



# SHIN YANG GROUP BERHAD

(Formerly known as Shin Yang Shipping Corporation Berhad)  
Registration No. 200401027554 (666062-A)



ANNUAL REPORT **2023**



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# SHIN YANG GROUP BERHAD

## OUR VISION



One-stop Quality Shipping, Logistics Services Provider and Marine Engineering in South East Asia and Beyond.

And

To be the Premier Shipbuilder & Integrated Marine Structural Fabricators

## OUR CORPORATE MISSION



To operate in a Modern Integrated shipping and shipbuilding world as a benchmark in providing Comprehensive, Innovative and efficient Quality services.

Adaptability to changes, and retention of sustainable success and steadfast in Health, Safety, Environment and Quality Value.

Committed to achieving Quality Assurance and Management through quality planning, improvement and control.

Full concern for preserving and conserving the Environment, Health and Safety of our community and employees, neighbouring communities and our valued customers.

## CORE BUSINESSES



Our business is focused on shipping and shipbuilding, which represent our main core revenue streams. Our two core businesses are synergistic as we construct vessels and also utilise them in our shipping operations. In supporting our core business areas, we also undertake shipping agency & forwarding services, door to door shipments, third party logistics transportation solutions, ship repairs, ship repowering & refitting, ship modification & conversion and maintenance works, barrage and shiplock management, manufacturing, distributing and marketing of industrial gas, provision of maintenance and trading in welding equipment and machinery and many other specialised services and works.

Being an integrated shipping and shipbuilding operator provides us with the competitive advantage to react quickly to favourable market conditions and to quickly undertake modification of existing vessels to meet new business opportunities and reinforce our fleet robustness for our shipping operation requirements.





**SHIN YANG GROUP BERHAD**

(Cont'd)

**INTERNATIONAL AND DOMESTIC SHIPPING**

Our shipping operations cover both Malaysian and International waters; ranging from South East Asia, East Asia and the Far East region. Currently, we are supported by our own fleet of 199 vessels with a total Gross Tonnage (GT) of approximately 326,000 Tonnage.

**SHIPBUILDING, SHIP REPAIR AND METAL FABRICATION**

Our shipbuilding facilities are supported by three shipbuilding yards located in Kuala Baram, Miri and one in Bintulu, Sarawak with a total land area of approximately 280 acres and an annual capacity to construct 40 vessels based on a hundred meter length vessel. In addition, we also have one shipbuilding yard in Tanjung Manis, Sarawak for future business expansion with a total land area of approximately 214 acres.

**TRANSPORT AND LOGISTