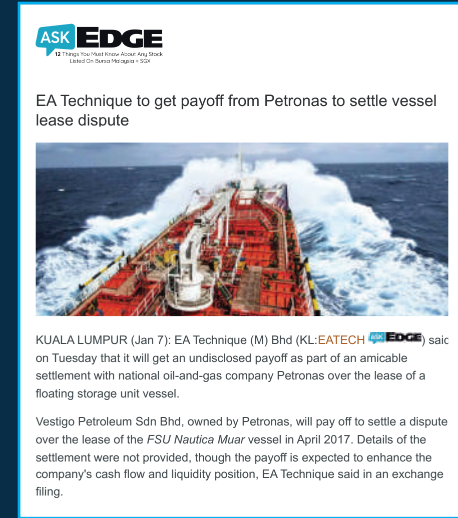
FEBRUARY

25
- Avangaad Completes Corporate Turnaround in FY2025 Profitable, Cash-Generative, and Debt-Light in Its First Full Year Post-PN17
- Avangaad reports return to profit in FY2025 after restructuring
- Avangaad returns to operational baseline with RM29m PBT, robust cash flow

Scan the QR code to access more articles

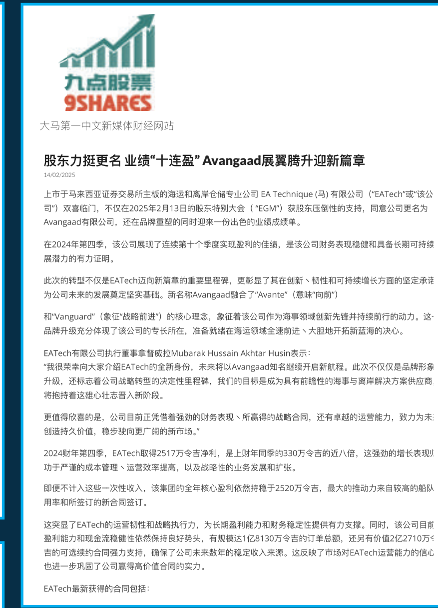
MEDIA HIGHLIGHTS

AS AT MARCH 2026


EA Technique to get payoff from Petronas to settle vessel lease dispute

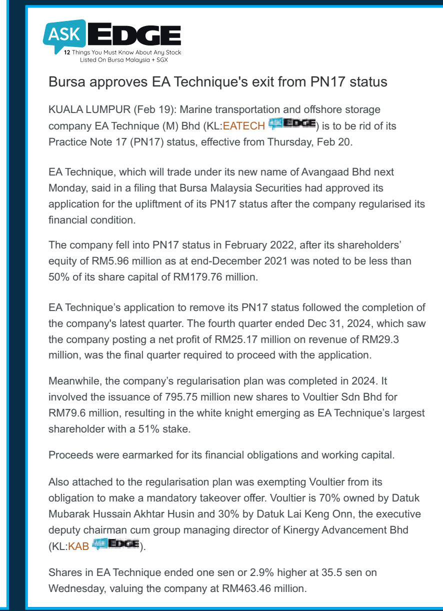
KUALA LUMPUR (Jan 7): EA Technique (M) Bhd (KL:EATECH) said on Tuesday that it will get an undisclosed payoff as part of an amicable settlement with national oil-and-gas company Petronas over the lease of a floating storage unit vessel.

Vestigo Petroleum Sdn Bhd, owned by Petronas, will pay off to settle a dispute over the lease of the *FSU Nautica Muar* vessel in April 2017. Details of the settlement were not provided, though the payoff is expected to enhance the company's cash flow and liquidity position, EA Technique said in an exchange filing.


股东力挺更名 业绩"十连盈" Avangaad展翼腾升迎新篇章


Avangaad divests RM44.5m FSO asset to re-allocate capital for next-phase investments


EA Technique 与Vestigo Petroleum友好协商达成共识


Bursa approves EA Technique's exit from PN17 status

KUALA LUMPUR (Feb 19): Marine transportation and offshore storage company EA Technique (M) Bhd (KL:EATECH) is to be rid of its Practice Note 17 (PN17) status, effective from Thursday, Feb 20.

EA Technique, which will trade under its new name of Avangaad Bhd next Monday, said in a filing that Bursa Malaysia Securities had approved its application for the upliftment of its PN17 status after the company regularised its financial condition.

The company fell into PN17 status in February 2022, after its shareholders' equity of RM5.96 million as at end-December 2021 was noted to be less than 50% of its share capital of RM179.76 million.

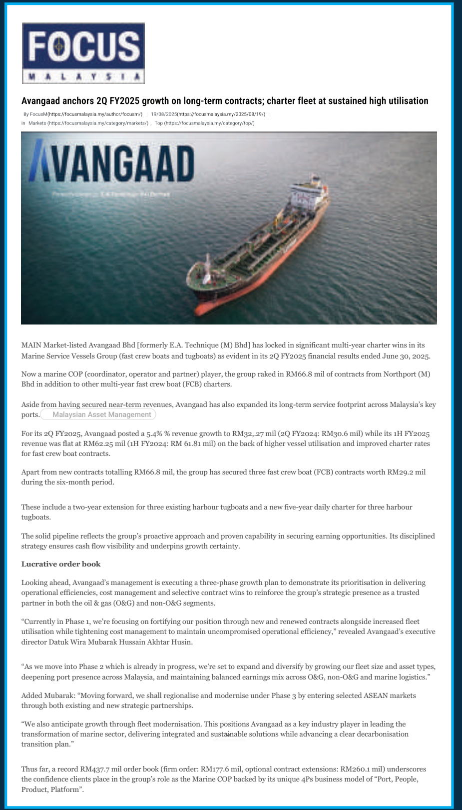
EA Technique's application to remove its PN17 status followed the completion of the company's latest quarter. The fourth quarter ended Dec 31, 2024, which saw the company posting a net profit of RM25.17 million on revenue of RM29.3 million, was the final quarter required to proceed with the application.

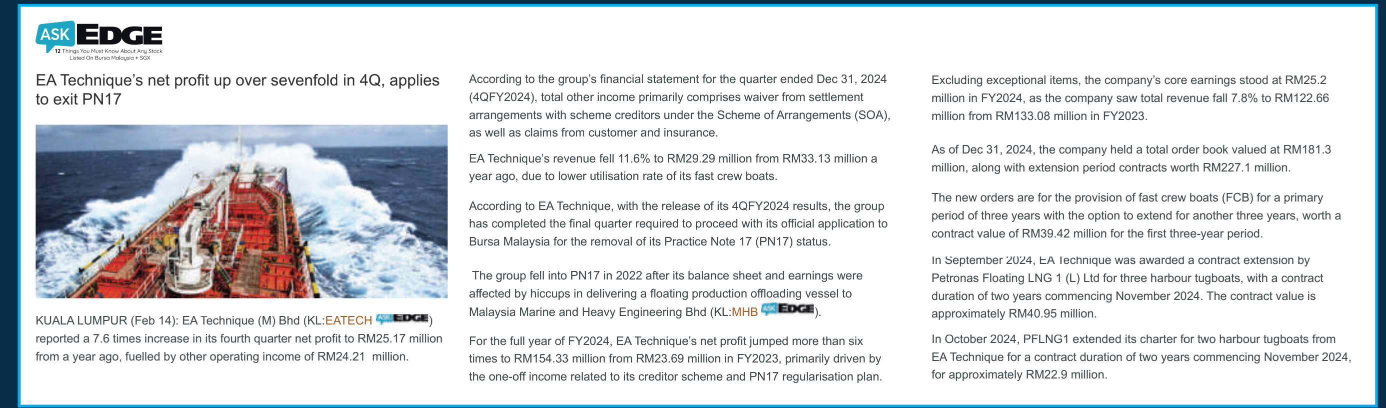
Meanwhile, the company's regularisation plan was completed in 2024. It involved the issuance of 795.75 million new shares to Voultier Sdn Bhd for RM79.6 million, resulting in the white knight emerging as EA Technique's largest shareholder with a 51% stake.

Proceeds were earmarked for its financial obligations and working capital.

Also attached to the regularisation plan was exempting Voultier from its obligation to make a mandatory takeover offer. Voultier is 70% owned by Datuk Mubarak Hussain Akhtar Husin and 30% by Datuk Lai Keng Onn, the executive deputy chairman cum group managing director of Kinergy Advancement Bhd (KL:KAB).

Shares in EA Technique ended one sen or 2.9% higher at 35.5 sen on Wednesday, valuing the company at RM463.46 million.


Avangaad anchors 2Q FY2025 growth on long-term contracts; charter fleet at sustained high utilisation


EA Technique's net profit up over sevenfold in 4Q, applies to exit PN17

KUALA LUMPUR (Feb 14): EA Technique (M) Bhd (KL:EATECH) reported a 7.6 times increase in its fourth quarter net profit to RM25.17 million from a year ago, fuelled by other operating income of RM24.21 million.

According to the group's financial statement for the quarter ended Dec 31, 2024 (4QFY2024), total other income primarily comprises waiver from settlement arrangements with scheme creditors under the Scheme of Arrangements (SOA), as well as claims from customer and insurance.

EA Technique's revenue fell 11.6% to RM29.29 million from RM33.13 million a year ago, due to lower utilisation rate of its fast crew boats.

According to EA Technique, with the release of its 4QFY2024 results, the group has completed the final quarter required to proceed with its official application to Bursa Malaysia for the removal of its Practice Note 17 (PN17) status.

The group fell into PN17 in 2022 after its balance sheet and earnings were affected by hiccups in delivering a floating production offloading vessel to Malaysia Marine and Heavy Engineering Bhd (KL:MHB).

For the full year of FY2024, EA Technique's net profit jumped more than six times to RM154.33 million from RM23.69 million in FY2023, primarily driven by the one-off income related to its creditor scheme and PN17 regularisation plan.

Excluding exceptional items, the company's core earnings stood at RM25.2 million in FY2024, as the company saw total revenue fall 7.8% to RM122.66 million from RM133.08 million in FY2023.

As of Dec 31, 2024, the company held a total order book valued at RM181.3 million, along with extension period contracts worth RM227.1 million.

The new orders are for the provision of fast crew boats (FCB) for a primary period of three years with the option to extend for another three years, worth a contract value of RM39.42 million for the first three-year period.

In September 2024, EA Technique was awarded a contract extension by Petronas Floating LNG 1 (L) Ltd for three harbour tugboats, with a contract duration of two years commencing November 2024. The contract value is approximately RM40.95 million.

In October 2024, PFLNG1 extended its charter for two harbour tugboats from EA Technique for a contract duration of two years commencing November 2024, for approximately RM22.9 million.

BOARD OF DIRECTORS

Seated From left to right:

DATUK WIRA MUBARAK HUSSAIN BIN AKHTAR HUSIN
Executive Director

DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Independent
Non-Executive Chairman

DATO' LAI KENG ONN
Executive Director

Standing From left to right:

MICHAEL CHEAH CHOY CHIN
Independent
Non-Executive Director

DATO' SERI NAZIR HUSSIN BIN AKHTAR HUSSIN
Executive Director

MOHD FARIS ADLI BIN SHUKERY
Non-Independent
Non-Executive Director

TONG SIUT MOI
Independent
Non-Executive Director

BOARD OF DIRECTORS' PROFILE

Independent Non-Executive Chairman

DATO' MOHD REDZA SHAH BIN ABDUL WAHID

Nationality	Gender	Date Appointed To Board	No. of Meetings Attended In The Financial Year
Malaysian	Male	14 February 2020	5/5
	Age 63 years old		

Qualification:

- Bachelor of Science in Economic (Industry and Trade), London School of Economics, University of London
- Master of Science of Economics (International Banking and Finance), Institute of Chartered Accountant in England and Wales (ICAEW)
- Member, Institute of Chartered Accountant in England and Wales (ICAEW)
- Chartered Bankers, Asian Institute of Chartered Bankers

Working Experience and Occupation:

- Chief Financial Officer, Silterra Malaysia Berhad (2002)
- Group Chief Executive Officer, Tradewinds Corporation Berhad (2005)
- Chief Operating Officer, DRB-Hicom Berhad (2008)
- Chief Executive Officer, Bank Muamalat Malaysia Berhad (2019)
- Chairman of Association of Seniors in Islamic Finance (ARIF) (Present)

Details of Any Board Committee Involved:

- Board Nomination & Remuneration Committee
- Audit Committee
- Risk & Governance Committee

Other Directorship In Public Companies and Listed Issuers. If Yes, List and Details:

Listed Issuer
- Zelan Berhad
- KPJ Healthcare Berhad
- Express Powerr Solutions (M) Berhad

Non-Listed Public Companies
- Waqaf An-Nur Corporation Berhad

Any Family Relationship with any Director and or Major Shareholder of the Listed Issuer:

No

Any Conflicts of Interest with the Listed Issuer:

No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies during the Financial Year, If Any:

No

DIRECTORS' PROFILE

Executive Director

DATUK WIRA MUBARAK HUSSAIN BIN AKHTAR HUSIN

Nationality
Malaysian

Gender
Male

Age
50 years old

Date Appointed To Board
10 July 2024

No. of Meetings Attended In The Financial Year
5/5

Qualification:

- Master in Applied Management of Science, Asia E University.

Working Experience and Occupation:

- Managing Director, Seri Jaya Perkasa Sdn. Bhd.
- Founder, MN Millennium Security Sdn. Bhd.
- Director, Voultier Sdn. Bhd.

Details of Any Board Committee Involved:

No

Other Directorship In Public Companies and Listed Issuers:

No

Any Family Relationship with any Director and or Major Shareholder of the Listed Issuer:

No

Any Conflicts of Interest with the Listed Issuer:

No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies during the Financial Year, If Any:

No

DIRECTORS' PROFILE

Executive Director

DATO' LAI KENG ONN

Nationality
Malaysian

Gender
Male

Age
58 years old

Date Appointed To Board
10 July 2024

No. of Meetings Attended In The Financial Year
5/5

Qualification:

- Bachelor Of Science in Construction Management

Working Experience and Occupation:

- Executive Deputy Chairman cum Group Managing Director, Kinergy Advancement Berhad
- Project Manager, Wira Teknik Sdn. Bhd. (1996)

Details of Any Board Committee Involved:

No

Other Directorship In Public Companies and Listed Issuers:

Listed Issuer
- Kinergy Advancement Berhad

Any Family Relationship with any Director and or Major Shareholder of the Listed Issuer:

No

Any Conflicts of Interest with the Listed Issuer:

No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies during the Financial Year, If Any:

No

DIRECTORS' PROFILE

Executive Director

DATO' SERI NAZIR HUSSIN BIN AKHTAR HUSSIN

Nationality
Malaysian

Gender
Male

Age
47 years old

Date Appointed To Board
23 July 2024

No. of Meetings Attended In The Financial Year
5/5

Qualification:

- Masters in Business Administration (MBA), University of East London, UK

Working Experience and Occupation:

- Executive Director, Seri Jaya Perkasa Sdn. Bhd.
- Chairman, Yayasan Al-Hussin
- Committee Member, Middle East Chamber
- Chairman, Yayasan Bank Rakyat
- Council Member, Majlis Amanah Rakyat
- Chairman, Property and Investment Committee

Details of Any Board Committee Involved:

No

Other Directorship In Public Companies and Listed Issuers:

Listed Issuer
- Kinergy Advancement Berhad

Any Family Relationship with any Director and or Major Shareholder of the Listed Issuer:

He is the brother of Datuk Wira Mubarak Hussain Bin Akhtar Husin, a major shareholder and Executive Director of the Company.

Any Conflicts of Interest with the Listed Issuer:

No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies during the Financial Year, If Any:

No

DIRECTORS' PROFILE

Independent Non-Executive Director

MICHAEL CHEAH CHOY CHIN

Nationality
Malaysian

Gender
Male

Age
58 years old

Date Appointed To Board
23 July 2024

No. of Meetings Attended In The Financial Year
5/5

Qualifications

- Master in Business Administration (MBA), University of Manchester
- Bachelor of Commerce (Accounting), University of Birmingham
- Fellow, Institute of Chartered Accountants in England and Wales
- Member, Malaysia Institute of Accountants

Working Experience and Occupation:

- Asst Vice President, Lehman Brothers (1998)
- Executive Director, Goldman Sachs (2009)
- Managing Director, Search Investment Group (2018)
- Managing Director, Generations (2019)
- Chief Operating Officer, Children's Medical Foundation (2021)

Details of Any Board Committee Involved:

- Board Nomination & Remuneration Committee
- Audit Committee
- Risk & Governance Committee

Other Directorship In Public Companies and Listed Issuers:

No

Any Family Relationship with any Director and or Major Shareholder of the Listed Issuer:

No

Any Conflicts of Interest with the Listed Issuer:

No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies during the Financial Year, If Any:

No

Independent Non-Executive Director

TONG SIUT MOI

Nationality	Gender	Date Appointed To Board	No. of Meetings Attended In The Financial Year
Malaysian	Female	23 July 2024	5/5
	Age 56 years old		

Qualification:

- Fellow of the The Chartered Governance Institute (UK)
- Degree in Secretarial, Institute of Chartered Secretaries and Administrators (UK)
- Member of Institute of Corporate Directors Malaysia (ICDM)
- Associate of the Malaysian Directors Academy (MINDA)

Working Experience and Occupation:

- Director, CKM Advisory Sdn. Bhd. (Present)
- Group Corporate Secretary, Gabungan AQRS Berhad
- Executive Director, Boardroom Avenues Sdn. Bhd.
- Group Corporate Secretary, Chin Foh Berhad
- Group Corporate Secretary, Pilecon Engineering Berhad

Details of Any Board Committee Involved:

- Board Nomination & Remuneration Committee
- Audit Committee
- Risk & Governance Committee

Other Directorship In Public Companies and Listed Issuers:

Listed Issuer
- Niche Capital Emas Holdings Berhad
- Kinergy Advancement Berhad

Any Family Relationship with any Director and or Major Shareholder of the Listed Issuer:

No

Any Conflicts of Interest with the Listed Issuer:

No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies during the Financial Year, If Any:

No

DIRECTORS' PROFILE

Non-Independent and Non-Executive Director

MOHD FARIS ADLI BIN SHUKERY

Nationality	Gender	Date Appointed To Board	No. of Meetings Attended In The Financial Year
Malaysian	Male	22 August 2024	4/5
	Age 54 years old		

Qualifications

- Bachelor of Laws (Hons), Sheffield Hallam University, United Kingdom
- Master of Laws in International and Commercial Law, University of Sheffield, United Kingdom

Working Experience and Occupation:

- Manager, Kuala Lumpur Stock Exchange
- Manager, AmMerchant Bank Berhad
- Senior Manager, Kumpulan Guthrie Berhad
- Vice President, Sime Darby Property Berhad
- Senior Vice President, Sime Darby Oils
- Regional Chief Executive Officer, Sabah Sime Darby Plantation
- Managing Director, Kulim (M) Berhad
- Managing Director, Johor Plantations Group Berhad

Details of Any Board Committee Involved:

No

Other Directorship In Public Companies and Listed Issuers:

Listed Issuer
- Johor Plantations Group Berhad

Any Family Relationship with any Director and or Major Shareholder of the Listed Issuer:

No

Any Conflicts of Interest with the Listed Issuer:

No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies during the Financial Year, If Any:

No

MANAGEMENT TEAM

NASRUL ASNI BIN MUHAMMAD DAIN
Chief Executive Officer

CHIN SZE HOW, JOHN
Chief Operating Officer

ANG JIA PING
Chief Financial Officer

ABU HUSSEIN BIN MOHAMED
Head of Fleet Operations

AZMAN BIN ABDUL RAZAK
Senior Manager, Fleet Operations

CHE ZAL AZILAH BINTI CHE OMAR
Senior Manager, Finance Operations

FARRAH RADZIAH BINTI ABDUL HAK
Manager, Commercial

RINI ZUNNURNI BINTI MOHD JAHAYA
Manager, Human Resources, Administration and Information Technology

SAIFUL NIZAM BIN ISMAIL
Manager, Fleet Technical

ZAIREEN AZWAN BIN RAZALI
Manager, QHSSE

NAZARUDDIN BIN UMAR
Manager, Procurement

AHMAD FAREZ BIN SUHAIMI
Manager, Port Operations

MOHD ISZWAN BIN ISMAIL
Manager, Manning

TUN AUNG SHEIN
Manager, Marine Operations

MANAGEMENT TEAM'S PROFILE

NASRUL ASNI BIN MUHAMMAD DAIN

Chief Executive Officer

Nationality	Age	Gender	Date of Appointment
Malaysian	56 years old	Male	21 March 2022

Qualification:
- BSc. (Hons) in Accounting & Finance, University of Wales, Cardiff, UK
- Certified Credit Professional, Institut Bank-Bank Malaysia

Working Experience and Occupation:
- 1996 to 1998: Corporate Loan Officer, Kewangan Industri Berhad
- 1999 to 2000: Senior Executive, Bank Industri (M) Berhad
- 2001 to 2004: Assistant Manager, Group Special Assets Division, Bank Industri (M) Berhad
- 2005 to 2006: Manager, Rehabilitation Department & Acting Head of Department, Bank Industri (M) Berhad
- 2007 to 2009: Head, Shipping Department, OCBC Bank Malaysia
- 2009 to 2022: Head / Senior Vice President, RHB Bank Berhad
- 2022 to Present: Chief Executive Officer, Avangaad Berhad

Other Directorship In Public Companies and Listed Issuers:
No

Any Family Relationship with Any Director and or Major Shareholder of the Listed Issuer:
No

Any Conflicts of Interest with the Listed Issuer:
No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed and by the Relevant Regulatory Bodies during the Financial Year, If Any:
No

CHIN SZE HOW, JOHN

Chief Operating Officer

Nationality	Age	Gender	Date of Appointment
Malaysian	36 years old	Male	1 August 2024

Qualification:
- Chartered Accountant, Malaysian Institute of Accountants
- Member of the Association of Chartered Certified Accountants
- Bachelor of Arts in Accounting & Finance, Sheffield Hallam University, UK

Working Experience and Occupation:
- 2013 to 2019: Audit Manager, Audit & Assurance, Grant Thornton Malaysia PLT
- 2019 to 2022: Director, Business Process Services & Global Mobility Services, Grant Thornton Malaysia PLT
- 2022 to Present: Group Chief Financial Officer, Kinergy Advancement Berhad
- 2024 to Present: Chief Operating Officer, Avangaad Berhad

Other Directorship In Public Companies and Listed Issuers:
No

Any Family Relationship with Any Director and or Major Shareholder of the Listed Issuer:
No

Any Conflicts of Interest with the Listed Issuer:
No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed and by the Relevant Regulatory Bodies during the Financial Year, If Any:
No

ANG JIA PING

Chief Financial Officer

Nationality	Age	Gender	Date of Appointment
Malaysian	33 years old	Female	10 Jun 2025

Qualification:
- Member of Association of Chartered Certified Accountants
- Chartered Accountant, Malaysian Institute of Accountants
- Bachelor of Arts in Accounting and Finance, University of Greenwich, United Kingdom

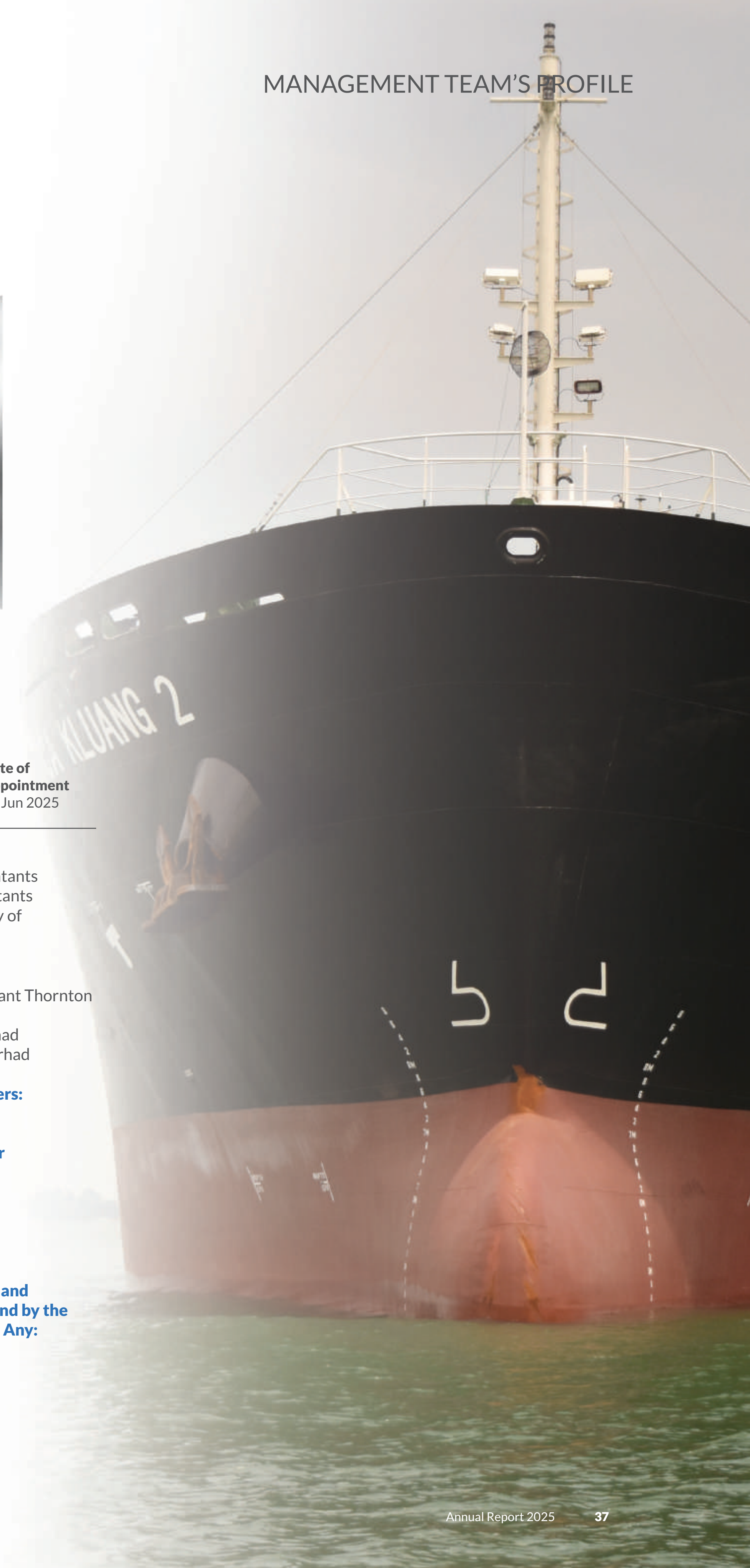
Working Experience and Occupation:
- 2017 to 2024: Senior Manager, Audit & Assurance, Grant Thornton Malaysia PLT
- 2024 to 2025: Senior Head of Finance, Avangaad Berhad
- 2025 to present: Chief Financial Officer, Avangaad Berhad

Other Directorship In Public Companies and Listed Issuers:
No

Any Family Relationship with Any Director and or Major Shareholder of the Listed Issuer:
No

Any Conflicts of Interest with the Listed Issuer:
No

List of Convictions for Offences Within the Past 5 Years and Particulars of Any Public Sanction or Penalty Imposed and by the Relevant Regulatory Bodies during the Financial Year, If Any:
No



Annual Report FY2025

12 Months Ended 31 December 2025 ("FY2025")

"FY2025 proved our strength at resolution and greater growth at sea. "

Through shifting tides, our commitment stands firm and our performance speaks for itself. With renewed identity and steady execution, we sail forward with pride.

DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

It is my honour and privilege to present to you the Annual Report and Financial Statements of **Avangaad Berhad** ("**Avangaad**" or "**the Group**") for the financial year ended 31 December 2025. This is no ordinary year-end report. FY2025 marks a defining passage for the Group – **one in which the Group moved decisively from restoration to growth, delivering profitable, cash-generative results that reflect the quality our people, our strategy, and our commitment to delivery.**

A strengthened balance sheet, restored investor confidence, and fourteen (14) consecutive profitable quarters confirm that Avangaad has entered a new phase - one anchored in clarity of strategy, accountability of leadership, and long-term value creation for all our shareholders.

A New Chapter: Steady on a Firmer Keel with Renewed Momentum
Proof Delivered Across Fleet, Operations, and Leadership

A Year of **Proof**, Not **Promise**.

For several years, the narrative around Avangaad was one of restructuring, stabilisation, and potential. In FY2025, we replaced narrative with

Leadership & Governance: New ownership. A rebuilt Board.
The Foundation Beneath the Numbers

Avangaad's repositioning with a successful corporate turnaround journey with the Group's defining transition from past challenges towards a more stable, growth-oriented trajectory and strengthened market positioning. Effective February 2025, the Group successfully exited PN17 status and has its rebranding exercise extends beyond a cosmetic change, introducing the same year a market identity – Marine COP as its differentiated identity, representing more than a renewed strategic identity – its significance in labelling a defined preposition and specialty role within the industry and as the lead position direction for the Group.

The most consequential development in Avangaad's recent history was not a contract win or a financial metric, but a fundamental shift in its ownership structure. The entry of Voultier Sdn. Bhd. as a white knight shareholder in June 2024, with an injection of RM79.6 million in capital, the settlement of creditor schemes, and the acquisition of a 51% controlling stake, provided the decisive intervention that enabled the Group's stabilisation and resolution. Combined with the continued strategic participation of Johor Corporation, the Group's shareholder base now reflects renewed confidence and long-term commitment to its future growth.

> *"**Marine COP (Coordinator, Operator and Partner)** model:*
>
> ***Serves as the Group's integrated operating framework, positioning the Group as a coordinator of multi-asset deployment, an operator of diversified marine services, and a strategic partner to clients across port and offshore ecosystems.**"*

CHAIRMAN'S STATEMENT

This ownership recalibration brought with it a reconstituted Board with fresh mandate and operational intensity. The Board as constituted today reflects a deliberate blend of independent oversight, entrepreneurial drive, and sectoral expertise. Since then, Avangaad has pursued a more defined strategic repositioning, articulating a clear conviction to accelerate the Group's pivot toward port marine services and fleet diversification.

Together, the new leadership team has provided critical executive continuity through the ownership transition, an important and often scarce element in a corporate turnaround. The key senior management team, responsible for the Group's day-to-day operations, has also provided critical support through deep institutional knowledge of the business, established relationships with key clients including PETRONAS, and operational oversight of the restructuring process. This has served as a stabilising foundation for the broader leadership renewal. The Board records its sincere appreciation for their stewardship through one of the Group's most demanding periods.

ROLE	DIRECTOR / EXECUTIVE	MANDATE & SIGNIFICANCE
Independent Non-Executive Chairman	Dato' Mohd Redza Shah Bin Abdul Wahid *(Since February 2020)*	Independent oversight Governance leadership Shareholder accountability
Executive Director	Datuk Wira Mubarak Hussain Bin Akhtar Husin *(Joined July 2024)*	Strategic repositioning Commercial growth Investor relations
Executive Director	Dato' Lai Keng Onn *(Joined July 2024)*	Operational oversight Corporate governance Regulatory compliance
Executive Director	Dato' Seri Nazir Hussin Bin Akhtar Hussin *(Joined July 2024)*	Executive mandate Business development Sectoral expertise
Chief Executive Officer	Encik Nasrul Asni Bin Muhammad Dain *(Since March 2022)*	Full executive leadership Continuity through ownership transition
Independent Non-Executive Director	Mr. Michael Cheah Choy Chin *(Joined July 2024)*	Audit & risk oversight Independent checks on management
Independent Non-Executive Director	Ms. Tong Siut Moi *(Joined July 2024)*	Independent governance Diversity of perspective
Non-Independent Non-Executive Director	Encik Mohd Faris Adli Bin Shukery *(Joined August 2024)*	Representing major shareholder interests Strategic alignment

FY2025 is the year Avangaad replaced a restructuring narrative with financial substance.
Numbers are not a recovery peak - they are a normalised starting point.
*Our numbers speak plainly: **profitable**, **cash-generative**, and **built to last**.*

Operating cash flow was the standout: The Group recorded a decisive turnaround from a RM54.4 million outflow in FY2024 to a RM65.1 million inflow in FY2025, representing a RM119.5 million improvement within a single year. This financial reset extends beyond accounting normalisation, reflecting a tangible improvement in balance sheet flexibility and operational rigour. The cash conversion ratio of approximately 2.24 times PBT signals strong earnings-to-cash translation, supported by effective working capital management and serves as a clear indicator of a fundamentally well-run and scalable operation.

CHAIRMAN'S STATEMENT

Free cash flow for the year reached RM43.7 million, enabling the Group to reduce total borrowings by 15.7% to RM75 million and compress net gearing to a conservative 0.08 times – down from 0.24 times a year earlier. We enter FY2026 holding RM46 million in cash with a balance sheet that offers genuine optionality: to invest, to grow, or to return value to shareholders when the time is right.

The most powerful balance sheet statistics of FY2025, **however, is this: in just twenty-four (24) months, retained earnings moved from RM122.3 million in accumulated losses to a positive RM76.7 million – a total recovery of nearly RM199 million**. This transformation was not funded by a rights issue, not inflated by asset revaluations. It was earned – through operational performance, cost management, and the collective effort of the Group. That distinction matters enormously to me as the Group's Chairman, and it should matter every shareholder.

Operational Highlights

High-utilisation Assets and Production-linked Services

Remain Exceptional High Fleet Performance
>94% of average contract performance rate

Segment Focus:

The **primary driver of FY2025 revenue growth** was

Fast Crew Boat Fleet
With Improved Charter Pricing

This pricing improvement is not cyclical outcome. It reflects the commercial judgement of a management team that knows the value of long-term client relationships over short-term volume-driven gains.

- **Port Marine Services**: Evidencing a key pillar of its diversification, providing long-term, non-cyclical recurring income.
- **OSV & Support**: These vessels are mission-critical for maintaining production uptime for Tier-1 clients.

Avangaad Group locks in RM66.8 Million in Port Services Portfolio with Northport (Malaysia) Bhd. The award of Northport contracts totalling RM66.8 million was the single most strategically significant commercial event of the year. It confirmed Avangaad's credibility as a port marine services operator — moving us decisively beyond pure oil and gas dependency. These tugboat and port auxiliary contracts deliver recurring, long-duration revenue that is structurally uncorrelated with hydrocarbon price cycles. For a company that spent years over-exposed to a single industry, this diversification is transformative.

Order Book Strength

As at 31 December 2025, the Group's total order book stands at **RM423.3 million** — comprising RM154.7 million in firm contracts and RM268.6 million in extension options. During FY2025, Avangaad booked approximately RM137.4 million in new and extended contracts, exceeding our full-year revenue run-rate. This book-to-bill ratio above 1.0 times confirms that Avangaad is winning work at a pace faster than it executes, it is a commercially healthy position as we enter FY2026.

Fleet Strategy & Capital Stewardship

In March 2025, the Group signed a term sheet to acquire Bumi Jaya Shipcare Sdn. Bhd., a move that would potentially expand its fleet. Following rigorous due diligence, the Board exercised its fiduciary responsibility and terminated the acquisition in December 2025, as conditions precedent could not be satisfactorily fulfilled.

This outcome underscores the Group's high governance standards and disciplined capital allocation approach, reaffirming that the Board will not proceed with transactions that do not fully meet its strategic, financial, and risk parameters, irrespective of scale or perceived opportunity.

In parallel, the Group monetised a vessel asset for RM44.5 million, and strategically redeployed proceeds into higher-yielding, longer-tenured assets to enhance portfolio efficiency and long-term returns.

CHAIRMAN'S STATEMENT

From Numerical Clarity to Scalable Growth

Avangaad has achieved a remarkable 14 consecutive profitable quarters as of the end of 2025.

- **The Pre-Exit Streak:** By the end of 2024, Avangaad had already recorded ten (10) consecutive profitable quarters. This consistency was a primary factor in Bursa Malaysia's decision to approve the Group's regularisation plan. Following its exit, Avangaad **maintained its streak** through every quarter of 2025:

FY2025	Net Profit (RM' million)
1Q	4.7
2Q	6.0
3Q	6.1
4Q	**27.9**

The fourteen (14)-quarter consecutive profitability streak (spanning mid-2022 through late 2025) reflects the effectiveness of the Group's Marine COP orchestration model in stabilising utilisation, improving contract quality, and enhancing fleet deployment efficiency across its OSV and port marine segments. The strong uplift in 4QFY2025 profitability was particularly notable, contributing to a full-year Profit After Tax (PAT) of RM44.7 million, supported by improved operational leverage across core marine service lines.

This normalised earnings profile—excluding one-off items such as debt waivers that affected FY2024 comparability—reinforces that the Group's underlying OSV, harbour tug, and offshore support operations have transitioned into a more stable and cash-generative phase, underpinned by recurring contract structures and production-linked offshore demand.

Quality Earnings & Prospective Outlook Into 2026 and Beyond

Set aside the corporate transition, at the operational level, one of the Board's foremost priorities post-February 2025 was to rebuild revenue visibility and restore commercial momentum. The emphasis on quality earnings is clearly reflected in the Group's RM423.3 million order book, providing strong visibility over revenue streams through 2027.

The Group is deliberately pivoting towards longer-duration, recurring income streams, while actively exploring green charter opportunities and targeted fleet expansion and modernisation. This approach is intended to strengthen earnings durability amid global volatility and an evolving industry landscape.

Looking ahead, the Board continues to support management's strategic focus on fleet modernisation and the greener harbour transition. Through the adoption of innovative technologies and hybrid propulsion solutions, the Group is progressively future proofing its assets in alignment with evolving International Maritime Organization (IMO) standards.

Avangaad is entering its next phase of growth not merely as a participant in the maritime sector, but as a disciplined operator shaping a more sustainable, higher-margin, and performance-driven future.

Strategic Commitment to Building Growth & Value Creation

Following the completion of its leadership stabilisation phase, the Group has shifted its focus towards strengthening execution depth, enhancing decision-making clarity, and reinforcing accountability across all operational levels. The initiatives undertaken in FY2025 delivered tangible impact, positioning Avangaad to enter 2026 with proven, strengthened leadership capability and greater organisational maturity.

Under the new leadership, a culture anchored on performance, safety, and service reliability has been firmly embedded. The Group is confident that its strategic intent will be effectively translated into disciplined, ground-level execution. This progression, from leadership renewal to demonstrable leadership effectiveness, marks a critical inflection point in the Group's forward trajectory.

CHAIRMAN'S STATEMENT

GOVERNANCE & INTEGRITY	• Uncompromising Integrity	Value Driver	• **Institutionalised transparency frameworks:** Governance enhancements implemented in FY2025, supported by clearer reporting structures and strengthened operational oversight, have reinforced confidence among institutional stakeholders and improved disclosure rigour across operational reporting cycles. • **Cost of Capital:** Enhances financial predictability, supporting potential optimisation of future borrowing costs and strengthening access to institutional funding channels.
OPERATIONAL ORCHESTRATION	• Marine COP Orchestration ** A deeper articulation of Marine COP is set out in the MD&A section.*		• **Yield Positioning:** Fleet optimisation and contract rebalancing initiatives undertaken in FY2025, including a strategic shift towards higher-quality charter arrangements, have strengthened the Group's ability to negotiate improved commercial terms for modernised assets, particularly within long-duration contracts.
MARKETING & BRAND IDENTITY	• A a Tier-1 Partner • End-to-end maritime solutions provider		• **Revenue Stability:** The FY2025 order book composition of RM423.3 million, coupled with increasing emphasis on longer-duration and recurring contracts, supports greater revenue visibility through 2027 and reduces exposure to short-term market cyclicality. .
FUTURE PROSPECTS	• Green Fleet Modernisation • Regional Port Presence • Mergers & Acquisitions ("M&A")		• **Long-term Asset Value:** Fleet modernisation initiatives and the Group's strategic focus on greener propulsion technologies in FY2025, including early-stage positioning for hybrid and environmentally compliant assets, contribute to sustaining long-term asset competitiveness and alignment with evolving IMO regulatory standards. • **Footprint Expansion** FY2025 operational positioning across key Malaysian port ecosystems continues to strengthen the Group's service footprint, enhancing proximity to core customer activity centres and supporting more efficient deployment of marine assets. • **Strategic Capital Deployment via Acquisitive Growth:** The Group continues to evaluate selective M&A opportunities in FY2025 to complement organic growth, with a focus on transactions that enhance fleet capability, expand service coverage, and strengthen long-term earnings sustainability.

Disclaimer: *The Strategic Commitment is provided for insights sharing in this report and is subject to change based on evolving market conditions and operational developments.*

CHAIRMAN'S STATEMENT

Navigating External Operating Dynamics
through Operational Steadiness and Risk Governance

Despite a turbulent operating environment, the Group maintained stable operational performance throughout FY2025. Measured vessel deployment, consistent fleet utilisation, and proactive asset maintenance ensured continuity of service delivery across fast crew boat and tugboat operations.

Management also remained active in identifying and pursuing potential contract opportunities by closely monitoring fleet utilisation, minimising idle time between contract cycles. At the same time, continuous attention to fleet condition and maintenance ensured that all vessels met stringent safety and operational standards, supporting uninterrupted service delivery and customer satisfaction without compromise.

Despite the Group's announcement in Q1 FY2025 of an interim contract transition between the conclusion of earlier FCB contracts and the commencement of new charters in early 2025, this did not result in any material operational disruption, underscoring the effectiveness of the Group's planning and coordination capabilities. This track record of reliability continues to strengthen Avangaad's position as a trusted long-term partner to its clients.

Cost management and cash preservation remained central priorities throughout the year. The Group continued to manage its balance sheet with care, preserving flexibility while maintaining capacity to act on opportunities aligned with strategic objectives.

In a sector where capital misallocation can carry lasting consequences, the Board is convinced that restraint and precision — rather than ambition alone — are essential to safeguarding shareholder value. The Board remains firmly committed to financial stewardship and measured capital allocation. FY2025 was characterised by a conservative, selective approach to investment, ensuring that every capital decision was aligned with operational readiness, risk appetite, and long-term return considerations.

Industry, Global Environment & Strategic Outlook
Operating in a World of Structural Opportunity
Proof of Readiness: ***Navigating Complexity, Positioning for the Upcycle***

The maritime sector is being fundamentally reshaped by structural forces beyond the control of any single company, and it is the Board's duty to ensure that strategic decisions remain fully aligned with these realities and are not insulated from external market conditions.

In fact, the 2026 industrial landscape reflects a phase of uneven and divergent recovery, characterised by selective demand continuity across energy and port activities, ongoing cost pressures, and a more cautious capital deployment environment. While certain segments are regaining momentum, others remain constrained by global trade uncertainties and tightening regulatory expectations, creating a landscape where performance is increasingly defined by execution discipline rather than cyclical uplift.

> **"Recalibrating our fleet was a choice of discipline.**
> **Re-anchoring it at the ASEAN corridor is a choice of vision.**
>
> **As the Marine COP of choice, we are building quality earnings through technical excellence and uncompromising integrity, ensuring we remain the most trusted partner in a maritime landscape defined by rapid transition."**

Malaysia Oil & Gas Sector: A Structurally Growing Market Demanding Near-Term Realism

The Malaysian maritime industry entering 2026 is characterised by a dual-speed reality. While the global shipping landscape faces a period of near-term realism, Malaysia's role as a critical node in the ASEAN maritime corridor remains structurally robust. The stabilisation of traditional offshore cycles has introduced a year of measured caution for legacy providers. However, Avangaad's strategic foresight to aggressively diversify into Port Marine Services has fundamentally de-risked its revenue profile. Our RM66.8 million port contract serves as a vital anchor, providing recurring, long-duration revenue that is shielded from the volatility of the energy markets. By positioning ourselves within Malaysia's broader port ecosystem, we have successfully decoupled our growth from the cyclicality that continues to challenge our offshore-concentrated peers.

CHAIRMAN'S STATEMENT

ASEAN Maritime

Market Valuation
is indicative and derived from 2025 market performance trends, with reference to 2026 industry benchmarks

The Maritime Perspective:

The ASEAN maritime sector in 2026 is at the intersection of a massive infrastructure expansion and a structural technical upgrade. While traditional energy services are stabilising, the broader maritime market is accelerating due to trade redirection and a regional shift toward domestic energy sovereignty.

In 2025, the maritime trajectory is expected 2026 and beyond will drive a rapid shift toward

Fleet Optimisation
CAGR 9%

Corporate Turnaround in FY2025

High-power Output Tugs	Green Harbour Tug
2000 kW+	E-Tugs

The tugs are increasingly becoming a prerequisite for securing long-term contracts at major regional hubs, as ports prioritise modern, efficient, and low-emission vessel capabilities to support higher throughput and evolving operational standards.

*****High-power Output**: 2000 kW+ tugs is a direct response to the increasing size of container vessels and LNG carriers frequenting regional hubs.

*****E-Tugs**: Major ports have moved toward green shipping corridors; hence, e-tugs have shifted from experimental to a mandatory technical requirement for new long-term concessions.

Sector Observation

Segment	Valuation (2025)	Observation
Regional Market	The Southeast Asia Maritime Market was valued at approximately USD 38.97 billion in 2025.	The region is benefiting from a 34% surge in upstream CAPEX (reaching USD 28.5 billion) as deferred exploration projects in Malaysia and Indonesia move into the execution phase.
Offshore OSV	The global OSV market reached USD 29.85 billion, with the Asia-Pacific region commanding a 37% growth share.	Day rates remain significantly above historical averages due to structural fleet ageing. By 2028, a staggering 76% of the global fleet will be over 15 years old.
Port Marine	The Global Marine Port Services market was valued at USD 96.57 billion, with Asia Pacific holding a dominant 33.01% market share.	Trade redirection is fueling a 2.87% annual growth in seaborne trade. Malaysia ports are serving as trusted passage for redirected manufacturing.
Harbour Tug	The Asia Pacific Tugboat market was valued at USD 318 million, representing 43% of the global industry.	The market is shifting toward terminal towage (55.8% share) as vessel sizes increase.

** Market valuations and sector observations are derived from a composite analysis of Rystad Energy Upstream Research (2024), Clarksons Research (2026), Mordor Intelligence Southeast Asia Outlook (2025/26), and Fortune Business Insights Marine Logistics Reports (2026)*

CHAIRMAN'S STATEMENT

Strategic Highlights of Global Structural Shifts Driving ASEAN Maritime Realignment

Geopolitical Tailwinds Reshaping ASEAN Maritime Strategy

Middle East Volatility, Cost Headwind & Trade Rerouting:

The effective closure of the Strait of Hormuz (Middle East volatility) on 28 February 2026, has created a structural supply shock and higher fuel prices. The conflict has also severely disrupted traditional shipping lanes, forcing a redirection of global trade toward "Trusted Nodes" in Southeast Asia.

As vessels divert from the Middle East, Malaysian ports are seeing higher container storage revenue and increased demand for harbour service. Hence, regional port activity is being reshaped by intra-Asia trade diversification, with Malaysian ports increasingly serving as critical logistics nodes. This supports sustained demand for marine port services, including contracted operations at key port facilities.

IMO Decarbonisation Regulation: Headwind & Opportunity

Carbon Regulation & GHG Mandates

The International Maritime Organization's 2023 greenhouse gas (GHG) reduction strategy, adopted by member states including Malaysia and strengthened in April 2025, sets a clear long-term pathway towards zero-emission shipping.

While this will require shipowners to invest in fleet upgrades and cleaner technologies, it also benefits operators who move early, as they are better positioned to meet future regulations and capture growing demand for greener maritime services.

2026 Sector Value Matrix

Regional Market	Expanding	**Consolidation:** High-velocity growth through 2031.
Offshore OSV	Undersupplied	**Premium Pricing:** Sustained high rates; Asset Scarcity advantage.
Port Marine	Robust	**Recurring Revenue:** Predictable, recurring, de-risked revenue.
Harbour Tug	Modernising	**Expansion:** Demand for higher bollard pull & E-Tugs.

**Market data for the 2026–2031 forecast period synthesised from Rystad Energy Upstream Research (2024), Clarksons Research Fleet Age Profile (2025/26), and Mordor Intelligence Southeast Asia Market Analysis (2026).*

The 2026 Sector Value Matrix provides the foundation for mapping Avangaad's growth profile, highlighting how sectoral tailwinds—ranging from asset scarcity to fleet modernisation—translate into visible, multi-segment expansion opportunities.

- **Growth Profile**

Segment	Avangaad's Current Foothold	CAGR	ASEAN/APAC Market Size
Fleet optimisation / Technology	Nascent — opportunity to invest	18.1%	$7.6B (APAC)
Tugs & OSV (ASEAN)	Core — FCBs, AHTs, Port tugs	7.5–8.4%	$6.1B (Combined)
Port marine services (APAC)	Anchored — Port contracts	4.6–4.8%	$38.7B

FOCUSED EXECUTION, CAPTURE VALUES: As we transition into 2026, Avangaad stands at a definitive strategic crossroads where financial discipline meets a generational market upcycle. The sector observations and data-driven insights established in 2025 confirm that we are operating within a global structural shift, the redirection of trade and the prioritization of regional energy sovereignty have transformed the ASEAN corridor into a strategic sanctuary.

Building on the sector value matrix above, Avangaad's growth is propelled by its multi-sector business expansion driver. While exploration activity may moderate, the regional offshore energy sector continues to underpin a robust demand for high-specification OSVs, including FCBs and AHTS vessels. We are strategically pivoting toward **production-phase operations**, which provide a more resilient demand for offshore logistics and support services.

CHAIRMAN'S STATEMENT

In this context, the Group is actively assessing opportunities in higher-value segments, including **offshore logistics and storage solutions such as FSO and FPSO units**, where aligned with our technical capabilities.

Simultaneously, our **Port Marine Services** continue to provide a stable, contract-backed revenue anchor. Our embedded positioning within the port ecosystem, coupled with the potential acquisition of younger, high-specification assets and the exploration of **green harbour technologies**, further strengthens our long-term competitive positioning. Furthermore, our focus on fleet optimisation technology represents a high-value adjacency that will enhance our operating margins and fortify our ESG credentials, which acts as a critical advantage as the industry's green transition CAPEX accelerates.

Operating under our **'Marine COP'** framework, we are leveraging a modernised fleet and a fortified balance sheet—highlighted by our 0.08x net gearing—to capture the 'scarcity premium' created by a rapidly ageing regional fleet. Looking ahead, our trajectory will be defined by our agility in navigating the dual imperatives of Geopolitical Realignment and the IMO's Decarbonisation mandates. By re-anchoring our assets at the heart of the ASEAN trade corridor, we are ensuring that Avangaad delivers sustainable, long-term value in an increasingly complex and decarbonising global maritime economy.

With Avangaad's strategic intent focused on expansion and continued execution rigour, its embedded positioning within the port ecosystem is expected to deliver meaningful structural advantages over the medium to long term. The potential acquisition and deployment of high-specification assets, alongside the exploration of green harbour technologies such as electric tug solutions, further reinforces its transition toward a more resilient, future-ready operating model, with enhanced earnings visibility, margin durability, and long-term value creation potential.

Collectively, these initiatives, underpinned by the Group's alignment with global maritime structural shifts—including fleet renewal cycles, increasing vessel size complexity, and the accelerating decarbonisation of port operations, reflect a combination of established operational delivery capability and forward-looking strategic positioning.

Global seaborne trade remains structurally supported by supply chain diversification and Asia-led demand growth, while port ecosystems are increasingly prioritising efficiency, emissions reduction, and integrated logistics capabilities. Within this context, the integration of ground-level operational expertise with top-down market intelligence and continuous horizon scanning enables the Group to position itself more effectively across evolving marine value chains, capture emerging demand pools, and reinforce long-term competitive differentiation in a structurally transforming global industry landscape.

To conclude, the Group will continue to monitor developments in offshore support requirements and selectively pursue adjacent opportunities, including offshore support and logistics solutions, where these are aligned with its operational capabilities and long-term portfolio strategy.

APPRECIATION

On behalf of the Board, I wish to express our sincere appreciation to our shareholders for their continued trust, patience, and support throughout the Group's journey. We also acknowledge your confidence in the Group's corporate turnaround in FY2025, which has enabled Avangaad to conclude a challenging chapter and emerge with renewed stability, strengthened fundamentals, and clearer strategic direction.

I extend my heartfelt thanks to our new leadership and management team, together with our loyal employees, whose professionalism, resilience, and commitment ensured that operations continued to be delivered reliably as the Group navigated a period of transition. Their ability to maintain service standards, uphold safety protocols, and preserve operational continuity under pressure reflects the strength, discipline, and character of the organisation.

My appreciation also extends to our clients, financiers, and business partners for your steadfast collaboration and confidence in Avangaad, particularly during the PN17 period. Your support reinforced the Group's credibility as a trusted partner and enabled us to sustain operations, secure long-term contracts, and build forward earnings visibility during a critical period of transition.

FY2025 marks a firmer ground for Avangaad.

As the Group moves forward with stability and clarity and

a renewed appetite for growth and ambition, we progress with pride - grounded in discipline, resilience, and clarity of purpose.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS | MARKET PRESENCE

Avangaad Berhad ("**Avangaad**" or "**the Group**") is a Malaysian marine logistics and offshore support services provider offering vessel charter hire solutions across marine transportation, offshore support, and port marine services. The Group's operational footprint is supported by a diversified fleet serving oil and gas operators, downstream customers and port authorities, with operations managed under a single reportable segment: vessel charter hire.

- **Tanker chartering** for the transportation of petroleum products and marine fuel logistics.
- **Offshore support vessels (OSV)** (including fast crew boats) supporting offshore oil and gas production activities.
- **Port marine services** through harbour tug operations to support terminal and port activities.
- **Floating storage solutions** and **Offloading (FSO) units** with marine support to enhance offshore operations through efficient storage and transfer of oil and gas from offshore production facilities.

Overview:
RENEWED MISSION, UNBOUNDED GROWTH

> *"FY2025 marked a transition for Avangaad — from proving viability to proving sustainability. The year was characterised by firmer operational footing, clearer commercial direction and more disciplined execution across the business."*

In an industry where reliability, safety and service continuity remain central to customer decision-making, the Group continued to strengthen its position through operational readiness, contract visibility and dependable delivery across its core marine and offshore activities. This reflects a business that is no longer defined primarily by recovery, but increasingly by the consistency and credibility of its operating platform.

Avangaad's next phase is therefore not about growth at any cost, but about selective expansion supported by stronger earnings quality, prudent capital discipline and clear operational alignment. This is enabled through the Group's approach.

Marine COP

Coordinator | **Operator** | **Partner**

This approach, which integrates assets, people and partners, enables Avangaad to deliver reliable service outcomes and contract-driven performance. Viewed through this lens, FY2025 demonstrated not only viability of the Group's business model but also its ability to generate recurring, contract-backed earnings anchored in consistent, cash-generative operations - highlighting the operational strength that can support sustainable growth over time.

Marine COP in Practice: A Value Creation Model Rooted in Defensible Operational Support

The Group introduced Marine COP post-PN17 to define its market positioning, closely aligned with its track record since corporate establishment. With a fleet of twenty-six (26) vessels to date, this reflects stable asset ownership and consistent portfolio management. Setting itself apart in a competitive market, Avangaad's solid foundation is reflected in operational stability, demonstrated across varied market conditions and challenges. Through a single platform, the Group continues to provide comprehensive end-to-end marine logistics solutions, showcasing both its operational strength and business agility in navigating complex challenges while delivering consistent performance.

COORDINATOR

Avangaad coordinates complex marine operations across offshore, port, and terminal environments, managing vessel scheduling, logistics sequencing, and multi-stakeholder requirements to ensure seamless service delivery.

OPERATOR

As operator, the Group focuses on fleet readiness, vessel performance, and proactive maintenance. Safety, uptime, and service consistency are central to every deployment decision, reinforcing client confidence and contract renewal potential.

PARTNER

Avangaad positions itself as a long-term partner to its clients, anchoring relationships in trust, accountability, and aligned commercial objectives. This deepens engagement beyond transactional chartering toward integrated, recurring service arrangements.

Avangaad operates an integrated marine services platform supporting marine transportation and offshore storage for the oil and gas industry.

More than a branding initiative, Marine COP embodies the tangible application of Avangaad's core values in its business operations, showcases achieved earnings success and demonstrates validated operational continuity across its services.

Through a diversified fleet and contract-led operating model, Avangaad delivers essential marine transportation, offshore storage, and port marine services, providing end-to-end maritime solutions under a single platform. This integrated approach enhances coordination across service lines, deepens client engagement, and supports recurring, predictable revenue streams.

Marine COP
Born in 2025

With 4S JOURNEY
Introduced in 2024, Values in 2025

Steadfastness → Synergy: Agile Execution	Security → Scale: Proactive Operational Integrity
Moving beyond consistency to active fleet optimisation. The Group has been responsive to market upswings while maintaining the 35% net profit margin baseline.	Safety is not just a discipline application. Avangaad practices high regulatory compliance and risk control to strengthen its credibility to bid for premium, high-stakes international contracts.
Stability → Structure: Compounded Capital Velocity	**Sustainability → Stewardship: Resilient Value Integration & Active Transition Management**
Transitioning from visibility to cash-backed expansion. Presented with lower gearing (0.08x) and strong free cash flow to fund fleet growth without traditional debt burdens.	Evolution into the Marine COP model through proactive stewardship of workforce capability, ethical governance and operational accountability, while extending responsibilities across the vessel lifecycle to actively manage emissions profiling and fuel-mix optimisation.

As the marine and offshore industry continues to evolve—amid increasing focus on decarbonisation, regulatory developments, and changing charterer expectations—Avangaad Berhad has refined its 4S framework.

What began as an operational foundation-

Stability, Steadfastness, Sustainability and Security has been further enhanced into a value-oriented proposition: **Structure, Synergy, Scale and Stewardship.**

This progression reflects the Group's continued focus on strengthening operational quality and proactively advancing execution discipline, performance resilience, compliance readiness, and long-term assurance amid a more complex operating landscape.

MANAGEMENT DISCUSSION AND ANALYSIS

Avangaad marked FY2025 as a Year of Operational Recalibration

Following its February 2025 rebranding, the Group demonstrated both a transition from historical performance and a robust resolution within the year, setting the stage for scalable growth. Anchored by its four (4) marine service pillars, Avangaad committed to delivering stability and operational readiness, translating its capabilities into maximised asset utilisation.

Against a broader industry backdrop, the Group maintained vigilant oversight of complex regulatory environments and rising competitive pressures. Prudent measures and disciplined cost management enabled the Group to leverage operational velocity effectively, resulting in a debt-light balance sheet capable of self-funding future expansion. Serving tier-one partners in this challenging landscape also requires more than operational execution – through FY2025, the Group consistently demonstrated integrated ethical governance and workforce excellence, creating synergistic value that deliver execution-driven performance over time.

Corporate Turnaround in FY2025		
The Standout Resolution	:	Positive Retained Earnings of RM76.7 million *Rebounded by nearly RM199 million within twenty-four (24) months*

Profitable, Cash-Generative, and Debt-Light:

A **Strong First Full Year** Post-PN17.

Core Financial Performance:

Cash Flow	Gearing	Revenue	Profit After Tax (PAT)
Operating Cashflow Surge to RM65.1 million RM119.5 million turnaround (FY2024: RM54.4 million outflow) **Free Cash Flow RM43.7 million** Demonstrated its ability to convert profit into liquid capital for deleveraging	**Net gearing** Improved to 0.08x ***Among the most under-leveraged company in the Malaysian marine sector***	**RM127.6 million** A 4% increase vs. RM122.7 million Driven by optimised fleet charter pricing	**RM44.7 million Revenue** In First (1st) Full Year of Normalised, Profitable Operations

Financial Performance

A Swift Path to Stability: Unlike many other PN17 entities that typically experience prolonged financial challenges prior to the upliftment of their status, Avangaad demonstrated resilience early in its recovery journey, recording ten (10) consecutive profitable quarters even before the formal removal of the PN17 classification. The subsequent rebranding marked a forward-looking milestone, signalling renewed momentum and stability as the Group charts its next phase of growth. This progress was further reflected in Avangaad's FY2025 financial performance, which reaffirmed its return to operational stability and sustained profitability.

"Not About Recovery, It's About Resolution & Growth"

FY2025 was never about survival for Avangaad Berhad—it was about **resolution**, **resilience**, and **strategic execution**. Despite periods of operational restrictions, the Group continued to secure both new contracts and extensions, bringing its order book to a notable RM423.0 million. The challenges faced in FY2024 were primarily linked to an Engineering, Procurement, Construction, Installation, and Commissioning (EPCIC) project in the North Malay Basin, where the project's financial status was materially pressured by unforeseen proceedings. These were further compounded by broader market pressures and pandemic-induced supply chain disruptions.

Recognising these challenges, the Group took decisive action to refocus its operations post-February 2025, strengthening charter contracts and reinforcing service reliability for its existing clients. The consistent support from long-standing clients and partners facilitated secured contract awards and multiple extensions during FY2025, sustaining high fleet utilisation and emphasising earnings visibility.

For the twelve (12) months ended 31 December 2025, Avangaad delivered stable and cash-generative operating performance, supported by resilient charter demand, higher charter rates, and improved vessel utilisation. While headline profitability was lower year-on-year, this primarily reflects the absence of significant one-off income recognised in FY2024, rather than any weakening of the Group's core operations. As such, FY2025 provides a more representative view of recurring earnings.

The Group recorded a Profit Before Tax ("PBT") of RM29.0 million in FY2025, marking its first normalised and operationally driven PBT in recent years. While FY2024's reported PBT of RM211.2 million included a one-off, non-cash RM171.1 million debt waiver gain, the underlying operational PBT stood at approximately RM40.1 million. Avangaad's FY2025 performance therefore underscores the strengthening quality of its earnings, reflecting a more sustainable, cash-backed foundation driven by core business activities rather than non-recurring items.

Most critically, FY2025 was underpinned by a decisive turnaround in liquidity. Operating cash flow for the 12-month period reached RM65.1 million, marking a significant reversal from the sustained outflows experienced during the restructuring phase. This strong cash generation enabled the Group to restore financial independence and return to a positive retained earnings position of RM76.7 million. Over a twenty-four (24)-month period, Avangaad delivered a remarkable RM199.0 million improvement in retained earnings, transitioning from RM122.3 million in accumulated losses to a positive RM76.7 million. Net gearing improved to 0.08x, down from an estimated 0.40x at the peak of distress, positioning Avangaad among the more conservatively capitalised marine operators on Bursa Malaysia, with substantial headroom to support future fleet investments and selective mergers and acquisitions ("M&A") without balance sheet strain.

As at 31 December 2025, Avangaad holds a total potential order book of **RM423.3 million**, comprising **RM154.7 million in firm contracts** and **RM268.6 million in extension options**. During FY2025 alone, the Group exceeded its full-year revenue run-rate of RM127.6 million in its new and extended contracts. This is a robust book-to-bill ratio of approximately 1.07x, signalling strong commercial momentum going into 2026.

Quarterly Operating Cash Flow (QoQ)

While the full-year operating cash flow reached **RM65.1 million**, the quarterly progression shows a significant acceleration in the second half ("2H") of the year as new contracts and the lifting of operational constraints.

Q1	Q2	Q3	Q4
Operating Cash Flow (RM'000)			
32.03	30.48	42.68	65.15
Strong start driven by the initial settlement of legacy receivables and stabilisation post-PN17.	A normalisation period following the high Q1 collection, focused on internal operational re-baselining.	Steady performance supported by a 4.0% revenue rise and improved charter rates for Fast Crew Boats (FCB).	Primarily driven by the full contribution from contract execution and cash generation capabilities.

Despite delivering a consistent and notable uplift in operating cash flow in FY2025, the Group recognises that such elevated levels may not fully reflect a sustained run-rate, given the timing of contract flows, operational cycles, and prevailing market conditions. Nonetheless, the Group achieved a total turnaround of RM119.5 million, compared with an outflow of RM54.4 million in FY2024, enabling Avangaad to build a RM46.3 million cash reserve to support future growth initiatives. Following the formal termination of the Bumijaya Jaya Sdn. Bhd. term sheet on 29 December 2025, the Group has further streamlined its operational focus. The Group continues to assess both organic and inorganic growth opportunities. Its cash position, supported by internal cash generation, provides a degree of flexibility for future investments – to pursue expansion and strategically deploy capital to create long-term value.

Key Financial Highlight: Debt-Light Resilience

FY2025

TOTAL BORROWINGS

15.7%
Reduction
Disciplined Application of Free Cash Flow toward Debt Retirement

NET GEARING OPTIMISATION

Down to 0.08x
Improved from 0.24x

CASH LIQUIDITY BUILD

RM46.3 million Reserve
+ 142% vs RM19.1 million

Support the Group for opportunistic fleet expansion or fleet modernisation

ORDERBOOK VISIBILITY

RM423.3 million

Firm backing RM154.7M
Extension opt. RM268.6M

RM137.0 million in New Contract and Extension

The most significant achievement of FY2025 is the radical transformation of the Group's capital structure. Avangaad has effectively decoupled its growth from external financing, funding its turnaround through **pure operational performance**. Within the same year, the Group has also proven its successful completion in replacing one-off restructuring gains with high-quality, recurring cash flows.

The 9M to 12M Acceleration: A Structural Inflection Point

The financial trajectory of Avangaad in FY2025 was defined by a distinct acceleration in the final quarter. While the first (1st) nine (9) months delivered a solid RM42.7 million in operating cash flow, the leap to a full-year total of RM65.1 million represents a 52% surge in the final three (3) months alone.

This 9M-to-12M momentum was not merely cyclical - it was the result of a deliberate strategic focus on high-utilisation niches and optimised charter pricing.

A Benchmark for Avangaad's Strategic Resilience - Primed for Scalable Growth

The financial results of FY2025 confirm that Avangaad Berhad has successfully **moved past its restructuring phase into a period of high-velocity execution**. The delivery of a 35.04% net profit margin amid global port volatility highlights the efficiency of its Marine COP framework. Anchored by strategic partnerships and a four (4) main service pillar model, Avangaad has mitigated historical risks and unlocked a scalable path forward.

The Group leveraged the year to re-baseline operations, strengthened retained earnings by RM199.0 million over 24 months, and maintained a conservative balance sheet with 0.08x gearing. This disciplined approach positions Avangaad to enter FY2026 not merely intact, but fortified—equipped with the financial flexibility to pursue strategic acquisitions and execute the next phases of growth with confidence and foresight.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Focus

Strategic Execution under New Leadership

A key catalyst in FY2025 was the appointment of a new leadership team, led by major shareholders and supported by a refreshed Board, repositioning Avangaad **from a defensive stance to a growth-oriented, execution-driven model**.

With renewed management at the helm, Avangaad drove FY2025 execution along two (2) key priorities:
Securing recurring revenue and **Broadening the client portfolio**
to mitigate dependency on conventional oil and gas cycles and sustain continuous earnings momentum.

- **Leadership Reset Driving Organisational Re-baselining:**
  The leadership change systematically rebuilt the Group's market and operational standing.

Leadership Injection Phase — **July 2024**

The new management team* took control upon the completion of a RM79.6 million capital exercise, providing the immediate financial capacity to address legacy obligations and marking a clear transition beyond its restructuring phase.

Directors	Date of Appointment	Strategic Values
Datuk Wira Mubarak Hussain Akhtar Husin *Executive Director*	10 July 2024	A member of the initial leadership reinforcement preceding FY2025, contributing enhanced commercial acumen and strategic direction to the Group.
Dato' Lai Keng Onn *Executive Director*	10 July 2024	A member of the initial leadership reinforcement, contributing continuous strategic, operational, and financial insights that underpinned the Group's turnaround and performance recovery.
Dato' Seri Nazir Hussin Akhtar Hussin *Executive Director*	23 July 2024	A member of the new leadership, driving the Group's strategic repositioning, bringing extensive development experience to support growth initiatives and strengthen institutional direction.

**For the purposes of this MD&A, 'New Management' refers specifically to the Group's Executive Directors*

Operational De-Risking — **Early 2025**

Management executed the disposal of non-performing assets for RM44.5 million. This pivot improved cash velocity and focused resources on high-margin harbour tugs and fast crew boats.

The 'Marine COP' Pivot — **Early 2025**

Leadership introduced the Marine COP (Coordinator, Operator, Partner) and 4Ps (Port, People, Product, Platform) strategies. This moved the company away from being a simple vessel owner to a strategic maritime orchestrator.

Management Focus

Strategic Execution under New Leadership

The renewed leadership has brought a clear infusion of strategic oversight and prudence, strengthening both financial and operational performance. In FY2025, this translated into a **successful dual turnaround**—evidenced by balance sheet optimisation, robust financial results, and the advancement of strategic initiatives. Simultaneously, the Group repositioned itself within the maritime ecosystem, signalling a proactive approach to growth, resilience, and value creation.

Dual Turnaround

First (1st) Half ("1H")

focused on removing the survival risk that had plagued the Group. The new leadership team shifted the focus to strengthening cash flow by first disposing of aging, high-maintenance assets – revitalise its capital fluidity and redeploy it into high-yield operations.

2H

was the market positioning shift from a **vessel owner** to a **maritime orchestrator**.

Under the Marine COP and 4Ps frameworks, the management centred on stabilising operations, strengthening cash flows, enhancing contract pipelines, and optimising its asset portfolio, all while maintaining a prudent stance on strategic opportunities.

The leadership injection phase established a foundation of strategic clarity, operational discipline, and financial prudence, setting the stage for the Group's FY2025 transformation. By combing targeted operational interventions in 1H with market repositioning and strategic orchestration in 2H, the new management team successfully strengthened the Group's resilience, stabilised cash flows, and enhanced the predictability of earnings.

This phase also reinforced institutional knowledge and human capital, with the leadership team embedding a culture of execution excellence, disciplined decision-making, and value creation. The measured yet decisive actions taken during this period enabled the Group to convert operational capability into sustainable earnings visibility, optimise its fleet deployment, and position itself for long-term growth within the maritime ecosystem.

Overall, the leadership injection phase marked the turning point from survival to strategic execution, demonstrating that capable, focused leadership can drive both financial recovery and operational transformation, while providing a strong platform for continued expansion and shareholder value creation.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Highlights

Active Execution, Focused Operations, Steady Conversion

Avangaad delivered a year of active execution and disciplined commercial follow-through, continuing to perform strongly across marine transportation, offshore support and port marine services. The Group further enhanced the visibility of its contracted work through new awards, renewals and extensions. Rather than being defined by broad expansion, the year was characterised by measured deployment, customer retention and the steady conversion of operating capability into more durable earnings visibility.

Operationally, the Group continued to serve customers across Malaysia's energy, offshore and port ecosystems through a diversified fleet comprising tankers, fast crew boats, harbour tugboats, utility boats and mooring boats.

This mix remained important in FY2025 | **this fleet composition is not incidental**

and

, as it enabled Avangaad to support multiple operating environments and sustain activity across different service lines — it reflects deliberate positioning across three (3) structurally distinct service markets: Port, Offshore Support Vessels (OSV), and Offshore. Each segment operates under different demand cycles, contractual frameworks and counterparty profiles, allowing the Group to sustain activity and revenue continuity even when conditions in any single segment soften. This capability justifies the pricing premium embedded in charter rates and reiterates the value of Avangaad's operational reliability at scale.

Operating Platform Credibility with Disciplined, Contract-Led Earnings

In FY2025, Avangaad demonstrated a rapid turnaround from its distressed position, maintaining operational momentum despite external constraints. Anchored by its strengthened leadership team and a skilled workforce, the Group not only protected a robust net profit margin of 35.04% but also secured RM137 million in new contracts, reflecting strong contract-led visibility. Strategically, Avangaad diversified into the growing port marine services sector, reducing reliance on upstream oil and gas and demonstrating tangible action in exploring growth opportunities beyond cost management, a key post-PN17 priority.

On the execution front, the Group is equipped to sustain and scale its activities. Supported by experienced operations heads, a dedicated manning team, and a crew of skilled personnel, Avangaad also benefits from an in-house shipyard, giving full control over vessel repair, building, and maintenance. This capability, coupled with the newly injected strategic leadership mindset, positions the Group to expand capacity in the near term. Improved cash generation and contract continuity underscore its effectiveness in mitigating uncertainties and reducing financial and operational impairments, while ensuring that strategic priorities are prudently managed to drive sustained demand across both the Group and the market.

Looking across the full year, Avangaad's operational performance in FY2025 validates the strategic logic of fleet diversification across multiple marine service categories. No single vessel type or customer segment was sufficient on its own to deliver the combination of revenue growth, cash generation and order book accumulation that the Group achieved. Together, they produced a result that is more resilient and more financially sustainable than any one segment could have generated in isolation.

Avangaad is more than a transactional vessel provider:

More than vessels - We Coordinate. We Operate. We Partner.

MANAGEMENT DISCUSSION AND ANALYSIS

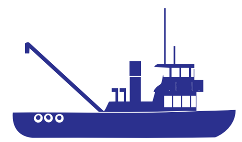
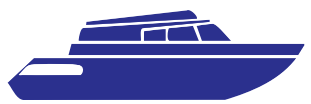
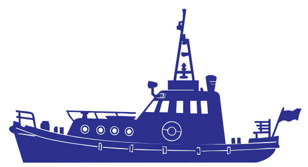
Business Continuity & Earnings Stability

Contracts

Loyalty & Renewal Visibility

- Maximising Fleet Productivity
- Managing Operational Efficiency

During FY2025, Avangaad secured multiple contract awards and extensions that strengthened utilisation and forward earnings visibility:

Contracts	Customer	Key Details	Value (RM mil)
 Harbour Tugboat	Northport (Malaysia) Bhd	Extension of three (3) 40-tonne Z-Peller harbour tugboats for two (2) years	18.9
		New contract for three (3) 50-tonne BP Z-Peller harbour tugboats for five (5) years	47.9
		Subtotal — Northport	**66.8**
 Fast Crew Boat ("FCB")	Offshore support customers	Secured three (3) FCB contracts year-to-date	29.2
 Harbour Tugboat - New & Extensions	Port marine services customers	Extensions of four (4) harbour tugboat contracts for one (1) to two (2) years	19.0
		New contracts for three (3) harbour tugboats for one (1) to three (3) years	22.4
		Total Contract Wins & Extensions	**137.4**

*FCB, harbour tugboat, and Northport contracts secured in 1H and2H 2025 provide multi-year revenue visibility

February

Transformational

PN17 upliftment approved by Bursa Malaysia *(effective 20 Feb 2025)*, removing the financial distress classification after the completion of the debt regularisation plan and scheme of arrangement.

The Group simultaneously to **Avangaad Berhad**, signalling a clean-slate strategic identity.

1H

Contracts

Secured three (3) Fast Crew Boat (FCB) contracts worth ~RM29.2 million (187 days to 3 years), alongside a RM66.8 million portfolio with Northport (Malaysia) Bhd, comprising a two (2)-year extension for three (3) harbour tugboats and a new five (5)-year charter for three additional units, with a further five (5)-year option.

2H

Expansion

Extended four (4) harbour tugboat contracts worth ~RM19.1 million (1–2 years) and secured three (3) new contracts valued at ~RM22.4 million (1–3 years, with extension options).

2025 Core Operational Engines: FCBs and Harbour Tugs

FCBs and tugboat segments emerged as the year's primary earnings drivers. This was largely due to the profound shortage of OSVs (Offshore Support Vessels) in the Malaysian waters, a fact corroborated by industry analysts who noted that OSV utilisation rates in the region peaked at nearly 90% in late 2025.

By prioritising these segments, Avangaad successfully captured:

- **Optimised Charter Pricing**: Taking advantage of the market's undersupply status to negotiate higher daily charter rates during contract renewals.
- **Maximised Utilisation**: Achieving consistent uptime for the FCB fleet, which serves the mission-critical personnel transport needs of major oil and gas players.

The Group's ability to align its fleet composition with high-demand, high-utilisation vessel classes demonstrates a disciplined operating model. By focusing on segments with shorter turnaround cycles, essential service demand, and strong charter visibility, Avangaad enhanced earnings resilience, cash flow stability, and operational efficiency in FY2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Levers Behind Fleet Success

People

As the Anchor of Operational Resilience & Principles

Driving Operational Effectiveness

Strengthening Human Capital into Operational Stability

Operating within a crew-centric offshore marine environment, Avangaad enhanced its bench strength in FY2025 under renewed leadership, reaffirming its human capital as a core driver of vessel readiness and execution reliability. The Group's seafarers, marine crew, and offshore logistics personnel—through accumulated sea time, technical proficiency, and adherence to standard operating procedures—ensure high fleet availability, safe navigation, and consistent service delivery across its charter portfolio.

This operational depth supports deployment flexibility and turnaround efficiency, enabling the Group to respond to dynamic charter schedules, shifting offshore work scopes, and evolving regulatory requirements, while maintaining optimal vessel uptime and utilisation rates.

In parallel, the Group advanced its ESG-aligned crewing strategy, with continued emphasis on safety compliance, competency certification, and structured upskilling programmes, ensuring that crew capability remains aligned with industry standards and operational demands.

Under the renewed leadership team, greater focus has been placed on crew optimisation, cross-vessel capability, and performance monitoring, resulting in improved voyage execution, reduced off-hire days, and stronger operational discipline across the fleet.

Collectively, these initiatives have enabled Avangaad to convert its operational capacity into sustained charter performance and earnings visibility, particularly through efficient deployment of its crew boat fleet and reliable offshore support services.

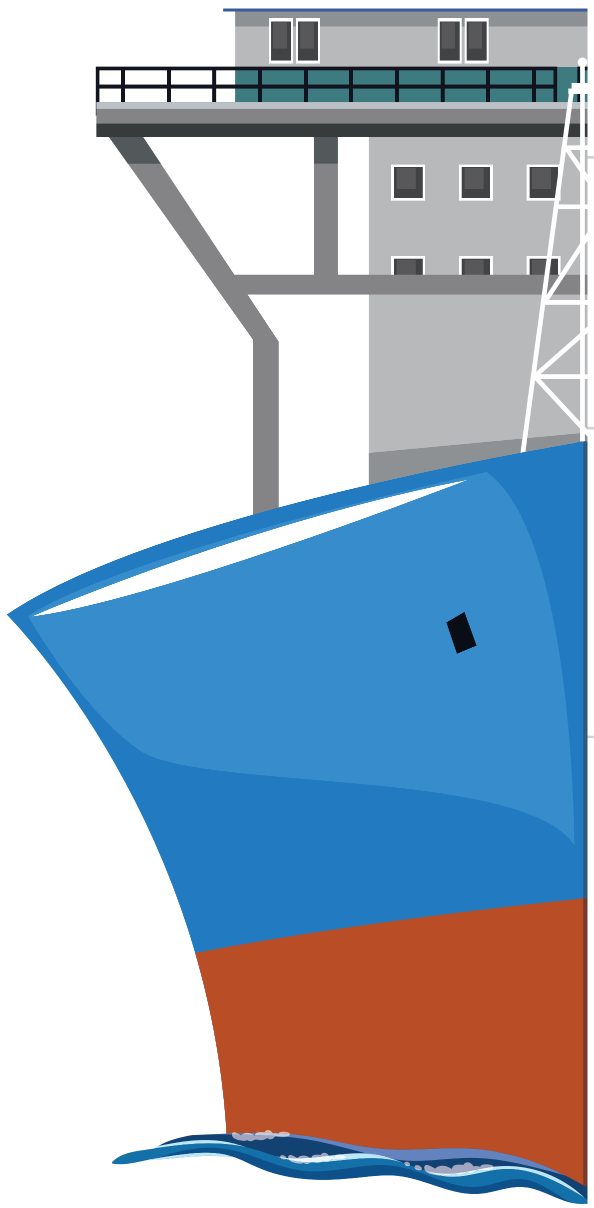
Expand Market Reach with a Growth-Focused Strategy

The Group recognises that its service offerings are a key driver of operational growth. Over time, Avangaad has enhanced reliability and performance, with economic outcomes serving as a tangible metric for strategic decision-making. In FY2025, the Group carefully rebalances its portfolio, aligning immediate operational priorities with mid- to long-term growth targets.

The initiative to accelerate fleet expansion by exploring acquisition opportunity in FY2025 was not concluded, nevertheless, Avangaad continues to build on its track record of disciplined operational execution while remains proactively evaluating potential marine entities that demonstrate strong commercial viability, providing optionality for accelerated expansion without compromising operational discipline. The Group's strategic operational framework combines immediate performance priorities with a forward-looking growth mindset, ensuring that day-to-day activities are consistently aligned with its medium- and long-term objectives.

Bridge to Tomorrow's Opportunities

Benchmarking against the targets set in FY2025, these have provided a solid foundation for the Group's continued progress. Nonetheless, Avangaad remains committed to its **Three-Phase Growth Pathway** as a strategic framework to drive disciplined market penetration and expansion.



Phase 1

Focus on consolidation and contract execution.

- **Protect the base by strengthening renewal outcomes**
- **Convert operational performance into stable cash flows**

Phase 2

Deepen market penetration and enhance service capabilities by selectively expanding into adjacent and higher-value service segments, enabling broader contract coverage and improved revenue opportunities.

- **Actively exploring joint venture opportunities**
- **Expand presence within port operations**

Phase 3

Pursue growth and optimise the portfolio via partnerships and modernisation, anchored by strong governance and capital discipline.

- **Scale fleet capacity**
- **Advance green fleet initiatives and modernisation efforts**
- **Build long-term competitiveness and alignment with evolving industry standards in Malaysia**

By systematically embedding its core operational principles—Fleet Diversity, Contract Quality, and Human Capital Excellence—into daily operations, the Management is confident that the consistency commences in FY2025 will not only align but also support the delivery of long-term growth objectives. This pathway is anticipated to further reinforce service credibility and operational reliability, while enhancing the Group's capacity to replenish its order book, expand its tender pipeline, and secure new wins.

Maximising Revenue Potential Through Fleet Diversity

In line with this strategic growth orientation, Avangaad remains active in evaluating mergers and acquisitions as a means of accelerating fleet expansion and growing serviceable capacity beyond what organic contract extensions alone can deliver. The Group continued throughout FY2025 to assess commercially viable opportunities that complement its core operating model without compromising the operational discipline. While the proposed acquisition of assets in FY2025 did not ultimately proceed, the exercise nonetheless reflects a management orientation that is deliberately outward-looking and intent on scaling the platform as market conditions and balance sheet strength permit.

Taken together, in FY2025, Avangaad delivered a successful turnaround alongside a meaningful strengthening of its fundamentals. Its progress in rebuilding confidence in its value delivery and creation highlights the Group's agility and resilience to sustain performance and remain competitive amid an evolving landscape.

The Group also seeks to highlight that the implementation of its operational improvement framework has provided a more structured foundation for stabilising its post-resolution footing.

These developments, as reflected through the "Approach" and "Journey" framework, articulate the Group's pathway toward a strengthened trajectory anchored in **Restoration**, **Discipline**, and **Operational Clarity**.

Approach

Through this integrated **strategy**,

Avangaad draws on fleet diversification, high-quality contract retention and skilled human capital to drive operational execution and market expansion in parallel. The breadth of the Group's vessel types — spanning tankers, fast crew boats, harbour tugboats, utility vessels and mooring boats — enables it to pursue opportunities across different operating environments, service requirements and counterparty profiles simultaneously, rather than being confined to a single market segment's contracting cycle.

This positions the Group to penetrate adjacencies, consolidate existing relationships into longer-term arrangements, and capture value-accretive growth as new contract opportunities arise from port expansion, continued offshore production activity and potential new client mandates, all while preserving the operational resilience and financial stability that the Group has worked to rebuild and that underpins the confidence of its anchor customers.

Journey

Throughout this **pathway**,

Avangaad remains guided by a consistent operating philosophy: **Prioritising quality earnings over volume**, reinforced by proven delivery, compliance readiness and dependable service standards maintained across operating conditions.

The Group's PETRONAS Gas Berhad ("PETRONAS") registration, its MOF licensure, its Shariah-compliant status on Bursa Malaysia, and the multi-year trust embedded in relationships collectively represent accumulated institutional credentials that are not easily replicated and that form the basis upon which longer-term partnerships are built.

As Avangaad continues to align its service delivery closely with customers' operational goals — adapting vessel deployment, contract structures and crewing continuity to the specific requirements of each engagement — it reinforces the conditions for sustainable, recurring revenue that is defensible through market cycles rather than dependent on spot rate environments or short-tenure contract wins.

The Exposure Profile

The Group operates in a capital-intensive, highly regulated, and cyclical marine logistics environment supporting offshore oil and gas and port marine activities. During FY2025, the Board and Management continued to identify, assess, and manage key risks through structured oversight, established internal controls, and proactive monitoring.

While the operating environment remains exposed to external volatility, the Group's risk profile has evolved from restructuring-related exposures to a focus on contract sustainability, service delivery, and financial prudence, reflecting the completion of the PN17 regularisation plan. The risks remain consistent, and management measures continue to be prudent and disciplined, irrespective of PN17 considerations.

RISK MANAGEMENT: KEY RISKS AND MITIGATION MEASURES

Strategic Risks	Risk Context	Mitigation Strategies
Operational Continuity	Delays in crew transfers or vessel availability can disrupt offshore rig operations or port schedules, triggering costly standby charges and cascading operational delay	• **Fleet Redundancy:** Maintain overlapping availability of critical vessels (fast crew boats, tugboats, utility vessels) to ensure operational continuity • **Predictive Maintenance & Asset Monitoring:** Use analytics-driven maintenance to minimize unplanned downtime • **Crew Training & SOPs:** Implement rigorous training and emergency procedures to ensure safety and reliability • **Cross-Segment Flexibility:** Diversified fleet allows redeployment across segments to meet urgent operational needs
Contract and Revenue	Dependence on a few major long-term charters exposes the Group to contract non-renewal or demand fluctuations.	• **Contract Diversification:** Spread clients across Port, OSV, and Offshore markets to reduce exposure to any single cycle • **Staggered Expiry & Extension Strategies:** Maintain a calendar of renewals and proactively secure multi-year contracts • **Contractual Value Preservation** Embedded contractual safeguards to ensure the preservation of economic value across contracts
Market Cyclicality	Offshore demand and port activity are cyclical, influenced by global oil prices, shipping volumes, and macroeconomic conditions.	• **Segment Diversification:** Positioning across structurally distinct markets smooths revenue volatility • **Asset-Light Approach:** Mix of owned and leased vessels enables flexibility in adjusting capacity to market conditions • **Dynamic Pricing & Contract Structuring:** Reflect market conditions in short-term contracts while maintaining long-term relationships • **Liquidity Buffering:** Maintain healthy cash reserves and operating cash flow to navigate market downturns

MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Risks	Risk Context	Mitigation Strategies
Regulatory & Safety Compliance	Non-compliance with marine safety, environmental, and port regulations can result in fines, operational delays, or reputational damage.	● **Certifications, Standards and Regulatory Frameworks:** o ISO 37001: Anti-Bribery Management System (ABMS) o IMO Carbon Intensity Rating (CII) of C for both tankers o Other international regulatory obligations (e.g. ISM Code, ISPS Code, SOLAS, MARPOL, and STCW) ● **Regular Audits & Training:** o Conduct internal and third (3rd) party compliance checks and ongoing ship crew training o 100% compliance with mandatory ship drill requirement ● **Incident Reporting & Continuous Improvement:** Rapidly address operational issues and integrate lessons learned into safety manuals
Financial & Capital	Debt obligations, capital expenditures, or poor asset allocation can strain liquidity and growth potential.	● **Prudent Capital Allocation:** Align fleet acquisitions and upgrades with contracted work and market demand ● **Strong Cash Flow Management:** Ensure positive operating cash flows and disciplined debt management ● **Stress Testing & Contingency Planning:** Model downside scenarios to ensure sufficient liquidity under adverse conditions

Avangaad's risk management framework combines operational redundancy *(where backup assets, capacity, and systems are maintained to ensure uninterrupted service delivery)*, contract diversification, and financial prudence to safeguard revenue continuity and operational reliability. Coupled with its fleet and segment diversification, this strategy ensures resilience against market cyclicality, regulatory pressures, and operational disruption, while reinforcing the Group's long-term competitive advantage in the marine services sector.

Strategic Macro Review: Steering Through Geopolitical Volatility

The recent escalation in the Middle East—particularly heightened tensions involving Iran—has reintroduced significant imported inflation risk to the global maritime sector. With fuel costs typically accounting for 30% to 50% of total operating expenditures, Avangaad has shifted from a reactive to a proactive, defensive posture.

While the Group operates primarily in Malaysian waters (Port and Offshore), it remains exposed to global geopolitical instability. However, Avangaad's market position as a critical link in Malaysia's energy supply chain has rendered its services indispensable, sustaining demand even during international turmoil. Leveraging asset agility and robust contractual protection, the Group actively manages these unpredictable risks. Although short-term cost volatility is inevitable, Avangaad maintains stability through financial and contractual safeguards, ensuring resilience against major international disruptions.

Disclaimer: The measures, risk management approaches, and strategic positions described herein reflect ***Avangaad Berhad's stance and operational status as of early April 2026.*** *Circumstances, including market conditions, geopolitical developments, and operational factors, may evolve, and the Group undertakes no obligation to update the information contained in this report.*

Risk Oversight

- **Risk as a Strategic Enabler:** At Avangaad Berhad, Risk Oversight is the mechanism that ensures the delivery of a Strategy-led Operation. The Board recognises that achieving our ambitious FY2025/2026 growth targets requires a dynamic risk framework that balances aggressive expansion with disciplined capital preservation. While the Board retains overall accountability for the Group's risk management architecture, the management is empowered with the day-to-day execution and real-time monitoring of our risk profile.

MANAGEMENT DISCUSSION AND ANALYSIS

With the entry of the new leadership team, Avangaad has cultivated a risk-based decision-making culture, conducting periodic reviews to ensure mitigation measures remain aligned with shifts in the global macro environment. The Group has implemented a structured risk management system designed to keep key risks within manageable parameters, with early detection mechanisms to identify potential challenges that could impact operational resilience or capital controls.

The Group's Approach to Risk: A Message from the Board

The Board of Directors, having reviewed the Group's risk posture and internal control mechanisms, is of the view that for FY2025, these practices were **adequate, effective, and resilient**. The transition from the legacy framework to the current Avangaad model has successfully de-risked the balance sheet and anchored the Group in high-margin, non-cyclical revenue streams. Its internal controls are specifically designed to support the Group's high-velocity execution phase, ensuring that as Avangaad continues to grow, it does so on a foundation of operational excellence and financial stability.

ESG & Sustainability

Integrated ESG in action:

Efficiency. Confidence. Visibility *Optimising Every Layer of Its Operations*

Resilient Operations, Sustainable Seas: For Avangaad, ESG is not a peripheral "check-the-box" exercise; it is a strategic lever embedded across fleet operations and asset management. Environmental controls, HSE-driven execution standards, and governance oversight are embedded across vessel performance, voyage optimisation, and regulatory compliance. Under this framework, the Group's FY2025 performance demonstrates a focused approach to integrating systematic sustainability metrics into core marine operations, enhancing fuel efficiency, emissions management, and service reliability across the fleet – supporting long-term cost optimisation, bolstering stakeholder confidence and improving earnings visibility.

Environmental Discipline

At Avangaad, it defines Environmental Discipline as the intersection of technical precision and regulatory foresight. In a marine landscape where emissions are increasingly scrutinised, Avangaad does not view carbon management as a compliance burden, but as a core operational competency. By synchronising its high-performance vessel engineering with data-driven shore-side oversight, the Group is establishing a transition-ready fleet. Its focus in FY2025 has been on stabilising its baseline—ensuring that every metric recorded is a step toward long-term commercial and environmental resilience.

Environmental Discipline

Vessel Operations

Vessel Operations represent the core of Avangaad's carbon footprint and the primary site of its environmental discipline.

In the high-utilisation marine environment, our vessels serve as the frontline for execution quality. Here, emissions management is a matter of technical precision, where fuel efficiency, engine load optimisation, and hull maintenance directly influence its Scope 1 performance.

By maintaining a steady IMO Carbon Intensity Rating ("CII") of C for both its tankers – Nautica Kluang 2 and Nautica Pontian 2, Avangaad demonstrates that its environmental performance is intrinsically linked to operational control—ensuring that every nautical mile traveled adheres to the highest standards of maritime compliance and resource efficiency.

Shore Operations

Shore Operations provide the administrative and strategic framework that enables its fleet to operate safely and sustainably. While the physical footprint of its offices is significantly smaller than the maritime operations, the Governance and Accountability established here are the catalysts for company-wide resilience.

The Group's shore-side efforts focus on managing Scope 2 indirect emissions through energy-efficient workspace practices and, more critically, through the digitisation of data. By strengthening its internal reporting systems and workforce capability, Shore Operations ensure the transparency, integrity, and regulatory readiness required to maintain its commercial credibility in a changing global landscape. This has led to a year-on-year reduction of Scope 2 emissions of 35.9% in FY2025.

By mastering emissions in both the engine room and the boardroom,
Avangaad ensures that "Environmental Discipline" is a company-wide culture, not just a maritime requirement.

Looking forward, Avangaad's environmental strategy is anchored in continuous. As global maritime standards tighten, Avangaad is moving beyond static disclosure toward predictive emissions management. By strengthening its data integrity and investing in workforce readiness, the Group is future-proofing its assets against evolving carbon pricing and customer expectations.

Our Goal is Clear:

- Maintain a competitive and high-efficiency fleet to deliver superior service quality
- Enhance operational performance through continuous optimisation and reliability
- Systematically reduce carbon footprint through sustainable fleet management practices

At Avangaad, it operationalises environmental rigor into every operation, adapting to evolving industry dynamics, and paving a sustainable path toward a resilience future.

Safety and Reliable Execution

Operational reliability is built on the foundation of human capital readiness. Avangaad recognises that in a high-utilisation marine environment, service continuity is not merely a byproduct of well-maintained assets, but a result of a prevention-led safety culture. For FY2025, its focus has been on hardening the frontline defenses — ensuring that every ship crew member and office professional is equipped with the competence to navigate risks before they manifest disruptions. By prioritising safety as a core execution discipline, Avangaad protects its people, assets, and the long-term trust of its customers – allowing the Group to achieve a commendable zero (0) fatalities and lost-time injuries in FY2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Safety Synergy

Vessel Operations: Frontline Readiness

1. 100% training saturation ensures that its ship crew can execute high-stakes maneuvers with "muscle memory" precision. This directly supports service continuity, as prepared ship crews are less likely to experience avoidable interruptions.

Shore Operations: Oversight Framework

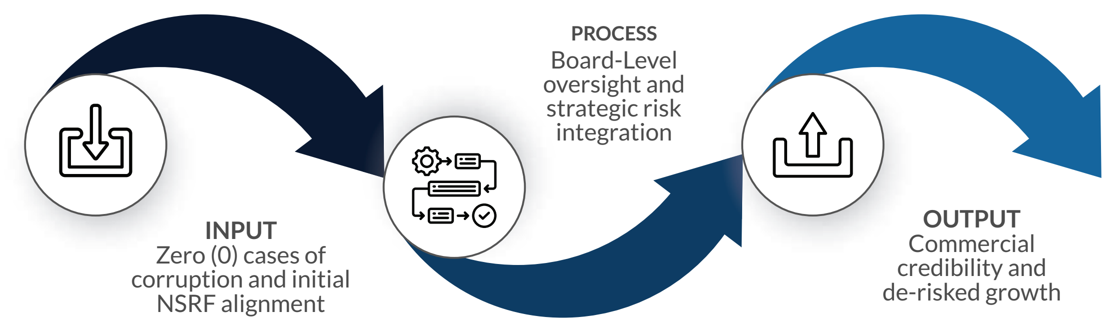
1. Achieving 98.8% training completion in the office ensures that the administrative "backbone" of the Group is aligned with maritime safety laws. This shore-side discipline provides the regulatory assurance that customers require for long-term partnerships.

Looking ahead, Avangaad is evolving from a reactive safety model to a predictive readiness framework. The Group's goal for the coming year is to further integrate safety data into our commercial decision-making process, ensuring that safe execution remains a non-negotiable component of its service delivery. By continuing to invest in workforce competency and frontline empowerment, Avangaad is not just avoiding incidents—it is engineering a culture of reliability that serves as a distinct competitive advantage in the global maritime market.

Governance and Accountability

Governance is the 'invisible engine' that ensures technical and safety achievements and licence to operate are sustained through integrity. By proactively anchoring its governance within the National Sustainability Reporting Framework ("NSRF") and maintaining a rigorous Anti-Bribery Management System ("ABMS"), Avangaad transcends mere compliance.

In FY2025, its ABMS delivered a benchmark performance of zero (0) confirmed incidents, reinforcing its reputation as a high-integrity partner in the maritime sector. Simultaneously, Avangaad has accelerated its alignment with the NSRF, adopting IFRS Sustainability Disclosure Standards, explicitly acknowledging climate and sustainability risks as material to its long-term financial health. By embedding these risk-governance protocols into the core decision-making, the Group is doing more than 'checking boxes'—it de-risks its business and ensures that the commercial trajectory remains resilient against both ethical and environmental shifts.



The future of the maritime industry belongs to those who can prove their integrity. Integrating strategies with measurable impact enhances its oversight, sharpens oversight mechanisms, and accelerate climate risk integration, ensuring that its governance remains the enduring bedrock of commercial credibility and stakeholder trust.

The Strategic Thesis

In FY2025, Avangaad has successfully integrated technical environmental precision, a prevention-led safety culture, and a rigorous governance framework into a unified commercial strategy. Moving forward, the Group remains committed to this dual-track excellence—synchronising the high-stakes execution of its vessel operations with the strategic oversight and data integrity of shore-side leadership. Avangaad has established proactive measures to navigate evolving maritime landscape and is advancing a future-ready fleet designed to deliver consistent value, safety, and transparency to its stakeholders and partners.

"Precision at Sea, Integrity Onshore: Navigating the Future of Maritime Resilience."

Strategic Outlook 2026

Building on FY2025 accomplishments, Avangaad enters 2026 with strong contract visibility, a diversified fleet of four vessel types, and strategic positioning across three (3) structurally distinct markets. This alignment with broader market dynamics reaffirms the Group's ability to deliver sustainable growth, operational resilience, and earnings continuity, while supporting scalable and strategically driven opportunities across key marine markets.

Sector Observation and Contract Strength demonstrates Avangaad's ability to translate sector dynamics into predictable, high-quality earnings while maintaining a competitive operational footprint.

OFFSHORE OSV MARKET

The offshore oil and gas sector continues to underpin demand for offshore support vessels (OSVs), including fast crew boats and anchor handling tug supply (AHTS) vessels. While exploration activity may moderate, production-phase operations are expected to continue supporting demand for offshore logistics, crew transfer, and support services.

In this context, the Group continues to monitor developments in offshore support requirements and assess potential opportunities across related segments, including offshore logistics and storage solutions such as Floating Storage and Offloading (FSO) and Floating Production Storage and Offloading (FPSO) units, where aligned with its operational capabilities.

This dynamic reinforces the importance of multi-year contract coverage to sustain utilisation and provide earnings visibility.

PORT MARINE SERVICES

The Group's harbour tug operations provide a relatively defensive income stream, driven by essential port activities such as berthing, unberthing, and escort services.

Building on its established contract base, the Group continues to maintain stable utilisation and earnings visibility in this segment. It is also selectively evaluating opportunities to expand harbour tug capabilities, including higher bollard pull assets, to support evolving vessel size requirements and port handling complexity.

In parallel, the Group is assessing opportunities to participate in additional ports and new port developments, subject to tender processes and operational alignment.

Ongoing port infrastructure expansion and rising vessel traffic are expected to support steady long-term demand for port marine services. The Group is also monitoring developments in low-emission and electric harbour tug technologies as part of its longer-term decarbonisation alignment.

STRATEGIC EXPANSION AND MARKET POSITIONING

The marine and offshore services industry continues to present a broad and evolving opportunity set across both offshore and port-based segments. While the Group currently operates within selected verticals, Management remains focused on expanding its participation in adjacent service areas where operational capability and competitive advantage can be leveraged.

The Group adopts a disciplined growth strategy, selectively participating in opportunities aligned with technical readiness, capital discipline, and targeted return thresholds.

Growth is expected to be driven through a combination of organic expansion via contract wins and service deployment, as well as selective inorganic initiatives, including joint ventures and targeted acquisitions of complementary assets or businesses. This approach enables scalable expansion across the marine value chain while maintaining execution discipline and prudent capital allocation.

MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Imperatives for 2026: Immediate and Near-term

Growth is expected to be primarily organic in nature, arising from renewals, extensions, and incremental new awards within the Group's existing footprint. Optional contract extensions embedded within current agreements provide meaningful upsides without requiring significant additional capital deployment.

Contract-Centric Growth	Prioritise multi-year agreements to safeguard revenue visibility across cycles.
Fleet Optimisation	Align fleet composition with high-demand, high-utilisation segments (FCBs, harbour tugs) to maximise returns.
Diversified Market Exposure	Maintain and expand presence across Port, OSV, and Offshore segments to mitigate cyclicality and enhance operational resilience.
Structural Market Opportunities	Leverage Port Klang expansion and OSV fleet tightening to capture long-term growth and sustain premium pricing.
Operational Excellence	Continue disciplined execution, fleet, and service reliability to reinforce Avangaad's defensible advantage.

Longer-Term Ambitions

Deepening the "Marine COP" Orchestration

Mergers & Acquisitions (M&A)

Building a broader M&A strategy that focuses on integrated maritime consultants. This would encourage control of the entire service chain—from vessel design and engineering to offshore logistics—supporting its Marine COP (Coordinator, Operator, Partner) model.

Whilst, maintaining a long-term strength on securing value-accretive deals that support cross-segment service delivery, improve contract visibility, and generate synergies across operational hubs.

In a strategic outlook for 2026, Avangaad's M&A philosophy intends to evolve **from a Volume-based Approach to one focused on Yield-Accretive Technical Acquisition.**

The Group now has RM46.0 million cash reserve to utilise with a 0.08x net gearing to scout for niche maritime engineering firms. These targets are specifically selected to internalise technical capabilities in vessel design and offshore logistics, supporting the Marine COP model.

With the potential to shift away from simple hull acquisition and build toward acquiring technical intellectual property, Avangaad is able to reduce its reliance on third (3rd)-party shipyards and builds a self-sustaining ecosystem for growth.

Fleet Modernisation

The Group's fleet modernisation forms a cornerstone of its multi-year strategic plan, conceived as a structured "Asset Refresh" to safeguard and sustain its 35.04% net profit margin over the long term.

Looking beyond 2026, the roadmap emphasises a systematic retirement of legacy, fuel-inefficient vessels, as exemplified by the successful divestment of the FSO Nautica Tembikai. This approach proves that the Group has monetised assets in a timely manner enhance portfolio agility and maintain a well-capitalised position.

This long-term phase is also set to drive continuous improvements in Specific Fuel Oil Consumption (SFOC) and embed real-time digital monitoring, enhancing efficiency, operational reliability, and environmental performance across the fleet.

By lowering the average fleet age and increasing technical uptime, Avangaad ensures its "Product" remains the most reliable choice for Tier-1 counterparties, effectively insulating the Group from the maintenance volatility associated with older maritime assets.

Potential Green Harbour Transition

The "Green Harbour Transition" reflects Avangaad's long-term strategy to insulate its operations from global fuel volatility and carbon-intensity risks. Over the coming years, as ports enforce stricter ESG mandates, Avangaad aims to positioning itself as a regional pioneer in innovative maritime technology.

This transition is expected to advance through strategic technical collaborations to develop shore-to-ship charging infrastructure, laying the groundwork for sustainable harbor operations. By integrating electric propulsion into its service offerings, Avangaad intends to provide "Green Charters" that serve as a structural hedge against energy shocks while cementing its role as a key enabler of Malaysia's long-term sustainable maritime ecosystem.

Avangaad's growth opportunities are closely aligned with its Marine COP positioning. This model emphasises integrated service delivery, consistent performance, and enduring partnerships, enabling the Group to embed itself within customers' operational ecosystems. As clients increasingly prioritise reliability, safety, and cost predictability, the Group's approach supports continued relevance and renewal potential across market cycles.

Financial prudence remains a central pillar of the growth framework. Improved operating cash flow, selective asset recycling, and tight working capital management provide flexibility while preserving balance sheet strength. Growth initiatives are assessed against clear readiness criteria, return thresholds, and risk parameters, ensuring alignment with long-term value creation rather than short-term expansion.

Concluding Perspective: Growth in a Less Linear Operating Environment

The operating environment is expected to remain shaped by macroeconomic uncertainty, geopolitical developments, and selective customer spending across the marine logistics and offshore services sector. While underlying demand for marine support services continues to be sustained by offshore production, maintenance, and port-related activities, customers are expected to remain measured in project timing, contract tenure, and cost commitments.

Although inflation moderated in several major economies during FY2025 and selected rate cuts were introduced, the pace of monetary easing has been gradual and uneven. Interest rates remain structurally elevated compared with the previous decade, reinforcing the importance of balance sheet resilience, liquidity management, and careful capital allocation. Currency markets have also remained volatile, with the U.S. dollar experiencing periods of weakness amid shifting rate expectations and global capital flows. In parallel, geopolitical tensions and renewed policy and tariff uncertainty continue to influence market sentiment and customer behaviour.

Against this backdrop, Avangaad's approach to growth remains deliberate. The Group does not pursue growth through rapid capacity expansion or speculative asset additions. Instead, growth is anchored in earnings quality, service reliability, and long-term contractual visibility.

MANAGEMENT DISCUSSION AND ANALYSIS

Armed with a strategically diversified fleet, resilient operations, and multi-year contract coverage, Avangaad is poised to assert its position as a premier marine services operator, leveraging both immediate market dynamics and structural growth opportunities to deliver sustained, scalable earnings across Malaysia's port and offshore ecosystems.

The performance of **Avangaad Berhad** in FY2025 stands as a definitive

Triple Turnaround:

FINANCIAL

OPERATIONAL

REPUTATIONAL

Board Perspective: FY2026 will be another year we contribute to the greater future of the Malaysian maritime landscape. The Group's focus remains steadfast and is set to evolve into a sustainable maritime logistics leader, leveraging its financial agility to capture higher-margin, low-carbon opportunities in the ASEAN region.

APPRECIATION AND ACKNOWLEDGEMENT

The Board and Management wish to express their sincere appreciation to all stakeholders who have supported Avangaad throughout FY2025 and across the Group's broader transformation journey.

We extend our deepest gratitude to our shareholders for their continued trust, patience, and confidence — particularly during the period when the Group operated under PN17 classification. Your support during that challenging and uncertain chapter was instrumental in enabling Avangaad to complete its regularisation process, restore financial stability, and move forward with renewed clarity and purpose.

We thank our Management team and employees for their professionalism, fortitude, and unwavering commitment. Their ability to maintain service continuity, uphold safety standards, and deliver with consistency throughout the PN17 process and subsequent transition period reflects the strength of the organisation and the culture we continue to build.

Our appreciation extends to our clients for their continued confidence in Avangaad as a reliable marine logistics partner. Their trust — demonstrated through contract renewals, extensions, and longer-term engagements — reinforces the Group's Marine COP positioning and underpins forward earnings visibility.

We are also grateful to our financiers, regulators, advisers, and business partners for their constructive engagement and support throughout the regularisation process and beyond. Their collaboration was critical in enabling the Group to navigate complex regulatory and operational requirements successfully.

With the foundations now firmly in place, Avangaad enters the next phase of its journey — focused on consistent delivery, measured growth, and sustainable value creation for all stakeholders.

SUSTAINABILITY STATEMENT

Image sourced from Vecteezy.com; vessel depicted is owned and operated by the Group

ABOUT THIS STATEMENT [GRI 2-2, 2-3, 2-28]

INTRODUCTION

This Sustainability Statement ("Statement") provides an overview of Avangaad Berhad and its subsidiaries' ("Avangaad" or "the Group") performance and impact across economic, environmental, social and governance ("ESG") dimensions, focusing on areas that are most material to the Group and its stakeholders. It outlines how sustainability considerations are integrated into the Group's governance, strategy, and operations.

REPORTING SCOPE AND BOUNDARY

This Statement communicates our material sustainability and climate-related matters for the reporting period covering 1 January 2025 to 31 December 2025 ("FY2025"). Where available, three (3)-year performance data is presented to support performance comparability over time.

Unless otherwise stated, the scope of reporting focuses on our operations under direct management control, namely: -

01 **Avangaad Berhad**

02 **Johor Shipyard and Engineering Sdn. Bhd. ("JSE")**

03 **Libra Perfex Precisions Sdn. Bhd. ("LPP")**

04 **Avangaad (Sabah) Sdn. Bhd.**

05 **Avangaad (Sarawak) Sdn. Bhd.**

REPORTING FRAMEWORK/STANDARDS

This Statement has been prepared in reference to relevant local and international sustainability reporting frameworks, to ensure transparency, comparability, and alignment with best practices. The disclosures in this Statement are guided by:-

- Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR)
- Bursa Malaysia Securities Berhad Sustainability Reporting Guide and Toolkits (3rd Edition)
- Global Reporting Initiative ("GRI") Standards 2021
- International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability-Related Financial Information and S2 Climate-Related Disclosures
- Malaysian Code on Corporate Governance ("MCCG") by Securities Commission Malaysia
- National Sustainability Reporting Framework (NSRF)
- United Nations Sustainable Development Goals ("UN SDGs")

ACCREDITATION AND CERTIFICATIONS

The Group upholds rigorous quality standards across all its business divisions, ensuring compliance with recognised management systems, including International Organisation for Standardisation ("ISO") 9001 (Quality Management) and ISO 37001 (Anti-Bribery Management System).

These certifications demonstrate the Group's commitment to operational excellence, risk management, and regulatory compliance. By adhering to internationally recognised standards, the Group mitigates operational, environmental, and governance risks while fostering continuous improvement across its business processes.

ASSOCIATION AND MEMBERSHIPS

Engaging with industry associations provides Avangaad with valuable networking opportunities, enabling collaboration with business peers and offering a platform to stay updated on current industry policies, regulations, and best practices.

Currently, Avangaad is a member of two (2) industry associations and professional bodies within the maritime sector:-

- Malaysian OSV Owners' Association ("MOSVA")
- Malaysia Shipowner's Association ("MASA")

These memberships support our commitment to industry engagement, knowledge sharing, and continuous improvement in operational and sustainability practices.

BOARD APPROVAL

The Board of Directors ("Board") recognises its duty to safeguard the integrity of this Statement. To this end, the Board have reviewed and approved the content of this statement, including its sustainability disclosures, and is satisfied that it reflects the Group's current strategies, performance, and governance practices for the reporting period.

This Statement was approved by the Board on 24 April 2026.

FEEDBACK

As part of our continuous improvement efforts, we are committed to progressively enhancing the quality and scope of our sustainability reporting. We value the perspectives of our stakeholders and welcome any questions, feedback or suggestions that may help us strengthen our disclosures and sustainability practices.

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58200 Kuala Lumpur.

STATEMENT OF ASSURANCE

The Group has not engaged internal or external assurance for the current reporting period. However, the data disclosed in this Statement has been internally reviewed and validated by the respective Heads of Departments ("HODs") and internal audit function.

Recognising the growing expectations under leading sustainability frameworks, including IFRS S1 and IFRS S2, the Group is committed to progressively enhancing the robustness and reliability of its sustainability reporting. In line with this commitment, we are currently assessing the feasibility, scope, and timing of obtaining independent assurance for future reporting periods.

FORWARD-LOOKING STATEMENT

This Statement contains forward-looking statements regarding our strategies, priorities, and growth opportunities. These statements are based on current projects, plans, and expectations, and may evolve due to changes in market conditions, the business environment, or factors beyond our control. As a result, such statements involve risks and uncertainties and have not been reviewed or verified by auditors.

SUSTAINABILITY STATEMENT

MESSAGE FROM LEADERSHIP

CEO STATEMENT

The past year marked a turning point for Avangaad as we completed a pivotal phase of transformation and firmly established a foundation for sustainable, long-term growth.

This year's progress underscores a transition from recovery to growth — a shift that has allowed us to focus not only on financial stability but also on embedding sustainability into the core of how we operate. As we look ahead, our ESG priorities — environmental stewardship, safety leadership, and strong governance — will continue to guide our decisions and define how we create value for our stakeholders.

Chief Executive Officer
ENCIK NASRUL ASNI BIN MUHAMMAD DAIN

Environmental Stewardship:
Driving Fleet Efficiency and Emissions Performance

As a maritime services provider, environmental performance is central to our operational identity. Building on the commitments of leading peers in the industry, the Group is focused on enhancing energy efficiency, strengthening emissions monitoring, and aligning our operations with best in class environmental management practices. We have implemented systematic fuel and water consumption tracking, expanded our greenhouse gas inventory, and are actively evaluating pathway options towards lower emission technologies — all designed to contribute to a more sustainable fleet while meeting both regulatory and stakeholder expectations.

Our approach is practical, data driven, and aligned with the realities of our business model. It reflects our understanding that operational efficiency delivers both environmental benefits and long term value for our customers and stakeholders.

Social Responsibility:
Protecting Our People Through Safety Excellence

The safety and wellbeing of our workforce are non negotiable. In environments where people work alongside complex assets, risk is inherent, and safety culture must be unwavering. The Group's Safety Management System — supported by continuous training, hazard identification, and performance monitoring — reflects our commitment to protect every life in our operations.

Aligned with the practices of leading maritime organisations, our safety performance disclosures are designed to be transparent, enabling stakeholder insight into how we manage workplace health, safety and wellbeing. Through structured performance reviews, training development, and internal governance, we are building an environment where people feel safe, supported, and equipped to perform at their best.

Governance and Integrity:
Strengthening Compliance and Accountability

The Group's governance frameworks — including our Anti-Bribery Management System and compliance mechanisms — are structured to ensure ethical conduct, reinforce transparency, and maintain stakeholder trust. Our governance practices reflect global expectations, such as those articulated by the International Maritime Organisation, and align with leading industry disclosures.

We aim to uphold high standards of integrity and transparency in all aspects of our operations. These principles guide our governance practices and strengthen our approach to risk management, internal controls and organisational accountability.

Charting the Path Ahead

Sustainability is a journey, not a destination. As we refine our ESG strategy, we are guided by the principle that responsible operations drive long-term value — for our customers, our workforce, and the communities in which we operate. We remain committed to enhancing our performance, strengthening our disclosures, and contributing meaningfully to the maritime industry's transition toward a more sustainable future.

DELIVERING MEASURABLE SUSTAINABILITY OUTCOMES

OUR SUSTAINABILITY JOURNEY

2017
- Published our inaugural Sustainability Statement
- Inclusion in FTSE4Good Bursa Malaysia Index ("F4GBM")
- Established our Sustainability Governance Structure
- Conducted our first materiality assessment exercise - seven (7) stakeholder groups and six (6) material matters identified

2018
- Aligned our disclosures with F4GBM indicators
- Maintained disclosure of six (6) material matters
- Implemented the Ship Energy Efficiency Management Plan ("SEEMP") manual for emissions management

2019
- Initiated alignment of our initiatives with the UN SDGs
- Expanded disclosures to cover quantitative disclosures for social-related pillars

2020 - 2021
- Conducted a materiality assessment - expanded to nine (9) stakeholder groups and ten (10) material matters
- Achieved ISO 37001: 2016 ABMS certification for the Group
- Rolled out our Anti-Bribery Policy and Cybersecurity Risk Management Policy

2022 - 2023
- Rolled out the Fit and Proper Policy for Directors
- Initial alignment of our disclosures to include climate-related disclosures in line with the Task Force on Climate-Related Financial Disclosures (TCFD)
- Refreshed our material matters to cover 13 material matters

2024
- Achieved 3-star FTSE Russell ESG Rating
- Implemented cloud-based data collection on a monthly reporting cycle
- Implemented the Group's Human Rights and Labour Policy

2025
- **Maintained 3-stars FTSE Russell ESG Rating**
- **Refreshed our stakeholder groups and material matters**
- **Maintained disclosures of our 13 material matters and expanded the definition of our stakeholder groups**
- **Begin alignment of our disclosures with the IFRS S2 climate-risk disclosures**
- **Achieved an outstanding evaluation score of 3.70 out of 4.00 in the HSSE Performance Evaluation conducted by MISC Marine**

OUR SUSTAINABILITY HIGHLIGHTS FOR FY2025

Material Matters	Key Performance Indicators	Performance in FY2025	Status
Steering Our Business			
Supply Chain Management	To achieve at least 70% of procurement expenditure spent on local suppliers annually	91% local procurement spend	Achieved
Corporate Governance and Anti-Corruption	To achieve zero reported incidents of bribery and corruption annually	Zero (0)	Achieved
Minimising Our Environmental Footprint			
Energy Management and Climate Action	To monitor and disclose Scope 1 and Scope 2 GHG emissions annually	Scope 1: 2,487.73 tCO_2e Scope 2: 81.19 tCO_2e	Achieved
Waste and Effluent	To recycle at least 20% of waste annually	19%	Not Achieved
Fulfilling Our Social Responsibility			
Occupational Health and Safety	To achieve zero lost time injuries per 1,000,000 hours worked annually	Zero (0)	Achieved
	To ensure all workers receive health and safety training annually	Office: 98.8% Ship Crew: 100.0%	Achieved
	All vessels to be in full compliance with mandatory ship drill according to the Safety Management Systems ("SMS")	100%	Achieved
Labour Practices and Standards	To achieve zero complaints of human rights violations	Zero (0)	Achieved

Legend:- Achieved Not Achieved

OUR STRATEGIC APPROACH TO SUSTAINABILITY

AVANGAAD AT A GLANCE [GRI 2-1, 2-6, 2-9, 2-10, 2-11, 2-12, 2-14, 2-22]

Effective 18 February 2025, Avangaad introduced a refreshed brand identity to accelerate the Group's transformation and align its corporate positioning with evolving market expectations. The rebrand from E.A. Technique (M) Berhad to Avangaad represents a strategic shift toward greater commercial resilience, operational excellence and sustainable growth.

Avangaad operates within the marine engineering and vessel solutions sector, specialising in shipbuilding, repair, modification and maintenance works. Through robust engineering capabilities and disciplined project delivery, the Group supports vessel reliability and operational efficiency across the maritime value chain. As sustainability becomes increasingly integral to the industry, Avangaad continues to strengthen climate and environmental stewardship, workforce development, governance integrity and stakeholder relationships to enable sustainable growth and long-term value creation.

Steadfastness → **Synergy**
Agile Execution

Security → **Scale**
Proactive Operational Integrity

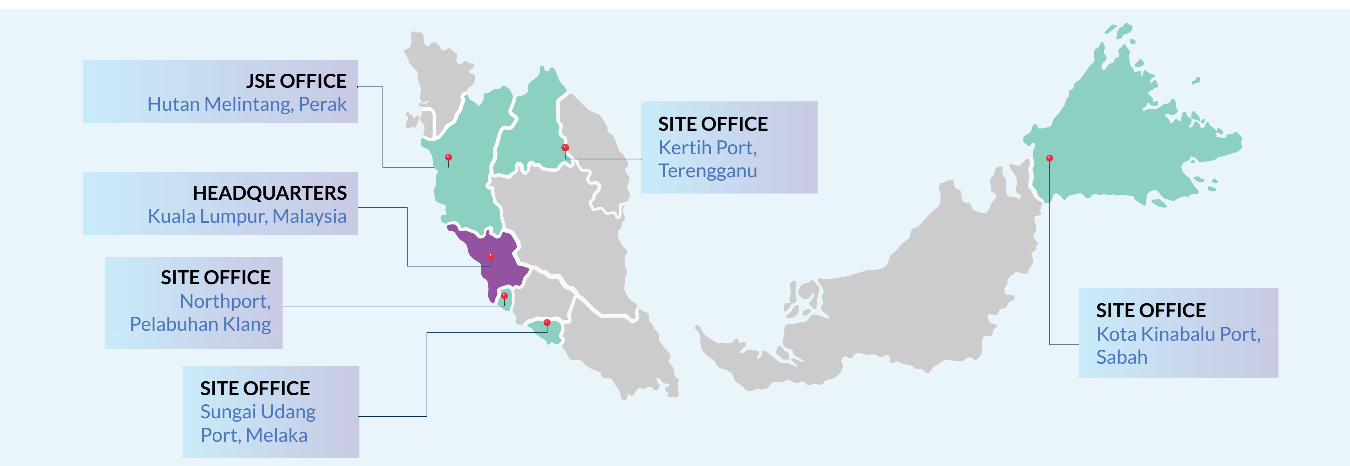
Stability → **Structure**
Compounded Capital Velocity

Sustainability → **Stewardship**
Resilient Value Integration and Active Transition Management

MARKET PRESENCE

Avangaad maintains operational presence across key strategic locations in Malaysia, supported by offices and site offices in Klang, Terengganu, Melaka, Kota Kinabalu, Sabah. This geographic footprint enables us to effectively support clients in major port areas, fostering local economic participation through employment opportunities and engagement with local suppliers.

By operating close to our sites and stakeholders, we enhance service responsiveness, strengthen community relationships and contribute to sustainable local development in the areas where we operate.



More information on Avangaad's organisational structure, please refer to page 6 of this Annual Report.

SUSTAINABILITY STATEMENT

BUSINESS SEGMENT

Marine Transportation and Offshore Storage of Oil and Gas

We operate across the offshore maritime and energy logistics value chain, providing mission-critical support services to the oil and gas sector. Our fleet portfolio comprises Fast Crew Boats ("FCBs"), Tankers, Floating Storage and Offloading ("FSO") assets that enable the safe, efficient and uninterrupted movement, storage and handling of hydrocarbons in offshore environments. As of 31 December 2025, we have a total of 26 vessels under our operations.

2 Offshore Storage of Oil and Gas Tankers

1 FSO

3 FCBs

Port Marine Services

We provide a comprehensive suite of port marine services designed to support efficient, safe and reliable operations at major ports across Malaysia. These services leverage the Group's network of tugboats and ocean-going tug vessels, delivering critical marine support to a wide range of terminal and harbour activities.

- Towage services
- Escort assistance
- Mooring and dockside mooring
- Environmental monitoring
- Ship-to-ship transfer support

These services are delivered through a fleet of modern tugboats and auxiliary vessels, underpinning Avangaad's role as a dependable maritime partner for port operations and logistics.

19 tugs

1 mooring boat

Marine Engineering Services

Our marine engineering division delivers integrated shipbuilding and repair solutions that support both internal fleet needs and external maritime clients. Our shipyard capabilities encompass the full lifecycle of vessel engineering — from hull and structural construction to machinery installation, equipment integration, coating and painting, followed by comprehensive testing and commissioning to ensure operational readiness.

More information on Avangaad's portfolio, please refer to page 13 of this Annual Report.

SUSTAINABILITY GOVERNANCE STRUCTURE

Robust governance underpins Avangaad's corporate culture and risk management approach. The Group is committed to operating with integrity and accountability, supported by a structured governance architecture that embeds sustainability into strategic decision-making and operational execution.

Sustainability governance is led by the Board, which assumes ultimate responsibility for sustainability strategy, policies, target-setting, and the oversight of climate-related and emerging ESG risks and opportunities. In line with MCCG expectations, the Board receives quarterly updates and deliberates on material sustainability matters to ensure alignment with long-term value creation.

The Risk and Governance Committee ("RGC") provides oversight and challenge to the implementation of the Group's sustainability direction. The RGC is supported by the Sustainability Steering Committee ("SSC"), which drives cross-functional initiatives, monitors performance against priorities, and institutionalises sustainability practices across the Group. The SSC escalates progress updates, risk considerations, and performance indicators to the RGC at a quarterly basis for review and guidance.

Together, this governance structure reinforces clarity of roles, enhances accountability, and enables Avangaad to anticipate, manage, and respond effectively to sustainability risks and opportunities.

Group Sustainability Governance Structure

SUSTAINABILITY STATEMENT

Roles	Responsibilities
Board of Directors	• Oversee the Group's sustainability agenda, strategies, performance and material matters • Provide strategic oversight into the integration of sustainability-related risks and opportunities, including climate-related considerations, into strategy and risk management • Approve sustainability policies, strategic priorities, material matters and the annual Sustainability Statement as recommended by the SSC
Risk and Governance Committee	• Ensure strategic management of sustainability, climate-related risks and opportunities, as well as material sustainability matters for the Group • Include sustainability and climate-related risks in the Group's risk management framework and implementation • Monitor the implementation of sustainability strategies, policies and initiatives
Sustainability Steering Committee	• Drive and operationalise the Group's sustainability and climate strategies, initiatives and targets • Coordinate cross-functional implementation, performance monitoring and data management across departments • Report sustainability progress, key risks, opportunities and material matters to the RGC on a quarterly basis
Operational Sustainability Team	• Execute sustainability and climate-related initiatives, programmes and data collection across business units and functions • Support measurement, analysis and reporting of sustainability performance indicators, targets and disclosures • Coordinate implementation activities, follow-ups and continuous improvement efforts to ensure timely delivery of sustainability priorities
Heads of Departments	• Collaborate with the Operational Sustainability Team to align reporting inputs with Group policies, frameworks and reporting requirements • Provide relevant operational and functional data to support sustainability metrics, disclosures and regulatory reporting • Validate accuracy, completeness and timeliness of information submitted for sustainability reporting

SUSTAINABILITY FRAMEWORK

Avangaad sustainability agenda is guided by our long-term Vision and Mission, supported by three (3) core sustainability pillars that steer how we create value for stakeholders. Our approach integrates governance discipline, responsible environmental practices and meaningful social impact in line with globally recognised standards and expectations.

- Under ***Steering Our Business***, we reinforce strong corporate governance, anti-corruption measures and data protection while ensuring regulatory compliance, economic performance and resilient supply chain management.
- Through ***Minimising Our Environmental Footprint***, we focus on responsible energy and water usage, climate action, and effective waste and effluent management across our operations.
- In ***Fulfilling Our Social Responsibility***, we prioritise occupational health and safety, service quality, labour practices, human rights, diversity and inclusion as well as engagement with the communities we serve.

OUR VISION

To be the preferred owner and operator of marine vessels with a global vision

OUR MISSION

A local shipping company in Malaysia that focuses and exemplifies attributes of safety, quality, environmental consciousness, and a security culture

GUIDED BY OUR FOUNDATION PILLARS AND SUSTAINABILITY AGENDA

Steering Our Business

- Corporate Governance and Anti-Corruption
- Data Privacy and Cybersecurity
- Regulatory Compliance
- Economic Performance
- Supply Chain Management

8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Minimising Our Environmental Footprint

- Energy Management and Climate Action
- Waste and Effluent Management
- Water Consumption

7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

Fulfilling Our Social Responsibility

- Occupational Health and Safety
- Service Quality and Customer Satisfaction
- Labour Practices and Human Rights
- Diversity and Inclusion
- Community Engagement

3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

OUR STRATEGIC STAKEHOLDERS

Shareholders/ Investors/ Analysts and Media · Employees · Customers · Suppliers and Contractors · Regulators and Authoritative Bodies · Financial Service Providers · Industry Peers · Local Communities

OUR GLOBAL ALIGNMENT TO RELEVANT FRAMEWORKS AND STANDARDS

Reporting Standards and Frameworks:

BURSA MALAYSIA · GRI · IFRS Sustainability

Global Goals:

SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY POLICY

We recognise that our activities have a direct impact on the environment, society and the broader ecosystem in which we operate, and therefore we uphold responsible business practices that safeguard long-term value creation for our stakeholders.

Our Sustainability Policy was implemented in February 2025, and it serves as the foundation of this commitment. It outlines the principles, priorities and operational approaches that guide Avangaad in managing ESG-related risks and opportunities. Through this policy, we aim to reinforce integrity, transparency and accountability across our value chain, while ensuring alignment with evolving sustainability frameworks and regulatory expectations.

The Group's Sustainability Policy is built around three (3) overarching pillars: -

GOVERNANCE

We uphold the highest standards of ethical conduct, compliance and governance. This includes preventing bribery and corruption across the value chain, complying with applicable laws and regulations, safeguarding customer data and privacy, and supporting local economic growth by sourcing from local suppliers. We remain focused on service quality and customer satisfaction, recognising their importance to long-term business continuity.

ENVIRONMENTAL

We are committed to improving operational efficiency and reducing environmental impact. Continuous efforts include managing energy consumption, monitoring our carbon footprint and enhancing waste reduction and recycling practices. We also adhere to responsible waste disposal methods and pollution prevention measures, reflecting our role in protecting marine environments and supporting circular economy efforts.

SOCIAL

People are central to our operations. We are dedicated to ensuring a safe and inclusive workplace, with fair labour practices and respect for human dignity. We invest in employee development to support growth, capability and retention, while actively contributing to the wellbeing of the communities in which we operate.

For more information on our Sustainability Policy, please visit our website here at https://ir2.chartnexus.com/avangaad/docs/corporate-governance/Sustainability%20Policy%20ENG.pdf

APPROACH TO STAKEHOLDER ENGAGEMENT

HOW WE ENGAGE OUR STAKEHOLDERS [GRI 2-29, 3-3]

Avangaad recognises that stakeholders influence, and are influenced by, our operations. Through structured engagement, the Group gathers insights on material sustainability matters, assesses stakeholder priorities and manages expectations in a transparent and responsible manner. This enables informed decision-making, strengthens relationships and supports the Group's long-term license to operate.

Frequency of Engagement: *Annually* *Quarterly* *As and When Required* *Ongoing*

Stakeholder Group	Why They Matter	Areas of Concern	How We Engage	Avangaad's Response
Shareholders/ Investors/ Analysts and Media	Providers of capital and confidence, influencing valuation, strategic direction and long-term value creation	• Avangaad's company financials and performance • Corporate governance • Regulatory compliance	• Annual General Meeting ("AGMs") • Annual Report • Corporate website • Investor briefings • Written correspondence and email • Media release • Social media	• Transparent disclosures of our financial performance • Timely, accurate information on Avangaad's strategy, and sustainability-related initiatives
Regulators and Authoritative Bodies	Set the legal, regulatory and conduct standards that govern our operations and business practices	• Corporate governance • Regulatory compliance • Transparency and integrity of disclosures	• Annual Report • Corporate website • Written correspondence and email • On-site meetings/ inspections • Regulatory-related reporting and updates	• Adherence with laws and regulatory requirements • Proactive participation in regulatory consultations and updates
Employees	Our most valuable asset and core drivers of operational performance, safety and business continuity	• Safety and health • Career progression • Benefits and welfare • Avangaad's business performance	• Board meetings • Internal employee engagement initiatives • Internal and external training programmes • Performance appraisals • Internal memos • Townhall session	• Regular communication on company strategy, performance and sustainability initiatives • Promote teamwork, inclusiveness and respect to strengthen collaboration and a positive workplace environment • Compliance with labour standards and security
Customers	Strategic partners whose needs, standards and expectations shape Avangaad's operational performance and differentiation	• Service quality • Brand presence • Corporate governance • Data privacy and security	• Annual Report • Corporate website • Customer satisfaction survey • Meetings • Social media	• Ensure timely and reliable service to maintain operational continuity and satisfaction • Maintain transparent communication on project progress, updates and service offerings • Incorporate customer feedback to improve processes, solutions and overall experience
Suppliers and Contractors	Integral contributors to operational delivery, cost efficiency and service quality	• Quotation negotiations • Regulatory compliance • Performance evaluation • After-sales service	• On-site meetings • Written correspondence and email • Performance evaluation survey	• Ensure fair, transparent, and timely procurement practices • Collaborate on quality, safety, and operational standards to maintain service excellence
Financial Service Providers	Enablers of funding, liquidity and risk management that support business operations and growth	• Financial resilience and creditworthiness • ESG-related risks	• Annual Report • Corporate website • Written correspondence and email	• Provide timely and transparent financial information to support lending and investment decisions • Manage financial risks responsibly to safeguard business continuity
Industry Peers	Benchmarks for performance, innovation and best practices within our sector	• Technical, operational and commercial matters • Operational safety • Market intelligence	• MOSVA and MASA meeting • Trade shows and exhibition • Workshops	• Engage in knowledge sharing and benchmarking to adopt best practices • Participate in forums, associations, and industry events to strengthen networks
Local Communities	Foundation of our social license to operate and long-term community support	• Community wellbeing and safety • Employment opportunities and local hiring	• Community engagement sessions • Corporate website • Corporate social responsibility programmes • Social media	• Support community wellbeing and safety through responsible operations and initiatives • Contribute to social and community development projects to enhance local quality of life

SUSTAINABILITY STATEMENT

UNDERSTANDING OUR MATERIAL IMPACTS [GRI 3-1, 3-2, 3-3]

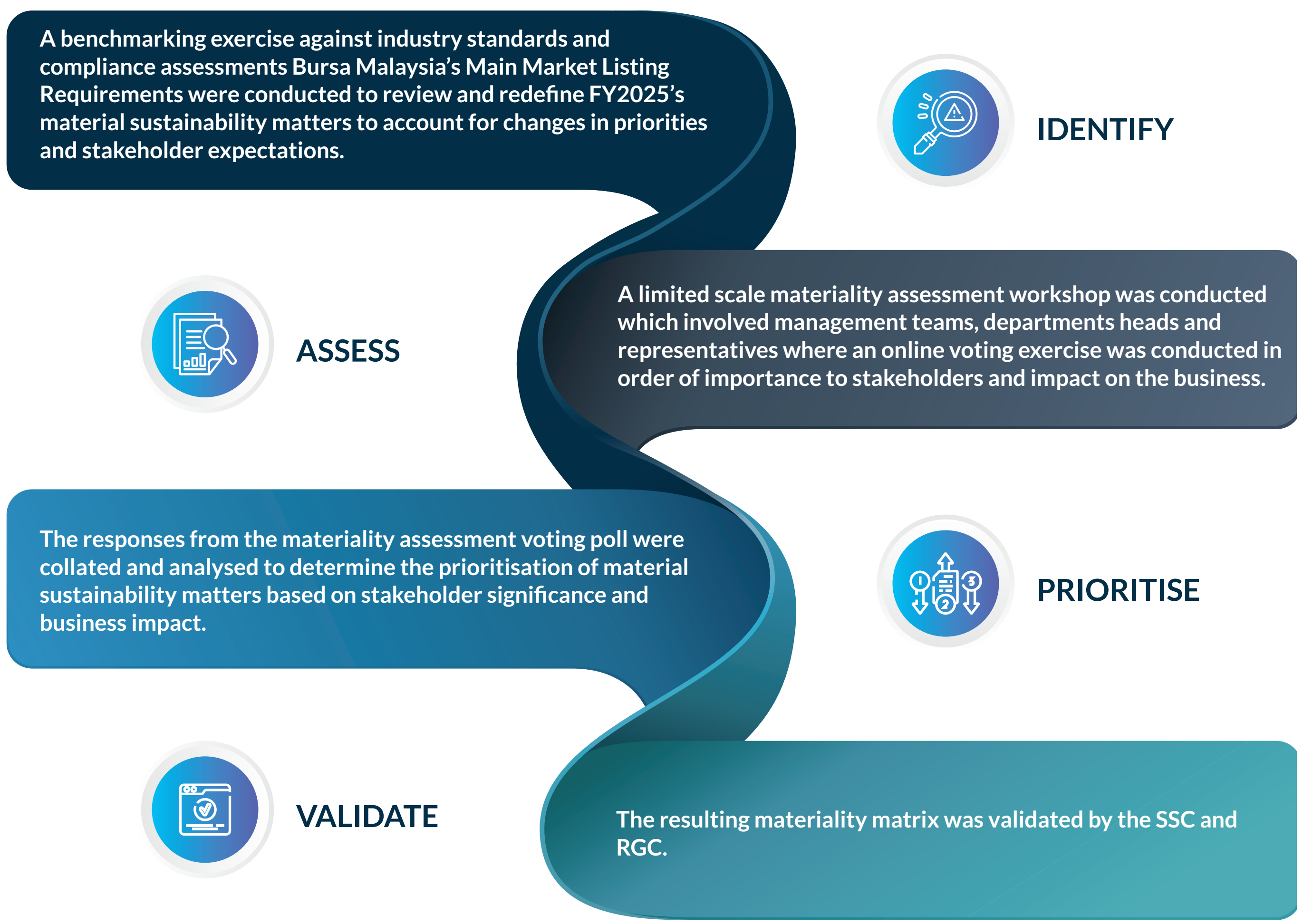
OUR MATERIALITY ASSESSMENT PROCESS

Avangaad's materiality assessment process is designed to systematically identify, prioritise, and manage sustainability matters that are most relevant to the business and our stakeholders. The process involves evaluating potential impacts on the Group's strategy, operations, and long-term value creation, as well as assessing their significance to key stakeholder groups.

In FY2025, we have conducted an internal limited scale materiality review session, taking into consideration applicable Bursa Malaysia Sustainability Reporting requirements, regulatory expectations, and industry practices. The assessment involved Avangaad's management team and departmental heads, who reviewed sustainability matters in terms of business relevance, associated risks, and long-term value creation, as well as their importance to stakeholders.

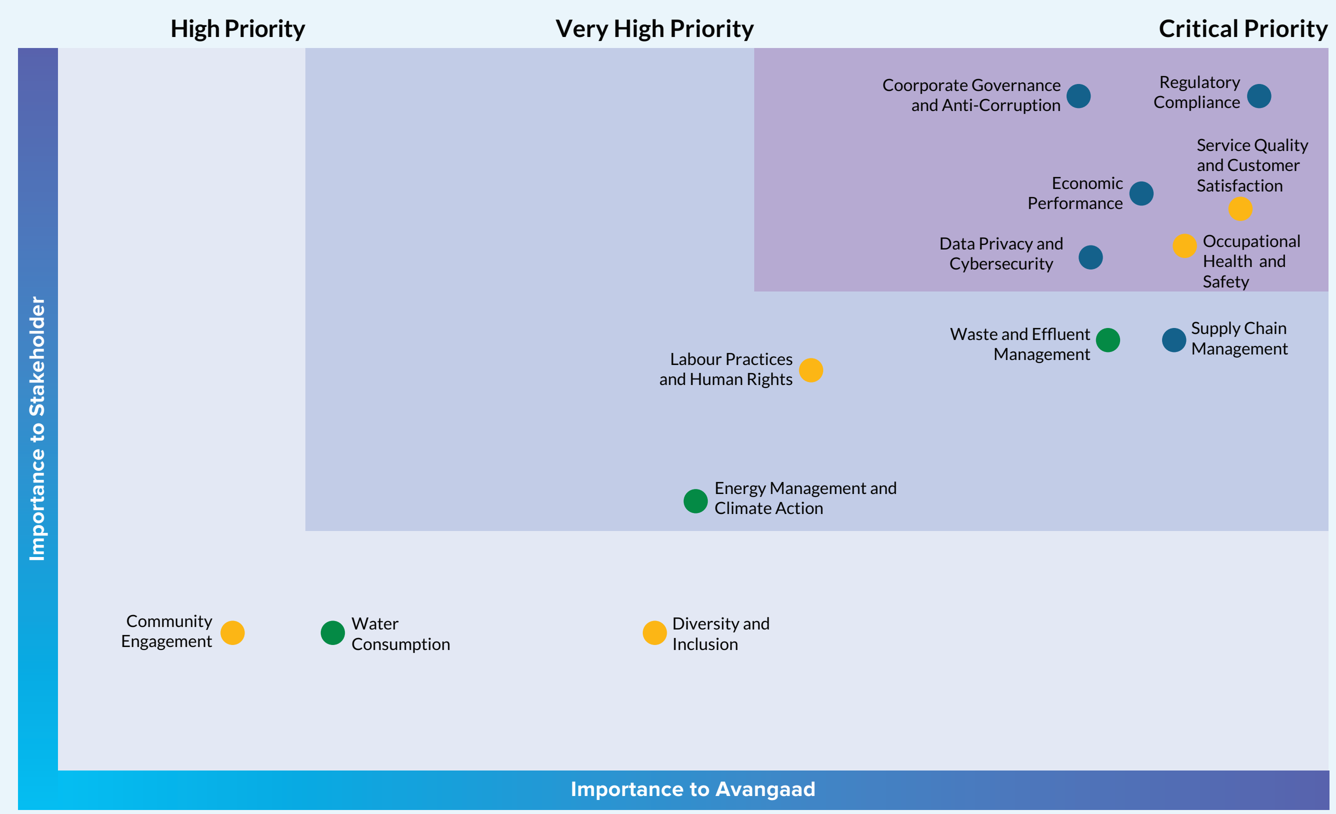
The results of this review were presented to the RGC for consideration and approval, serving as the foundation for Group-wide initiatives, strategies, and action plans.

Our materiality assessment follows a four (4)-step approach:-



MATERIAL MATTERS FOR FY2025

Avangaad's FY2025 materiality assessment reaffirms the continued relevance of our core sustainability priorities. The prioritisation of material matters reflects evolving operating conditions, regulatory developments, and stakeholder interests. While the top five (5) critical material matters disclosed in FY2024 remain critical priorities in FY2025, notable shifts were observed in several matters. *Diversity and Inclusion* and *Community Engagement* moved from Very High Priority to High Priority as their influence remains meaningful but less pronounced relative to other emerging stakeholder priorities. The updated materiality landscape ensures our strategic focus remains relevant, risk-aligned, and responsive to market dynamics.



Economic and Governance

- Regulatory Compliance
- Coorporate Governance and Anti-Corruption
- Economic Performance
- Data Privacy and Cybersecurity
- Supply Chain Management

Environment

- Waste and Effluent Management
- Energy Management and Climate Action
- Water Consumption

Social

- Service Quality and Customer Satisfaction
- Occupational Health and Safety
- Labour Practices and Human Rights
- Diversity and Inclusion
- Community Engagement

SUSTAINABILITY STATEMENT

MAPPING OUR MATERIAL MATTERS TO RISKS AND OPPORTUNITIES

We categorise our material matters across the three (3) sustainability pillars and align them to relevant UN SDGs and stakeholder groups. This approach strengthens our understanding of interdependence and informs prioritised interventions that contribute to long-term value creation.

Legend:-

Shareholders/ Investors/ Analysts and Media | Employees | Customers | Suppliers and Contractors | Regulators and Authoritative Bodies | Financial Service Providers | Industry Peers | Local Communities

Material Matters	Our Approach	Risks	Opportunities	Impacted Stakeholder Groups	Linkage UN SDGs
Steering Our Business					
Corporate Governance and Anti-Corruption	Guided by a robust governance structure, we implement polices, codes and procedures that ensure an ethical business process within the Group and for those we engage with.	• Failure to comply with laws and regulations (e.g., Malaysian Anti-Corruption Act, Bursa Malaysia Listing Requirements) could result in penalties, sanctions, or suspension of business activities • Bribery, fraud or procurement misconduct can lead to financial losses, contract cancellations and litigation exposure	• Proactive governance and ethical business practices differentiate Avangaad in the market, supporting long-term credibility and sustainable growth • By continuously improving governance and anti-corruption practices, Avangaad stays ahead of evolving regulatory requirements and industry best practices, enhancing future readiness		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Data Privacy and Cybersecurity	Utilising data privacy policies, procedures and industry best practices, we safeguard our customers' data privacy from cybersecurity breaches.	• Unauthorised access to confidential employee, client, or supplier data could lead to reputational damage, regulatory penalties, or financial loss • Failure to adhere to data protection regulations may result in fines, litigation, or reputational harm	• Robust cybersecurity measures and data privacy protocols enhance trust with customers, partners, regulators, and investors		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Regulatory Compliance	We implement a proactive and adaptive compliance strategy that is crucial to ensuring our Group's adherence to legal requirements.	• Non-compliance with laws and regulations could result in fines, sanctions, or reputational damage • Evolving regulatory requirements may pose challenges in maintaining consistent compliance across operations	• Regulatory adherence drives systematic review of internal policies and processes, supporting better risk management and efficiency • Proactive compliance monitoring reduces the risk of penalties, legal disputes, and operational disruptions		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Economic Performance	We implement strategic planning and group risk management to ensure robust economic performance and generate long-term value.	• Cost inflation and operational expenses impacting margins and profitability • Regulatory and fiscal changes affecting financial planning or project economics	• Enhanced market competitiveness by delivering reliable, value-added services that support customer retention and long-term contracts • Reinvestment into strategic assets including digitalisation, fleet efficiency, and operational capabilities		8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Supply Chain Management	We procure from local suppliers and maintain a local supply base to support the local economy.	• Supplier service quality variability impacting safety, compliance, performance and customer expectations • Disruptions or delays in sourcing specialised components or services affecting operations and fleet readiness	• Strengthening operational efficiency through reliable supplier partnerships and strategic sourcing practices • Local supplier participation supports national industry development and reduces dependence on foreign procurement		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Minimising Our Environmental Footprint					
Waste and Effluent Management	The Group minimises environmental impacts by managing waste disposal and minimising general waste generation. We implement our own wastewater treatment to prevent adverse impacts to surface water and the environment.	• Marine pollution and environmental harm from improper disposal, leakages or uncontrolled discharge • Occupational health and safety risks from hazardous waste exposure or improper containment	• Strengthening environmental stewardship through improved controls and practices that prevent marine pollution • Supporting regulatory compliance aligned with maritime environmental frameworks and port authority requirements		12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

SUSTAINABILITY STATEMENT

MAPPING OUR MATERIAL MATTERS TO RISKS AND OPPORTUNITIES (CONT'D)

Legend:-

Shareholders/ Investors/ Analysts and Media | Employees | Customers | Suppliers and Contractors | Regulators and Authoritative Bodies | Financial Service Providers | Industry Peers | Local Communities

Material Matters	Our Approach	Risks	Opportunities	Impacted Stakeholder Groups	Linkage UN SDGs
Minimising Our Environmental Footprint (cont'd)					
Energy Management and Climate Action	We mitigate our impact on the environment and tackle climate change by managing our energy consumption to minimise greenhouse gas emissions.	• Physical climate risks such as extreme weather events affecting port operations and marine logistics timelines • Regulatory compliance risks due to tightening maritime and climate-related regulations (e.g., IMO guidelines, carbon reporting, carbon pricing)	• Strengthened market positioning as customers, financiers and global value chain partners increase decarbonisation expectations • Innovation potential in cleaner fuels, hybrid technology, electrification and energy-efficient retrofits		7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Water Consumption	The Group aims to manage our water consumption efficiently across our operations using adopted measures.	• Operational cost implications due to rising water tariffs or inefficient usage	• Operational efficiency and cost reduction through improved water usage planning, monitoring and maintenance of vessel and facility systems		12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Fulfilling Our Social Responsibility					
Occupational Health and Safety	We ensure the health and safety of our employees by maintaining a safe and conducive working environment.	• Operational disruptions and downtime due to accidents or safety non-compliance • Regulatory penalties or legal liabilities under occupational safety legislation and marine regulations	• Higher operational reliability and productivity from safe working environments and lower incident-related downtime • Integration of technology and digital tools for monitoring, reporting and hazard management		3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Service Quality and Customer Satisfaction	We ensure the safety and quality of our products via compliance with international quality standards and fair product pricing.	• Service delays and reliability issues impacting customer operations and satisfaction • Evolving customer requirements including stricter ESG-related procurement criteria	• Strengthened customer retention and contract renewals through sustained delivery performance and responsiveness • Customer co-creation and knowledge sharing enabling technical improvement and innovation in services		8 DECENT WORK AND ECONOMIC GROWTH
Labour Practices and Human Rights	The Group respects the rights of employees and the community, implementing measures and procedures to safeguard their rights.	• Human capital disruption from poor welfare, low morale, turnover or workforce disputes • Non-compliance exposure linked to employment law, labour protections and regulatory enforcement	• Strengthened employer brand and talent attraction through responsible workplace practices and fair treatment • Higher employee engagement and retention driven by trust, equality and welfare support		3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Diversity and Inclusion	We advocate equal opportunity and inclusivity in our workforce, regardless of gender and social background.	• Workplace friction from lack of awareness on inclusive behaviours or communication • Talent attrition if employees perceive bias, inequity or unequal development opportunities	• Stronger talent pipeline through widened access to skills, perspectives and demographic groups • Better succession planning via balance representation across departments and levels		8 DECENT WORK AND ECONOMIC GROWTH
Community Engagement	The Group allocates resources to contribute to a range of community initiatives to alleviate the challenges faced by vulnerable groups and communities surrounding our operations.	• Growing expectations from communities, partners and regulatory may create pressure to expand programmes beyond the Group's operational capacity	• Stronger stakeholder relationships with communities, institutions and local partners • Positive corporate visibility aligned with public interest and social priorities		8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

STEERING OUR BUSINESS

Key Highlights

Zero (0)
confirmed case of incidents relating to anti-corruption

Zero (0)
non-compliances with applicable maritime, environmental, safety and corporate regulatory requirements

Zero (0)
substantiated complaints concerning breaches of customer privacy and losses of customer data reported

RM28.50 million
economic value retained

91.00%
procurement spent on local suppliers

Relevant Key Stakeholders Impacted

Relevant UN SDGs

SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE AND ANTI-CORRUPTION [GRI 2-23, 2-24, 2-26, 3-3, 205-1, 205-2, 205-3, Bursa C1(a), C1(b), C1(c)]

Why it Matters

Effective corporate governance and anti-corruption practices form the backbone of Avangaad's long-term business sustainability. By maintaining high standards of accountability, transparency, and integrity, the Group safeguards stakeholder trust, ensures regulatory compliance, and mitigates operational and reputational risks.

Approach and Performance

Avangaad's Codes, Policies and Procedures

The Group's governance and anti-corruption approach is grounded in clearly defined policies, codes and procedural measures that collectively safeguard ethical business practices. These instruments serve as the foundation for compliance, transparency and responsible conduct across the organisation. Among the key components of our framework are:-

Anti-Bribery and Corruption Policy
Sets out prohibitions and controls to prevent bribery, corruption and improper inducements across the Group's operations.

Board Charter
Sets out the Board's roles, responsibilities, authority and governance structure to ensure effective oversight.

Code of Ethics
Defines expected standards of ethical conduct, integrity and professionalism for all employees and representatives.

Conflict of Interest Policy
Outlines measures to manage personal or financial interests that may influence objective decision-making.

Fit and Proper Policy
Establishes criteria to ensure Board members and key management possess the integrity, competence and experience for their roles.

Human Rights and Labour Standards Policy
Safeguards fundamental labour rights, fair treatment, and safe working conditions throughout the workforce and value chain.

Remuneration Policy
Guides fair, performance-aligned and market-competitive compensation for Board and senior management.

Sustainability Policy
Articulates the Group's commitment to responsible business practices across environmental, social and governance dimensions.

Whistle-Blowing Policy
Provides secure and confidential channels for reporting misconduct, ensuring issues are addressed without retaliation.

More information on our Group's policies can be found on our website at https://avangaad.com/ir/corporate-governance

Anti-Bribery Management System ("ABMS")

Upholding ethical business conduct is fundamental to Avangaad's long-term resilience and the trust we build with customers, regulators, financial stakeholders and the broader market. The Group maintains zero tolerance for bribery and corruption and conducts business in accordance with applicable anti-corruption laws and regulations, including the Malaysian Corruption Commission Act 2009 and its subsequent amendment in the MACC (Amendment) Act 2018.

The Anti-Bribery and Corruption ("AB&C") governance structure is anchored at the Board level, with oversight delegated to the RGC, Senior Management, ABMS Compliance Manager and ABMS Compliance Officer. Policy changes and improvements to the ABMS have been approved by the CEO. ABMS manuals and guidance are made available in dual languages and distributed across onshore operations and vessel-based crews, ensuring accessibility and comprehension for effective implementation.

Our ABMS integrates policy requirements, risk-based controls and ongoing monitoring across our operations and value chain. Key components include bribery risk assessment, due diligence on selected business partners, procurement controls, segregation of duties, declarations of conflict of interest, and multiple reporting channels for concerns. We also undertake continuous communication and awareness-building to strengthen our organisational culture of integrity.

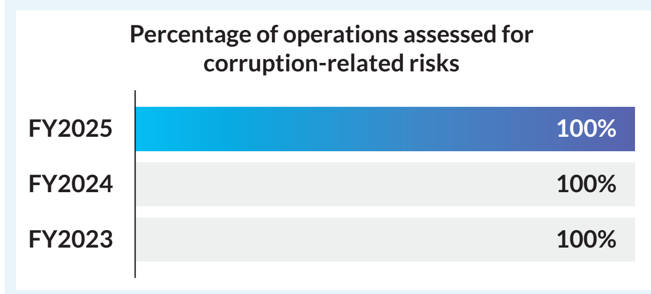
To enhance structure and alignment with global best practices, elements of our framework incorporate ISO 37001 ABMS concepts, supporting a more systematic approach to governance, implementation, and performance oversight. The Board and Management maintain oversight of compliance matters, while employees, contractors, sub-contractors, consultants, agents, and representatives are expected to always adhere to the Group's AB&C Policy, Gift Policy and Group's Code of Ethics.

100% of our operations have been assessed for corruption-related risks

More information on our AB&C Policy can be found on our website at https://ir2.chartnexus.com/avangaad/docs/corporate-governance/Anti-Bribery%20&%20Corruption%20Policy%20ENG.pdf

To implement a systematic and risk-based compliance approach, the Group maintains procedures and controls across key risk areas, including but not limited to bribery risk assessment, pre-employment due diligence, third-party due diligence, tendering and procurement, gift and hospitality management.

In FY2025, 100% of our operations have been assessed for corruption risks in line with the ISO 37001 ABMS requirements.



The Group continuously enhances the suitability, adequacy, and effectiveness of its compliance and ethics programmes through periodic reviews conducted by the Internal Audit function, including internal and external audits under the ISO ABMS. Compliance and ethics-related matters are monitored on an ongoing basis, with findings reported to Management and the Board to ensure transparency, accountability and continuous improvement.

Whistle-Blowing and Grievance Mechanism

The Group's whistle-blowing framework provides accessible reporting channels to both employees and external stakeholders, supported by a strict non-retaliation policy to protect whistle-blowers from any form of reprisals or adverse actions. Reports may be submitted via a designated email channel and are received by the designated Receiving Officers comprising the CEO and COO. All reported matters are handled in accordance with a structured investigation protocol to ensure objectivity, confidentiality and procedural integrity. Where appropriate, matters may be escalated to the Board or the RGC to maintain independence governance review.

Whistle-Blowing Email: topmanagement@avangaad.com

During the year, the Group received two (2) grievance reports via its formal reporting channels. Both cases were duly reviewed and investigated in line with established procedures, with appropriate corrective and preventative measures implemented where necessary. These matters were subsequently closed following thorough investigations. In parallel, the Group recorded zero (0) instances of bribery or corruption throughout the year, reflecting ongoing efforts to uphold ethical conduct and reinforce a culture of integrity.

	FY2023	FY2024	FY2025
Number of confirmed incidents of corruption	0	0	0

Anti-Corruption Communication and Training

As part of continuous efforts to reinforce ethical conduct and regulatory compliance, ABMS training was conducted in May 2025, followed by a refresher session conducted in December 2025. These sessions were designed to strengthen understanding of bribery-related risks, internal control measures, reporting obligations and the standards of integrity expected in the course of the Group's business operations.

For this reporting period, 92.20% of our employees have attended anti-corruption training, reflecting strong organisational commitment towards embedding a culture of transparency and accountability, The training forms part of our broader governance framework and supports ongoing compliance performance across all operational levels.

The following table refers to the breakdown by employee categories for those who have undergone anti-corruption training for FY2025. Through regular communication and refresher initiatives, the Group continues to enhance awareness, reinforce ethical decision-making, and ensure that anti-corruption principles remain firmly integrated into day-to-day business practices.

Employee Category	FY2023	FY2024	FY2025
Senior Management	100%	0%	67%
Management	22%	11%	90%
Executive	100%	28%	94%
Non-Executive	1%	9%	88%

92.20% of our employees have attended anti-corruption training in FY2025

REGULATORY COMPLIANCE [GRI 2-27, 3-3]

Why it Matters

Regulatory compliance is fundamental to Avangaad's licence to operate, business continuity and long-term competitiveness. As a Group operating in a highly regulated environment, compliance ensures that our operations meet stringent safety, environmental, labour and anti-corruption requirements imposed by domestic and international authorities. Effective compliance safeguards our reputation, reduces operational and legal risks, and upholds trust among customers, regulators, financiers and other key stakeholders.

Approach and Performance

Avangaad adopts a structured, proactive and risk-based approach to regulatory compliance. Our framework integrates international maritime requirements, domestic regulatory obligations and internal policies into operational procedures, training, audits and oversight mechanisms.

Key regulatory touchpoints which Avangaad adheres to include : -

- International Safety Management Code (ISM Code)
- International Ship and Port Facility Security Code (ISPS Code)
- International Convention on Load Lines 1966
- International Convention for Safety of Life at Sea 1974 (SOLAS)
- International Convention for The Prevention of Pollution from Ships 1973/1978 (MARPOL)
- International Convention on Standards of Training, Certification and Watchkeeping for Seafarers 1978 (STCW)

Our compliance approach spans continuous regulatory monitoring, risk assessments, mandatory certifications, robust internal controls, and periodic internal and external audits. The Group ensures adherence to applicable Malaysian regulatory requirements and relevant maritime industry standards, maintaining close engagement with regulators, port authorities and industry bodies to ensure consistent interpretation and timely compliance with evolving obligations.

Internal policies, standard operating procedures and training programmes reinforce compliance expectations across employees, contractors and vessel-based personnel. Outcomes from audits and compliance reviews are systematically evaluated, with corrective and preventative actions implemented where necessary to strengthen governance integrity, operational readiness, and alignment with statutory and industry requirements.

In FY2025, we maintained our record of zero (0) non-compliances with applicable maritime, environmental, safety and corporate regulatory requirements.

Zero (0) non-compliances with applicable maritime, environmental, safety and corporate regulatory requirements

ECONOMIC PERFORMANCE [GRI 3-3, 201-1]

Why it Matters

Economic performance underpins the Group's long-term resilience and ability to create sustainable value for stakeholders. Strong financial outcomes enable reinvestment into assets, innovation, workforce development, and operational safety; support suppliers and contractors; contribute to national economic activity; and enhance our ability to deliver reliable services to customers. For regulators, investors, and financiers, economic stability signals sound governance and risk management, particularly in sectors that operate in complex and capital-intensive environments.

Approach and Performance

Our economic priorities are guided by responsible financial management, prudent capital allocation, and disciplined cost control across the Group. We focus on sustaining stable revenue streams, strengthening operational efficiency, securing strategic contract opportunities, and maintaining transparent disclosure to the investment community. The Group actively manages financial risks through rigorous budgeting, forecasting, and cashflow management practices while ensuring compliance with regulatory and listing requirements.

Avangaad's Strategic Direction

Strengthening Revenue Resilience and Portfolio Diversification

- Improve vessel utilisation to optimise returns on capital investment
- Deliver consistent service quality to secure repeat contracts and strengthen brand positioning
- Enhance Daily Charter Rate (DCR) terms and conditions for existing contracts
- Diversify and balance contract portfolio across vessel types (tankers, FSOs, OSVs, tugboats)
- Expand customer base across oil and gas and non-oil and gas segments to mitigate concentration risk

Driving Operational Efficiency and Cost Discipline

- Implement strict scheduled and preventative maintenance programmes to reduce breakdown risks and unplanned costs
- Minimise outsourcing and third-party vessel charter exposure
- Strengthen in-house technical and operational capabilities

Enhancing Financial Stability and Capital Management

- Fleet renewal initiatives to minimise cost-inefficient vessels in a timely manner to optimise fleet profile
- Retain existing customers while expanding new business opportunities to support stable cash flow

SUSTAINABILITY STATEMENT

Our economic contribution extends beyond financial returns, including payments to employees, suppliers, financiers, and government through wages, procurement spending, interest payments, and taxation. We also prioritise the engagement of local suppliers and service providers to support local economic development.

The Group reports on direct economic value generated and distributed, reflecting our contribution to employees, suppliers, government, capital providers and the broader economy, as seen in the table below.

Indicators	FY2023*	FY2024*	FY2025
Economic value generated (RM million)	144.67	323.45	**132.13**
Economic value distributed (RM million)	115.08	112.81	**103.63**
Operating costs	76.72	75.56	**67.03**
Employee wages and benefits	29.71	31.21	**32.00**
Payments made to providers of capital	8.34	5.53	**4.08**
Payments to government (taxes)	0.29	0.52	**0.41**
Community investments	0.01	0.01	**0.11**
Economic value retained (RM million)	29.59	210.64	**28.50**

**FY2023 and FY2024 data have been restated due to streamlined classification of data for disclosures.*

For more information about our economic performance, please refer to our audited financial statements on pages 162 to 214 of this Annual Report.

DATA PRIVACY AND CYBERSECURITY [GRI 3-3, 418-1, Bursa C8(a)]

Why it Matters

As digitalisation becomes increasingly embedded in operational and business processes, safeguarding data privacy and cybersecurity has become a critical priority for Avangaad. The Group recognises the importance of protecting confidential information, customer data, employee records and operational systems from unauthorised access, misuse and cyber threats. Effective data protection not only preserves business continuity and operational reliability, but also reinforces stakeholder trust, regulatory compliance and reputational integrity.

Approach and Performance

At Avangaad, protecting our digital infrastructure and sensitive information is a key component of our Safety Management System, ensuring compliance with international standards and best practices while fostering a culture of awareness and vigilance across the organisation.

Cybersecurity Governance and Standards

Our cybersecurity initiatives align with leading frameworks, including: -

International Maritime Organisation ("IMO") Guidelines on Maritime Cyber Risk Management

ISM Code Requirements on Risk Management

Avangaad's Cybersecurity Risk Management Policy and Standard Operating Manuals

These guidelines underpin our structured approach to identifying, mitigating and monitoring cyber risks across both shipboard and shore-based operations.

Employee and Ship Crew Awareness and Training

The Group recognises that our people are the first line of defence against cyber threats. To strengthen awareness and preparedness, we have implemented the Annual Cybersecurity Awareness Training, a mandatory programme for all employees, including our new joiners. In this reporting year, 83% of our employees have undergone this awareness training. As for our operating vessels, ten (10) out of 24 operating vessels participated in the Vessel Annual Cybersecurity Awareness Training, representing a coverage rate of approximately 41.70%. Recognising the importance of fleet-wide cyber resilience, Avangaad is committed to progressively expanding the programme. In FY2026, we aim to increase vessel participation to achieve broader fleet coverage, strengthening our overall cybersecurity posture and operational readiness across shipboard operations.

Beyond training sessions, our cybersecurity efforts are complemented by cybersecurity drills and incident response simulations, ensuring our teams remain vigilant and equipped to act promptly in the event of a cybersecurity incident. Through these initiatives, Avangaad demonstrates its commitment to responsible governance, risk management, and resilience against evolving cyber threats—supporting our broader ESG objectives and reinforcing trust with stakeholders.

Cybersecurity Incidents

To this end, no substantiated complaints relating to breaches of customer privacy or data loss were recorded during the reporting period. We continue to invest in strengthening data governance, cybersecurity controls and user awareness to safeguard information integrity and stakeholder trust to achieve our target of zero (0) cases of cybersecurity incidents and data breaches.

Zero (0) complaints related to breaches of customer privacy or data losses

More information about our Cybersecurity Risk Management Policy can be found here at https://ir2.chartnexus.com/avangaad/docs/corporate-governance/Cyber%20Security%20Risk%20Management%20Policy%20ENG.pdf

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT [GRI 3-3, 204-1, Bursa C7(a)]

Why it Matters

A responsible supply chain safeguards operational continuity, mitigates compliance and reputational risks, and reinforces stakeholder trust. By embedding ethical, safety, and compliance standards into our procurement processes, we mitigate regulatory, financial, and reputational risks across our value chain.

Approach and Performance

Procurement and Supplier Evaluation Controls

All new suppliers, contractors and vendors undergo a formal pre-qualification assessment prior to inclusion in the Approved Supplier List. The evaluation process is overseen by the Purchasing function and subject to review by the HOD, with final approval by the COO and CFO to ensure independent management oversight.

Selection criteria extend beyond commercial considerations and incorporate Health, Safety, Security and Environment ("HSSE") compliance, quality performance, delivery capability, pricing integrity, credit terms, service standards and the supplier's commitment to Corporate Social Responsibility ("CSR") principles. This multi-dimensional assessment enables the Group to mitigate operational, financial and reputational risks within the supply chain.

Optimising Procurement through Digital Transformation

The Group has strengthened its supply chain management framework through the implementation of an e-procurement system that enhances transparency, accountability and operational efficiency. By digitalising purchase requisitions, approvals and vendor management processes, we improve traceability across the procurement lifecycle while reinforcing internal controls and segregation of duties. The system supports structured vendor onboarding, performance monitoring and due diligence screening to ensure alignment with regulatory requirements and internal policies.

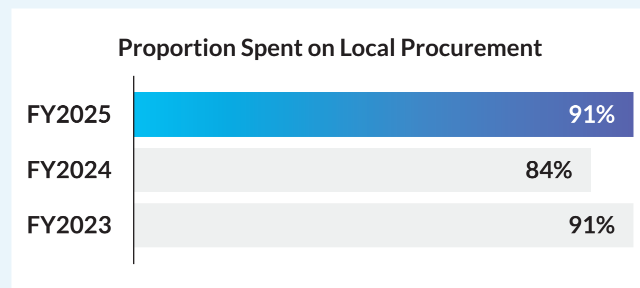
In addition to improving cost visibility and data analytics for better decision-making, the shift to paperless processes reduces administrative inefficiencies and environmental impact. Through this digital transformation, we are building a more transparent, resilient and responsible supply chain ecosystem that supports both governance excellence and long-term sustainability objectives.

Our e-vendor registration is available on our website at https://avangaad.com/e-vendor

Strengthening Local Supplier Ecosystem

Avangaad continues to prioritise local suppliers and small and medium-sized enterprises (SMEs) across our supply chain. By sourcing materials, components and services locally, we strengthen domestic industry capabilities, support employment and reduce logistical risks. This approach enhances our operational efficiency while contributing to local economic resilience.

In FY2025, **91%** of our procurement budget was spent on local suppliers for Avangaad



**Note: Supplier spend data only covers operational expenditure.*

MINIMISING OUR ENVIRONMENTAL FOOTPRINT

Key Highlights

35.90% reduction in electricity consumption

19% of waste recycled

100% compliance with the Carbon Intensity Indicator ("CII") Rating

Relevant Key Stakeholders Impacted

Relevant UN SDGs

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

ENERGY MANAGEMENT AND CLIMATE ACTION [GRI 3-3, 302-1, 302-3, 305-1, 305-2, 305-3, 305-7, Bursa C4(a), C11(a), C11(b), C11(c)]

Why it Matters

Energy use and climate impact are core considerations for Avangaad, given our role in marine transportation and offshore oil and gas. Effective energy management not only lowers greenhouse gas emissions and environmental footprint but also strengthens operational reliability and financial efficiency. Through the adoption of efficient energy management practices, we reduce our environmental impact, enhance operational resilience, and optimise costs—while remaining compliant with evolving regulations and responsive to shifting market dynamics.

Approach and Performance

Climate-Related Governance and Oversight

The Board maintains ultimate oversight of the Group's climate-related risks and opportunities as part of its fiduciary responsibilities and enterprise risk governance framework. Climate-related matters are integrated into the Group's sustainability and risk management agenda and are reviewed periodically to ensure alignment with long-term business resilience and regulatory developments.

Board Oversight

The Board:-

- Reviews and evaluates climate-related risks and opportunities at least annually as part of the Group's Enterprise Risk Management ("ERM") process
- Oversees the integration of climate-related considerations into corporate strategy, capital allocation, and long-term planning
- Monitors progress against sustainability objectives and climate-related initiatives
- Reviews material regulatory developments and emerging climate-related risks that may impact operations, assets, or financial performance
- Receives updates from the Sustainability Steering Committee on performance metrics, mitigation measures, and improvement initiatives

Climate-related matters may be deliberated at Board level or delegated to relevant Board Committees, where appropriate, for detailed review and recommendation.

Sustainability Steering Committee Responsibilities

The SSC is responsible for the identification, assessment, monitoring, and mitigation of climate-related risks and opportunities across the Group's operations.

Responsibilities include:-

- Integrating climate-related risks into the Group's ERM framework and operational risk registers
- Implementing climate-related strategies and sustainability initiatives approved by the Board
- Monitoring key environmental performance indicators and reporting deviations or emerging risks to the Board
- Ensuring compliance with applicable environmental regulations and disclosure requirements
- Embedding climate -related considerations into operational planning and investment evaluation processes where relevant

Operational teams are responsible for executing mitigation measures, maintaining compliance controls, and reporting performance data to the SSC for consolidation and oversight.

SUSTAINABILITY STATEMENT

CLIMATE-RELATED RISK MANAGEMENT

Climate-related risks are systematically identified, assessed and managed as part of the Group's overall ERM framework.

The following chart reflects the Group's risk management process:-

Identification of Climate-Related Risks

- Risks, including climate-related risks, are identified through risk identification, risk assessment, risk management approach and continuous monitoring and inclusion at each division. Identified significant risks are escalated to the RGC and the Board.
- The Board and other committees convene at least once a year to discuss and update strategic business matters which include climate-related matters.

Management of Climate-Related Risks

- The RGC and SSC are responsible for ensuring sustainability and climate risks are managed by monitoring anticipated or reported impacts, including sustainability-related or climate change impacts on the Group's operations.
- Both the SSC and RGC are responsible for proposing mitigation actions for the identified sustainability and climate risks and overseeing their implementation.

Integration of Climate-Related Risk

- Climate-related risks are embedded within the Group's ERM framework and are assessed, prioritised and managed alongside other principal business risks, ensuring integrated oversight and decision-making across all levels of the Group.

Climate-Related Risks and Opportunities

Type of Risks		Risk Impacts	Risk Opportunities
Physical Risks	Acute	Occurrence of short-term extreme climate-related events, i.e. hurricanes, typhoons, etc.	• Enhanced weather monitoring and voyage planning systems to reduce downtime and fuel inefficiencies
		Short-term extreme climate-related events may cause workforce disruption and damage to vessels and other assets	
	Chronic	Occurrence of long-term effects such as extreme variability in weather patterns, i.e. prolonged high temperatures, intense rain, etc.	• Fleet renewal and retrofitting to enhance long-term asset durability and efficiency • Long-term cost optimisation through improved lifecycle asset management
		Regulatory tightening relating to emissions, ballast water management, effluent discharge,	
Transition Risks	Policy and Legal Risk	Regulatory tightening relating to emissions, ballast water management, effluent discharge, refrigerants, and waste management may require operational adjustments or additional capital expenditure	• Early regulatory alignment strengthening charter eligibility and financing access • Strengthening governance and ESG performance ratings
		Environmental liability exposure, including penalties, fines, or sanctions arising from accidental discharge, spills, or reporting non-compliance	
		Future implementation of carbon tax or other carbon pricing mechanism	• Strengthens positioning with ESG-focused customers and financiers through proactive carbon management
	Technology Risk	Asset obsolescence risk if vessels or equipment do not meet evolving environmental standards (e.g., emissions limits, ballast water requirements)	• Fleet modernisation improving fuel efficiency and lowering operating costs
		Stranded asset risk should market or regulatory shifts accelerate the transition to lower-carbon energy sources	• Adoption of lower-emission technologies enhancing asset value
	Market Risk	Customer ESG requirements, including stricter sustainability screening by charters and financiers	• Expansion into lower-carbon or transition-supporting services
		Revenue volatility due to fluctuating charter rates and contract availability	• Revenue diversification aligned with energy transition demand
	Reputation Risk	Increased stakeholder concerns and expectations for climate action from the Group where non-action may affect brand reputation	• Enhanced brand positioning as a responsible operator
		Revenue affected by negative stakeholder sentiment which influences product and service demands	

Note:

Short to Medium-Term Risks (Current to 2030) *Medium to Long-Term Risks (2031 to 2050)*

Carbon Intensity and Ship Efficiency

The CII Rating, developed by the IMO, provides a standardised measure of a vessel's operational efficiency and environmental performance. Mandated under MARPOL (Marine Pollution) Annex VI, the CII framework is designed to reduce emissions from commercial ships.

At Avangaad, the CII system is implemented on our tankers, Nautica Kluang 2 and Nautica Pontian 2. In FY2025, both vessels achieved C rating: -

Nautica Kluang 2	Nautica Pontian 2
C rating	C rating
18.95 gCO_2/tonne-mile	18.12 gCO_2/tonne-mile

To maintain and improve CII performance under our Ship Energy Efficiency Management Plan ("SEEMP"), we continue to implement operational measures such as vessel speed optimisation, which reduces fuel consumption and emissions. All our vessels fully comply with MARPOL regulations, demonstrating our commitment to sustainable maritime operations and continuous efficiency improvements.

Fuel Consumption

Avangaad monitors and reports on fuel consumption across our vessels as a core part of our environmental management and climate disclosure. Consistent with best practice in maritime sustainability reporting, we track consumption by fuel type to enhance transparency around energy use and emissions performance. This approach supports regulatory compliance (e.g., IMO/MARPOL Annex VI) and aligns with industry peers who disclose similar breakdowns to improve comparability and stakeholder insight.

SUSTAINABILITY STATEMENT

We categorise fuel consumption into the following key marine fuel types used across our fleet, reflecting both operational needs and emissions considerations: -

Type of Fuel	Fuel Consumed (litres)		
	FY2023	FY2024	FY2025
Petrol	57,641	12,012	6,224.75
Very Low Sulphur Fuel Oil (VLSFO)	2,529,993	2,369,100	2,363,905
Biodiesel	7,243,926	7,407,232	5,935,512
Low Sulphur Fuel Oil (LSMGO)	7,831,607	7,173,425	7,159,583
Marine Diesel Oil (MDO)	3,282,472	4,670,227	6,715,292

Refrigerants

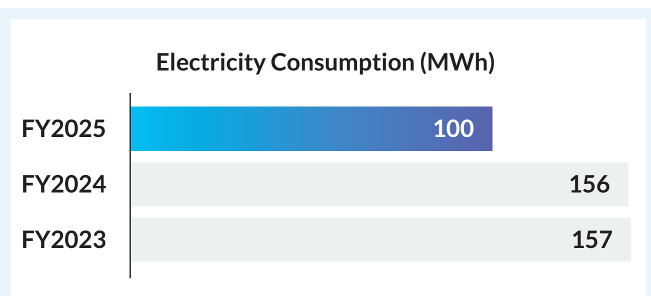
Refrigerants are used onboard our vessels primarily within air-conditioning and refrigeration systems to support crew welfare and operational requirements. The Group recognises that certain refrigerants have ozone depletion and global warming potential if released into the atmosphere. The Group continues to monitor refrigerant usage and maintenance practices to reduce emissions and support responsible environmental management

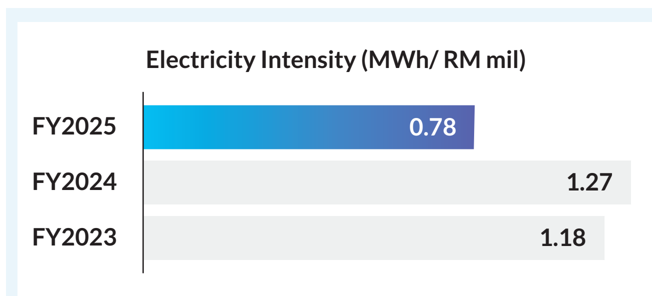
Indicator	FY2023	FY2024	FY2025
Refrigerant Emissions (tCO_2e)	25.42	225.03	443.37

**Note: Increase in refrigerant emissions is due to expansion of data coverage of vessels in FY2025.*

Electricity Consumption and Intensity

Electricity consumption data is collected from monthly utility invoices primarily from our office operations. The Group recorded a reduction in electricity consumption from 156 megawatt-hour ("MWh") in FY2024 to 100 MWh in FY2025, representing a 35.90% reduction year-on-year. The decrease reflects improved energy management practices and operational efficiency measures implemented during the year.



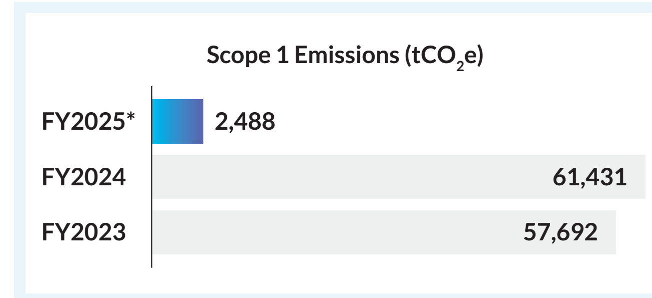


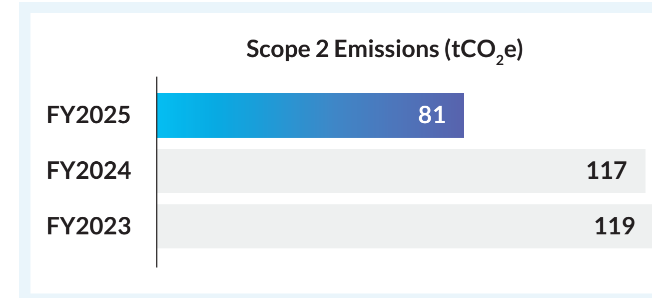
GHG Emissions

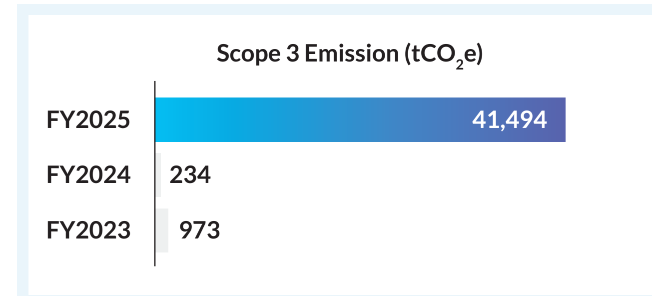
Our Scope 1 emissions data encompasses direct emisisons from company-owned vehicles, vessel refrigerants and fuel consumption associated with off-hire vessel oeprations under our operational control boundary. In FY2025, Scope 1 emissions were reported at 2,488tCO_2e, as compared to 61,431tCO_2e in FY2024, primarily attibuted to a revision in emissions boundary and categorisation methodology.

SUSTAINABILITY STATEMENT

Following a detailed review, fuel consumption has been reclassified to its appropriate scope in line with the GHG Protocol operational control approach. This reclassification has resulted in adjustments between Scope 1 and Scope 3 emissions to ensure more accurate and transparent disclosure.







**As the underlying historical data required to fully reconstruct FY2024 emissions under the revised boundary is unavailable, prior year figures have not been restated. Consequently, FY2024 and FY2025 Scope 1 emissions are not directly comparable.*

Scope 3 Emissions

Scope 3 Emissions by Categories	FY2023	FY2024	FY2025
Category 6: Business Travel (tCO_2e)*	234	82	82
Category 7: Employee Commute (tCO_2e)	145	152	157
Category 9: Downstream Transportation (On-hire vessels) (tCO_2e)	N/A	N/A	37,838
Category 13: Leased Assets (tCO_2e)	N/A	N/A	3,417
Total Scope 3 Emissions (tCO_2e)	973	234	41,494

**Business travel data covers land and air travel transport for office employees, and air travel for ship crew employees only.*

The Group is currently undergoing organisational and operational changes which may materially influence the determination of an appropriate emissions baseline and target year. As such, specific baseline figures and target timelines will be established and disclosed once the scope, data boundaries and strategic direction are finalised. Notwithstanding this, the Group acknowledges the importance of setting measurable climate-related targets and remains committed to strengthening its emissions management framework in alignment with evolving regulatory and stakeholder expectations.

Air Quality and Emissions Management

Avangaad is committed to managing air emissions responsibly across our fleet, recognising the environmental and regulatory significance of air quality in the maritime sector. Our tankers comply with the IMO requirements, including the implementation of the Energy Efficiency Existing Ship Index ("EEXI") under MARPOL Annex VI.

The EEXI framework establishes technical efficiency benchmarks for existing vessels, ensuring improved energy performance and reduced GHG emissions. By meeting EEXI requirements, our vessels demonstrate enhanced fuel efficiency and controlled carbon intensity, contributing to global decarbonisation objectives. Beyond carbon dioxide (CO_2), our emissions management approach also considers key air pollutants regulated under IMO conventions, including: -

Sulfur Oxides (SO_X)

Controlled through the use of compliant low-sulfur fuels such as VLSFO and LSMGO in accordance with IMO 2020 requirements

Nitrogen Oxides (NO_X)

Managed through engine compliance with IMO NO_X Tier standards and optimised engine performance

Methane (CH_4)

Monitored where applicable as part of broader GHG considerations

Our three (3)-year performance data are as follows: -

Parameters	FY2023	FY2024	FY2025
SO_X (tonnes)	16.73	16.40	**17.03**
NOx (tonnes)	241.48	269.30	**253.70**
CH_4 (tonnes)	2.05	3.81	**2.16**
Distance Travelled (miles)	71,693.00	79,097.50	**78,687.50**

**Note: Air quality data is generated by the EEXI system in both of our tankers, Nautica Kluang 2 and Nautica Pontian 2 only.*

WASTE AND EFFLUENT MANAGEMENT [GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]

Why it Matters

Effective waste and effluent management are fundamental to Avangaad's operations as a marine logistics provider. Responsible handling of waste streams ensures compliance with environmental regulations, reduces operational and environmental risks, and supports our broader sustainability commitments.

Approach and Performance

Waste Management Plan

We adopt a proactive approach to waste management by implementing established procedures, onboard controls, and regulatory monitoring mechanisms to safeguard marine ecosystems. These measures enhance compliance performance, improve operational efficiency, and reinforce our reputation as a responsible maritime operator.

Our vessels primarily manage operational discharges such as bilge water and ballast water. All discharges are conducted in strict accordance with applicable international maritime regulations and environmental standards, ensuring that treatment, monitoring, and release processes minimise ecological impact and protect marine biodiversity.

SUSTAINABILITY STATEMENT

Marine Operations Waste Management

Waste management across Avangaad's fleet is governed by the MARPOL Convention. We adhere strictly to MARPOL requirements to prevent marine pollution and ensure responsible handling of ship-generated waste. The majority of waste produced onboard our vessels is segregated and delivered to approved port reception facilities for recycling, treatment, recovery, or safe disposal. This approach supports responsible waste management practices and minimises the environmental impact of our operations.

Scheduled and Non-Scheduled Waste

The Group implements a Garbage Management Plan ("GMP") in accordance with applicable maritime regulatory requirements. The objective of this GMP is to provide guidance to the Master and ship crew on board the ship on the procedures for collecting, storing, processing and disposing of garbage, including the use of the equipment.

- The GMP outlines procedures for the proper handling, segregation, storage, processing and disposal of garbage on board vessels of 100 gross tonnes and above, or vessels certified to carry more than 15 persons
- The GMP provides operational guidance to crew members to ensure compliance with marine pollution prevention standards, including restrictions on discharge at sea and requirements for disposal at licensed reception facilities

For vessels of 400 gross tonnes and above, a Garbage Record Book ("GRB") is maintained onboard. The GRB documents the following: -

- All garbage discharges into the sea (where permitted by regulation);
- Waste incineration activities; and
- Disposal of garbage to approved shore-based or licensed waste management facilities

Effluents *(this includes bilge water, sewage and ballast water)*

The Group implements established procedures for under the Environmental Management manual for bilge water and sewage management, and our Tanker Operation Manual on ballast water management, respectively.

In managing relevant effluent discharges, the Group ensures that all discharges are conducted in compliance with applicable international maritime conventions and local environmental regulations. Effluents are subject to treatment, monitoring, and verification prior to discharge to ensure regulatory limits are met.

Operational controls include the use of approved treatment systems, routine inspection and maintenance of discharge equipment, and adherence to prescribed discharge parameters and geographic restrictions. All discharge activities are recorded in the relevant statutory logbooks to ensure traceability and accountability.

The Group also conducts periodic internal reviews and ship crew training to reinforce compliance and prevent accidental or non-compliant discharges.

Spills

A Shipboard Oil Pollution Emergency Plan is established by the Group which outlines response procedures in the event of a bunker overflow, oil spill, or pollution incident.

Each vessel is equipped with spill response equipment and materials, including absorbents and containment tools, to enable prompt onboard response and clean-up. The use of dispersants is strictly controlled and subject to approval by relevant authorities where required. Any response materials utilised are replenished to ensure continued readiness. Through structured emergency planning, defined accountability, and onboard preparedness measures, the Group aims to minimise the risk and potential impact of oil pollution incidents.

Wastewater and Effluent Management

In FY2024, we have begun tracking our wastewater and effluents, consisting of bilge water, sewage and ballast water.

Ballast Water Management

Ballast water is taken onboard to maintain vessel stability, trim, and structural integrity during voyage operations. However, uncontrolled discharge of ballast water may result in the transfer of aquatic organisms and pathogens across ecosystems, potentially causing ecological disruption, biodiversity loss, and economic impact.

SUSTAINABILITY STATEMENT

To mitigate these risks, the Group complies with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) adopted by the IMO. The Convention establishes requirements for the control, treatment, and discharge of ballast water to prevent the spread of invasive aquatic species.

Parameters	FY2024*	FY2025
Bilge water** (tonnes)	27.41	275.04
Sewage water (tonnes)	161.59	172.59
Ballast water (tonnes)	123.27***	85,517.53***

**FY2024 data have been restated to disclose two (2) decimal place figures.*
***FY2025 bilge water volumes increased, driven by higher main engine room maintenance activities, with variations reflecting individual vessel operating hours.*
****FY2024 ballast water data has been restated due to a prior inconsistency in data tracking, where figures from additional vessels were inadvertently included.*
*****The increase in ballast water generation in FY2025 is due to both of our tankers trading increased short voyages as compared to in FY2024, resulting in the increased ballast water movements.*

Environmental Spill

Oil spill prevention and response form a core component of the Group's marine environmental compliance framework. In view of our operations involving the transportation of oil and gas products, we recognise the significant environmental, financial, and legal liabilities associated with any unintended discharge.

Our vessels operate in strict compliance with applicable international maritime conventions and flag state regulations, including the requirements of the IMO. This includes adherence to pollution prevention standards governing the handling, transfer, storage, and discharge of oil and oily residues.

Each vessel maintains an Environmental Management Manual which outlines reporting protocols, response procedures, and coordination requirements with coastal authorities in the event of an oil spill incident. Vessels are equipped with pollution prevention systems and containment equipment in accordance with statutory requirements.

Type of Spill	FY2023	FY2024	FY2025
Minor Oil Spill	0	1	0
Major Oil Spill	0	0	0
Amount of Spill (litres)	0	10	0

Non-Marine Operations Waste Management

The Group maintains a Chemical and Waste Management Manual to govern the procurement, handling, storage, transportation, and disposal of both general and hazardous wastes arising from its operations.

The Manual establishes controls including:-

- Approval procedures for chemical procurement
- Maintenance of updated Safety Data Sheets (SDS)
- Proper labelling and segregation of chemicals and waste streams
- Designated storage areas with appropriate containment measures
- Spill prevention and emergency response procedures
- Engagement of licensed waste contractors for collection and disposal

SUSTAINABILITY STATEMENT

All scheduled wastes are managed in strict compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, including requirements for proper storage duration, labelling, inventory tracking, and disposal through licensed facilities approved by the relevant regulatory authority. The Group maintains documentation and records to ensure traceability and regulatory compliance, including waste consignment notes and disposal certificates issued by licensed contractors.

Indicators	FY2023	FY2024	FY2025
Total Waste Generated (tonnes)	62.00	49.69	51.39
(i) Hazardous Waste	6.00	5.74	4.97
(ii) Non-Hazardous Waste	38.00	43.95	46.42
Total Waste Diverted from Disposal (tonnes)	18.00	6.16	9.78
Total Waste Directed to Disposal (tonnes)	44.00	43.53	41.61

The Group increased its overall waste recycling rate from 12% in FY2024 to 19% in FY2025, reflecting improvements in waste segregation and recovery practices across operations. Building on this progress, we are targeting a minimum recycling rate of 20% in the next reporting period in line with our internal waste management objectives.

19% waste recycled in FY2025

WATER CONSUMPTION [GRI 3-3, 303-5, Bursa C9(a)]

Why it Matters

We recognise that responsible water management is an important component of environmental stewardship, as water withdrawals can contribute to resource stress, ecosystem impact, and regulatory exposure. Although water has not been identified as a material matter for the Group due to the nature of our operations, we remain committed to monitoring and managing water use responsibly across our sea and shore-based activities.

Approach and Performance

Water Consumption at Sea

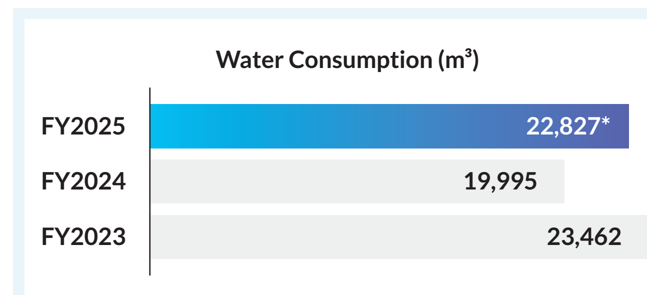
For our shipping operations, operational water requirements are primarily met through the use of seawater, which is processed onboard via freshwater generators to produce potable water for crew consumption and vessel operations. Nevertheless, we maintain operational controls to ensure efficient water production, minimise wastage, and comply with applicable maritime environmental regulations.

In FY2025, water consumption is at 22,595m^3. This increase in the current reporting year reflects the resumption of normal operations and ship crew deployment levels, consistent with business activity returning to regular operating conditions.

Water Consumption at Headquarters

Water consumption data for the Group's headquarters is disclosed from November 2025 onwards following the relocation to a new office with separately metered utilities. Prior to this, water usage at the previous premises was not directly attributable to the Group due to shared building utility arrangements. As such, data for that period is unavailable and has not been included in this statement. In this reporting period, our headquarters water consumption amounted to 231.60m^3.

The inclusion of post-relocation data enhances the completeness and accuracy of our environmental reporting going forward.



**Only FY2025 water consumption data refers to both our water used in shipping and non-shipping operations.*

FULFILLING OUR SOCIAL RESPONSIBILITY

Key Highlights

Zero (0) fatalities

Zero (0) LTIR

4,129 total training hours

Eight (8) hours of training per employee

91% Customer Satisfaction Score

38.71% women representation in HQ

RM 107,400.40 donations made to local communities

Relevant Key Stakeholders Impacted

Relevant UN SDGs

OCCUPATIONAL HEALTH AND SAFETY [GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-8, 403-9, Bursa C5(a), 5(b), 5(c)]

Why it Matters

At Avangaad, occupational safety and health ("OSH") is not just compliance – it is a core operational pillar that protects our employees and ship crew's lives. A strong OSH framework safeguards the wellbeing of seafarers and onshore employees, minimises incidents and downtime, ensures compliance with maritime regulations and the ISM Code, and protects the Group's operational reliability and reputation.

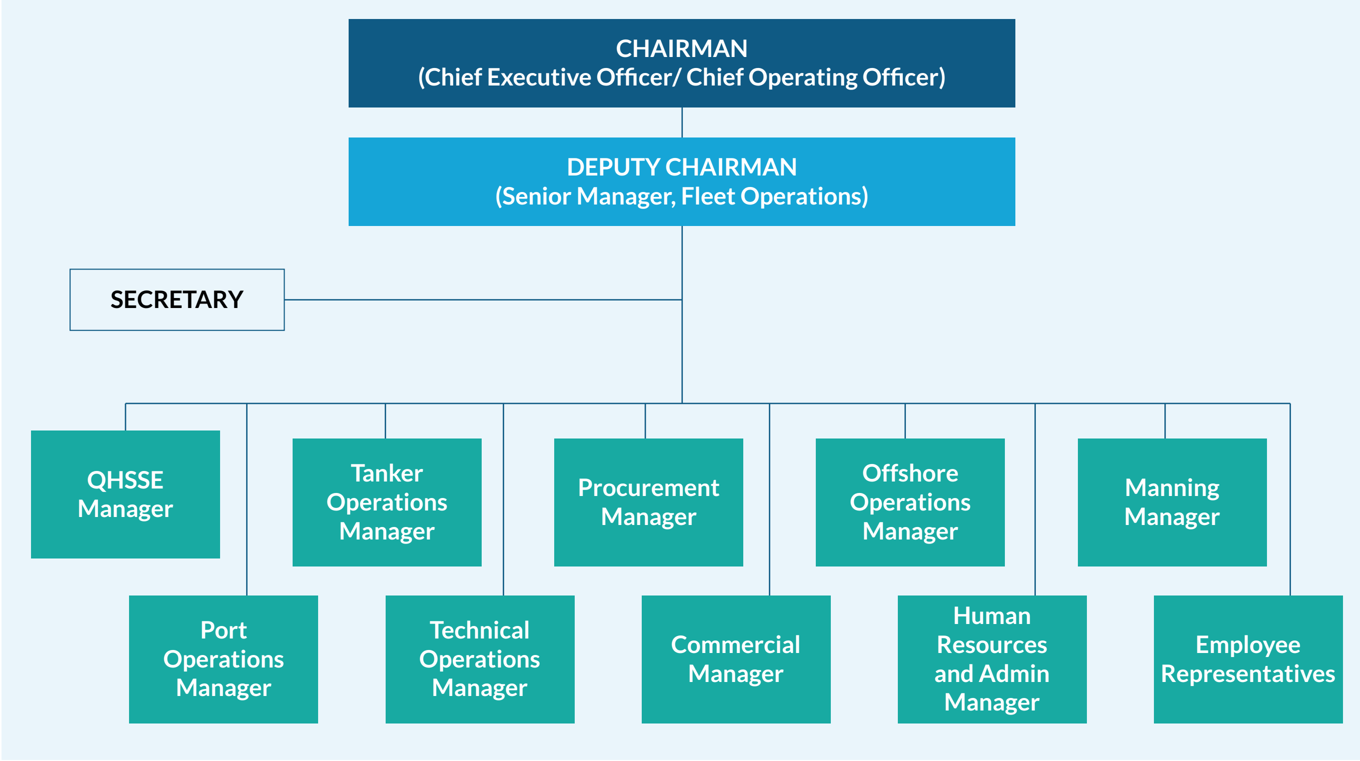
Approach and Performance

OSH Governance and Leadership Oversight

The Board retains ultimate oversight of all health and safety matters within the Group. The Board's Risk and Governance Committee, chaired by the Committee Chairman, is responsible for deliberating on health and safety issues, reviewing performance indicators, and setting the strategic direction in alignment with applicable local and international regulatory requirements.

Management-level accountability is embedded across operational functions. The Quality, Health, Security, Safety and Environment QHSSE Department reports on safety performance, audit findings, corrective actions, and continuous improvement initiatives to senior management and the Board on a regular basis. Safety performance forms part of operational monitoring and management review processes to ensure leadership visibility and timely intervention where required.

The Group Environmental Safety and Health ("ESH") Committee serves as the central platform for monitoring environmental, safety and health performance across the organisation. The Committee meets on a quarterly basis to review incident reports, safety performance indicators, regulatory compliance matters, and improvement initiatives. It also facilitates cross-functional coordination to ensure the effective implementation of the Group's QHSSE policies and Safety Management System. The Group's ESH Committee Chart is as follows: -



Safety Management System

The Group operates a structured SMS designed to systematically manage occupational risks and promote a safe working environment.

The SMS framework incorporates: -

- Hazard Identification, Risk Assessment and Risk Control ("HIRARC")
- Contractor safety management
- Safe Work Procedures ("SWPs") and Permit-to-Work systems
- Training and competency development
- Incident reporting and investigation protocols
- Internal audits and management reviews
- Emergency preparedness and response planning

The SMS applies to all operations, including vessel operations, project sites, and onshore facilities. It is periodically reviewed and enhanced to remain aligned with evolving regulatory requirements, client expectations, and industry best practices.

The Group's QHSSE Department conducts periodic internal audits to assess the effectiveness of the SMS, identify gaps, and implement corrective and preventive actions. All audit findings are systematically tracked through to closure, supporting continuous improvement across operations.

QHSSE Policy Framework

The Group's QHSSE Statement establishes the foundation for a strong safety culture and disciplined operations, articulating leadership's commitment to the highest standards of quality, health, safety, security, and environmental performance. This statement is communicated across the organisation and made accessible to employees, contractors, and relevant stakeholders to ensure consistent understanding and application.

- Full compliance with applicable OSH laws and regulations
- Elimination or minimisation of hazards through risk-based
- Clear accountability at all organisational level
- Provision of adequate training and resources
- Prevention of work-related injuries, ill health and incidents
- Continuous improvement of OSH performance
- Employee consultation and participation in safety matters
- Protection of the environment and surrounding communities

More information of our QHSSE Statement can be found on our website or here: https://ir2.chartnexus.com/avangaad/docs/corporate-governance/Statement%20of%20QHSE%20Protection%20ENG.pdf

Emergency Response

The Group has established an Emergency Response Manual, which functions as a Tier 2 operational document in compliance with the requirements of the ISM Code. The manual outlines procedures and responsibilities for responding to emergency situations involving vessel operations and other operational incidents.

In the event of an incident, a Shore-Based Emergency Response Team ("ERT") is activated to coordinate response efforts and provide operational support. Onboard, the Shipboard Incident Commander assumes responsibility for managing the situation and maintaining communication with the Emergency Response Centre.

The Shipboard Incident Commander provides regular updates on the situation, implements immediate response actions, and requests additional support or back-up services from the Emergency Response Centre where necessary. The ERT continues to assess developments, coordinate response measures, and support damage assessment and recovery efforts to ensure an effective and timely response to the incident.

INCIDENT OCCURS
(onboard vessel/operational site)

↓

SHIPBOARD INCIDENT COMMANDER
(initial response and situation control)

↓

NOTIFY EMERGENCY RESPONSE CENTRE

↓

SHORE-BASED EMERGENCY RESPONSE TEAM
(coordination, support and escalation)

↓

EXTERNAL SUPPORT/ EMERGENCY SERVICES
(authorities, rescue services, technical support)

OSH-Related Communication and Training

The Group places strong emphasis on effective communication and training to ensure employees and crews understand their roles and responsibilities in maintaining a safe and healthy workplace. Employees and offshore personnel receive structured training programmes designed to strengthen their understanding of workplace hazards, emergency preparedness, and regulatory compliance.

Training programmes are aligned with international maritime and offshore safety standards, including the ISM Code, the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), and OPITO requirements where applicable. Competency development covers both shipboard and shore-based personnel, ensuring that employees are equipped with the knowledge and skills necessary to manage operational risks and respond effectively to emergency situations. Key training areas include offshore vessel management, hazard identification and risk assessment through HIRARC, emergency response, survival and firefighting skills, and leadership in HSSE.

Specialised programmes are also conducted to strengthen operational readiness and workforce wellbeing. The following table refers to the OSH-related training and competency development training that our employees and/or ship attended in FY2025: -

Training Category	Programme/Course	Key Competency Developed
Offshore Operations Safety	Offshore Support Vessel (OSV) Management	Offshore vessel operations, safety management, regulatory compliance and coordination with offshore installations
	Basic Offshore Safety Induction and Emergency Training ("BOSIET")	Helicopter safety, sea survival and offshore emergency response
	BOSIET – New Employees	Offshore safety induction covering helicopter safety, sea survival, firefighting and first aid
Medical Response Preparedness	Assistant Medical Review Offshore (AMRO)	Basic medical care, casualty preparation for MEDEVAC, telemedical support and offshore emergency response
Risk Management	HIRARC Implementation (Understanding, Identifying and Implementing Risk Controls)	Hazard identification, risk assessment, implementation of risk controls and incident prevention
Safety Governance	Designated Person Ashore (DPA) Training	Oversight of vessel safety management systems and liaison between shipboard and shore management
Safety Awareness	Oil and Gas Safety Passport	Fundamental safety knowledge, hazard awareness and regulatory compliance
	Basic Training Refresher	Personal survival techniques, fire prevention, firefighting and first aid
	Advanced Firefighting Refresher	Fire prevention, firefighting equipment use and complex emergency response
	Proficiency in Survival Craft Refresher	Lifeboat and life raft operation, survival techniques and emergency coordination
Leadership Development	Senior Leadership Training	HSSE leadership, decision making, accountability and safety culture reinforcement
Workplace Wellbeing	Mental Health Programme	Psychological wellbeing awareness, stress management and access to support resources
	Monthly Health and Safety Talks	Training topics cover a broad range of OSH-related matters, including but not limited to topics such as working in extreme weather conditions, technological ergonomics, office security, fatigue management and work–life balance, fire safety and emergency preparedness, as well as building evacuation procedures and simulation briefings

SUSTAINABILITY STATEMENT

Building Fire and Safety Evacuation Drill

To strengthen emergency preparedness and ensure employees are familiar with evacuation procedures, the Group conducted a Building Fire and Safety Evacuation Drill in December 2025. The drill was organised in coordination with the building management and relevant safety personnel to simulate a fire emergency scenario.

Employees were guided through the established emergency response procedures, including safe evacuation routes, assembly point protocols and accountability checks. The exercise aimed to enhance awareness of fire safety measures, reinforce the importance of timely evacuation and ensure that personnel are able to respond effectively during an emergency.

The drill also provided an opportunity to evaluate the effectiveness of the building's emergency response arrangements and identify areas for improvement to further strengthen workplace safety.

The Group recorded zero (0) work-related fatalities in FY2025, reflecting the continued emphasis on strong safety management practices and operational controls. Safety performance is monitored through indicators such as number of fatalities and LTIR which are tracked across both onshore and offshore operations.

During the year, employees collectively recorded 1,079,456 total working hours, with safety incidents closely monitored through internal reporting and investigation procedures. As a result of our strong performance, the Group recorded zero (0) fatalities and zero (0) LTIR during the reporting period, achieving our targets for these two (2) indicators.

In recognition of our commitment to health, safety, security, and the environment, Avangaad achieved an outstanding evaluation score of 3.70 out of 4.00 in the HSSE Performance Evaluation conducted by MISC Marine on 22nd and 23rd December 2025. This accomplishment underscores our ongoing dedication to maintaining the highest standards in workplace safety and operational excellence.

Achieved an outstanding evaluation score of **3.70** out of **4.00** in the HSSE Performance Evaluation conducted by MISC Marine

Indicators	FY2023	FY2024	FY2025
Total Number of Hours Worked	1,042,703	1,026,522	**1,079,456**
Number of Fatalities as a Result of Work-related Injury	0	0	**0**
Number of Recordable Work-Related Injuries	0	0	**1**
Lost Time Injury Rate ("LTIR")*	0	0	**0**

**LTIR was calculated based on Occupational Safety and Health Act (OSHA) 1994 of per 200,000 hours worked.*

SERVICE QUALITY AND CUSTOMER SATISFACTION [GRI 3-3]

Why it Matters

Service quality and customer satisfaction are fundamental to the Group's long-term sustainability. As a service provider, the Group's ability to consistently deliver reliable, safe, and high-quality services directly influences stakeholder trust, business continuity, and long-term value creation.

Maintaining high service standards enables the Group to strengthen relationships with customers, meet contractual obligations, and uphold operational reliability across its operations. This is particularly important in industries where safety, regulatory compliance, and operational performance are critical to service delivery.

Approach and Performance

To ensure consistent service delivery, the Group integrates quality management practices within its operational framework through its Integrated Management System, which aligns with the principles of ISO 9001 Quality Management Systems. This framework establishes structured procedures for service planning, operational control, performance monitoring, and continuous improvement to ensure that services meet customer expectations, contractual requirements, and applicable regulatory standards.

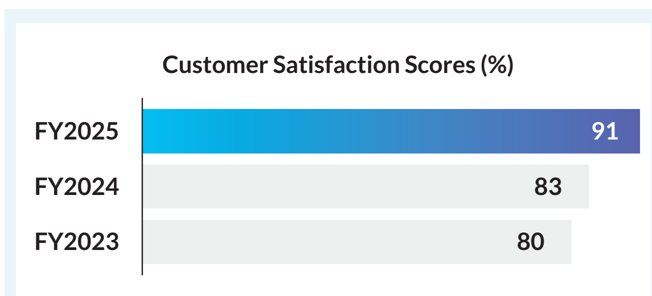
Customer feedback plays a critical role in driving continuous improvement. The Group monitors service performance and customer feedback to identify opportunities to enhance operational efficiency, strengthen service reliability, and address emerging customer needs. These insights support improvements in service delivery while reinforcing the Group's commitment to responsible and customer-centric business practices.

Service performance is monitored through key performance indicators ("KPI"), operational reporting, and HSSE-related incident tracking, allowing the Group to identify areas for improvement. Some of the KPIs assessed by our customers in our survey includes the following criterias: -

- Effectiveness of communication
- Overall service quality
- Timeliness and reliability of delivery
- Responsiveness to customer enquiries and requests

The overall customer satisfaction score for FY2025 was 91%, reflecting an increase of 8% compared to the previous reporting year. The results reflect the Group's consistent service performance and its commitment to maintaining high operational standards across its fleet and service operations.

As part of the Group's commitment to continuous improvement, the Group actively reviews feedback received through customer surveys and operational engagements. Insights gathered are reviewed internally and communicated with relevant departments and are used to enhance communication, strengthen operational responsiveness, and improve service reliability. These efforts support the Group's objective of maintaining long-term client relationships while delivering safe, efficient, and dependable maritime services.



LABOUR STANDARDS AND HUMAN RIGHTS [GRI 2-7,2-8, 3-3, 401-1, 401-2, 404-1, 404-2, 404-3, 406-1, Bursa C6(a), 6(b), 6(c), 6(d)]

Why it Matters

Upholding fair labour practices and respecting human rights are fundamental to fostering a safe, inclusive and positive work environment while promoting ethical business conduct across the Group. By prioritising the dignity, wellbeing and equal treatment of all workers, Avangaad strengthens employee trust, engagement and productivity.

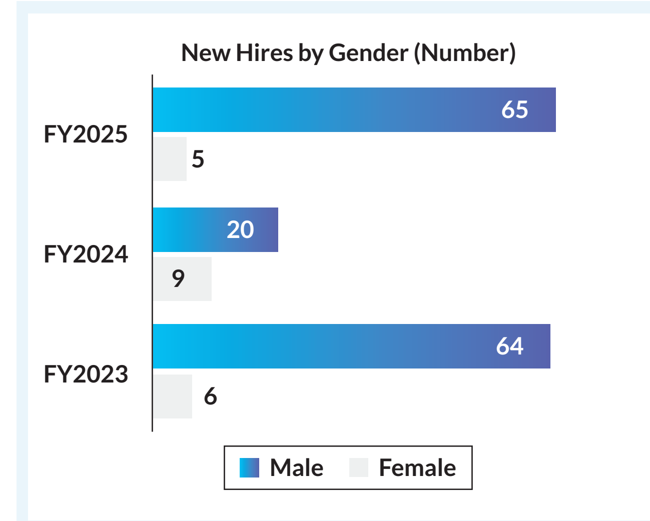
Approach and Performance

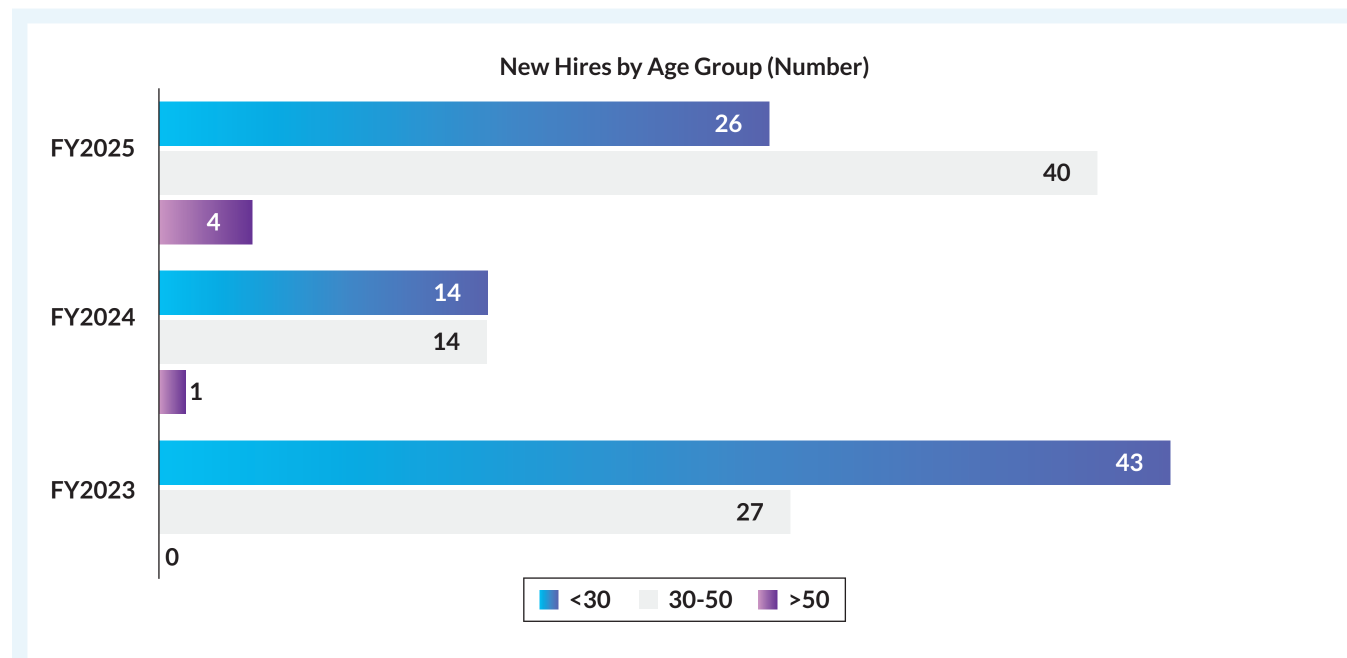
Workforce Planning and Talent Management

Workforce planning and recruitment are key components of the Group's efforts to align human capital strategies with its broader business and sustainability objectives. By proactively managing talent requirements, the Group enhances organisational agility and its ability to respond to evolving operational demands, while mitigating potential workforce risks.

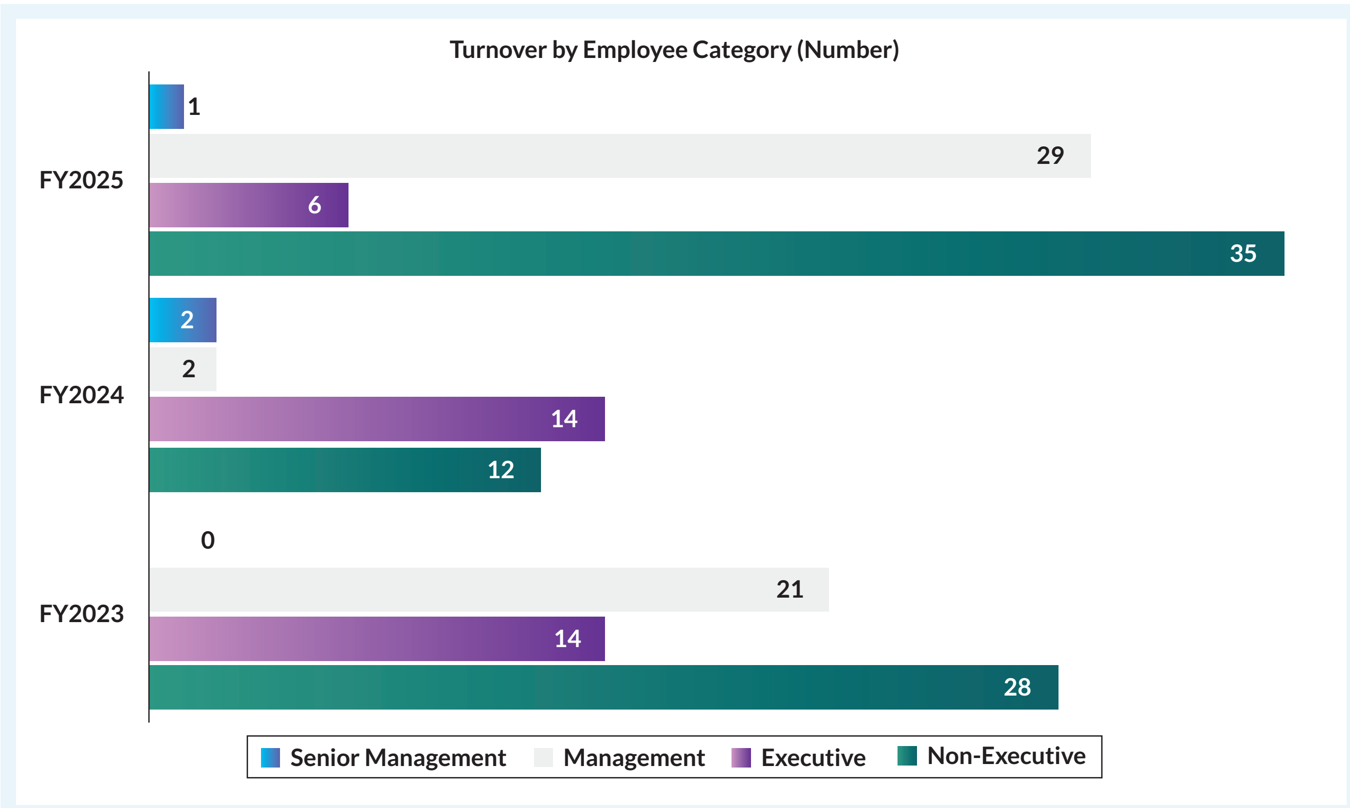
The Group adopts a structured strategic workforce planning approach to align human capital needs with business priorities while optimising manning requirements and workforce costs.

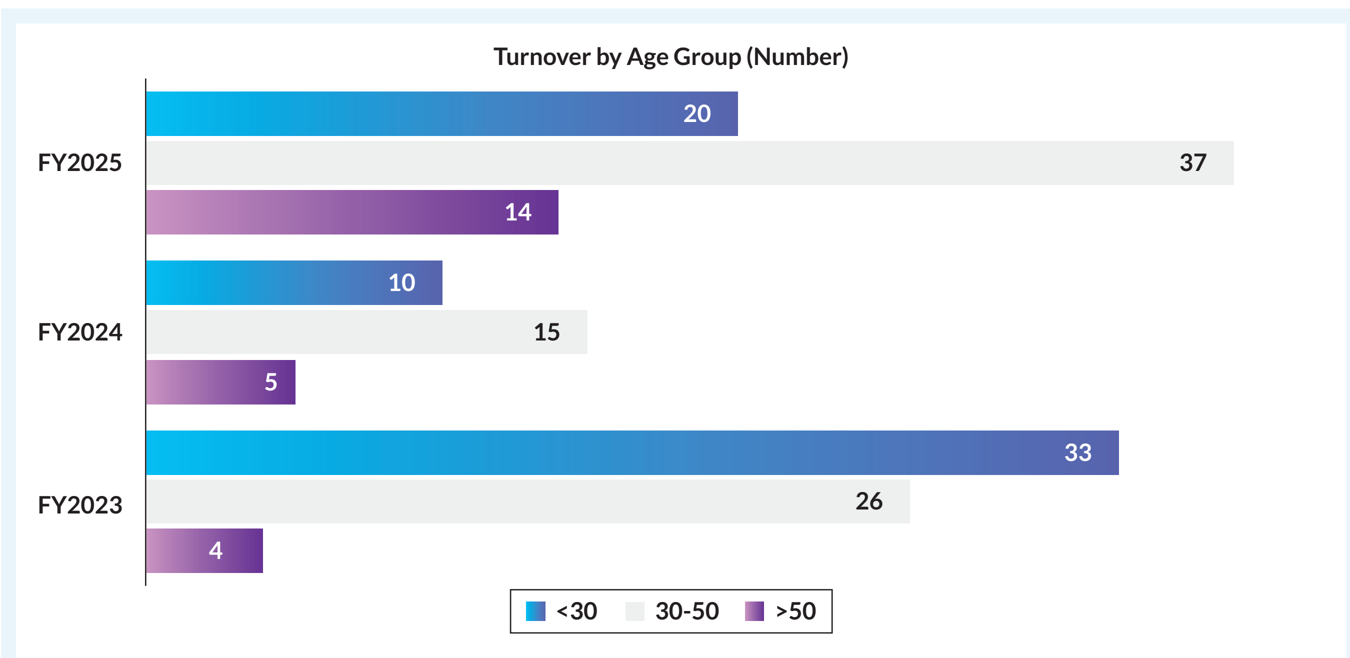
The Group's hiring practices comply with applicable labour regulations and internationally recognised standards, including the Employment Act 1955, Industrial Relations Act 1967, standards of the International Labour Organisation ("ILO"), and the Maritime Labour Convention. The Group maintains a zero-tolerance approach towards child labour and forced labour, as reflected in our Human Rights and Labour Policy. In addition, all third-party entities performing work for or on behalf of the Group are required to adhere to these requirements, reinforcing the Group's commitment to ethical labour practices and the protection of human rights.



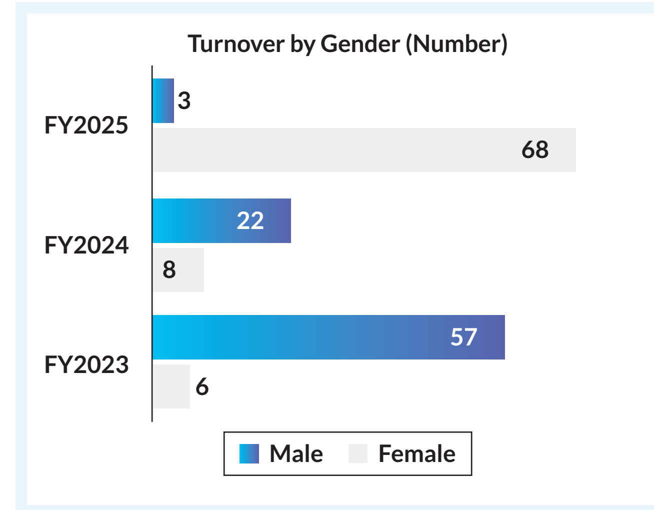


In FY2025, Avangaad continued to strengthen its workforce to support operational and business growth, with 70 new hires recorded during the year. The majority of new hires were male employees (65), reflecting the operational nature of the maritime and offshore support industry, while five (5) female employees joined the Group. This represents an increase from 29 hires in FY2024, in line with the Group's efforts to support expanding operational requirements and strengthen workforce capacity.





SUSTAINABILITY STATEMENT



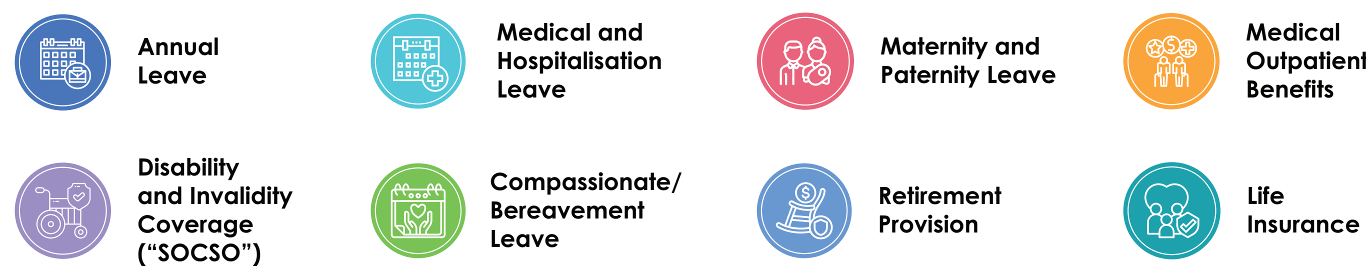
Employee turnover in FY2025 totalled 71 employees, slightly higher than FY2024. Turnover was primarily concentrated within the Non-Executive category (35 employees), followed by Management (29 employees) and Executive roles (six (6) employees), while Senior Management recorded minimal turnover (one (1) employee). This trend is consistent with the operational nature of the Group's workforce, where frontline and technical roles typically experience higher mobility compared with leadership positions.

Overall, the Group continues to monitor recruitment and turnover trends to ensure workforce stability while supporting operational requirements. Efforts remain focused on strengthening employee engagement, enhancing professional development opportunities and promoting a supportive working environment to attract and retain talent across all levels of the Group.

Employee Wellbeing and Leave Benefits

The Group recognises that employee wellbeing is essential to maintaining a productive, engaged, and resilient workforce. By providing fair and supportive leave policies and employee benefits, the Group aims to promote work-life balance, safeguard employee health, and support the overall wellbeing of its workforce.

Employees are entitled to a range of leave benefits in accordance with applicable labour regulations and the Group's internal policies, these include: -



The Group continuously monitors emerging workforce expectations and benchmarks its employee welfare offerings against industry best practices. This approach ensures that benefits remain relevant and competitive, supporting talent retention, enhancing productivity, and fulfilling the Group's commitment to social responsibility by helping employees achieve both personal and professional wellbeing.

Workforce Capability Development

At Avangaad, we recognise the importance of continuous learning and skills development in supporting operational performance and workforce capability. Training and development programmes are implemented to enhance employees' technical competencies, professional skills, and understanding of operational and regulatory requirements.

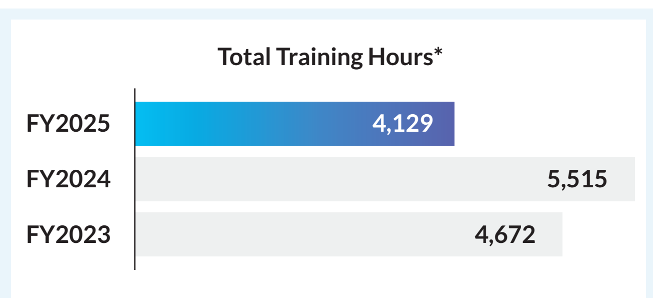
Employees participate in a range of training initiatives, including job-specific technical training, safety and compliance programmes, and professional development courses. These programmes are designed to ensure employees remain equipped with the necessary knowledge and skills to perform their roles effectively while adapting to evolving industry practices and business needs.

SUSTAINABILITY STATEMENT

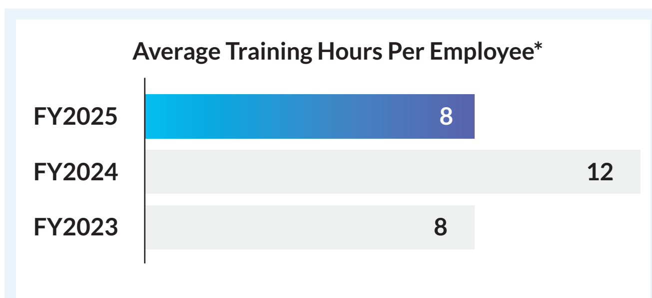
The following refers to the types of training our employees and ship crews undergone in FY2025: -

Training Category	Type of Programmes
Leadership and Professional Development	Certified Human Resources Officer (CHRO); Leadership Managerial Skills; Mastering Learning and Development Strategies for Organisational Growth
Operational and Technical Maritime Training	Offshore Support Vessel Management; Internal Combustion Engines – Operations and Maintenance; Boiler and Steam Systems – Current Engineering Problems and Solutions; Piping, Fitting and Pump Problem Identification; Ship Anatomy and IMO Conventions
Health, Safety and Emergency Preparedness*	Basic Training Refresher; Advanced Firefighting Refresher; Proficiency in Survival Craft Refresher; Emergency Generator Set and Maintenance; HIRARC at Workplace; Assistant Medical Review Offshore (AMRO)
Governance, Compliance and Risk Management	MS ISO 37001:2016 ABMS Certified Lead Auditor; Designated Person Ashore (DPA); Provision of Financial Assistance – A Complete Guide
Finance, Sustainability and Regulatory Awareness	Carbon Accounting for CFOs and Finance Professionals; Tax Seminar on Budget 2026; Share Buy Back – Beyond Regulatory Perspective
Industry Engagement and Knowledge Sharing	MASA Maritime Week 2025; MOSVA Forum 2025 – Charter the Course for Offshore Synergy; Petronas Supplier Support Programme (PSP)

** More information of our health, safety and emergency preparedness related trainings can be found in the Occupational Health and Safety section on pages 111 to 113 of this Annual Report.*



**FY2023 and FY2024 numbers have been restated to include office employees and ship crew data.*



**Note: Average training hours per employee are calculated based on total training hours and total employee headcount.*

SUSTAINABILITY STATEMENT

During the reporting period, the Group recorded a total of 4,129 training hours, compared to 5,515 hours in the previous year. Correspondingly, the average training hours per employee decreased from 12 hours in FY2024 to eight (8) hours in FY2025.

Average of **8** hours of training per employee in FY2025

The variation in training hours was primarily due to the optimisation of training programmes and a stronger focus on targeted, role-specific capacity building, particularly in areas such as occupational safety, operational efficiency and compliance. While the overall number of hours recorded was lower, the Group continued to prioritise high-impact training sessions designed to enhance workforce capability and support operational requirements.

Employee Category	Total Training Hours		
	FY2023	FY2024	FY2025
Senior Management	312	240	**176**
Management	936	2,283	**1,980**
Executive	3,032	2,640	**1,924**
Non-Executive	392	352	**49**

Fair Employment and Equal Opportunities

The Group's employment practices are designed to be equitable and non-discriminatory. Recruitment, promotion, remuneration and training decisions care based on merit, qualifications, and operational requirements, without regard to race, gender, age, religion or disability.

100% of our employees undergone performance appraisals in FY2025

All employment practices are aligned with applicable labour laws, international standards, and internal policies, including:-

Employment Act 1955	**Marine Labour Convention**	**Industrial Relations Act 1967**	**ILO conventions**

These measures reflect the Group's approach to providing a safe, respectful, and supportive work environment that enables employees to perform effectively.

In FY2025, 100% of our employees undergone performance appraisals, reflecting a structured approach to workforce management and development. The appraisal process evaluates individual performance against predefined objectives, competencies, and key performance indicators, providing a basis for recognising achievements, identifying skill gaps, and supporting career progression.

Human Rights and Ethical Labour Practices

Avangaad is committed to respecting and promoting human rights across all our operations, in alignment with our Human Rights and Labour Policy, which is publicly available on our corporate website. Our approach is guided by internationally recognised standards, including the United Nations Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and ILO Core Conventions, along with compliance with relevant Malaysian labour laws to ensure ethical and fair treatment throughout our workforce.

SUSTAINABILITY STATEMENT

We are dedicated to: -

FAIR EMPLOYMENT PRACTICES

We provide equal opportunities to all employees, ensuring recruitment, remuneration, career development and workplace treatment are free from discrimination based on gender, race, ethnicity, religion, age, disability, sexual orientation or other protected characteristics. We adhere strictly to applicable employment legislation, paying living wages, managing working hours responsibly, and upholding fair contractual conditions.

PROHIBITION OF CHILD, FORCED AND EXPLOITATIVE LABOUR

We do not employ underage workers, and we prohibit all forms of forced, bonded or exploitative labour across our operations and supply chain.

HEALTHY AND SAFE WORK ENVIRONMENT

We are committed to providing safe, secure and healthy workplace conditions, integrating proactive measures to prevent workplace injuries and illnesses, and striving for zero (0) fatalities.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We do not employ underage workers, and we prohibit all forms of forced, bonded or exploitative labour across our operations and supply chain.

GRIEVANCE REPORTING AND RESOLUTION

Our Human Rights and Labour Policy includes a structured grievance reporting mechanism, providing employees with a safe and confidential platform to raise concerns. We are committed to responding to and resolving grievances promptly and fairly.

The Group's Whistle-Blowing Email:-
topmanagement@avangaad.com

Our Human Rights and Labour Procedure is communicated to all employees, both onshore and offshore, and forms a core part of our commitment to fostering an ethical, inclusive and supportive workplace culture. This commitment not only reflects Avangaad's values and legal obligations but also contributes to the long-term sustainability and reputation of the Group by upholding the dignity of all individuals affected by our operations. In this reporting period, we reported zero (0) substantiated complaints concerning human rights violations and discrimination.

More information on our Groups' Human Rights and Labour Procedure can be found on our website or here at https://ir2.chartnexus.com/avangaad/docs/corporate-governance/HR%20Admin%20IT%20-%20SOP%2004%20-%20Human%20Rights%20%20Labour%20Procedure%20-%201st%20Ed.%20-%20A.pdf

SUSTAINABILITY STATEMENT

DIVERSITY AND INCLUSION [GRI 3-3, 405-1, Bursa C3(a), 3(b)]

Why it Matters

Creating a diverse and inclusive workplace enables the Group to harness a broad range of perspectives, experiences and ideas, which enhances creativity, innovation and effective problem-solving. A diverse workforce also strengthens organisational adaptability and resilience in a dynamic business environment.

Approach and Performance

Workforce Diversity

The Group values diversity in perspectives, experience and background, recognising that an inclusive workplace contributes to stronger collaboration, innovation and organisational resilience.

In this reporting year, 98.50% of the Group's workforce comprises local employees, demonstrating our commitment to supporting national employment and contributing to the development of local talent. By prioritising the recruitment and development of local professionals and technical personnel, the Group plays an active role in strengthening workforce capabilities within the maritime and offshore industry.

The Group continues to promote fair employment practices guided by merit-based recruitment, equal opportunity and non-discrimination principles. Workforce data is regularly monitored to support transparent disclosures and to ensure the Group maintains an equitable and inclusive working environment across all levels of the organisation.

Board Diversity

The Group recognises that diversity at the Board level is essential to effective governance, balanced decision-making, and long-term value creation. As at FY2025, female representation on the Board stands at 14.30% (one (1) out of seven (7) Directors). The Board comprises individuals with diverse professional backgrounds, skills, and industry experience, providing a broad range of perspectives in guiding the Group's strategic direction. The Group remains committed to enhancing diversity at the leadership level and will continue to consider gender, experience, and expertise in its Board nomination and selection process.

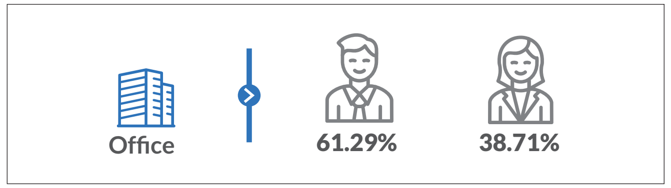
Further details on the Board's composition, including skills and experience, are set out on pages 27 to 33 of this Report.

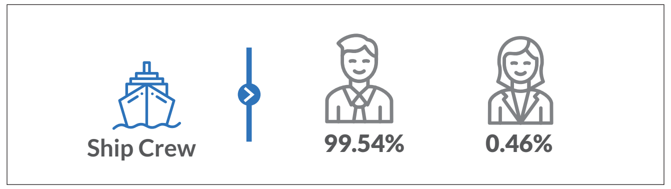
Group Employee Data

As of FY2025, the Group employees a total of 529 employees across its operations across our office employees and ship crews. At the Group's headquarters, women represent 38.71% of employees, reflecting our commitment to providing equal opportunities and promoting gender diversity in corporate and administrative roles. Across the broader organisation, workforce composition varies by operational function. In particular, ship crew positions are currently predominantly occupied by male employees, reflecting the specialised technical requirements and industry dynamics of maritime and offshore vessel operations.

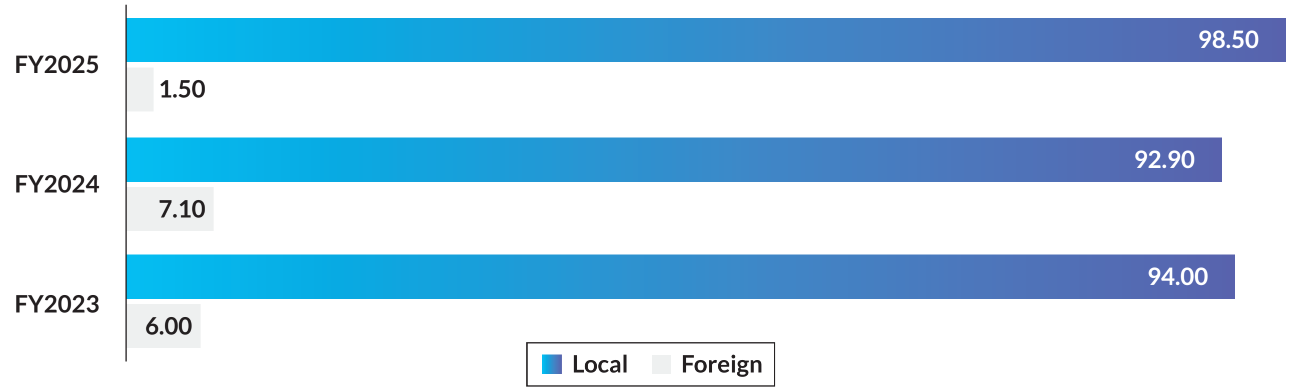
We continue to monitor workforce composition across employment type, gender, age group, and employee category to support diversity, succession planning, and long-term organisational sustainability.

Group's Employee by Type

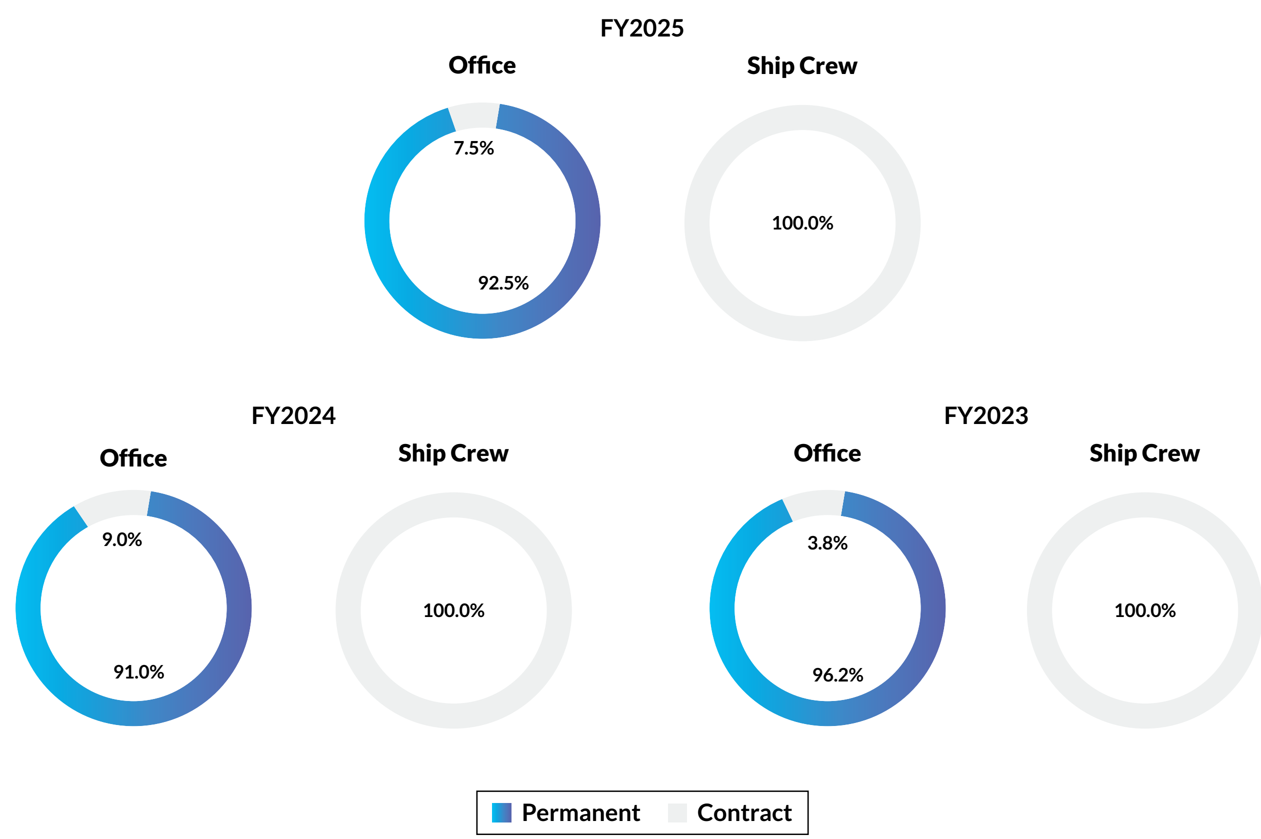




Local vs Foreign Employees (%)

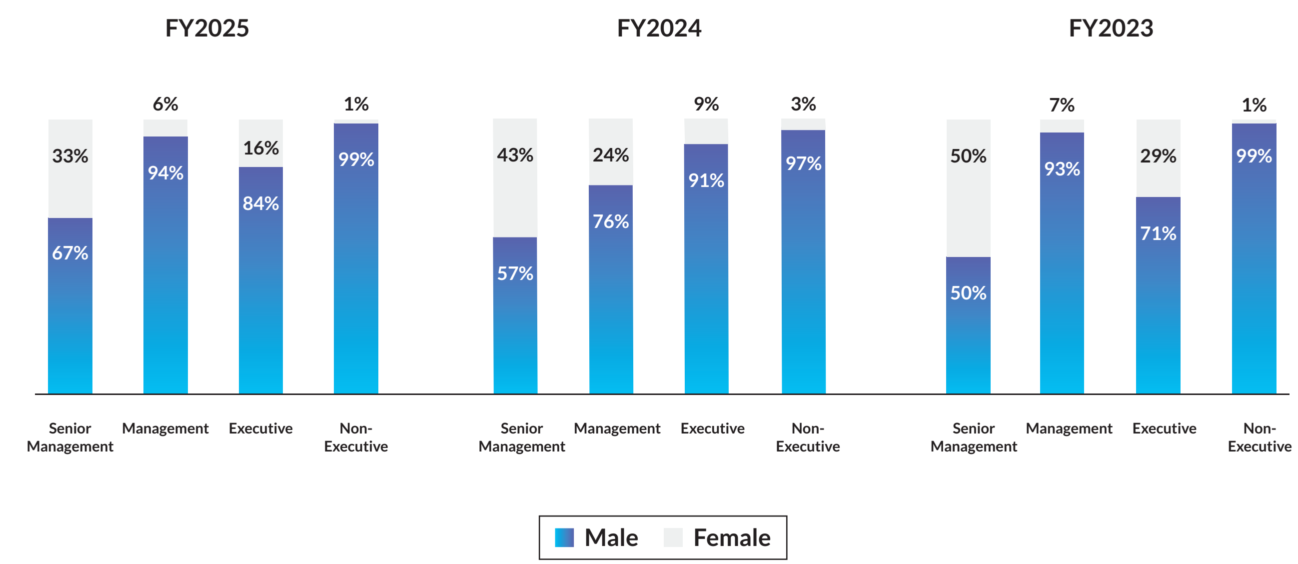


Permanent vs Contract Employees (%)

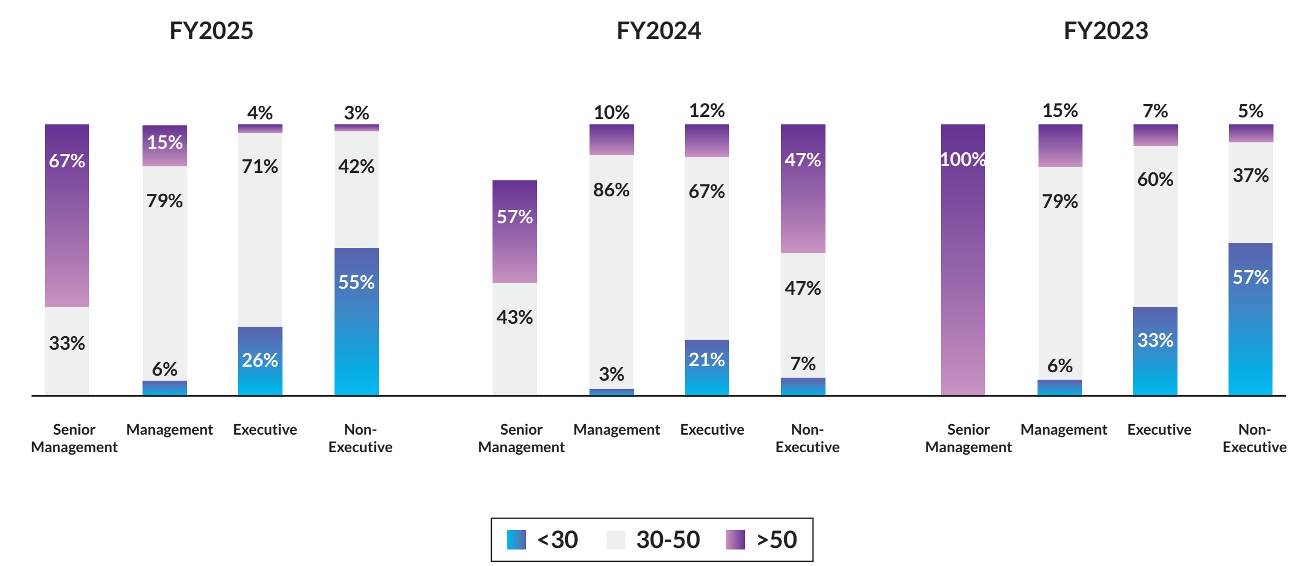


SUSTAINABILITY STATEMENT

Gender Diversity by Employee Category (%)



Age Diversity by Employee Category (%)



COMMUNITY ENGAGEMENT [GRI 3-3, 413-1, Bursa C2(a), 2(b)]

Why it Matters

Community engagement is essential in building trust and maintaining strong relationships with the communities in which the Group operates. By actively contributing to social development and supporting community initiatives, organisations can create positive social impact while strengthening their social licence to operate. Meaningful engagement with local communities also helps foster mutual understanding, address shared challenges and promote inclusive growth. Through these efforts, the Group aims to contribute to the wellbeing of society while reinforcing its commitment to responsible and sustainable business practices.

Approach and Performance

As part of the Group's commitment to supporting local communities, Avangaad contributed a total of RM 107,400.40 towards community and social initiatives during the year.

Event Highlight

As part of the Group's commitment to environmental stewardship and community engagement, Avangaad organised a CSR "Clean & Green Pond" activity at Kolam Takungan Banjir Sungai Midah, Cheras. The initiative focused on cleaning and maintaining the flood retention pond to improve the surrounding environment while promoting awareness on the importance of responsible waste management and ecosystem protection.

Employees participated in the clean-up effort, which involved removing debris and waste from the pond area to support the upkeep of the local water body and surrounding public space. Beyond contributing to environmental conservation, the activity also fostered teamwork and strengthened the Group's engagement with the local community.

ADDITIONAL INFORMATION

BURSA CONTENT INDEX

Avangaad Berhad
BMLR Transition Period

Date & Time: 2026-04-27_08:28:24
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	67	—	Internal	
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	90	—	Internal	
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	94	—	Internal	
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	88	—	Internal	
Bursa (Anti-Corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	—	Internal	
Bursa (Anti-Corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	Internal	
Bursa (Community/Society)	Bursa C2(a) Total amount invested in community where the target beneficiaries are external to the listed issuer	Ringgit Malaysia	107,400.40	—	Internal	
Bursa (Community/Society)	Bursa C2(b) Total amount of beneficiaries of the investment in communities	Number	3	—	Internal	

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-27_08:28:24

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Avangaad Berhad
BMLR Transition Period

Date & Time: 2026-04-27 08:28:24
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Senior Management (Male)	Percentage	67	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Senior Management (Female)	Percentage	33	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Management (Male)	Percentage	94	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Management (Female)	Percentage	6	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Executive (Male)	Percentage	84	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Executive (Female)	Percentage	16	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Non-Executive (Male)	Percentage	99	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Non-Executive (Female)	Percentage	1	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Senior Management (< 30)	Percentage	0	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Senior Management (30-50)	Percentage	33	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Senior Management (> 50)	Percentage	67	—	Internal	Includes both office employees and ship crew headcount.

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-27 08:28:24

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Avangaad Berhad
BMLR Transition Period

Date & Time: 2026-04-27 08:28:24
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Management (< 30)	Percentage	6	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Management (30 - 50)	Percentage	79	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Management (> 50)	Percentage	15	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Executive (< 30)	Percentage	26	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Executive (30-50)	Percentage	71	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Executive (> 50)	Percentage	4	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Non-Executive (< 30)	Percentage	55	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Non-Executive (30-50)	Percentage	42	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Non-Executive (> 50)	Percentage	3	—	Internal	Includes both office employees and ship crew headcount.
Bursa (Diversity)	Bursa 3(b) Percentage of directors by gender - Male	Percentage	85.70	—	Internal	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by gender - Female	Percentage	14.30	—	Internal	

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Avangaad Berhad
BMLR Transition Period

Date & Time: 2026-04-27 08:28:24
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa 3(b) Percentage of directors by age - <30	Percentage	0	—	Internal	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by age - 30-50	Percentage	28.60	—	Internal	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by age - >50	Percentage	71.40	—	Internal	
Bursa (Energy Management)	Bursa C4(a) Total energy consumption	Megawatt-hour	100	—	Internal	
Bursa (Health and Safety)	Bursa C5(a) Number of work-related fatalities	Number	0	0	Internal	
Bursa (Health and Safety)	Bursa C5(b) Lost time incident rate	Percentage	0	0	Internal	
Bursa (Health and Safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	85	—	Internal	Refers to office employee data only. All ship crew undergo mandatory safety training prior to vessel deployment. As these trainings are completed individually before the start of their contracts, they are excluded from the reported training headcount.
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Senior Management	Hours	176	—	Internal	
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Management	Hours	1,980	—	Internal	
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Executive	Hours	1,924	—	Internal	
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Non-Executive	Hours	49	—	Internal	

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SUSTAINABILITY STATEMENT

Avangaad Berhad
BMLR Transition Period

Date & Time: 2026-04-27 08:28:24
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Labour Practices and Standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	83.70	—	Internal	The Group's higher contract workforce ratio reflects the nature of maritime operations, where ship crew are predominantly engaged on contractual terms.
Bursa (Labour Practices and Standards)	Bursa C6(c) Total number of employee turnover by employee category - Senior Management	Number	1	—	Internal	
Bursa (Labour Practices and Standards)	Bursa C6(c) Total number of employee turnover by employee category -Management	Number	29	—	Internal	
Bursa (Labour Practices and Standards)	Bursa C6(c) Total number of employee turnover by employee category -Executive	Number	6	—	Internal	
Bursa (Labour Practices and Standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-Executive	Number	35	—	Internal	
Bursa (Labour Practices and Standards)	Bursa C6(d) Number of substantiated compliants concerning human rights violations	Number	0	0	Internal	
Bursa (Supply Chain and Management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	91	at least 70%	Internal	
Bursa (Data Privacy and Security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal	
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	22.80	—	Internal	

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Avangaad Berhad
IFRS S2

Date & Time: 2026-04-27,08:28:24
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	2,488	–	Internal	
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	81	–	Internal	
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	82	–	Internal	
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	157	–	Internal	
GHG emissions	Scope 3 Cat.9: Downstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO2e)	37,838	–	Internal	
GHG emissions	Scope 3 Cat.13: Downstream leased assets	Metric tonnes of carbon dioxide equivalents (tCO2e)	3,417	–	Internal	

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SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

The GRI is a widely recognised multi-stakeholder standard for sustainability reporting that provides guidance on report content, disclosures and performance indicators. Developed to improve the global comparability and quality of environmental, social and governance information, the GRI Standards promote transparency and accountability in organisational reporting.

Statement of Use	**Avangaad is reporting from the period 1 January 2025 to 31 December 2025, in reference with the GRI Standard.**
GRI 1 Used	**GRI 1: Foundation 2021**

GRI Standard		Disclosure	Page
GRI 2: General Disclosures 2021	2-1	Organisational details	71
	2-2	Entities included in the organisation's sustainability reporting	
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	FY2023–2024 employee-related data updated to include ship crew and revised Economic Value Generated and Distributed figures.
	2-6	Activities, value chain and other business relationships	76 - 77
	2-7	Employees	115 - 117, 121 - 123
	2-9	Governance structure and composition	78 – 79
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	91
	2-16	Communication of critical concerns	92
	2-17	Collective knowledge of the highest governance body	138 – 150
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-22	Statement on sustainable development strategy	73
	2-23	Policy commitments	91, 110, 120
	2-24	Embedding policy commitments	91–92, 115 - 120
	2-25	Processes to remediate negative impacts	92, 120
	2-26	Mechanisms for seeking advice and raising concerns	92

GRI Standard		Disclosure	Page
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	93-94
	2-28	Membership associations	72
	2-29	Approach to stakeholder engagement	82-83
GRI 3: Material Topics 2021	3-1	Process to determine material topics	84-85, throughout the Sustainability Statement
	3-2	List of material topics	
	3-3	Management of material topics	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	91
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	97
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	92-93
	205-2	Communication and training about anti-corruption policies and procedures	
	205-3	Confirmed incidents of corruption and action taken	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	102
GRI 303: Water and Effluents 2018	303-5	Water consumption	107
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	103
	305-2	Energy indirect (Scope 2) GHG emission	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	104
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	104-106
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	107
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	115-117
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	117

GRI Standard		Disclosure	Page
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	109-113
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	114
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	118-119
	404-2	Programmes for upgrading employee skills and transition assistance programmes	112, 118
	404-3	Percentage of employees receiving regular performance and career development reviews	119
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	121-123
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	120
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	124
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	96

EVENT HIGHLIGHTS

06 FEBRUARY

Program with LHDN WP Putrajaya

23 FEBRUARY

Avangaad Berhad Bowling Competition

08 MARCH

Contribution for Majlis Iftar Amal at Dewan Akademi Darul Ilmi, Sg. Petani

08 MARCH

Donation for Pertubuhan Khidmat Ummah Kuala Muda

11 MARCH

Avangaad Berhad Iftar @ Top G Publica

29 APRIL

Avangaad Berhad's Raya Celebration

17 MAY

Avangaad Berhad Iftar @ Top G Publica

28 MAY

Avangaad Berhad 31st Annual General Meeting

EVENT HIGHLIGHTS

2 AUGUST

Avangaad Berhad secured the third runner up spot in the Dato' Dr. Roslan Ahmad Cup MOSVA Futsal Tournament 2025

20 AUGUST

Investor Update

29 AUGUST

Merdeka Day Celebration

14-15 OCTOBER

Shipboard Senior Officer Forum 2025

EVENT HIGHLIGHTS

8 NOVEMBER

CSR "Clean & Green Pond" at Kolam Takungan Banjir Sg. Midah, Cheras

10 NOVEMBER

Day One at Avangaad's newly relocated office, Menara Vista Petaling

19 DECEMBER

Annual Building Fire & Security Evacuation Drill and Fire Extinguisher Training 2025

19 DECEMBER

Year End Exchange Gift

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Avangaad Berhad ("Avangaad") is pleased to present this Corporate Governance Overview Statement, providing insights into our commitment to sound corporate governance practices during the financial year ended 31 December 2025.

Avangaad remains committed to upholding the highest standards of corporate governance, recognizing its importance in ensuring transparency, accountability, and sustainable value creation for all stakeholders.

In a landscape marked by evolving challenges, our commitment to maintaining resilience and sustainability remains steadfast. Upholding the principles of accountability and ethical conduct, the Board, alongside Senior Management, continues to provide effective leadership and foster a culture of excellence in corporate governance throughout the organization.

Aligned with the Malaysian Code on Corporate Governance ("MCCG"), our governance framework aims to enhance transparency, accountability, and value creation for our stakeholders. The Board diligently oversees the implementation of corporate governance practices, ensuring compliance with regulatory requirements and industry standards.

This Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and should be read in conjunction with Avangaad's full Corporate Governance Report 2025 ("CG Report"), available on our website at www.avangaad.com. We take pride in our commitment to transparency and accountability, as reflected in our governance disclosures. As outlined in the MCCG, our governance practices adhere to three fundamental principles:

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership & Effectiveness	Effective Audit & Risk Management	Integrity In Corporate Reporting & Meaningful Relationship with Stakeholders

SUSTAINABILITY

Avangaad remains dedicated to advancing sustainability practices within its business operations, continually striving to integrate Environmental, Social, and Governance ("ESG") considerations into its core processes and organizational culture. Recognizing the significance of sustainability in shaping our long-term success, we are committed to achieving a harmonious balance between our business objectives and our responsibility to environmental stewardship and social welfare.

Guided by a commitment to safety and environmental protection, Avangaad has implemented robust policies such as the Statement of Policy on Quality, Health, Safety and Environment Protection ("QHSE Policy"). These policies are designed to ensure safe practices in ship operation, enhance safety management skills, and prepare for safety and environmental protection emergencies. In addition to our QHSE Policy, we have recently introduced a Human Rights Policy to further strengthen our commitment to ESG principles. This policy underscores our dedication to upholding human rights throughout our operations and supply chain.

We are pleased to report that Avangaad has achieved the majority of its ESG KPIs for the financial year 2025. Details of our ESG performance can be found in the Sustainability Report, which provides comprehensive insights into our initiatives, progress, and targets. Effective communication of our sustainability targets and performance to stakeholders remains a cornerstone of our approach. We believe in transparent reporting and accountability, providing stakeholders with a clear understanding of our sustainability journey.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

The Responsibilities of the Board

The Board of Avangaad, under the leadership of the Group Chairman, holds a steadfast commitment to shareholders and stakeholders, ensuring the creation and delivery of sustainable value and long-term success in alignment with the company's vision and mission.

At the core of its responsibilities, the Board sets strategic goals for the Company, ensuring alignment with its overarching vision and mission. The Board oversees risk management and internal control frameworks, ensuring the identification and mitigation of principal risks across all aspects of business operations. Furthermore, it establishes policies and procedures to ensure the adequacy and effectiveness of these systems, fostering a culture of accountability and compliance within the organization.

Operating within the framework of integrity and transparency, the Board exercises due diligence and care in discharging its duties, adhering to relevant rules, regulations, and corporate governance principles. It acts in the best interests of shareholders, employees, customers, and the broader community, emphasizing ethical conduct and sustainable value creation in all decision-making processes.

Through effective governance and stewardship, the Board remains dedicated to enhancing shareholder value, fostering sustainable growth, and maintaining the trust and confidence of stakeholders.

Limits Of Authority

The corporate governance framework is reinforced by the Company's Limits of Authority ("LOA"), which delineates decision-making boundaries for each level of management within the organization. The LOA manual serves as a comprehensive guide, clearly defining matters reserved for the Board's approval and those delegated to senior management.

Within this framework, the LOA manual outlines authority over various aspects such as payments, investments, capital and revenue expenditure spending limits, budget approvals, contract commitments, and non-financial matters. By establishing these

clear parameters, the LOA manual fosters accountability and facilitates decision-making processes at the appropriate levels within the organizational hierarchy. This proactive approach enables efficient and effective governance, empowering management to make informed decisions while upholding transparency and accountability throughout the organization.

Separation of Chairman and Chief Executive Officer ("CEO")

Avangaad recognizes the critical importance of governance structures that support effective leadership and oversight. In accordance with this principle, the roles of Group Chairman and Chief Executive Officer ("CEO") are distinctly separated. This strategic delineation of responsibilities ensures a robust balance of authority within the organization, promoting accountability and focused leadership.

The Group Chairman, in a non-executive capacity, provides direction to the Board, steers Board meetings, and champions the organization's governance framework. Functioning as a key liaison, the Chairman facilitates communication between the Board and Management, ensuring alignment with strategic objectives.

Conversely, the CEO, holds executive responsibility for the Group's overall management and operations, reporting directly to the Board. The CEO is accountable for the Group's performance and operational effectiveness and drives the execution of Board policies, strategies, and decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board and Senior Management engage collaboratively to ensure the Group's operations are conducted prudently, with regular reviews of key policies, business plans, and strategies. This cooperative dynamic reinforces the Board's commitment to enhancing long-term shareholder value and safeguarding stakeholder interests.

By upholding this separation of roles, Avangaad cultivates an environment of checks and balances, thereby strengthening transparency, accountability, and sound decision-making across the organization.

Board Charter

The Board Charter serves as a comprehensive guide for Directors, delineating matters concerning the Board and its procedures. Additionally, it defines the roles and obligations of the Group Chairman, the CEO, and the Board collectively.

01 **BOARD**
Roles & Responsibilities
- Reviewing and adopting a strategic plan for the Company
- Overseeing the conduct of the Company's business
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures
- Succession planning
- Overseeing the development and implementation of shareholder communication policy for the Company
- Reviewing the adequacy and integrity of the Company's management information and internal control system

02 **CHAIRMAN –**
Dato' Mohd Redza Shah Bin Abdul Wahid
- Providing leadership to the Board
- Chairing meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage the most effective contribution from each member
- Chairing meetings of shareholders
- Ensuring the Board's full discharge of its duties
- Identifying guidelines for the conduct of Directors, and ensuring that each Director is making a significant contribution
- Acting as liaison between the Board and management
- Ensuring that the Board's strategic direction and planning process is established
- Working with the Board Nomination & Remuneration Committee

03 **CHIEF EXECUTIVE OFFICER –**
Nasrul Asni Bin Muhammad Dain
- Foster a corporate culture that promotes ethical practice, encourages individual integrity and fulfil social responsibility
- Develops and recommends to the Board a long-term strategy and vision for the Group that led to the creation of shareholders' value
- Develops and recommends to the Board the Groups' operational plans and budget that support the Group's short to long-term strategy
- Ensure achievement of objectives and goals, as contained in the strategic plan
- Manage the overall business and oversee the day-to-day operation of the Group
- Formulate and oversee the implementation of significant corporate policies

The roles of Chairman and CEO are held by two (2) separate individuals

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Formalised Ethical of Standards

The Board of Directors of Avangaad views honesty, fairness, and integrity as paramount to our operational success and stakeholder trust. As stewards of the organization, Avangaad is dedicated to promoting exemplary business conduct and cultivating a strong corporate culture where these values are central. Avangaad's governance framework is designed to embed integrity, transparency, and fairness into every aspect of our operations. To ensure the practical application of these principles, the following ethical standards have been implemented, with full details available in the CG Report. These standards include:

1) Code of Ethics
2) Whistle-blowing Policy
3) Anti-Bribery Policy

Code of Ethics

Avangaad maintains a robust Code of Ethics (COE), readily accessible to all stakeholders on our corporate website, www.avangaad.com. This Code provides a vital framework that outlines the ethical principles, expected conduct, and behavioral standards for all members of the Avangaad Group, including Directors and employees. It reinforces the importance of ethical behavior, integrity, and accountability across all our business activities and operations. Strict adherence to the provisions of this COE is mandatory for every member of the Avangaad Group.

Whistle Blowing Policy

Avangaad's Whistle-Blowing Policy is designed to foster a culture of transparency, integrity, and accountability throughout our operations. This policy enables employees to report unethical or illegal conduct without fear of reprisal. Confidential disclosures can be made through established channels. The Company is committed to promptly investigating all reports and ensuring the protection of the whistleblower's identity. This policy demonstrates our commitment to upholding high ethical standards and addressing concerns effectively.

Anti-Bribery Policy

The Anti-Bribery Policy at Avangaad, further solidifying our Code of Conduct & Business Ethics, underscores our unwavering commitment to eradicating bribery and corruption. The Company achieved Anti-Bribery Management System (ABMS) certification on 6 May 2021 and has been actively engaged in its implementation since 2020. This policy is designed to ensure that all employees understand their critical responsibility in upholding stringent anti-bribery measures within the organization.

The Composition of the Board

The composition of the Board of Avangaad, as of 31 December 2025, remains robust, comprising seven (7) members, including three (3) members Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. These individuals were meticulously selected for their exceptional expertise, extensive experience, unwavering integrity, and commendable character, ensuring a balanced and competent leadership team. The Board is steadfast in adhering to regulatory guidelines regarding Board composition, with most Independent Directors possessing diverse expertise and skills from various fields.

The Board recognizes the importance of diversity in designing its composition while considering the pertinent skills, knowledge, and experience necessary to further enhance the composition of the Board. Diversity has been considered from several aspects, including but not limited to gender, age, educational background, professional experience, skills, and knowledge.

Moreover, the Board is dedicated to promoting gender diversity within its decision-making positions, in alignment with regulatory updates mandating the inclusion of at least one female director. Presently, out of the seven Directors, one woman represents 14% of the Board composition, demonstrating the Board's commitment to gender diversity while consistently prioritizing the Company's best interests.

Fit and Proper Policy

High governance standards are a priority for Avangaad, and the Company ensures its Board of Directors possesses the necessary qualities for effective leadership. The Fit and Proper Policy, detailing the criteria for assessing candidates for Director appointments and evaluating existing Directors, is available on the website at https://avangaad.com/ir/corporate-governance.

This policy ensures that Directors demonstrate the character, experience, integrity, competence, independence (for Independent Directors), and time to effectively discharge their duties.

Guiding the Board Nomination & Remuneration Committee ("BNRC") and the Board of Directors in the selection and evaluation process, the Fit and Proper Policy provides stakeholders confidence that the Company's leadership meets stringent criteria, including:

- **Character and Integrity**
- **Experience and Competence**
- **Time and Commitment**
- **Independence (for Independent Directors)**

Fit and proper evaluations are conducted before appointments, for re-elections, and when concerns arise. To maintain its effectiveness, the Board Nomination & Remuneration Committee reviews the policy periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities. Ultimately, this policy strengthens Avangaad's governance, ensuring the Company is guided by high-calibre individuals.

Board Meetings and Supply of Information

Directors are furnished with meticulously prepared agendas and comprehensive Board papers in advance of each meeting, allowing for thorough review and thoughtful consideration. These materials encompass a spectrum of critical documents, ranging from previous meeting minutes to financial statements, corporate updates, and proposals for strategic initiatives.

The Board adheres to a structured meeting schedule, convening no fewer than four (4) times annually, with additional sessions scheduled as necessary to address emergent matters. Notably, Special Board meetings are promptly called to deliberate on urgent proposals or significant developments.

During the fiscal year ended 31 December 2025, the Board convened five (5) times, as evidenced by the attendance record provided below:

No.	Director	Directorship	No. of Meetings Attended
1.	Dato' Mohd Redza Shah Bin Abdul Wahid	Independent Non-Executive Chairman	5/5
2.	Datuk Wira Mubarak Hussain Bin Akhtar Husin	Executive Director	5/5
3.	Dato' Lai Keng Onn	Executive Director	5/5
4.	Dato' Seri Nazir Hussin Bin Akhtar Hussin	Executive Director	5/5
5.	Michael Cheah Choy Chin	Independent Non-Executive Director	5/5
6.	Tong Siut Moi	Independent Non-Executive Director	5/5
7.	Mohd Faris Adli Bin Shukery	Non-Independent Non-Executive Director	4/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees

The Board has instituted several specialised committees ("Board Committees"), each operating under its own set of terms of reference ("TOR"), namely:

1) Board Nomination & Remuneration Committee ("BNRC")
2) Audit Committee ("AC")
3) Risk & Governance Committee ("RGC")

Board committees play a crucial role in supporting the Board's oversight responsibilities, focusing on key governance and compliance aspects as defined in their respective TORs. These committees provide in-depth review and analysis, with reports detailing their decisions, actions, and recommendations presented to the Board in accordance with their TORs. These TORs are readily accessible on the Company's website, ensuring transparency and accountability.

The Board receives regular updates on committee activities through agenda items in meeting notices, which are followed by comprehensive discussions during Board meetings. Notably, the AC and RGC Chairpersons provide detailed briefings on significant audit findings and risk management issues, enabling informed Board deliberations and appropriate management actions.

To further enhance oversight, the External Auditors offer valuable insights to AC members on the Malaysian Financial Reporting Standards relevant to the Group's financial statements. Moreover, Directors maintain open and direct access to Senior Management, facilitating the timely acquisition of information and clarifications pertaining to Avangaad's operations and affairs.

Company Secretaries

The Board benefits from the dedicated support of qualified Company Secretary, certified under the Companies Act 2016, who provide essential guidance on statutory compliance, regulatory adherence, and corporate governance standards. With legal training and accreditation, they assist both the Board and Management in navigating complex regulatory landscapes, ensuring the Company's operations align with established governance norms.

These Company Secretary play a pivotal role in advising on matters ranging from the Company's constitution to Board policies and procedures, equipped to keep abreast of regulatory developments through ongoing training and industry engagement.

These professionals meticulously ensure that meetings are well-organized, records are accurately maintained, and regulatory obligations are met. Additionally, they provide timely updates to the Board on material announcements and changes in regulatory requirements, enabling proactive responses to evolving market dynamics.

Training and Development of Directors

Avangaad is committed to the continuous professional development of its Directors. The Board recognizes the importance of staying abreast of evolving laws, financial reporting standards, and risk management practices to ensure effective governance and strategic leadership. To achieve this, Directors actively participate in various development activities, including seminars, conferences, and training sessions, both individually and collectively, to enhance their skills and knowledge.

The Company Secretary plays a crucial role in facilitating training logistics and providing Directors with updates on relevant regulatory training programs. In addition, external auditors contribute by providing insights on updates to financial reporting standards. The Group further supports development through in-house and external training sessions focused on leadership development, technical skills enhancement, and industry updates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Through participation in these diverse programs and courses, Directors maintain a strong understanding of regulatory changes and emerging business trends, ensuring they are well-equipped to fulfil their roles effectively and contribute to the Company's success.

No.	Name Of Director	Conference/Seminar/Training Attended
1.	Dato' Mohd Redza Shah Bin Abdul Wahid	1. Fireside Chat Session with MATRADE (Sustainable Business Innovation: Positioning SMEs For Global Market Leadership) hosted by International Centre for Education in Islamic Finance (INCEIF) University 2. Dialogue Session: Reshaping the Future: Islamic Economics For A Human and Sustainable World hosted by International Centre for Education in Islamic Finance (INCEIF) University 3. JCorp Future Forward Leadership hosted by Johor Corporation 4. Developing A Guidance Framework For Impact Monitoring And Reporting In Islamic Social Finance hosted by Malaysian Institute of Accountants (MIA) 5. Islamic Finance Kliff hosted by Kuala Lumpur Islamic Finance Forum (KLIFF) 6. Malaysian International Healthcare (MIH) Megatrands hosted by KPJ Healthcare Berhad
2.	Datuk Wira Mubarak Hussain Bin Akhtar Husin	1. Decoding Transactions and RPT Rules hosted by CKM Advisory Sdn. Bhd. 2. Mandatory Accreditation Program (MAP) Part II: Leading for Impact
3.	Dato' Lai Keng Onn	1. Decoding Transactions and RPT Rules hosted by CKM Advisory Sdn. Bhd.
4.	Dato' Seri Nazir Hussin Bin Akhtar Hussin	1. Decoding Transactions and RPT Rules hosted by CKM Advisory Sdn. Bhd. 2. Project Sustainability and Scope 3 Emissions hosted by ESG & Sustainability Department, Kinergy Advancement Berhad
5.	Michael Cheah Choy Chin	1. Handling Challenges In Corporate Disclosures hosted by CKM Advisory Sdn. Bhd. 2. Compliance With Listing Requirements – Reporting of Financial Statements hosted by CKM Advisory Sdn. Bhd. 3. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) hosted by Institute of Corporate Directors Malaysia (ICDM) 4. Town Hall hosted by Malaysian Institute of Accountants (MIA) 5. Strategic Leadership in the Age of AI and RPA: Driving Purpose and Innovation hosted by Malaysian Institute of Accountants (MIA) 6. ASEAN Sustainability Summit hosted by the Institute of Chartered Accountants in England and Wales (ICAEW) 7. Common Pitfalls in Transactions & RPT Rules hosted by CKM Advisory Sdn. Bhd. 8. Audit Oversight Board's (AOB) Conversation with Audit Committees hosted by Securities Commission Malaysia
6.	Tong Siut Moi	1. Percentage Ratios Made Easy hosted by CKM Advisory Sdn. Bhd. 2. ISO 37001:2016 Anti-Bribery Management System (ABMS) Leadership Awareness Training hosted by SIS Certification Services 3. Decoding Transactions and RPT Rules hosted by CKM Advisory Sdn. Bhd. 4. Navigating Sustainability and Climate-Related Risks, Opportunities and Net-Zero Goals hosted by ESG & Sustainability Department, Kinergy Advancement Berhad 5. Project Sustainability and Scope 3 Emissions hosted by ESG & Sustainability Department, Kinergy Advancement Berhad

CORPORATE GOVERNANCE OVERVIEW STATEMENT

No.	Name Of Director	Conference/Seminar/Training Attended
7.	Mohd Faris Adli Bin Shukery	1. Mandatory Accreditation Program (MAP) Part II: Leading for Impact 2. Economic Outlook 2025: Johor as a Catalyst for Malaysia's Growth 3. Palm Oil Conference (POC) 2025 4. SAP Analytics Cloud (SAC) Reporting & Analytics Training 5. CPOPC International Smallholder Workshop 2025 6. IS-SEZ 360: Beyond the Hype – Perspective from Industry, Academia, Media, and Policy Experts 7. Directors' Responsibilities Program 8. Navigating & Managing for Growth: Johor's Perspective 9. 17th National Seminar 2025 (NATSEM 2025) 10. JCorp Future Forward Leadership Series (JFFLS) 2025 11. JPG Directors Training 2025

Board Nomination & Remuneration Committee ("BNRC")

Effective corporate governance requires a robust framework for Board nomination, succession planning, and executive remuneration. The BNRC is entrusted with this responsibility at Avangaad. The committee ensures that the Company's leadership structure and compensation practices align with its strategic goals and promote accountability and performance. To further enhance the efficiency and effectiveness of Board nomination, succession planning, and remuneration processes, Avangaad has consolidated the Nomination Committee and the Remuneration Committee into a single Board Nomination & Remuneration Committee ("BNRC").

The BNRC comprises the following Directors:

Board Nomination & Remuneration Committee			
Director	**Directorship**	**Designation**	**No. of Meetings Attended**
Tong Siut Moi	Independent Non-Executive Director	Chairperson	1/1
Dato' Mohd Redza Shah Bin Abdul Wahid	Independent Non-Executive Chairman	Member	1/1
Michael Cheah Choy Chin	Independent Non-Executive Director	Member	1/1

The details of the remuneration received and receivable by the Non-Executive Directors ("NEDs") for the Financial Year 2025 are set out in the table below:

COMPANY LEVEL						
No.	**Name**	**Board Fees (RM)**	**Other Remuneration (RM)**	**Salary, Bonus and Defined Contribution (RM)**	**Benefits (RM)**	**Total (RM)**
Non-Executive Directors						
1.	Dato' Mohd Redza Shah Bin Abdul Wahid	80,000	76,000	-	-	156,000
2.	Michael Cheah Choy Chin	66,000	101,000	-	-	167,000
3.	Tong Siut Moi	66,000	82,000	-	-	148,000
4.	Mohd Faris Adli Bin Shukery*	66,000	12,000	-	-	78,000
Grand Total		**278,000**	**271,000**	**-**	**-**	**549,000**

** Included in the Director Fees paid to Encik Mohd Faris Adli Bin Shukery, RM66,000 was paid directly to Johor Plantations Group Berhad.*

Key Management remuneration paid or payable for the financial year ended 31 December 2025 is as follows: -

Total Amount of Remuneration	Number of Key Management
MYR100,000 and below	-
MYR100,001 to MYR200,000	2
MYR200,001 and above	1
Total	3

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Following a comprehensive review, the Board has resolved that the current policy regarding the aggregate disclosure of Key Management remuneration remains the most prudent course of action for the Group. This approach enables a focus on cultivating a cohesive and performance-driven leadership team while ensuring that compensation aligns with strategic objectives and drives shareholder value. The Board is dedicated to maintaining a robust and equitable remuneration framework that recognizes the contributions of Key Management to the Group's success.

There was one (1) meeting held by BNRC during financial year 2025.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee of the Board

The Audit Committee ("AC") forms an integral part of Avangaad's governance structure, with key responsibilities in financial oversight and compliance. The AC comprises three (3) members, a majority of which are Independent Directors. The Audit Committee is chaired by the Independent Non-Executive Director, Michael Cheah Choy Chin.

Director	Directorship	Designation	No. of Meetings Attended
Michael Cheah Choy Chin	Independent Non-Executive Director	Chairman	5/5
Dato' Mohd Redza Shah Bin Abdul Wahid	Independent Non-Executive Chairman	Member	5/5
Tong Siut Moi	Independent Non-Executive Director	Member	5/5

The AC provides crucial oversight of the Group's financial integrity and compliance. The AC effectively discharged its duties and responsibilities during the financial year. The key activities undertaken by the AC are summarized as follows:

a) Oversight of quarterly financial results and announcements, ensuring accuracy and alignment with the Group's performance.
b) Review of the Group's compliance with accounting standards and regulatory requirements.
c) Review and recommendation of the External Auditors' Report, with a focus on key audit matters and recommendations.
d) Review and approval of the Internal Audit Plan and monitoring its implementation.
e) Monitoring of related party transactions and potential conflicts of interest.

Further details concerning the AC's responsibilities, meeting frequency, and member attendance are provided in the Audit Committee Report featured within the Company's Annual Report.

Risk & Governance Committee of the Board

Avangaad recognizes the importance of proactive risk management and robust governance structures. The Risk & Governance Committee ("RGC") supports the Board in providing oversight of the Risk Management and governance framework across the Avangaad Group of Companies.

The RGC will continue to provide critical support to the Board by overseeing the Risk Management & Governance framework. Its core function is to routinely evaluate the framework's adequacy and effectiveness, ensuring alignment with the Company's strategic objectives and regulatory requirements.

The RGC is composed of three (3) Directors, with the flexibility to invite other members of Avangaad's Senior Management or external parties to attend meetings as needed:

Director	Directorship	Designation	No. of Meetings Attended
Michael Cheah Choy Chin	Independent Non-Executive Director	Chairman	5/5
Dato' Mohd Redza Shah Bin Abdul Wahid	Independent Non-Executive Chairman	Member	5/5
Tong Siut Moi	Independent Non-Executive Director	Member	5/5

Throughout the financial year 2025, the RGC convened on five (5) occasions, demonstrating its commitment to diligently address risk and governance matters within the organization.

Risk Management and Internal Control Framework

Avangaad's Board of Directors has established a robust risk management and internal control framework to safeguard the Group's assets and interests. The Board regularly reviews these systems for effectiveness, adequacy, and integrity, ensuring appropriate responses to business environment changes.

Risk management and internal controls are overseen by:

- The Risk & Governance Committee ("RGC") at the board level is responsible for governance, internal control, and financial matters.
- The Risk Management Committee ("RMC") at the Management level, which is responsible for risk management.

Avangaad's risk management and internal control processes have been effective. Throughout the year, no significant internal control weaknesses were identified that could result in material loss or uncertainty for the Company. Details of the Risk Management and Internal Control Framework are in the Company's Annual Report under the Statement of Risk Management and Internal Control. Avangaad is committed to maintaining effective risk management and internal control practices, providing assurance to stakeholders.

Relationship with External Auditors

Messrs Grant Thornton Malaysia PLT (Grant Thornton) was appointed in the previous Board Meeting in August 2025 as the external auditors for the Group. Grant Thornton meets the Audit Committee at least twice a year to highlight and discuss the nature, scope of the audit, audit programme, internal controls and issues that may require the attention of the AC or the Board.

To uphold the independence of the external audit function, the AC conducts thorough reviews of contracts related to Grant Thornton's provision of non-audit services. This scrutiny is essential to mitigating potential conflicts of interest. The AC ensures that services such as management consulting, strategic decision-making, internal audit activities, and the creation of standard operating policies and procedures documentation are explicitly excluded from Grant Thornton's contractual obligations, thereby preserving objectivity and independence.

Moreover, the AC provides governance oversight by approving all non-audit services rendered by external auditors on a case-by-case basis, with careful consideration of the impact on independence and objectivity. The terms of engagement for both statutory audits and non-audit services are subject to detailed review by the AC and subsequent approval by the Board. This robust process demonstrates Avangaad's dedication to upholding stringent governance and accountability standards in the audit process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of the statutory audit, audit-related and non-audit fees paid/payable in 2025 to the external auditors are set out below:

Fees Paid / Payable to External Auditor	KPMG (RM)	Grant Thornton (RM)
Audit Fees	-	220,000
Non-audit Fees	85,000	-
Grand Total	**85,000**	**220,000**

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

Effective communication with its stakeholders, including institutional investors and the investing public, is a priority for the Board of Directors. This communication is essential for providing a clear and comprehensive understanding of the Group's performance and strategic direction.

The Company prioritizes proactive disclosure through various channels, with the Annual Report serving as a key communication tool. Furthermore, the Company has enhanced its digital presence and undergoes regular updates on the Company's corporate website. The website, located at https://avangaad.com, offers a refreshed look and provides stakeholders with easy access to current and comprehensive information about Avangaad Berhad. This includes Board member profiles, details of the Group's business operations, announcements to Bursa Malaysia, press releases, share information, financial results, corporate governance information, and corporate news. These initiatives support strong investor relations and ensure stakeholders are well-informed.

Corporate Disclosure Policy

Corporate communication practices are governed by a Corporate Disclosure Policy, demonstrating a commitment to continuous disclosure. This policy delineates Management's responsibilities and the procedures to ensure adherence to disclosure regulations.

The policy specifically addresses how the company identifies and disseminates material information, particularly price-sensitive information. It also outlines the conditions for maintaining confidentiality and sets forth restrictions on insider trading. Internal procedural guidelines are established within the policy to support implementation and ensure consistent disclosure practices across Avangaad.

Annual General Meeting ("AGM")

The Annual General Meeting ("AGM") and other general meetings serve as the principal forums for shareholders to directly interact with the Board, facilitating discussions on matters such as the Annual Report, Audited Financial Statements, corporate developments, proposed resolutions, and the Group's operations.

The Chairman plays a pivotal role during the AGM, ensuring constructive dialogue between shareholders and the Board, and providing adequate time for discussion before each resolution is proposed. In compliance with regulatory standards, all resolutions tabled at the AGM are voted upon by way of a poll, with poll results verified by appointed scrutineers prior to the Chairman's announcement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The previous AGM was held at the Majestic Hotel, Kuala Lumpur, on 28 May 2025. Scheduled ahead of the new financial year, the AGM allows Board members to plan their participation accordingly. Notification of the AGM was issued to shareholders more than 28 days in advance, with the Notice of AGM published in a national newspaper and made available on the Company's website. This practice aligns with the Company's commitment to transparency and accessibility, providing shareholders with ample time to prepare or appoint proxies for attendance and voting. The AGM also serves as a platform for the Executive Directors to present the Company's performance and highlight key items to shareholders, fostering engagement and clarity on the Group's affairs.

Dialogue Between the Company and Investors

Avangaad recognizes the importance of providing accessible and timely information to its shareholders and the investment community. Avangaad is dedicated to ensuring investors have the resources to make well-informed decisions about it.

To achieve this, Avangaad utilizes various communication platforms:

- **Quarterly Financial Reporting:** The Company releases quarterly financial results to provide regular updates on its performance.
- **Annual Report:** The Company publishes an Annual Report containing detailed information on its operations and financial results.
- **Bursa Malaysia Announcements:** The Company complies with listing requirements by making necessary announcements through Bursa Malaysia Securities Berhad.
- **Press Releases:** The Company issues press releases to communicate key developments and corporate news.
- **Investor Relations Website:** The Company’s website at https://avangaad.com includes a dedicated Investor Relations section where shareholders and investors can access financial reports, announcements, and other pertinent information.

The Group is committed to maintaining open lines of communication and ensuring that investors have access to the information they need in a timely and efficient manner. Shareholders, investors, and the public can direct inquiries, feedback, or proposals to the Company through a designated email channel, public-relations@avangaad.com.

STATEMENT ON COMPLIANCE

Sound corporate governance is a priority of the Board of Directors. In the financial year ended 31 December 2025, the company achieved substantial compliance with the practices detailed in the Malaysian Code on Corporate Governance (MCCG). The Board of Directors is focused on continuously strengthening the application of corporate governance practices and procedures across the Group. This focus underscores a commitment to protecting the interests of all shareholders and stakeholders. Detailed information on the company's adherence to the MCCG principles can be found in the Corporate Governance Report on the Avangaad website.

The Statement of Corporate Governance received approval from the Board of Directors on 24 April 2026.

DIRECTORS’ STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

This Statement outlines the risk management and internal control systems of Avangaad Berhad for the financial year ended 31 December 2025. It aligns with Bursa Malaysia Securities Berhad's (Bursa Securities) Main Market Listing Requirements (MMLR) on the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

1. BOARD RESPONSIBILITY

The Board of Directors (the Board) is ultimately responsible for establishing, overseeing, and maintaining a sound risk management and internal control system to safeguard shareholders' investments, the Group's assets, and other stakeholders' values and interests. This includes reviewing the system's effectiveness, adequacy, and integrity to ensure it manages significant risks and adapts to the changing business environment.

The Board has established the Risk and Governance Committee (RGC) and the Audit Committee (AC) to assist in fulfilling these responsibilities. The RGC oversees the Group's risk management and governance framework, ensuring its adequacy and effectiveness. It evaluates the Enterprise Risk Management system, assesses principal risks, reviews risk exposures, and recommends risk management strategies and policies to the Board.

The AC focuses on financial reporting, internal control, and audit matters. It reviews the financial statements, assesses the effectiveness of internal control systems, and oversees the internal and external audit functions. The Board retains overall responsibility for risk management and internal control, with the RGC and AC playing key roles in assisting the Board in fulfilling its fiduciary duties.

2. RISK MANAGEMENT FRAMEWORK

The Group has adopted a comprehensive Enterprise Risk Management (ERM) framework to ensure effectiveness in identifying, analysing, and mitigating risks. Aligned with ISO 31000 Risk Management - Principles and Guidelines, the framework provides a structured and consistent approach for making informed decisions and managing risks in daily operations.

Risks are identified and assessed across various segments, including strategic, operational, financial, compliance, cybersecurity, safety, and regulatory. Multiple methodologies, including qualitative and quantitative analysis, scenario planning, and key risk indicators, are employed for risk assessment to understand their potential impact and likelihood of occurrence. This analysis considers the root causes of the risk and its possible financial and non-financial impacts.

Risks are evaluated based on their likelihood and potential impact using a risk rating matrix for prioritization. The effectiveness of existing controls is considered in the evaluation process. Risk treatment involves selecting and implementing appropriate actions to modify the risk, including accepting the risk, reducing the likelihood or impact, transferring the risk, or avoiding it altogether. Risk treatment options are documented, outlining the implementation process, responsible personnel, timelines, and mitigation performance.

Risks and the effectiveness of risk management strategies are continuously monitored and reviewed to ensure they remain relevant and effective in the Group's changing operating environment. The risk rating determines the frequency of review, with higher-rated risks being reviewed more frequently.

3. INTERNAL CONTROL SYSTEM

The Group maintains a robust internal control system designed to provide reasonable assurance against events that could hinder the achievement of its goals and objectives. This system safeguards shareholders' investments and the Group's assets. The key components of the internal control system are outlined below.

3.1 Risk and Governance Committee (RGC)

The RGC is a committee of the Board of Directors responsible for overseeing the Group's risk management and governance processes. The RGC comprises three members, who are Independent Directors and is chaired by an Independent Non-Executive Director who is not the Chairman of the Board.

3. INTERNAL CONTROL SYSTEM (CONT'D)

3.1 Risk and Governance Committee (RGC) (cont'd)

The RGC's primary role is to provide strategic guidance and direction to the Group's risk management activities. This includes quarterly evaluating the effectiveness of the Enterprise Risk Management framework and the process of assessing and managing the Group's principal risks. The RGC also reviews and evaluates risk identification assessment and recommends changes to risk management policies, frameworks, standards, and procedures to the Board. The RGC is responsible for reviewing risk management strategies, policies, and risk appetite for the Board's approval.

Furthermore, the RGC is responsible for overseeing the Group's sustainability strategy and initiatives. This includes reviewing the Group's sustainability performance, identifying and assessing sustainability risks and opportunities, and recommending appropriate actions to the Board.

To ensure effective implementation of risk management strategies, the RGC is supported by the Risk Management Committee (RMC), which comprises senior management team members. The RMC is responsible for embedding risk management practices into the Group's day-to-day operations and ensuring compliance with its risk management framework.

The RGC plays a crucial role in making certain that the Group's risk management, governance, and sustainability frameworks are deemed robust and effective. Its oversight and guidance, combined with the RMC's operational implementation, contribute to the Group's ability to achieve its objectives while safeguarding the interests of its stakeholders and promoting sustainable practices.

3.2 Board Committee

In addition to the RGC, the Group is supported by the Board Nomination & Remuneration Committee (BNRC), and the AC, which are tasked with assisting the Board in fulfilling its oversight responsibilities. These committees provide independent oversight of the Group's management and operate within their respective terms of reference.

The establishment of various Board Committees aims to strengthen governance, ensure accountability, and assist the Board in discharging its duties.

3.3 Organisational Structure

The Group's internal control system is strengthened by a clearly defined organizational structure with distinct lines of authority and responsibility. Qualified and experienced management personnel are appointed to oversee the achievement of the Group's goals and objectives. This well-defined structure; with its clear reporting lines, formalized responsibilities, and delegation of authority, ensures effective control mechanisms in terms of reporting lines and accountability.

3.4 Limit Of Authority (LOA)

To ensure effective governance and risk management, the Group has established the LOA for the management team. The LOA outlines the delegated authority for business transactions and operational matters, including those requiring Board approval. This ensures a clear segregation of duties and minimizes the risk of abuse of authority.

The LOA provides a clear line of accountability and responsibility, facilitating efficient decision-making at various levels of the organization. The LOA sets out a clear line of accountability and responsibility to facilitate decision-making and the appropriate approval levels in the organization's hierarchy.

3.5 Quarterly Performance Review

The AC reviews the Group's performance quarterly. These reviews encompass key financial and operational indicators and the progress of strategic initiatives undertaken by the Group. This regular oversight by the AC ensures that the Group's performance is closely monitored, and any necessary corrective actions are taken in a timely manner.

DIRECTORS' STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

3. INTERNAL CONTROL SYSTEM (CONT'D)

3.6 Internal Audit (IA) Department

The IA Department plays a crucial role in the Group's internal control system by providing independent and objective assurance on the effectiveness of risk management, control, and governance processes.

To enhance the internal audit function further, the Group has engaged an external consultant, Baker Tilly Monteiro Heng Governance Sdn. Bhd. to assist in reviewing the Group's risk management and internal control framework. This collaboration ensures a comprehensive and independent assessment of the Group's risk management and internal control environment.

The IA's findings and recommendations, along with those of the external consultant, are reported to the AC for review and deliberation. This robust internal audit process, complemented by external expertise, provides the Board and management with valuable insights for strengthening the Group's risk management and internal control systems.

3.7 Policies and Procedures

The Group has established comprehensive policies and procedures approved by the Board and regularly reviewed to ensure their effectiveness and relevance. These policies and procedures guide employees in their daily activities, promoting consistency, transparency, and accountability. The Group's policies cover a wide range of areas, including:

- Code of Ethics
- Corporate Disclosure Policy
- Anti-Bribery Corruption Policy
- Gift Policy
- Whistleblowing Policy
- Statement of Policy on Quality, Health, Safety and Environmental Protection
- Substance Misuse Policy
- Policy Statement for Safe Navigation
- Stop Work Policy
- Rest Hour Policy
- Security Policy
- Cyber Security Risk Management Policy
- Policy Statement for Squat, Under Keel Clearance and Ship Interaction (Tanker, Fast Crew Boat & Tugboat)
- Human Rights and Labour Policy

The Group is committed to maintaining a robust policy framework that supports its risk management and internal control objectives.

3.8 Regulatory Compliance

The Group is committed to upholding the highest standards of safety, health, and environmental performance. To achieve this, the Group adheres to strict standards and controls, continuously improving the application and performance of its Safety Management System. The Group operates an integrated Quality, Safety, Health, and Environment Management System that meets the requirements of:

- ISO 9001:2015 (Quality Management Systems)
- ISM Code for Vessel Safe Operation and Pollution Prevention
- International Ship and Port Facility Security Code

This commitment to regulatory compliance ensures the Group's operations are conducted safely, responsibly, and in accordance with international standards.

4. COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS

The Board has received assurance from the Senior Management and IA Department that the Group's risk management and internal control system is operating effectively and adequately in all material aspects for the financial year under review and up to the date of approval of this Statement.

5. BOARD ASSURANCE AND LIMITATIONS

The Board of Directors acknowledges its responsibility for establishing and maintaining an effective risk management and internal control system for the Group. The Board has conducted a comprehensive review of the system's effectiveness and is satisfied that it is adequate and operating effectively in all material aspects as of the date of this statement.

However, the Board recognizes that risk management and internal control systems have inherent limitations. These limitations include the possibility of human error, collusion, or management override of controls. Additionally, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board is committed to continuously improving the Group's risk management and internal control systems to address evolving risks and challenges.

This Statement was presented and approved at the meeting of the Board of Directors held on 24 April 2026.

6. CONCLUSION

The Board is of the opinion that the Group's risk management and internal control system is adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets, and other stakeholders' interests and in addressing the key risks impacting the Group's business operations. The Board is committed to continuously improving the system to ensure it remains adequate and effective in the face of the fast-changing business environment.

7. REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

In accordance with Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. The review was conducted in accordance with the scope set out in the Audit and Assurance Practice Guide 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

The purpose of this review was to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the adequacy and integrity of the Group's system of internal control.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is not prepared, in all material aspects, in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, nor is it factually inaccurate.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") provides critical oversight of the Group financial reporting process; monitoring the external and internal auditing processes; compliance with relevant legal and statutory matters and other matters delegated by the Board to the AC through its approved Terms of Reference.

1. AUDIT COMMITTEE COMPOSITION AND MEETINGS HELD

The AC composition, type of directorship and attendance of meetings held in the financial year ended 31 December 2025 are set out below.

No.	Name	Directorship	No. of Meetings Attended
1.	Michael Cheah Choy Chin (Chairman)	Independent Non-Executive Director	5/5
2.	Dato' Mohd Redza Shah Bin Abdul Wahid (Member)	Independent Non-Executive Chairman	5/5
3.	Teresa Tong Siut Moi (Member)	Independent Non-Executive Director	5/5

The composition of the AC is in line with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), where: -

- All AC members are Non-Executive Directors and all of them are Independent Directors, including the Chairman.
- No alternate director is appointed as a member.
- The AC Chairman, Michael Cheah Choy Chin, is a Fellow of the Institute of Chartered Accountants in England and Wales and also a Member of the Malaysia Institute of Accountants, fulfilling the requirement stated in paragraph 15.09(1)(c)(i) of the MMLR.
- Additionally, the Board Chairman and member of the AC, Dato' Mohd Redza Shah Bin Abdul Wahid, is an Associate Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. This meets the requirement which stipulates at least one (1) of the AC members fulfils the financial expertise requisite.

The Audit Committee meetings are normally attended by the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Deputy Manager of Internal Audit and upon invitation, the External Auditors. The outsourced professional Internal Auditors were invited to attend the Audit Committee meetings to table their respective internal audit ("IA") reports. Four (4) of the meetings held were planned quarterly meetings.

The Company Secretary acts as secretary to the Audit Committee. Minutes of each meeting is distributed to each board member. The Chairman of the Audit Committee reports key matters discussed at each Board meeting.

The Terms of Reference for the AC are contained in the Board Charter which is available on the Company's website.

2. SUMMARY OF WORK DONE BY AUDIT COMMITTEE

During the financial year, the AC performed the following:

2.1 Financial Reporting and Compliance

- Reviewed the quarterly financial results of the Company and the Group on 13 February 2025, 22 May 2025, 19 August 2025, and 20 November 2025 prior to recommending them to the Board for approval. The matters reviewed and discussed were:
  - Financial and operational performance, and financial statements.
  - Budget achievement, reasons for the variances and efforts to meet targets.
  - Internal and external matters impacting financial and operational performance, and the actions to be taken.
- Reviewed quarterly announcements prior to recommending to the Board for approval to ensure that the announcements reflect the situation and are representative of their views.
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

2. SUMMARY OF WORK DONE BY AUDIT COMMITTEE (cont'd)

2.2 External Audit

- Reviewed and recommended to the Board the External Auditors' Report for the financial year ended 31 December 2024 on 13 February 2025, covering amongst others, the following:
  - Significant accounting and auditing matters during the year.
  - Internal control recommendations.
  - New or significant developments during the year.
  - Substantial matters relating to provisions, legal and contracts, compliance with accounting standards and legal requirements.
- Held one (1) private discussion on 13 February 2025 with the External Auditors without the presence of Management.

2.3 Internal Audit

- Reviewed and approved Internal Audit Department ("IAD")'s Annual Internal Audit Plan for 2025, to ensure the adequacy of scope and coverage; competency and resources available; and that Internal Audit has the necessary authority to carry out its work.
- Reviewed and deliberated on the planned and ad hoc internal audit reports issued and the adequacy of management response and actions to address control deficiencies.
- Reviewed quarterly updates on the progress of the Annual Internal Audit Plan 2025 and the status of corrective actions on whether appropriate actions are timely taken.
- Recommended for the Board's approval, the appointment of an independent firm for outsourcing of the internal audit function of the Company, by reviewing the suitability, experience and resources of that independent firm, and the experience of the supervisory and professional staff assigned.

2.4 Others

- Quarterly review and monitoring of recurrent related party transactions, their aggregate values and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises question on management integrity at each AC quarterly meeting.
- Reviewed the Audit Committee Report 2024 for the financial year ended 31 December 2024 on 23 April 2025 (Special AC) for incorporation into the Annual Report 2024 and recommended it to the Board for approval.

3. SUMMARY OF WORK DONE BY INTERNAL AUDIT FUNCTION

3.1 Internal Audit

- The Group has appointed an outsourced independent consulting firm to carry out the internal audit function, namely Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("Baker Tilly"), providing the Board with a reasonable assurance of adequacy of the scope, function and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the Audit Committee, assurance of the effectiveness of the system of internal control in the Group.

AUDIT COMMITTEE REPORT

3. SUMMARY OF WORK DONE BY INTERNAL AUDIT FUNCTION (cont'd)

3.1 Internal Audit (cont'd)

Date of appointment	2 September 2024
Partner In Charge	Heng Cheng Zin
Qualifications	• Member of Certified Practicing Accountant Australia (CPA) • Chartered Member of Institute of Internal Auditors (IIA) • Chartered Accountant of Malaysian Institute of Accountants (MIA) • Member of Environment, Social & Governance (ESG) Association Malaysia
Experiences	Zin has 19 years of internal audit, internal control review, risk management and compliance experience. She has been extensively involved in managing and executing Internal Audit and Compliance review engagements throughout Asia, Australia, America, Europe and the Middle East Region. Zin is well-equipped with broad knowledge in the area of governance, risks, controls, business process design, policy and regulation compliance. She amassed expertise in a variety of industries which include REITs, Energy & Utilities, Oil & Gas, Mining, Pharmaceutical and Healthcare, Transportation, Property Management and Development, Hotels, Retail, Food & Beverage, Government Departments and non-for-profit organizations. Zin was formerly with Ernst & Young Risk Advisory, Perth and Abbott Laboratories Singapore.
Number of resources	Baker Tilly deployed 2 to 3 personnel per audit review

- Besides, there were two (2) auditors in IAD during the financial year.
- The Deputy Manager of Internal Audit is an Associate Member of the Institute of Internal Auditors Malaysia and has a Bachelor of Accounting (Hons).
- IAD has an independent status in the organization, with direct reporting to the Audit Committee and an administrative reporting to the Chief Operating Officer.
- IAD's purpose, objectives, authority, and responsibilities are spelt out in the IAD Charter which is endorsed and approved by the Audit Committee.
- IAD's mission is to enhance and protect the Company and Group values by providing an independent, risk-based, and objective assurance, advice, and insight on all areas of governance, risk management, and internal control.
- The standards and practices adopted by IAD conform to the International Professional Practices Framework issued by The Institute of Internal Auditors.
- The total amount of expenses incurred by IAD during the financial year is RM296,051 (FY2024: RM210,183).

3. SUMMARY OF WORK DONE BY INTERNAL AUDIT FUNCTION (cont'd)

3.2 Assurance Services

- IAD prepared a risk-based Annual Internal Audit Plan 2025 ("the Plan") for the Group. The Plan was reviewed by the AC and approved for implementation.
- Quarterly updates were prepared for the AC detailing the status of the 2025 Plan on the assignments completed, in progress and outstanding.
- A total of ten (10) assignments were executed during the financial year and presented to the AC covering the following areas:
  - Review of the Manning Department
  - Review of the Fast Crew Boat Operation
  - Review of the Tanker Management & Operation
  - Review of the Sungai Udang Port Vessel Management & Operation
  - Review of the Quality, Health, Safety, Security & Environment (QHSSE) Department
  - Review of the Human Resources Department
  - Investigation into Whistleblower Report on Staff Conduct
  - Investigation into Whistleblower Report on Port Operations
  - Review on Avangaad Sustainability Data
  - Review on Anti-Bribery Management System
- Internal Audit Reports were forwarded to management of the relevant departments for the necessary corrective actions.
- Internal Audit Reports and status of corrective actions taken by management were presented to AC.

The report has been approved by the Audit Committee at its meeting on 24 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

In the previous financial year, the Company undertook a shares issuance of up to 795,575,000 new ordinary shares ("Subscription Shares"), representing approximately 60% of the enlarged share capital of the Company and completed the listing and quotation of 795,750,000 on 30 May 2024 as part of its Regularisation plan.

A total of approximately RM79.575 million was raised through the share issuance exercise at the subscription price of RM0.10 each.

The details of proceed utilisation up to 31 December 2025 are as follows:

Details of the use of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance to be Utilised RM'000	Estimated timeframe from date of receipt of proceeds
Repayment pursuant to the SOA	30,988	30,988	-	Within 1 month
Repayment to Sindora	26,000	26,000	-	Within 1 month
General Working Capital	19,687	19,687	-	Within 24 months
Defray Estimated Expenses	2,900	2,900	-	Within 2 months
Total	79,575	79,575	-	

SHARE BUY-BACK

The Company did not have a share buy-back programme in place during the financial year ended 31 December 2025.

OPTIONS OR CONVERTIBLE SECURITIES

The Company has issue options pursuant to the Employee Share Scheme ("ESS") up to 13,262,500 as part of its Regularisation plan on 7 June 2024 for selected eligible Directors and/or employees of the Group. The ESS shall be in force for a period of two (2) years until 25 June 2026.

During the financial year, the Company recognised RM1,174,000 in the Employee Share Scheme ("ESS") Reserve in respect of share options granted to eligible person. Upon the exercise/lapse of share options, RM1,761,000 will be transferred from the ESS Reserve to Retained Earnings/Share Capital.

There were no other ESS and/or options granted to eligible person(s) during the financial year ended 31 December 2025.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2025.

ADDITIONAL COMPLIANCE INFORMATION

SANCTIONS AND/OR PENALTIES

There was no material sanction and/or penalty during the financial year ended 31 December 2025.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not issue any profit estimate, forecast or projection for the financial year ended 31 December 2025.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

There was no material contract, entered by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders, either subsisting at the end of the financial year ended 31 December 2025.

RECURRENT RELATED PARTY TRANSACTIONS

Except as disclosed, there was no recurrent related party transaction entered by the Group for the financial year ended 31 December 2025.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

Principal activities

The principal activities of the Company are ship owning and operator of marine vessels for the transportation and offshore storage of oil and gas, provider of port marine services and provision of engineering, procurement, construction, installation and commissioning of floating storage and offloading vessels. There have been no significant changes in the nature of these activities during the financial year. The information of the subsidiaries is disclosed in Note 5 to the financial statements.

Financial results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	44,716	41,946

Dividend

There were no dividend proposed, declared or paid by the Company since the end of the previous financial year.

Reserves and provisions

During the year, the Company recognised RM1,174,000 in the Employee Share Option Scheme ("ESOS") Reserve in respect of share options granted to eligible person. Upon the exercise/lapse of share options, RM1,761,000 will be transferred from the ESOS Reserve to Retained Earnings/Share Capital.

There were no other material transfers to or from reserves or provisions during the financial year.

Holding company

The ultimate holding company of the Company is Voultier Sdn. Bhd., a company incorporated and domiciled in Malaysia.

Directors

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Mohd Redza Shah bin Abdul Wahid
Dato' Lai Keng Onn*
Datuk Wira Mubarak Hussain bin Akhtar Husin*
Dato' Seri Nazir Hussin bin Akhtar Hussin
Michael Cheah Choy Chin
Tong Siut Moi
Mohd Faris Adli bin Shukery

* Directors of the Company and the subsidiaries.

The name of the Director of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding Directors who are already listed above is:

Nasrul Asni bin Muhammad Dain

Directors' interests

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares in the Company during and at the end of the financial year were as follows:

	Number of ordinary shares			
	At 1.1.2025 '000	Acquired '000	Sold '000	At 31.12.2025 '000
Direct Interest				
Dato' Mohd Redza Shah bin Abdul Wahid	30	-	-	30
Mohd Faris Adli bin Shukery	5	-	-	5
Indirect Interest				
Dato' Lai Keng Onn*	676,388	-	-	676,388
Datuk Wira Mubarak Hussain bin Akhtar Husin*	676,388	-	-	676,388

* deemed interest by virtue of the shareholdings in ultimate holding company.

By virtue of their interests in the shares of the Company, Dato' Lai Keng Onn and Datuk Wira Mubarak Hussain bin Akhtar Husin are also deemed to have beneficial interests in the shares of all the subsidiaries of the Company to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Other than the above, none of other Directors in office at the end of the financial year had any interest in the shares of the Company and its subsidiaries during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

	Group and Company 2025 RM'000
Directors of the Group and Company:	
- Fees	278
- Remuneration	683
- Allowance	271
Total short-term employee benefits	1,232

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

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There was no issuance of debentures during the financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employee Share Option Scheme ("ESOS").

On 24 June 2024, as part of its Regularisation plan, the Company's shareholders approved the establishment of an ESOS to selected eligible Directors and/or employees of the Group, with following awards:

i) the right to receive new and/or existing the Company's ordinary shares at specified dates; and/or

ii) ESOS options which entitle the selected persons the right to exercise and receive the Company's ordinary shares at specified dates at pre-determined prices,

provided that prior to such specified future date of vesting or exercise, as the case may be, the relevant service condition(s) of the selected persons and/or the relevant condition(s) as may be stipulated by the ESOS Committee in the offer, are duly fulfilled unless the ESOS Committee otherwise determines.

The options granted to take up unissued ordinary shares, along with their exercise price, are as follows:

				Number of options over ordinary shares			
Date of offer	Vesting date	Expiry date	Exercise Price RM	At 1.1.2025 '000	Exercised '000	Forfeited '000	At 31.12.2025 '000
26.06.2024	26.06.2026	26.06.2029	0.3185	13,263	-	-	13,263
				13,263	-	-	13,263

Indemnity and insurance for Directors and Officers

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year are amounted to RM20,000,000 and RM33,000 respectively.

Other statutory information

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

i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and

ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

i) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Other statutory information (cont'd)

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

i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

In the opinion of the Directors:

i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Auditors

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees payable to the Auditors by the Group and by the Company for the financial year ended 31 December 2025 amounted to RM220,000 and RM170,000 respectively.

There was no indemnity given or insurance effected for the Auditors of the Group and of the Company.

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

Datuk Wira Mubarak Hussain bin Akhtar Husin
Director

Dato' Lai Keng Onn
Director

Kuala Lumpur
Date: 15 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Assets					
Property, vessels and equipment	3	374,136	395,544	375,180	398,689
Right-of-use assets	4	4,643	1,729	3,248	251
Investment in subsidiaries	5	-	-	5,000	5,000
Deferred tax assets	6	66	195	-	-
Total non-current assets		378,845	397,468	383,428	403,940
Inventories	7	550	133	550	133
Trade and other receivables	8	39,715	57,112	41,603	57,405
Tax recoverable		2,003	103	1,728	-
Deposits	9	2,851	826	-	3
Cash and cash equivalents	10	46,342	19,129	44,544	17,745
		91,461	77,303	88,425	75,286
Non-current assets held for sale	11	17,598	-	18,147	-
Total current assets		109,059	77,303	106,572	75,286
Total assets		487,904	474,771	490,000	479,226
Equity					
Share capital	12	259,330	259,330	259,330	259,330
Share option reserve	13	1,761	587	1,761	587
Retained earnings		76,744	32,028	78,850	36,904
Total equity attributable to owners of the Company		337,835	291,945	339,941	296,821
Liabilities					
Loans and borrowings	14	63,309	70,830	63,309	70,830
Lease liabilities	4	4,740	2,191	2,735	128
Deferred tax liabilities	6	39,556	55,795	39,556	55,794
Total non-current liabilities		107,605	128,816	105,600	126,752
Trade and other payables	15	30,219	35,676	32,272	37,374
Lease liabilities	4	534	195	476	140
Loans and borrowings	14	11,711	18,128	11,711	18,128
Current tax liabilities		-	11	-	11
Total current liabilities		42,464	54,010	44,459	55,653
Total liabilities		150,069	182,826	150,059	182,405
Total equity and liabilities		487,904	474,771	490,000	479,226

The notes on pages 173 to 214 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Revenue	16	127,597	122,663	126,444	121,108
Cost of sales		(78,217)	(72,606)	(80,008)	(74,065)
Gross profit		49,380	50,057	46,436	47,043
Administrative expenses		(23,616)	(30,739)	(22,135)	(28,689)
Other income		3,780	200,084	3,688	215,822
Net gain/(loss) on impairment of financial instruments		2,799	(3,425)	1,091	(6,758)
Results from operating activities		32,343	215,977	29,080	227,418
Finance income	17	756	703	729	679
Finance costs	18	(4,081)	(5,526)	(3,951)	(5,393)
Profit before tax	19	29,018	211,154	25,858	222,704
Tax income/(expense)	20	15,698	(56,824)	16,088	(56,515)
Profit and total comprehensive income for the year		44,716	154,330	41,946	166,189
Profit attributable to:					
Owners of the Company		44,716	154,330	41,946	166,189
Basic earnings per ordinary share (sen)	21	3.37	16.45		
Diluted earnings per ordinary share (sen)	21	3.34	16.30		

The notes on pages 173 to 214 are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Attributable to owners of the Company			
		Non-distributable		Distributable	
	Note	Share capital RM'000	Share option reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Total equity RM'000
Group					
At 1 January 2024		179,755	-	(122,302)	57,453
Profit and total comprehensive income for the year		-	-	154,330	154,330
Contributions by and distributions to owners of the Company					
Issuance of ordinary shares	12	79,575	-	-	79,575
Share-based payment transactions	13	-	587	-	587
Total transactions with owners of the Company		79,575	587	-	80,162
At 31 December 2024/1 January 2025		259,330	587	32,028	291,945
Profit and total comprehensive income for the year		-	-	44,716	44,716
Contributions by and distributions to owners of the Company					
Share-based payment transactions	13	-	1,174	-	1,174
Total transactions with owners of the Company		-	1,174	-	1,174
At 31 December 2025		259,330	1,761	76,744	337,835

The notes on pages 173 to 214 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Attributable to owners of the Company			
		Non-distributable		Distributable	
	Note	Share capital RM'000	Share option reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Total equity RM'000
Company					
At 1 January 2024		179,755	-	(129,285)	50,470
Profit and total comprehensive income for the year		-	-	166,189	166,189
Contributions by and distributions to owners of the Company					
Issuance of ordinary shares	12	79,575	-	-	79,575
Share-based payment transactions	13	-	587	-	587
Total transactions with owners of the Company		79,575	587	-	80,162
At 31 December 2024/1 January 2025		259,330	587	36,904	296,821
Profit and total comprehensive income for the year		-	-	41,946	41,946
Contributions by and distributions to owners of the Company					
Share-based payment transactions	13	-	1,174	-	1,174
Total transactions with owners of the Company		-	1,174	-	1,174
At 31 December 2025		259,330	1,761	78,850	339,941

The notes on pages 173 to 214 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from operating activities					
Profit before tax		29,018	211,154	25,858	222,704
Adjustments for:					
Property, vessels and equipment and assets held for sale:					
Net loss on disposal	19	-	272	-	272
Depreciation	3	25,253	24,023	26,886	25,098
Reversal of impairment loss	3	-	(927)	-	(541)
Right-of-use assets:					
Depreciation	4	326	217	243	134
Gain on lease termination	19	(12)	-	(12)	-
Finance costs on:					
Conventional financing	18	-	224	-	224
Revolving credits	18	-	83	-	83
Accretion of interest on lease liabilities	18	173	155	43	22
Profit charge on Islamic financing	18	3,908	5,064	3,908	5,064
Interest on fixed deposits	17	(756)	(703)	(729)	(679)
Waiver of scheme creditors	19	-	(171,089)	-	(187,126)
Share-based payment expenses	13	1,174	587	1,174	587
Net (gain)/loss on impairment of financial instruments	19	(2,799)	3,425	(1,091)	6,758
Unrealised foreign exchange (gain)/loss	19	(43)	510	(46)	504
Operating profit before changes in working capital		56,242	72,995	56,234	73,104
Changes in working capital:					
Inventories		(417)	(34)	(417)	(34)
Trade and other receivables		20,179	(28,738)	16,836	(27,184)
Trade and other payables		(5,182)	(93,029)	(4,782)	(93,870)
Cash generated from/(used in) operations		70,822	(48,806)	67,871	(47,984)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from operating activities (cont'd)					
Interest received		732	703	729	679
Interest paid		(173)	(462)	(43)	(329)
Profit paid on Islamic financing		(3,908)	(5,064)	(3,908)	(5,064)
Tax refunded		24	-	24	-
Tax paid		(2,347)	(728)	(1,914)	(147)
Net cash from/(used in) operating activities		65,150	(54,357)	62,759	(52,845)
Cash flows from investing activities					
Net (placement)/withdrawal in short-term deposits, fixed and security deposits pledged		(2,000)	10,590	3	10,613
Acquisition of property, vessels and equipment	3	(21,443)	(12,838)	(21,524)	(13,020)
Additions to assets held for sale	11	-	(210)	-	(210)
Proceed from disposal of property, vessels and equipment and assets held for sale		-	1,755	-	1,755
Net cash used in investing activities		(23,443)	(703)	(21,521)	(862)
Cash flows from financing activities					
Proceed from issuance of ordinary shares	12	-	79,575	-	79,575
Repayment of conventional financing facilities and revolving credits	(ii)	-	(13,273)	-	(13,273)
Repayment of Islamic term financing facilities	(ii)	(14,212)	(22,958)	(14,212)	(22,958)
Repayment of lease liabilities	(ii)	(282)	(183)	(227)	(132)
Net cash (used in)/from financing activities		(14,494)	43,161	(14,439)	43,212
Net increase/(decrease) in cash and cash equivalents		27,213	(11,899)	26,799	(10,495)
Cash and cash equivalents at beginning of the year		19,129	31,028	17,745	28,240
Cash and cash equivalents at end of the year	10	46,342	19,129	44,544	17,745

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(i) Cash outflows for leases as a lessee

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	19	7,165	3,349	7,165	3,346
Payment relating to leases of low-value assets	19	21	21	15	16
Interest paid in relation to lease liabilities	18	173	155	43	22
Included in net cash from financing activities					
Payment of lease liabilities		282	183	227	132
Total cash outflows for leases		7,641	3,708	7,450	3,516

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

	At 1.1.2024 RM'000	Net changes from financing cash flows RM'000	At 31.12.2024/ 1.1.2025 RM'000	Net changes from financing cash flows RM'000	Other non-cash flow changes (#) RM'000	At 31.12.2025 RM'000
Group						
Islamic financing facilities	111,916	(22,958)	88,958	(14,212)	274	75,020
Conventional financing facilities	11,130	(11,130)	-	-	-	-
Revolving credits	2,143	(2,143)	-	-	-	-
	125,189	(36,231)	88,958	(14,212)	274	75,020
Lease liabilities	2,569	(183)	2,386	(282)	3,170	5,274
Total liabilities from financing activities	127,758	(36,414)	91,344	(14,494)	3,444	80,294
Company						
Islamic financing facilities	111,916	(22,958)	88,958	(14,212)	274	75,020
Conventional financing facilities	11,130	(11,130)	-	-	-	-
Revolving credits	2,143	(2,143)	-	-	-	-
	125,189	(36,231)	88,958	(14,212)	274	75,020
Lease liabilities	400	(132)	268	(227)	3,170	3,211
Total liabilities from financing activities	125,589	(36,363)	89,226	(14,439)	3,444	78,231

The 'other non-cash flow changes' includes transaction cost attributable to Islamic financing facilities and additions of lease liabilities.

The notes on pages 173 to 214 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Suite 27-01, Level 27
Menara Vista Petaling
No. 137, Jalan Puchong
58200 Kuala Lumpur

Registered office
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, W.P. Kuala Lumpur

The principal activities of the Company are ship owning and operator of marine vessels for the transportation and offshore storage of oil and gas, provider of port marine services and provision of engineering, procurement, construction, installation and commissioning of floating storage and offloading vessels. There have been no significant changes in the nature of these activities during the financial year. The information of the subsidiaries is disclosed in Note 5 to the financial statements.

The ultimate holding company of the Company is Voultier Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group").

These financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 15 April 2026.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2. Basis of preparation (cont'd)

2.4 Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2025.

Initial application of new standards/amendments/improvements to MFRSs did not have material impact to the financial statements. The details of the new standards/amendments/improvements are disclosed below:

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

<u>Effective for financial period beginning on or after 1 January 2026</u>

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

<u>Effective for financial period beginning on or after 1 January 2027</u>

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

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of preparation (cont'd)

2.5 Standards issued but not yet effective (cont'd)

<u>Deferred to a date to be determined by the MASB</u>

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

The initial application of the accounting standards, interpretations and amendments are not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to MFRS 107 Statement of Cash Flows and MFRS 134 Interim Financial Reporting.

The amendments will have an impact on the Group's and on the Company's presentation of statements of profit or loss and other comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group and the Company are currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

2.6 Significant accounting estimates and judgements

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

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

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

(i)	Note 3	- Impairment testing of property, vessels and equipment;
(ii)	Notes 3 & 4	- Useful lives of depreciable assets;
(iii)	Note 5	- Impairment testing of investments in subsidiaries;
(iv)	Note 6	- Recognition of deferred tax assets; and
(v)	Note 8	- Provision for expected credit losses for trade receivables and accrued revenue from charter hire.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, vessels and equipment

	Note	Vessels (subject to operating lease) RM'000	Work-in progress RM'000	Buildings RM'000	Shipyard RM'000	Shipyard under construction RM'000	Motor vehicles RM'000	Forklifts RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Equipment RM'000	Total RM'000
Group												
Cost												
At 1 January 2024		581,600	-	1,697	5,517	2,110	802	364	745	1,681	19,090	613,606
Additions		9,677	2,650	-	-	-	-	-	86	425	-	12,838
Disposal		(13,801)	-	-	-	-	-	-	-	-	-	(13,801)
Transfer from assets held for sale	11	142,439	-	-	-	-	-	-	-	-	-	142,439
Written off		-	-	-	-	-	(96)	(364)	(520)	-	-	(980)
At 31 December 2024 /1 January 2025		719,915	2,650	1,697	5,517	2,110	706	-	311	2,106	19,090	754,102
Additions		3,065	15,705	-	-	-	-	-	2,531	142	-	21,443
Reclassification		15,866	(15,866)	-	-	-	-	-	-	-	-	-
Transfer to assets held for sale	11	(145,537)	-	-	-	-	-	-	-	-	-	(145,537)
Written off		(10,115)	-	-	-	-	-	-	-	-	-	(10,115)
At 31 December 2025		583,194	2,489	1,697	5,517	2,110	706	-	2,842	2,248	19,090	619,893
Accumulated depreciation and impairment												
At 1 January 2024		192,041	-	743	2,990	2,110	802	364	724	1,413	19,090	220,277
Accumulated depreciation		181,372	-	554	1,172	-	802	364	724	1,413	19,090	205,491
Accumulated impairment loss		10,669	-	189	1,818	2,110	-	-	-	-	-	14,786
Depreciation for the year		23,444	-	29	404	-	-	-	17	129	-	24,023
Disposals		(11,774)	-	-	-	-	-	-	-	-	-	(11,774)
Net reversal of impairment loss		(441)	-	-	(486)	-	-	-	-	-	-	(927)
Transfer from assets held for sale	11	127,939	-	-	-	-	-	-	-	-	-	127,939
Written off		-	-	-	-	-	(96)	(364)	(520)	-	-	(980)
At 31 December 2024		331,209	-	772	2,908	2,110	706	-	221	1,542	19,090	358,558

NOTES TO THE FINANCIAL STATEMENTS

3. Property, vessels and equipment (cont'd)

	Note	Vessels (subject to operating lease) RM'000	Work-in progress RM'000	Buildings RM'000	Shipyard RM'000	Shipyard under construction RM'000	Motor vehicles RM'000	Forklifts RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Equipment RM'000	Total RM'000
Group												
Accumulated depreciation and impairment (cont'd)												
At 1 January 2025		331,209	-	772	2,908	2,110	706	-	221	1,542	19,090	358,558
Accumulated depreciation		330,881	-	583	1,576	-	706	-	221	1,542	19,090	354,599
Accumulated impairment loss		328	-	189	1,332	2,110	-	-	-	-	-	3,959
Depreciation for the year		24,817	-	29	145	-	-	-	93	169	-	25,253
Transfer to assets held for sale	11	(127,939)	-	-	-	-	-	-	-	-	-	(127,939)
Written off		(10,115)	-	-	-	-	-	-	-	-	-	(10,115)
At 31 December 2025		217,972	-	801	3,053	2,110	706	-	314	1,711	19,090	245,757
Accumulated depreciation		217,644	-	612	1,721	-	706	-	314	1,711	19,090	241,798
Accumulated impairment loss		328	-	189	1,332	2,110	-	-	-	-	-	3,959
Net carrying amount												
At 31 December 2024		388,706	2,650	925	2,609	-	-	-	90	564	-	395,544
At 31 December 2025		365,222	2,489	896	2,464	-	-	-	2,528	537	-	374,136

3. Property, vessels and equipment (cont'd)

	Note	Vessels (subject to operating lease) RM'000	Work-in progress RM'000	Buildings RM'000	Motor vehicles RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Equipment RM'000	Total RM'000
Company									
Cost									
At 1 January 2024		577,156	-	1,697	532	745	1,161	19,090	600,381
Additions		9,859	2,650	-	-	86	425	-	13,020
Disposals		(13,801)	-	-	-	-	-	-	(13,801)
Transfer from assets held for sale	11	144,111	-	-	-	-	-	-	144,111
At 31 December 2024 /1 January 2025		717,325	2,650	1,697	532	831	1,586	19,090	743,711
Additions		3,146	15,705	-	-	2,531	142	-	21,524
Written off		(10,115)	-	-	-	-	-	-	(10,115)
Reclassification		15,866	(15,866)	-	-	-	-	-	-
Transfer to assets held for sale	11	(147,206)	-	-	-	-	-	-	(147,206)
At 31 December 2025		579,016	2,489	1,697	532	3,362	1,728	19,090	607,914
Accumulated depreciation and impairment									
At 1 January 2024		181,196	-	743	532	723	896	19,090	203,180
Accumulated depreciation		170,527	-	554	532	723	896	19,090	192,322
Accumulated impairment loss		10,669	-	189	-	-	-	-	10,858
Depreciation for the year		24,923	-	29	-	17	129	-	25,098
Disposals		(11,774)	-	-	-	-	-	-	(11,774)
Net reversal of impairment loss		(541)	-	-	-	-	-	-	(541)
Transfer from assets held for sale	11	129,059	-	-	-	-	-	-	129,059
At 31 December 2024		322,863	-	772	532	740	1,025	19,090	345,022

NOTES TO THE FINANCIAL STATEMENTS

3. Property, vessels and equipment (cont'd)

	Note	Vessels (subject to operating lease) RM'000	Work-in progress RM'000	Buildings RM'000	Motor vehicles RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Equipment RM'000	Total RM'000
Company									
Accumulated depreciation and impairment (cont'd)									
At 1 January 2025		322,863	-	772	532	740	1,025	19,090	345,022
Accumulated depreciation		322,635	-	583	532	740	1,025	19,090	344,605
Accumulated impairment loss		228	-	189	-	-	-	-	417
Depreciation for the year		26,595	-	29	-	93	169	-	26,886
Written off		(10,115)	-	-	-	-	-	-	(10,115)
Transfer to assets held for sale	11	(129,059)	-	-	-	-	-	-	(129,059)
At 31 December 2025		210,284	-	801	532	833	1,194	19,090	232,734
Accumulated depreciation		210,056	-	612	532	833	1,194	19,090	232,317
Accumulated impairment loss		228	-	189	-	-	-	-	417
Net carrying amount									
At 31 December 2024		394,462	2,650	925	-	91	561	-	398,689
At 31 December 2025		368,732	2,489	896	-	2,529	534	-	375,180

3. Property, vessels and equipment (cont'd)

3.1 Impairment loss and subsequent reversal

The Group's main customers are from oil and gas companies involved in upstream exploration activities. The outlook for the oil prices and the demand for the marine logistics remains volatile, which heightens the risk that the carrying amount of the Group's and the Company's vessels may exceed their recoverable amounts, and therefore, the carrying amount may be impaired.

In the current financial year, the Group and the Company have evaluated whether the property, vessels and equipment used in the operations are stated in excess of their recoverable amounts. The Group and the Company have applied fair value less cost of disposal ("FVLCOD") approach in determining the recoverable amounts of the property, vessels and equipment.

The assessment performed in the current financial year, no reversal of impairment loss was recognised by the Group and by the Company on the property, vessels and equipment.

In the prior year, the Group's and the Company's recoverable amounts for the relevant impairment reversals amounting to RM13,955,000 and RM9,868,000 for net impairment reversal respectively, were determined using FVLCOD. Following the assessment, the Group and the Company had recognised a reversal of impairment loss of RM927,000 and RM541,000 respectively on property, vessels and equipment in the profit or loss, as the estimated recoverable amounts of these property, vessels and equipment were higher than their carrying amounts respectively.

FVLCOD approach

FVLCOD was used to determine the recoverable amounts of property, vessels and equipment based on the market comparable approach. The fair value measurement of the property, vessels and equipment was performed by an independent valuer with appropriate qualification and recent experience in valuation of property, vessels and equipment in the relevant industry.

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. Property, vessels and equipment (cont'd)

3.2 Security

Net carrying amount of assets pledged as security for Islamic term financing, overdraft and term loan facilities are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Vessels	121,437	125,342	123,334	127,448

3.3 Vessels subject to operating lease

The Group and the Company lease its vessels (including capitalised drydocking expenditure) to third parties. The leases contain short and long-term contracts where the period ranges from 1 month to 5 years. Subsequent renewals are negotiated with the lessee.

The Group and the Company have classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the vessels.

The following are recognised in profit or loss:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Leasing Income	16	94,760	90,393	93,607	88,901

The estimated operating lease payments to be received are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Less than one year	69,059	76,690	68,231	75,113
One to two years	26,732	45,997	26,469	45,579
Two to five years	13,703	10,365	13,481	10,405
Three to four years	7,115	-	6,914	-
Four to five years	2,339	-	2,273	-
Total undiscounted lease payments	118,948	133,052	117,368	131,097

3.4 Work-in-progress

Work-in-progress recognised of RM2.49 million (2024: RM2.65 million) relates to the amount paid in relation to the drydocking and major engine overhaul of marine vessels that have not yet been completed as at the financial year end.

3. Property, vessels and equipment (cont'd)

3.5 Material accounting policy information

(a) Recognition and measurement

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

(b) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, vessels and equipment from the date that they are available for use. Property, vessels and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative years are as follows:

Vessels	2.5 - 25 years
Buildings	50 years
Shipyard	15 years
Motor vehicles	5 years
Forklifts	5 years
Renovation	5 years
Furniture, fittings and office equipment	3 - 10 years
Equipment	3 - 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting year and adjusted as appropriate.

4. Right-of-use assets and lease liabilities

The Group has lease contracts for the lease of its shipyard and buildings used in its operations. Lease of shipyard has lease terms of 30 years, buildings have lease terms of 6 years and office equipment have lease terms of 3 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Shipyard RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
Group				
As at 1 January 2024	1,561	385	-	1,946
Depreciation for the year	(83)	(134)	-	(217)
As at 31 December 2024/1 January 2025	1,478	251	-	1,729
Additions	-	3,281	87	3,368
Termination	-	(128)	-	(128)
Depreciation for the year	(83)	(214)	(29)	(326)
As at 31 December 2025	1,395	3,190	58	4,643

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets and lease liabilities (cont'd)

	Buildings RM'000	Office equipment RM'000	Total RM'000
Company			
As at 1 January 2024	385	-	385
Depreciation for the year	(134)	-	(134)
As at 31 December 2024/1 January 2025	251	-	251
Additions	3,281	87	3,368
Termination	(128)	-	(128)
Depreciation for the year	(214)	(29)	(243)
As at 31 December 2025	3,190	58	3,248

The right-of-use assets of the Group and of the Company were acquired by the following means:

	Group and Company	
	2025 RM'000	2024 RM'000
Future lease payment included in lease liabilities	3,310	-
Non-refundable deposit	58	-
Additions of right-of-use assets	3,368	-

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	2,386	2,569	268	400
Additions	3,310	-	3,310	-
Accretion interest	173	155	43	22
Termination	(140)	-	(140)	-
Payments	(455)	(338)	(270)	(154)
	5,274	2,386	3,211	268
Analysed as:				
Current	534	195	476	140
Non-current	4,740	2,191	2,735	128

The maturity analysis of lease liabilities is disclosed in Note 23.5 to the financial statements.

4.1 Material accounting policy information

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

5. Investment in subsidiaries

	Company 2025 RM'000	Company 2024 RM'000
Cost of investments	7,500	7,500
Less: Accumulated impairment	(2,500)	(2,500)
	5,000	5,000

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2025 %	2024 %
Johor Shipyard and Engineering Sdn. Bhd.	Malaysia	Shipbuilding, ship repair, minor fabrication of steel structures, engineering services and consultancy	100	100
Libra Perfex Precision Sdn. Bhd.	Malaysia	Hiring and chartering of marine vessels	100	100
Avangaad (Sabah) Sdn. Bhd.*	Malaysia	Dormant	100	-
Avangaad (Sarawak) Sdn. Bhd.*	Malaysia	Dormant	100	-

* Auditors' report on the financial statement has not been issued as the subsidiary was incorporated during the financial year. The subsidiary's financial statements are not material to the Group.

5.1 Incorporation of new subsidiaries

On 24 July 2025, Avangaad (Sarawak) Sdn. Bhd. was incorporated as a wholly-owned subsidiary of the Company with RM100 share capital comprising 100 ordinary shares of RM1 each.

On 22 August 2025, Avangaad (Sabah) Sdn. Bhd. was incorporated as a wholly-owned subsidiary of the Company with RM100 share capital comprising 100 ordinary shares of RM1 each.

5.2 Impairment review of investment in subsidiaries

Management reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

Following the assessment, the Company recognised impairment loss of RM2,500,000 since prior years as the estimated recoverable amounts of the subsidiary is lower than its carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

5. Investment in subsidiaries (cont'd)

5.3 Material accounting policy information

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

6. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets 2025 RM'000	Assets 2024 RM'000	Liabilities 2025 RM'000	Liabilities 2024 RM'000	Net 2025 RM'000	Net 2024 RM'000
Group						
Property, vessels and equipment	-	-	(53,716)	(59,260)	(53,716)	(59,260)
Right-of-use assets	-	-	(766)	(60)	(766)	(60)
Receivables	1,944	1,721	-	-	1,944	1,721
Lease liabilities	837	257	-	-	837	257
Unrealised foreign exchange	21	185	-	-	21	185
Accruals	692	766	-	-	692	766
Unutilised tax losses	11,498	791	-	-	11,498	791
Tax assets/(liabilities)	14,992	3,720	(54,482)	(59,320)	(39,490)	(55,600)
Set off of tax	(14,926)	(3,525)	14,926	3,525	-	-
Net tax assets/(liabilities)	66	195	(39,556)	(55,795)	(39,490)	(55,600)
Company						
Property, vessels and equipment	-	-	(53,716)	(59,260)	(53,716)	(59,260)
Right-of-use assets	-	-	(766)	(60)	(766)	(60)
Receivables	1,944	1,721	-	-	1,944	1,721
Lease liabilities	771	64	-	-	771	64
Unrealised foreign exchange	21	185	-	-	21	185
Accruals	692	765	-	-	692	765
Unutilised tax losses	11,498	791	-	-	11,498	791
Tax assets/(liabilities)	14,926	3,526	(54,482)	(59,320)	(39,556)	(55,794)
Set off of tax	(14,926)	(3,526)	14,926	3,526	-	-
Net tax assets/(liabilities)	-	-	(39,556)	(55,794)	(39,556)	(55,794)

6. Deferred tax assets/(liabilities) (cont'd)

Movement in temporary differences during the financial year

	At 1.1.2024 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2024 /1.1.2025 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2025 RM'000
Group					
Property, vessels and equipment	(61,049)	1,789	(59,260)	5,544	(53,716)
Right-of-use assets	(467)	407	(60)	(706)	(766)
Receivables	473	1,248	1,721	223	1,944
Lease liabilities	617	(360)	257	580	837
Unrealised foreign exchange	162	23	185	(164)	21
Accruals	1,004	(238)	766	(74)	692
Unabsorbed capital allowances	11,935	(11,935)	-	-	-
Unutilised tax losses	48,033	(47,242)	791	10,707	11,498
Net tax assets/ (liabilities)	708	(56,308)	(55,600)	16,110	(39,490)
Company					
Property, vessels and equipment	(60,982)	1,722	(59,260)	5,544	(53,716)
Right-of-use assets	(92)	32	(60)	(706)	(766)
Receivables	473	1,248	1,721	223	1,944
Lease liabilities	96	(32)	64	707	771
Unrealised foreign exchange	162	23	185	(164)	21
Accruals	957	(192)	765	(73)	692
Unabsorbed capital allowances	11,908	(11,908)	-	-	-
Unutilised tax losses	48,008	(47,217)	791	10,707	11,498
Net tax assets/ (liabilities)	530	(56,324)	(55,794)	16,238	(39,556)

6.1 Recognised deferred tax assets

The management considered it probable that future taxable profits will be available against which the deferred tax assets can be utilised.

The estimation of future taxable profits requires management to make judgements, estimates and assumptions about future events that are inherently uncertain. Accordingly, the deferred tax assets recognised are subject to estimation uncertainty and may be adjusted in subsequent periods as a result of changes in the accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

6. Deferred tax assets/(liabilities) (cont'd)

6.2 Unrecognised deferred tax assets

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

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Taxable temporary differences	(207)	(55)	-	-
Unabsorbed capital allowances	163	141	-	-
Unutilised tax losses	3,093	1,809	-	-
	3,049	1,895	-	-

The comparative figures of the Group have been revised to reflect the previous year final tax submission.

The unutilised tax losses arising from a subsidiary can be carried forward for a maximum of ten consecutive years of assessment, as follows:

	2025 RM'000	2024 RM'000
Expiring in 2033	70	70
Expiring in 2034	1,739	1,739
Expiring in 2035	1,284	-
	3,093	1,809

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

7. Inventories

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Materials and consumables	550	133	550	133
Recognised in profit or loss: Inventories recognised as part of cost of services	(417)	(34)	(417)	(34)

7.1 Material accounting policy information

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

8. Trade and other receivables

	Note	2025 RM'000	2024 RM'000
Group			
Trade			
Trade receivables		12,164	12,823
Accrued revenue from charter hire		8,369	9,602
Less: Allowance for impairment		(1,304)	(4,103)
		19,229	18,322
Non-trade			
Other receivables		5,507	25,105
Less: Allowance for impairment		(33)	(33)
Security deposits	8.1	13,958	11,469
Prepayments		1,054	2,249
		20,486	38,790
		39,715	57,112
Company			
Trade			
Trade receivables		6,607	8,598
Accrued revenue from charter hire		4,540	6,569
Amount due from subsidiaries	8.2	10,957	7,466
Less: Allowance for impairment		(964)	(3,764)
		21,140	18,869
Non-trade			
Other receivables		5,474	25,071
Security deposits	8.1	13,935	11,216
Prepayments		1,054	2,249
Amount due from subsidiaries	8.2	7,137	5,428
Less: Allowance for impairment		(7,137)	(5,428)
		20,463	38,536
		41,603	57,405

8.1 Security deposits

Included in the deposits of the Group and of the Company is a security deposit of RM10.97 million (2024: RM10.75 million) held in an escrow account by the scheme trustee for legal claims. The balance will be distributed to scheme creditors upon final resolution of the case with no further appeal.

8.2 Amount due from subsidiaries

Amounts due from subsidiaries are unsecured and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

9. Deposits

Fixed security deposits with licensed banks held by the Group and by the Company amounting to RM2,851,000 and RMNil (2024: RM826,000 and RM3,000) respectively are pledged as part of banking facilities.

10. Cash and cash equivalents

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Deposits placed with licensed banks	27,940	10,404	27,940	10,404
Cash and bank balances	18,402	8,725	16,604	7,341
	46,342	19,129	44,544	17,745

Fixed and security deposits with licensed banks of the Group and of the Company earn interest ranging from 2.3% to 3.7% (2024: 2.4% to 3%) per annum and have maturity periods ranging from 30 days to 60 days (2024: 30 days to 60 days).

11. Non-current assets held for sale

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
At 1 January		-	14,290	-	14,842
Additions		-	210	-	210
Transfer from property, vessels and equipment	3	17,598	-	18,147	-
Transfer to property, vessels and equipment	3	-	(14,500)	-	(15,052)
At 31 December		17,598	-	18,147	-

On 12 August 2025, the Company has entered into a Memorandum of Agreement ("MOA") to dispose its vessel with a third party for a total consideration of USD10,500,000. Consequently, the respective vessel has been reclassified to asset held for sale.

12. Share capital

	2025 Number of shares '000	2025 Amount RM'000	2024 Number of shares '000	2024 Amount RM'000
Group and Company				
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 January	1,326,250	259,330	530,500	179,755
Issue of shares	-	-	795,750	79,575
At 31 December	1,326,250	259,330	1,326,250	259,330

12. Share capital (cont'd)

In the prior year, the company has issued 795,750,000 new ordinary shares for a total cash consideration of RM79,575,000 for fund-raising purpose. The new ordinary shares ranked pari-passu with the existing ordinary share in issue.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

13. Share option reserve

Share option programme (equity settled)

On 26 June 2024, the Company granted share options to key management personnel under the Employee Share Option Scheme ("ESOS"), which was approved by shareholders on 24 June 2024. Under this scheme, the holders of vested options are entitled to purchase shares in the Company at an exercise price of RM0.3185 per share.

The terms and conditions related to the grants of the share option programme are as follows:

Grant date	Number of options ('000)	Vesting conditions	Contractual life of options
26 June 2024	13,263	2 years of service	5 years

The number and exercise price of share options are as follows:

	2025		2024	
	Exercise price (RM)	Number of options ('000)	Exercise price (RM)	Number of options ('000)
At 1 January	0.3185	13,263	-	-
Granted during the year	-	-	0.3185	13,263
At 31 December	0.3185	13,263	0.3185	13,263
Exercisable at 31 December	0.3185	13,263	0.3185	13,263

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using trinomial option pricing model, with the following inputs:

	Group and Company	
	2025	2024
Fair value of share options and assumptions		
Fair value at grant date (RM)	0.1770	0.1770
Exercise price (RM)	0.3185	0.3185
Expected volatility	50.23%	50.23%
Expected dividends	0%	0%
Risk-free interest rate (based on Malaysian government bonds)	3.64%	3.64%

13. Share option reserve (cont'd)

Value of employee services received for issue of share options

	Group and Company	
	2025 RM'000	2024 RM'000
Share option granted in 2024	587	587
Share option granted in 2025	1,174	-
Total expense recognised as share-based payments	1,761	587

14. Loans and borrowings

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Non-current - Secured					
Islamic financing facilities	14.1	63,309	70,830	63,309	70,830
Current - Secured					
Islamic financing facilities	14.1	11,711	18,128	11,711	18,128
		11,711	18,128	11,711	18,128
Total loans and borrowings		75,020	88,958	75,020	88,958

14.1 Islamic financing facilities

The Islamic financing facilities have tenures of 1 to 7 years (2024: 2 to 8 years) which bear profit as at the reporting date at rates ranging from 5% to 5.18% (2024: 5% to 5.29%) per annum.

14.2 Security

The Islamic financing facilities is secured by way of the following:

(i) Duly executed and enforceable Memorandum of Deposit in the form of Al Mudharabah General Investment Account ("GIA") throughout the financing period respectively;

(ii) Assignment of the relevant insurance coverage over the vessels indicating the bank as loss payee ("beneficiary"), namely:

(a) Hull and machinery;
(b) Mortgage interest; and
(c) Protection and Indemnity Club ("P&I") acceptable to the Bank.

The amount to be covered by insurance shall not be less than the outstanding amount of the facilities;

(iii) Guarantee given by certain direct and indirect shareholders of the Company for the certain loans; and

NOTES TO THE FINANCIAL STATEMENTS

14. Loans and borrowings (cont'd)

14.2 Security (cont'd)

(iv) The securities in relation to the loan for Pontian 2 and Kluang 2:

(a) Deed of Covenant accompanying First statutory legal mortgage over the vessels;
(b) Specific Debenture over the vessels;
(c) Legal assignment of contract proceeds related to the vessels to be channelled into Designated Collection Account ("DCA") with the bank;
(d) Legal Assignment over DCA related to the vessels;
(e) Legal Assignment of insurances for the vessels;
(f) Legal Assignment of Shipbuilding Agreement;
(g) Legal Assignment of Refund Guarantee from the seller of the vessels via a bank acceptable to the lender;
(h) Security Sharing Agreement and Coordinating Agent Agreement between RHBi, third party financial institution(s) and the Company; and
(i) Supplemental Assignments of Contract Proceeds from all vessels charged to RHB Banking Group to cover RHBi and third party financial institution(s)'s new facilities during construction of the vessels.

14.3 Significant covenants

In connection with financing facilities, the Group has agreed on the following significant financial covenants with certain lenders:

(i) The Company's total financing to tangible net worth ("Gearing ratio") will not exceed 2.5 times at all time as per the following formula:-

$$\frac{\text{Total Financing}}{\text{Tangible Net Worth + Subordination of Shareholders and Directors Advances}}$$

(ii) The Company and/or any of its Subsidiaries is not dissolved or enters into any scheme of arrangement (including but not limited to a scheme under Section 366 of the Companies Act 2016, either by court order or otherwise), or a winding up order has been made against the Customer or a resolution to wind up the Customer and/or any of its Subsidiaries has been passed.

The Company breached certain non-financial covenants in the financial year ended 2025. However, the Company successfully obtained the indulgence letter from the respective lender subsequent to the financial year end.

15. Trade and other payables

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Current					
Trade					
Trade payables	15.1	5,076	7,702	5,076	7,155
Trade accruals		1,744	1,749	1,744	1,364
		6,820	9,451	6,820	8,519

NOTES TO THE FINANCIAL STATEMENTS

15. Trade and other payables (cont'd)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Current (cont'd)					
Non-trade					
Amounts due to					
- corporate shareholders/former holding companies	15.2	6,409	9,273	6,409	9,214
- related companies	15.2	-	81	-	-
- subsidiaries	15.2	-	-	2,610	3,081
Amounts due to other shareholders	15.2	591	591	591	591
Advances for charter hire income		2,713	5,163	2,713	5,163
Other payables		932	909	932	761
Accruals		3,868	10,208	3,311	10,045
Deposit	15.3	8,886	-	8,886	-
		23,399	26,225	25,452	28,855
		30,219	35,676	32,272	37,374

15.1 Trade payables

Credit terms granted to the Group and to the Company vary from 30 to 90 days (2024: 30 to 90 days).

15.2 Amounts due to corporate shareholders/former holding companies, related companies, subsidiaries and other shareholders

The amounts due to corporate shareholders/former holding companies, related companies, subsidiaries and other shareholders are unsecured, interest free and repayable on demand.

15.3 Deposit

The deposit represents the amount received from a third party in relation to non-current assets held for sale.

16. Revenue

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Leasing income	94,760	90,393	93,607	88,901
Revenue from contract with customers	32,837	32,270	32,837	32,207
	127,597	122,663	126,444	121,108

16. Revenue (cont'd)

16.1 Disaggregation of the Group's and of the Company's revenue from contracts with customers:

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Revenue from contracts with customers				
Crew and other services	32,837	32,270	32,837	32,207
Timing of revenue recognition:				
Over time	32,837	32,270	32,837	32,207

The following information reflects the typical transactions of the Group and of the Company.

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Crew and other services	Revenue is recognised over time as and when the customer simultaneously receives and consumes the benefits provided by the Group and by the Company using the time lapsed method.	Credit period of 30 days from invoice date.

16.2 Transaction price allocated to the remaining performance obligations

The remaining unsatisfied performance obligations represent the transaction price allocated to services for which the Group and the Company have a material right but work has not yet been performed. The transaction price includes both the base transaction price and variable consideration.

As at 31 December 2025, the aggregate estimated transaction price allocated to the remaining unsatisfied performance obligations is RM41.2 million for the Group and RM41.1 million for the Company (2024: RM48.2 million and RM46.8 million, respectively). The Group and the Company expect to recognise this revenue over the next 1 to 5 years (2024: 1 to 3 years).

17. Finance income

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- at amortised cost	756	703	729	679

NOTES TO THE FINANCIAL STATEMENTS

18. Finance costs

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Interest expense of financial liabilities				
- Conventional financing	-	224	-	224
- Revolving credits	-	83	-	83
Profit paid on Islamic financing	3,908	5,064	3,908	5,064
	3,908	5,371	3,908	5,371
Interest expense on lease liabilities	173	155	43	22
	4,081	5,526	3,951	5,393

19. Profit before tax

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Profit before tax is arrived at after charging/(crediting):					
Auditors' remuneration related to:					
Statutory audits					
- Grant Thornton Malaysia PLT		220	-	170	-
- Other auditors		-	376	-	291
Non-assurance-related services					
- Other auditors		85	548	55	517
Depreciation on property, vessels and equipment		25,253	24,023	26,886	25,098
Depreciation on right-of-use assets		326	217	243	134
Reversal of impairment losses on property, vessels and equipment and assets held for sale		-	(927)	-	(541)
Net loss on disposal of property, vessels and equipment and assets held for sale		-	272	-	272
Net (gain)/loss on impairment of financial instruments		(2,799)	3,425	(1,091)	6,758
Realised foreign exchange loss		310	47	322	46
Unrealised foreign exchange (gain)/loss		(43)	510	(46)	504
Gain on lease termination		(12)	-	(12)	-
Low value leases:					
- Rental of office equipment		21	21	15	16
Short-term leases:					
- Rental of office		366	345	366	342
- Rental of third party vessels		6,799	3,004	6,799	3,004
Personnel expenses (including key management personnel):					
- Wages, salaries and others		28,061	27,458	27,741	26,385
- Contributions to Employees Provident Fund ("EPF")		3,952	3,748	3,904	3,577
Waiver of scheme creditors	19.1	-	(171,089)	-	(187,126)
Claims from customer and insurance		(2,722)	(25,470)	(2,722)	(25,470)
Share-based payment expenses		1,174	587	1,174	587

19. Profit before tax (cont'd)

19.1 Waiver of scheme creditors

The settlement arrangements with scheme creditors under the Scheme of Arrangement ("SOA") enabled the Group and the Company to recognise a one-off net income of RM171.09 million and RM187.13 million respectively in the prior year, arising from the debt waiver.

20. Tax (income)/expense

Recognised in profit or loss

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense				
Current year	406	493	157	170
Prior year	6	23	(7)	21
	412	516	150	191
Deferred tax expense				
Current year	4,815	54,498	4,684	54,509
Prior year	(20,925)	1,810	(20,922)	1,815
	(16,110)	56,308	(16,238)	56,324
	(15,698)	56,824	(16,088)	56,515

Reconciliation of tax expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	29,018	211,154	25,858	222,704
Income tax calculated using Malaysian statutory tax rate of 24% (2024: 24%)	6,964	50,677	6,206	53,449
Non-deductible expenses	122	5,151	649	2,539
Non-taxable income	-	(637)	-	(637)
Tax exempted income	(2,142)	(672)	(2,014)	(672)
Effect of deferred tax assets not recognised	277	472	-	-
(Over)/Under provision in prior years	(20,919)	1,833	(20,929)	1,836
	(15,698)	56,824	(16,088)	56,515

NOTES TO THE FINANCIAL STATEMENTS

21. Earnings per share

21.1 Basic earnings per ordinary share

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

	2025	2024
Profit for the financial year attributable to owners of the Company (RM'000)	44,716	154,330
Weighted average number of ordinary shares in issue ('000)	1,326,250	938,186
Basic earnings per ordinary share (sen)	3.37	16.45

21.2 Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	2025	2024
Profit for the financial year attributable to ordinary shareholders (diluted) (RM'000)	44,716	154,330
Weighted average number of ordinary shares at 31 December (basic) ('000)	1,326,250	938,186
Effect of share options on issue ('000)	11,362	8,491
Weighted average number of ordinary shares at 31 December (diluted)	1,337,612	946,677
Diluted earnings per ordinary share (sen)	3.34	16.30

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

22. Segment information

For management purposes, the Group is organised into business units based on its products and services, and has only one reportable segment.

The Group's reportable segment consists solely of vessel charter hire segment, which is the operator of marine vessels for the transportation and offshore storage of oil and gas, provider of port marine services.

The performance of the segment is measured based on revenue, as included in the internal management report. Hence, no other disclosure for segment assets, segment liabilities and segment capital expenditures.

22. Segment information (cont'd)

	Charter hire RM'000
2025	
Revenue:	
External customers	127,597
2024	
Revenue:	
External customers	122,663

Geographical segments

The geographical location of customers predominantly operates within Malaysia.

Major customers

There are two external customers (2024: two) in charter hire segment, who contribute 96% (2024: 89%) on total revenues of the Group amounting to RM122,028,000 (2024: RM109,909,000).

23. Financial instruments

23.1 Categories of financial instruments

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

	Carrying amount RM'000	AC RM'000
2025		
Financial assets		
Group		
Trade and other receivables, excluding prepayments	38,661	38,661
Deposits	2,851	2,851
Cash and cash equivalents	46,342	46,342
	87,854	87,854
Company		
Trade and other receivables, excluding prepayments	40,549	40,549
Cash and cash equivalents	44,544	44,544
	85,093	85,093

NOTES TO THE FINANCIAL STATEMENTS

23. Financial instruments (cont'd)

23.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000
2025 (cont'd)		
Financial liabilities		
Group		
Trade and other payables	(30,219)	(30,219)
Loans and borrowings	(75,020)	(75,020)
	(105,239)	(105,239)
Company		
Trade and other payables	(32,272)	(32,272)
Loans and borrowings	(75,020)	(75,020)
	(107,292)	(107,292)
2024		
Financial assets		
Group		
Trade and other receivables, excluding prepayments	54,863	54,863
Deposits	826	826
Cash and cash equivalents	19,129	19,129
	74,818	74,818
Company		
Trade and other receivables, excluding prepayments	55,156	55,156
Deposits	3	3
Cash and cash equivalents	17,745	17,745
	72,904	72,904
Financial liabilities		
Group		
Trade and other payables	(35,676)	(35,676)
Loans and borrowings	(88,958)	(88,958)
	(124,634)	(124,634)
Company		
Trade and other payables	(37,374)	(37,374)
Loans and borrowings	(88,958)	(88,958)
	(126,332)	(126,332)

23. Financial instruments (cont'd)

23.2 Net losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets at amortised cost	3,598	(2,722)	1,866	(6,079)
Financial liabilities at amortised cost	(3,908)	(5,881)	(3,908)	(5,875)
Net losses	(310)	(8,603)	(2,042)	(11,954)

23.3 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

23.4 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from receivables from customers and subsidiaries, and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis in view of reducing the Group's and the Company's exposure to bad debts.

The Group and the Company have 30 days (2024: 30 days) credit term policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

As at the end of the reporting year, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position. The Group and the Company have only invested in fixed deposits and maintain current accounts with licensed banks.

A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS

23. Financial instruments (cont'd)

23.4 Credit risk (cont'd)

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring individual profile of their trade receivables on an ongoing basis. The Group's significant concentration of credit risks are in the form of three (2024: three) major customers which constitute approximately 90% (2024: 82%) of the total trade receivables. The Company's significant concentration of credit risks are in the form of three (2024: four) major customers which constitute approximately 86% (2024: 89%) of the gross trade receivables.

Financial Guarantees

The maximum exposure to credit risk is amounting to RM750,000 (2024: RM750,000).

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiary. The Company monitors on an on-going basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Impairment of financial assets

The Group's and the Company's financial assets that are subject to the expected credit loss ("ECL") model include trade receivables, accrued revenue from charter hire and other receivables. While bank balances and deposits are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

(i) *Trade receivables and accrued revenue from charter hire using simplified approach*

The Group and the Company apply the MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued revenue from charter hire.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and accrued revenue from charter hire which are grouped together as they are expected to have similar risk nature.

	2025			2024		
	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Group						
Not past due	17,614	-	17,614	13,501	-	13,501
Past due 0-30 days	-	-	-	1,992	-	1,992
Past due 31-60 days	-	-	-	382	-	382
Past due more than 90 days	1,615	-	1,615	2,447	-	2,447
	19,229	-	19,229	18,322	-	18,322
Credit impaired						
Not past due	-	-	-	2,021	(2,021)	-
Past due more than 90 days	1,304	(1,304)	-	2,082	(2,082)	-
	20,533	(1,304)	19,229	22,425	(4,103)	18,322

23. Financial instruments (cont'd)

23.4 Credit risk (cont'd)

Impairment of financial assets (cont'd)

(i) Trade receivables and accrued revenue from charter hire using simplified approach (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and accrued revenue from charter hire which are grouped together as they are expected to have similar risk nature. (cont'd)

	2025			2024		
	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Company						
Not past due	19,525	-	19,525	14,048	-	14,048
Past due 0-30 days	-	-	-	1,992	-	1,992
Past due 31-60 days	-	-	-	382	-	382
Past due more than 90 days	1,615	-	1,615	2,447	-	2,447
	21,140	-	21,140	18,869	-	18,869
Credit impaired						
Not past due	-	-	-	2,021	(2,021)	-
Past due more than 90 days	964	(964)	-	1,743	(1,743)	-
	22,104	(964)	21,140	22,633	(3,764)	18,869

The movements in the allowance for impairment in respect of trade receivables and accrued revenue from charter hire during the year are shown below.

	Group Credit impaired RM'000	Company Credit impaired RM'000
Balance at 1 January 2024	732	711
Amounts written off	(21)	-
Net remeasurement of loss allowance	3,392	3,053
Balance at 31 December 2024/1 January 2025	4,103	3,764
Net remeasurement of loss allowance	(2,799)	(2,800)
Balance at 31 December 2025	1,304	964

(ii) Bank balances and deposits

The bank balances and deposits are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

23. Financial instruments (cont'd)

23.4 Credit risk (cont'd)

Impairment of financial assets (cont'd)

(iii) Other receivables

Credit risk on other receivables are mainly receivables from third party which arose from claims from a customer and insurance, sale of equipment, as well as disposal of vessel.

The following table provides information about the exposure and ECL for other receivables.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Group			
2025			
Low credit risk	5,474	-	5,474
Credit impaired	33	(33)	-
	5,507	(33)	5,474
2024			
Low credit risk	25,072	-	25,072
Credit impaired	33	(33)	-
	25,105	(33)	25,072

The movements in the allowance for impairment in respect of other receivables are shown below.

	Group Credit impaired RM'000
Balance at 1 January 2024	-
Net remeasurement of loss allowance	33
Balance at 31 December 2024/1 January 2025/31 December 2025	33

23. Financial instruments (cont'd)

23.4 Credit risk (cont'd)

Impairment of financial assets (cont'd)

(iv) Inter-companies

Expected credit loss of inter-companies are determined individually after considering the financial strength of the inter-companies. As at the end of the reporting period, the Company recognised allowance for impairment losses.

The following table provides information about the exposure to credit risk and ECL for amount from subsidiaries as at 31 December 2025.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2025			
Credit impaired			
Past due more than 90 days	7,137	(7,137)	-
2024			
Credit impaired			
Past due more than 90 days	5,428	(5,428)	-

The movement in the allowance for impairment in respect of amount due from subsidiaries during the year are shown below.

	Company Credit impaired RM'000
Balance at 1 January 2024	1,723
Net remeasurement of loss allowance	3,705
Balance at 31 December 2024/1 January 2025	5,428
Net remeasurement of loss allowance	1,709
Balance at 31 December 2025	7,137

Impairment losses on trade receivables, other receivables and inter-companies are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

23.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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

23. Financial instruments (cont'd)

23.5 Liquidity risk (cont'd)

Maturity analysis

The following table demonstrates the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on the contractual undiscounted repayment obligations:

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
2025							
Group							
Islamic financing facilities							
Murabahah Tawarruq	38,037	5.0	44,473	8,236	6,783	18,752	10,702
Murabahah Tawarruq*	36,983	i-COF+1.50	43,162	7,114	6,725	18,641	10,682
Others							
Trade and other payables	30,219	-	30,219	30,219	-	-	-
Lease liabilities	5,274	5.02 - 6.16	7,129	811	839	2,487	2,992
	110,513		124,983	46,380	14,347	39,880	24,376
Company							
Islamic financing facilities							
Murabahah Tawarruq	38,037	5.0	44,473	8,236	6,783	18,752	10,702
Murabahah Tawarruq*	36,983	i-COF+1.50	43,162	7,114	6,725	18,641	10,682
Others							
Trade and other payables	32,272	-	32,272	32,272	-	-	-
Lease liabilities	3,211	5.02	3,711	626	653	1,903	529
Financial guarantee	-	-	750	750	-	-	-
	110,503		124,368	48,998	14,161	39,296	21,913

* Floating rates vary based on cost of funds ("COF") or Islamic COF ("i-COF")

23. Financial instruments (cont'd)

23.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
2024							
Group							
Islamic financing facilities							
Murabahah Tawarruq	46,847	5.0	57,095	10,790	9,949	19,578	16,778
Murabahah Tawarruq*	42,111	i-COF+1.50	50,002	7,528	6,697	18,911	16,866
Others							
Trade and other payables	35,676	-	35,676	35,676	-	-	-
Lease liabilities	2,386	6.16 - 6.40	3,888	338	317	575	2,658
	127,020		146,661	54,332	16,963	39,064	36,302
Company							
Islamic financing facilities							
Murabahah Tawarruq	46,847	5.0	57,095	10,790	9,949	19,578	16,778
Murabahah Tawarruq*	42,111	i-COF+1.50	50,002	7,528	6,697	18,911	16,866
Others							
Trade and other payables	37,374	-	37,374	37,374	-	-	-
Lease liabilities	268	6.40	285	153	132	-	-
Financial guarantee	-	-	750	750	-	-	-
	126,600		145,506	56,595	16,778	38,489	33,644

* Floating rates vary based on cost of funds ("COF") or Islamic COF ("i-COF")

23.6 Market risk

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

23. Financial instruments (cont'd)

23.6 Market risk (cont'd)

23.6.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group and of the Company. The currencies giving rise to this risk is primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), and Japanese Yen ("JPY"). The Group and the Company maintain a natural hedge, whenever possible, by borrowing currency that matches the future revenue streams to be generated from its operations.

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting date was:

	Denominated in		
	USD RM'000	SGD RM'000	JPY RM'000
As at 31 December 2025			
Group			
Trade and other receivables	45	-	-
Cash and bank balances	90	-	-
Trade and other payables	(94)	(42)	(201)
Net exposure	41	(42)	(201)
Company			
Trade and other receivables	45	-	-
Cash and bank balances	90	-	-
Trade and other payables	(94)	(42)	(201)
Net exposure	41	(42)	(201)
As at 31 December 2024			
Group			
Trade and other receivables	1,005	-	-
Cash and bank balances	53	-	-
Trade and other payables	(534)	(24)	(185)
Net exposure	524	(24)	(185)
Company			
Trade and other receivables	1,005	-	-
Cash and bank balances	53	-	-
Trade and other payables	(269)	(24)	(185)
Net exposure	789	(24)	(185)

23. Financial instruments (cont'd)

23.6 Market risk (cont'd)

23.6.1 Foreign currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

The following table demonstrates the sensitivity of the Group's and of the Company's profit net of tax and equity to a reasonably possible change in the USD, SGD and JPY exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit net of tax/Equity	
	2025 RM'000	2024 RM'000
Group		
USD/RM		
- strengthened 10% (2024: 10%)	3	40
- weakened 10% (2024: 10%)	(3)	(40)
SGD/RM		
- strengthened 10% (2024: 10%)	(3)	(2)
- weakened 10% (2024: 10%)	3	2
JPY/RM		
- strengthened 10% (2024: 10%)	(15)	(14)
- weakened 10% (2024: 10%)	15	14
Company		
USD/RM		
- strengthened 10% (2024: 10%)	3	60
- weakened 10% (2024: 10%)	(3)	(60)
SGD/RM		
- strengthened 10% (2024: 10%)	(3)	(2)
- weakened 10% (2024: 10%)	3	2
JPY/RM		
- strengthened 10% (2024: 10%)	(15)	(14)
- weakened 10% (2024: 10%)	15	14

23.6.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Borrowings issued at variable rates expose the Group and the Company to cash flow interest rate risk. The Group and the Company manage the interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS

23. Financial instruments (cont'd)

23.6 Market risk (cont'd)

23.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Financial assets	30,791	11,230	27,940	10,407
Financial liabilities	(43,311)	(49,233)	(41,248)	(47,115)
Floating rate instruments				
Financial liabilities	(36,983)	(42,111)	(36,983)	(42,111)

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for the variable rate instruments

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

	Profit net of tax/Equity	
	100 bp increase RM	100 bp decrease RM
Group and Company		
31 December 2025		
Floating rate instruments	(281)	281
31 December 2024		
Floating rate instruments	(320)	320

23.7 Fair value information

The carrying amounts of bank balances, deposits, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

23. Financial instruments (cont'd)

23.7 Fair value information (cont'd)

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group and Company										
2025										
Financial liabilities										
Islamic financing facilities	-	-	-	-	-	-	72,121	72,121	72,121	75,020
2024										
Financial liabilities										
Islamic financing facilities	-	-	-	-	-	-	87,503	87,503	87,503	88,958

23. Financial instruments (cont'd)

23.7 Fair value information (cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivatives financial liabilities

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

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2024: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Islamic financing facilities	Discounted cash flows using a rate based on the current market rate of borrowing of the Group at the reporting date.

24. Capital management

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, loans and borrowings, trade and other payables, less cash and cash equivalents and short-term deposits. Capital includes equity attributable to the owners of the Company.

	Note	2025 RM'000	2024 RM'000
Group			
Loans and borrowings	14	75,020	88,958
Lease liabilities	4	5,274	2,386
Trade and other payables	15	30,219	35,676
Less: Cash and bank balances	10	(46,342)	(19,129)
Less: Deposits	9	(2,851)	(826)
Net debt		61,320	107,065
Equity attributable to the owners of the Company		337,835	291,945
Capital and net debt		399,155	399,010
Gearing ratio		15%	27%
Company			
Loans and borrowings	14	75,020	88,958
Lease liabilities	4	3,211	268
Trade and other payables	15	32,272	37,374
Less: Cash and bank balances	10	(44,544)	(17,745)
Less: Deposits	9	-	(3)
Net debt		65,959	108,852
Equity attributable to the owners of the parent		339,941	296,821
Capital and net debt		405,900	405,673
Gearing ratio		16%	27%

The Company breached certain non-financial covenants in the financial year ended 2025. However, the Company successfully obtained the indulgence letter from the respective lender subsequent to the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

25. Related parties

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

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

The Group and the Company have related party relationship with its corporate shareholders/former holding companies, subsidiaries, related parties and key management personnel.

Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subsidiaries:				
Johor Shipyard and Engineering Sdn. Bhd.				
- Construction of vessels	-	-	650	1,220
- Accounting fee	-	-	(63)	(63)
- Warehouse rental	-	-	240	240
Libra Perfex Precision Sdn. Bhd.				
- Charter hire of vessels	-	-	(52,800)	(30,345)
- Accounting fee	-	-	(26)	(26)
Other corporate shareholders/former holding companies:				
Kulim (Malaysia) Berhad				
- Secretarial fee	-	53	-	53
Sumber Shipyard and Engineering Sdn. Bhd.				
- Rental of land	185	228	-	-

25. Related parties (cont'd)

Significant related party transactions (cont'd)

The Directors of the Company are of opinion that the above transactions have been entered into in the normal course of business and have been established on terms that are no more favourable to the related parties than those arranged with independent third parties.

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 8 and 15 to the financial statements.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

The remuneration of key management personnel for the financial year are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Directors				
- Fees	278	316	278	316
- Remuneration	683	662	683	428
- Allowance	271	290	271	290
- Other short-term employee benefits	-	125	-	-
Total Directors short-term employee benefits	1,232	1,393	1,232	1,034
Other key management personnel				
- Remuneration	538	423	538	423
- Allowance	134	112	134	112
- Other short-term employee benefits	8	5	8	5
Total other key management personnel short-term employee benefits	680	540	680	540
Total key management personnel short-term employee benefits	1,912	1,933	1,912	1,574

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 166 to 214 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the year then ended.

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

....

Datuk Wira Mubarak Hussain bin Akhtar Husin
Director

....

Dato' Lai Keng Onn
Director

Kuala Lumpur
Date: 15 April 2026

STATUTORY DECLARATION

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

I, **Ang Jia Ping**, the Officer primarily responsible for the financial management of Avangaad Berhad, do solemnly and sincerely declare that the financial statements set out on pages 166 to 214 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Ang Jia Ping, MIA CA 51555, at Federal Territory of Kuala Lumpur on 15 April 2026.

....

Ang Jia Ping

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AVANGAAD BERHAD (REGISTRATION NO. 199301001779 (256516-W))
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Avangaad Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 166 to 214.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matter

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

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matter (cont'd)

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

<u>Impairment of Vessels</u>

Refer to note 3 – Property, vessels and equipment

The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, the carrying amount of the Group's and the Company's vessels, which totalled RM365,222,000 and RM368,732,000 respectively, represented approximately 75% of total assets of the Group and of the Company. The outlook for the oil prices and the demand for marine logistics remains volatile, which heightens the risk that the carrying amount of the Group's and the Company's vessels may exceed their recoverable amounts, and therefore, the carrying amount may be impaired. Similarly, an assessment of the reversal of impairment must be performed when indicators support the reversal of impairment for previously impaired vessels. We have identified the aforesaid valuation of the carrying values of the Group's and of the Company's vessels as a key audit matter because: • of its significance to total assets in the consolidated financial statements; and • the estimation of recoverable amount involved a significant degree of judgement and assumptions i.e. comparison with recent market transactions of similar vessels of similar age and specifications.	Fair Value Less Costs of Disposal ("FVLCOD"): - We assessed the methodologies used by the external valuers to estimate the fair values less cost of disposal; - We evaluated and challenged the key assumptions used to estimate the fair value less cost of disposal based on our knowledge of the marine logistics industry; - We evaluated and interviewed the independent external valuer's competence, capabilities and objectivity; and - We evaluated the key input provided by the Group and the Company to the external valuer.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As at the date of our report, except for the Directors' Report, the remaining other information has not been made available to us for our reading and accordingly we are unable to report in this regard.

However, if after reading the other information when available and we conclude there is a material misstatement therein, we will communicate same to the Directors of the Company and take appropriate action in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AVANGAAD BERHAD (REGISTRATION NO. 199301001779 (256516-W))
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AVANGAAD BERHAD (REGISTRATION NO. 199301001779 (256516-W))
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements (cont'd)

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

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

(ii) The financial statements of the Group and of the Company for the previous financial year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 March 2025.

GRANT THORNTON MALAYSIA PLT	**LIAN TIAN KWEE**
(201906003682 & LLP0022494-LCA)	(NO: 02943/05/2027 J)
CHARTERED ACCOUNTANTS (AF 0737)	CHARTERED ACCOUNTANT

Kuala Lumpur
Date: 15 April 2026

LIST OF PROPERTIES

Registered Owners	Address	Tenure/Expiry of Lease	Description Existing Use	Date of Issuance of Certificate of Fitness for Occupation/ Certificate of Completion and Compliance	Approximate Age of Building (Years)	Total Build Up Area and Land Area (square feet)	Net Book Value as at 31 December 2025 ((RM'000)
Avangaad Berhad	Setiawangsa Business Suite, C-3A-3A, No. 2, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Freehold	Commercial unit at fourth (4th) floor of a five (5) – storey office block held for our head office	8-Feb-07	18	Built-up: 6565.98 Land area: N/A	779
Avangaad Berhad	No. C-15-1, No. 2, Jalan 13/21D, Medan Idaman, Gombak, Kuala Lumpur	Freehold	Apartment for Seafarers in transit	6-Jul-04	21	Built-up: 850.35 Land area: N/A	116
Johor Shipyard and Engineering Sdn. Bhd.	Lot PT8436-A, Parit 21, Mukim Hutan Melintang, 36400 Daerah Hilir Perak, Perak Darul Ridzuan	This building is built on a leased land	Ship construction, repairs and all such shipyard activities and other related activities	9-Dec-14	11	Built-up 17,684 Land area: N/A	2,463

Tenant	Registered Owner	Address	Tenure/Expiry of Lease	Description Existing Use	Total Build Up Area and Land Area (square feet)
Avangaad Berhad	Kertih Port Sdn. Bhd.	Lot 3633, (PN 3387) Kawasan Bukit Tengah, KM 105, Jalan Kuantan, Kuala Terengganu, 24300 Kertih, Terengganu	Three (3) years tenancy, commencing from 1 January 2025 and expiring on 31 December 2027	Parcel of office/business premises	Built-up: 331 Land area: N/A
Avangaad Berhad	Dato' Ahmad Fathiri Bin Ahmad Fadzlah	Unit C-3-3, Unit C-3-3A, Block C, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur, W. Persekutuan	Two (2) years plus two (2) years (optional) tenancy commencing from 1 November 2022 and expiring on 31 October 2026 (Early Termination on 30 November 2025)	Commercial unit at third (3rd) floor of a five (5) – storey office block held for our office use	Built-up: 3,283 Land area: N/A

Tenant	Registered Owner	Address	Tenure/Expiry of Lease	Description Existing Use	Total Build Up Area and Land Area (square feet)
Avangaad Berhad	Northport (Malaysia) Bhd	Level 1, Marine Services Building, Jalan Pelabuhan, Pelabuhan Utara, 42000 Port Klang, Selangor	Two (2) years tenancy commencing from 1 July 2025 and expiring on 30 June 2027	Office space at first (1st) floor of Marine Services Building for office use	Built-up: 697 Land area: N/A
Avangaad Berhad	Northport (Malaysia) Bhd	Storage room in front of Marine Services Building, Jalan Pelabuhan, Pelabuhan Utara, 42000 Port Klang, Selangor	Two (2) years tenancy commencing from 1 July 2025 and expiring on 30 June 2027	Storage space	Built-up: 651 Land area: N/A
Avangaad Berhad	Wan Kamariah Binti Abu Bakar	No 38-1, Jalan Setiawangsa 11A, Taman Setiawangsa, 54200 Kuala Lumpur	One (1) year tenancy commencing from 1 February 2025 and expiring on 31 January 2026 with an option to renew for another two (2) years	Office space at first (1st) floor for archiving purpose	Built-up: 1,646 Land area: N/A
Avangaad Berhad	Super Enhance Sdn. Bhd. (Sg. Udang office)	No.16, Jalan Seri Buana 3, Taman Tangga Batu Perdana, 76400 Tanjung Kling, Melaka	Two (2) years tenancy commencing from 1 April 2024 and expiring on 31 March 2026 with an option to renew for another two (2) years	Office space for port operations at Sg. Udang	Built-up: 1,540 Land area: N/A
Avangaad Berhad	K.K. Machinery Sdn. Bhd.	Lot 4, First Floor, Wisma KKM, Mile 5, Jalan Tuaran, 88450 Likas, Kota Kinabalu, Sabah	One (1) year tenancy commencing from 15 May 2025 until 14 May 2026 with an option to renew for another two (2) years	Office	Built-up: 1,230 Land area: N/A
Avangaad Berhad	Kamariah Binti Baharudin	Unit A-2-12, Block A, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur, W. Persekutuan	Two (2) years tenancy commencing from 1 January 2023 and expiring on 31 December 2025 (Early Termination on 30 November 2025)	Office space at second (2nd) floor for our office use	Built-up: 1,700 Land area: N/A
Avangaad Berhad	Kerjaya Property Sdn. Bhd.	Suite 27-01 Level 27, Menara Vista Petaling, No. 137, Jalan Puchong, 58200 Kuala Lumpur	Three (3) years tenancy commencing from 1 November 2025 and expiring on 31 October 2028 with an option to renew for another three (3) years	Office space at twenty-Seven (27th) floor held for office use	Built-up: 12,292 Land area: N/A
Johor Shipyard and Engineering Sdn. Bhd.	Sumber Shipyard and Engineering Sdn. Bhd.	Lot PT 8436-A, Kampung Parit Sembilan Belas, 36400 Hutan Melintang, Perak Darul Ridzuan	Twenty (20) years tenancy expiring on 30 November 2032 with an option to renew for another ten (10) years	Option which included but not limited to ship construction, repairs and all such shipyard activities and other related activities	Built-up: 17,684 Land area: 435,626

SHAREHOLDINGS STATISTICS

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

Total Number Issued Shares as at 31 March 2026	:	1,326,250,000 ordinary shares
Treasury Shares as at 31 March 2026	:	Nil
Adjusted Capital (after netting treasury shares as at 31 March 2026)	:	1,326,250,000 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS PER RECORD OF DEPOSITORS AS AT 31 MARCH 2026

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1 - 99	109	4.21	764	0.00
100 – 1,000	503	19.44	203,130	0.02
1,001 - 10,000	855	33.04	5,238,806	0.40
10,001 – 100,000	813	31.41	29,833,700	2.25
100,001 – 66,312,499*	301	11.63	461,398,600	34.79
66,312,500 and above**	7	0.27	829,575,000	62.55
TOTAL	2,588	100.00	1,326,250,000	100.00

* Less than 5% of Issued Holdings
** 5% and above of Issued Holdings

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	Nationality/ Incorporated in	No. of shares beneficially held			
		Direct	%	Indirect	%
Sindora Berhad	Malaysia	265,500,000	20.02	-	-
Voultier Sdn. Bhd.	Malaysia	676,387,500	51.00	-	-
Kulim (Malaysia) Berhad	Malaysia	12,884,300	0.97	265,500,000 (1)	20.02
Johor Corporation	Malaysia	-	-	265,500,000 (1)	20.02
Datuk Wira Mubarak Hussain Bin Akhtar Husin	Malaysian	-	-	676,387,500 (2)	51.00
Dato' Lai Keng Onn	Malaysian	13,500,000	1.02	676,387,500 (2)	51.00

Notes:-
(1) *Deemed interest through shares held by Sindora Berhad pursuant to Section 8 of the Companies Act 2016 ("the Act").*
(2) *Deemed interest through shares held by Voultier Sdn. Bhd. pursuant to Section 8 of the Act.*

DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2026

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	Nationality	No. of shares beneficially held			
		Direct	%	Indirect	%
Dato' Mohd Redza Shah Bin Abdul Wahid	Malaysian	30,000	0.00	-	-
Dato' Lai Keng Onn	Malaysian	13,500,000	1.02	676,387,500 (1)	51.00
Datuk Wira Mubarak Hussain Bin Akhtar Husin	Malaysian	-	-	676,387,500 (1)	51.00
Dato' Seri Nazir Hussin Bin Akhtar Hussin	Malaysian	-	-	-	-
Michael Cheah Choy Chin	Malaysian	-	-	-	-
Tong Siut Moi	Malaysian	-	-	-	-
Mohd Faris Adli Bin Shukery	Malaysian	5,000	0.00	-	-

Notes:-
(1) *Deemed interest through shares held by by Voultier Sdn. Bhd. pursuant to Section 8 of the Act.*

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2026 (ORDINARY SHARES)

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
1.	Sindora Berhad	265,500,000	20.02
2.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Voultier Sdn. Bhd.	100,000,000	7.54
3.	MBSB Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Voultier Sdn. Bhd. (MGN-VSB0003M)	100,000,000	7.54
4.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Voultier Sdn. Bhd. (Smart)	98,000,000	7.39
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Voultier Sdn. Bhd. (M10)	97,687,500	7.37
6.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Voultier Sdn. Bhd. (7008025)	95,000,000	7.16
7.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Voultier Sdn. Bhd.	73,387,500	5.53
8.	Voultier Sdn. Bhd.	62,312,500	4.70
9.	Amanah Raya Berhad	58,000,000	4.37
10.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Voultier Sdn. Bhd. (MY4744)	50,000,000	3.77
11.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt an for Citibank New York (Norges Bank 22)	35,000,000	2.64

SHAREHOLDINGS STATISTICS

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
12.	Kulim (Malaysia) Berhad	12,884,300	0.97
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Su Ming Keat	8,000,000	0.60
14.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jason Koh Jian Hui (7000184)	7,936,000	0.60
15.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Tze Weng	7,060,000	0.53
16.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kah Hoe	6,666,000	0.50
17.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Hau Yang	6,606,200	0.50
18.	Lim Yew Hoe	6,550,000	0.49
19.	APEX Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Shave Huat (Margin)	5,606,100	0.42
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Mohammed Azman Bin Aziz Mohammed (PW-M01005)(422318)	5,329,800	0.40
21.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Low Kok Yew (MY3041)	5,076,200	0.38
22.	TA Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Chen,Quanqing	4,500,000	0.34
23.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Jason Koh Jian Hui	4,127,000	0.31
24.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Lim Hau Yang (Smart)	4,000,000	0.30
25.	Quah Chong Beng	3,970,000	0.30
26.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Jason Koh Jian Hui (Smart)	3,837,000	0.29
27.	Ang Yee Hooi	3,750,000	0.28
28.	Ta Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Choo Yan Tiee	3,500,000	0.26
29.	Mohd Yusuf Ali Bin Abdullah	3,400,000	0.26
30.	HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC	3,391,600	0.26
	TOTAL	**1,141,077,700**	**86.04**

DISCLOSURES OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(a) Group Total Income and Total Assets

	Group 2025 RM'000	Group 2024 RM'000
Total Income		
Revenue	127,597	122,663
Other income	3,780	200,084
Interest/Finance income	756	703
Total	**132,133**	**323,450**
Total Assets	**487,904**	**474,771**

(b) Business Activities

	Group 2025 RM'000	Group 2024 RM'000
Shariah Non-Compliant Activities		
Interest income	409	362
Total	**409**	**362**

(C) Component of Financial Position

(i) Cash Component

	Group 2025 RM'000	Group 2024 RM'000
Islamic Account/ Instruments		
Cash at bank	1,330	4,071
Short-term deposits	20,713	10,404
Deposits with licensed bank	2,851	826
Total Cash	**24,894**	**15,301**

	Group 2025 RM'000	Group 2024 RM'000
Conventional Account/ Instruments		
Cash at bank	17,002	4,584
Short-term deposits	2,006	-
Money market instruments	5,221	-
Other cash equivalents	70	70
Total Cash	**24,299**	**4,654**

DISCLOSURES OF FINANCIAL DATA FOR SHARIAH SCREENING

(ii) Debt Component

	Group	
Islamic Account/ Instruments	**2025 RM'000**	**2024 RM'000**
Current		
Term loans	11,711	18,128
Non-Current		
Term loans	63,309	70,830
Total Financing	**75.020**	**88,958**

	Group	
Conventional Borrowing	**2025 RM'000**	**2024 RM'000**
Current		
Term loans	-	-
Non-Current		
Term loans	-	-
Total Debt	**-**	**-**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second Annual General Meeting ("**32nd AGM**") of Avangaad Berhad ("**Avangaad**" or "**the Company**") will be physically held at Swan 3, Level 7, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Monday, 8 June 2026 at 9:00 a.m., or at any adjournment thereof, for the following purposes: -

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)

2. To re-elect the following Directors who are retiring in accordance with Clause 27.1 of the Company's Constitution, and being eligible, have offered themselves for re-election:-

   (a) Dato' Lai Keng Onn (Resolution 1)
   (b) Datuk Wira Mubarak Hussain Bin Akhtar Husin (Resolution 2)
   (c) Michael Cheah Choy Chin (Resolution 3)

3. To approve the payment of Fees of up to RM480,000/- for the Non-Executive Directors ("NEDs") from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company. (Resolution 4)

4. To approve the Benefits payable of up to RM193,000/- to the NEDs from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company. (Resolution 5)

5. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Board of Directors to determine their remuneration. (Resolution 6)

As Special Business

To consider and, if thought fit, with or without any modification, to pass the following resolution as Ordinary Resolution:-

6. **Ordinary Resolution** (Resolution 7)
   - Authority to Issue Shares pursuant to the Companies Act 2016

   "**THAT**, subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

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

   AND THAT pursuant to Section 85 of the Act to be read together with Clause 8.6 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to this mandate;

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

NOTICE OF ANNUAL GENERAL MEETING

7. **Ordinary Resolution**
- Proposed Authority for Share Buy-Back (Resolution 8)

"**THAT**, subject to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, the Company be and is hereby authorised to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company ("**Proposed Share Buy-Back Authority**") provided that: -

(i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase;

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

i. cancel all the shares so purchased; and/or

ii. retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or

iii. retain part thereof as treasury shares and cancel the remainder; or

iv. in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other authority for the time being in force;

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until: -

a. the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

b. the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

c. the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first,

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interests of the Company to give full effect to the Proposed Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board of Directors may deem fit and expedient in the best interests of the Company."

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

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

(duly signed)

CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)
CHENG CHIA PING (SSM PC No. 202008000730) (MAICSA 1032514)
Company Secretaries

Kuala Lumpur
30 April 2026

Notes:

(a) Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **26 May 2026** ("**General Meeting Record of Depositors**") shall be eligible to participate, speak and vote at the Meeting.

2. A member entitled to participate and vote at the Meeting shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his stead. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

3. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.

4. The instrument appointing a proxy shall be in writing under the hand of the member/ appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

6. The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia or lodged electronically via SS e-Portal at https://sshsb.net.my/ not later than 48 hours before the time fixed for holding the forthcoming 32nd AGM or any adjournment thereof. Kindly refer to the Procedures for Electronic Submission of Proxy Form in Appendix A.

(b) Audited Financial Statement for the financial year ended 31 December 2025

Agenda 1 is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:-

1. Resolution 1,2 and 3 - Re-election of Director who is retiring in accordance with Clause 27.1 of the Company's Constitution

   In determining the eligibility of the Directors to stand for re-election at the forthcoming 32nd AGM of the Company, the Board Nomination & Remuneration Committee ("BNRC") as guided by the requirements of Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities has recommended Dato' Lai Keng Onn, Datuk Wira Mubarak Hussain Bin Akhtar Husin and Michael Cheah Choy Chin, for re-election as Directors pursuant to the Constitution of the Company ("**Retiring Directors**"). The Board has conducted a separate assessment and being satisfied with the performance/contribution of the Retiring Directors. Therefore, the Board recommended that the same to be tabled to the shareholders of the Company for approval at the forthcoming 32nd AGM of the Company under Resolutions 1, 2 and 3 respectively.

   The evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2025 of the Company. All the Retiring Directors have consented to their re-election, and abstained from deliberations and voting in relation to their individual re-election at the BNRC and Board Meetings, respectively. The Retiring Directors also provided the fit and proper declarations in the prescribed forms in accordance with the Directors' Fit & Proper Policy adopted by the Company.

The profile of the Directors standing for re-election are provided in the Directors' profile section of the 2025 Annual Report.

2. Resolution 4 and 5 - Payment of Directors' fees and benefits

   Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

   In this respect, the Board wishes to seek shareholders' approval at the 32nd AGM on the two (2) separate resolutions as below: -

   - **Ordinary Resolution 4** on payment of Directors' fees from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company

     In this respect, the Board wishes to seek shareholders' approval at the 32nd AGM of the Company for the payment of Directors' fees of up to RM480,000/- from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company. If the Directors' fees are insufficient due to the enlarged Board size, approval will be sought at the next AGM for additional fees to meet the shortfall.

   - **Ordinary Resolution 5** on payment of Directors' benefits

     This is in respect of the meeting allowance payable for attendance of Board and/or Board Committee meetings by the NEDs of the Company from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company. The details of the meeting allowances are as follows:-

Meeting Allowances (Per Meeting)	Chairman of the Committee	Member of the Committee
Board of Directors	RM4,000.00	RM3,000.00
Audit Committee	RM4,000.00	RM3,000.00
Risk and Governance Committee	RM3,000.00	RM2,000.00
Board Nomination & Remuneration Committee	RM3,000.00	RM2,000.00

NOTICE OF ANNUAL GENERAL MEETING

3. Resolution 6 - Re-appointment of Auditors

   The Audit Committee ("AC") having assessed the suitability, objectivity and independence of Messrs. Grant Thornton Malaysia PLT recommended the latter's re-appointment as External Auditors of the Company to the Board for consideration. Upon review, the Board in turn would like to recommend the same to the shareholders for approval at the 32nd AGM of the Company. The evaluation criteria adopted as well as the process of assessment by the AC and Board, respectively, have been duly elaborated in the Corporate Governance Report of the Company for the financial year ended 31 December 2025.

4. Resolution 7 – Authority to Issue Shares pursuant to the Companies Act 2016

   The proposed resolution is intended to renew the authority granted to the Directors of the Company at the Thirty-One AGM of the Company held on 28 May 2025 ("**Previous Mandate**") to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "**General Mandate**").

   The said General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently through issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares or allotment of shares under an agreement or option or offer for purposes, including but not limited to placement of shares for working capital, repayment of borrowings, the Company's future project(s), acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

   The Board, having considered the current and prospective financial position, working capital requirements and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

   Pursuant to Section 85 of the Act read together with Clause 8.6 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

   The proposed Resolution 7 if passed, will exclude existing shareholders' pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Resolution.

5. Resolution 8 - Proposed Share Buy-Back Authority

   The proposed resolution is intended to allow the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares in the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

   Please refer to Statement to Shareholders dated 30 April 2026 available together with the Annual Report 2025 for more information.

ADMINISTRATIVE GUIDE

THIRTY-SECOND ANNUAL GENERAL MEETING ("**32nd AGM**") OF AVANGAAD BERHAD ("**the Company**")

Date	:	Monday, 8 June 2026
Time	:	9:00 a.m.
Venue	:	Swan 3, Level 7, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur

This is a **physical** AGM. Members and/or proxies are to attend **in-person** only.

Registration

1. Registration is from 8:00 a.m. and will end at a time as announced by the Chairman of the meeting before commencement of voting.
2. Registration will take place at the registration counters located at Swan 3, Level 7.
3. Kindly present your **original National Registration Identity Card ("NRIC") or Passport for verification** by the Registrar. Photocopy of NRIC or Passport is not allowed. Upon verification of your NRIC or Passport and signing of the Attendance List, you will be given a wristband for identification. Please ensure you collect your original NRIC or Passport thereafter.
4. No individual will be allowed to enter the venue without the wristband. There will be no replacement in the event you lose or misplace the wristband.
5. No individual will be allowed to register on behalf of another person, registration will handle only verification of identity and registration of shareholders and/or proxy holders. If you have any enquiries on other matters, please refer to our staff who will be at hand to provide assistance.

General Meeting Record of Depositors

Only depositors whose **names appear in the General Meeting Record of Depositors as at 26 May 2026 will be entitled to attend the AGM** or to appoint **proxy** to attend and/or vote on the depositor's behalf.

Submission of Proxy Form in either hard copy form or electronic form

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and shall be deposited with the Company's Share Registrar, namely, Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Securities Services e-Portal, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e., **on or before Saturday, 6 June 2026 at 9:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Electronic appointment	Securities Services e-Portal Weblink: *https://sshsb.net.my/* Kindly refer to Appendix A in Administrative Guide

The lodging of the said instrument shall not preclude you from attending, participating, speaking and voting in person at the 32nd AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company not less than forty-eight (48) hours before the commencement of the AGM or any adjournment thereof.

Corporate Representative

Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should present a valid instrument appointing a corporate representative which shall be in writing under the common seal of the corporation.

Voting Procedure

The voting at the 32nd AGM will be conducted on a poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Securities Services (Holdings) Sdn. Bhd. ("SS") as Poll Administrator to conduct the poll and Commercial Quest Sdn. Bhd. as scrutineers to verify the poll results.

Parking

You are advised to park your vehicle at the Basement Parking. All attendees are entitled to a flat parking rate of RM7.00 per entry. Please take note it is a ticketless parking and payment could be made by Visa, Master or TnG card.

Enquiry

If you have any enquiry relating to the registration for the 32nd AGM, please contact the following persons from our Shares Registrar during office hours from Monday to Friday, 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m.:

Securities Services (Holdings) Sdn. Bhd.

General Line	:	+603-2084 9000	
Email	:	*info@sshsb.com.my*	
Officers	:	Wong Piang Yoong	(DID: +603-2084 9168)
	:	Puan Lily	(DID: +603-2084 9163)
	:	Nur Suhaila	(DID: +603 2084 9169)

Location map

APPENDIX A

SECURITIES SERVICES E-PORTAL

(A) Sign up for a user account at Securities Services e-Portal

Step 1 Visit https://sshsb.net.my/
Step 2 Sign up for a user account
Step 3 Wait for our notification email that will be sent within one (1) working day
Step 4 Verify your user account within seven (7) days of the notification email and log in

- This is a ONE-TIME registration. If you already have a user account, you need not register again.
- Your email address is your User ID.
- Please proceed to (B) once you are a registered user.

REGISTER AS A USER BY 4 JUNE 2026 TO SUBMIT E-PROXY FORM

(B) Submit e-Proxy Form

Meeting Date and Time	Proxy Form Submission Closing Date and Time
Monday, 8 June 2026 at 9:00 a.m.	Saturday, 6 June 2026 at 9:00 a.m.

- Log in to *https://sshsb.net.my/* with your registered email and password.
- Look for **Avangaad Berhad** under Company Name and **32nd AGM on 8 June 2026 at 9:00 a.m. - Submission of Proxy Form** under Event and click "**>**" to submit your proxy forms online for the meeting by the submission closing date and time above.

Step 1 Check if you are submitting the proxy form as –
- Individual shareholder
- Corporate or authorised representative of a body corporate
For body corporates, the appointed corporate/authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to The Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above or handover the said document to the registrar at the registration counter.

Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).
You may appoint the Chairman of the meeting as your proxy where you are not able to participate.

Step 3 Proceed to indicate how your votes are to be casted against each resolution.

Step 4 Review and confirm your proxy form details before submission.

- A copy of your submitted e-Proxy Form can be accessed via **My Records** (refer to the left navigation panel).
- You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.

PROXY FORM

AVANGAAD
[Registration No: 199301001779 (256516-W)]
(Incorporated in Malaysia)

CDS Account No.:	No. of Shares held:

*I/We ______________________ NRIC No. / Company No. ______________________

of full address) ____

being a member/members of AVANGAAD BERHAD, hereby appoint:

PROXY "A"

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
FULL ADDRESS			

and/or failing *him/her,

PROXY "B"

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
FULL ADDRESS			

#to put a separate sheet where there are more than two (2) proxies.

or failing *him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Thirty-Second Annual General Meeting ("32nd AGM") of the Company will be physically held at Swan 3, Level 7, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Monday, 8 June 2026 at 9:00 a.m., and at any adjournment thereof.

Ordinary Resolution	Agenda	For	Against
ORDINARY BUSINESS			
1	To re-elect Dato' Lai Keng Onn as Director of the Company.		
2	To re-elect Datuk Wira Mubarak Hussain Bin Akhtar Husin as Director of the Company.		
3	To re-elect Michael Cheah Choy Chin as Director of the Company.		
4	To approve the payment of Fees of up to RM480,000/- for the Non-Executive Directors ("NEDs") from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company.		
5	To approve the Benefits payable of up to RM193,000/- to the NEDs from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company.		
6	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Board of Directors to determine their remuneration.		
SPECIAL BUSINESS			
7	Authority to Issue Shares pursuant to the Companies Act 2016		
8	Proposed Authority for Share Buy-Back		

* Strike out whichever is not applicable.

Please indicate with an "X" in the space provided above how you wish your votes to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

As witness my/our hand(s) this _______ day of ___________ 2026.

____
Signature of Member

Notes:

(a) Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 26 May 2026 ("General Meeting Record of Depositors") shall be eligible to participate, speak and vote at the Meeting.

2. A member entitled to participate and vote at the Meeting shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his stead. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

3. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.

4. The instrument appointing a proxy shall be in writing under the hand of the member/ appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

6. The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia or lodged electronically via SS e-Portal at https://sshsb.net.my/ not later than 48 hours before the time fixed for holding the forthcoming 32nd AGM or any adjournment thereof. Kindly refer to the Procedures for Electronic Submission of Proxy Form in Appendix A.

Affix
Stamp Here

SHARE REGISTRAR
AVANGAAD BERHAD
[Company Registration No. 199301001779 (256516-W)]

c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan
Malaysia

(b) Audited Financial Statement for the financial year ended 31 December 2025

Agenda 1 is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2026.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING ("32ND AGM")

(PURSUANT TO PARAGRAPH 8.27(2) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS)

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election or re-appointment at the 32nd AGM of the Company).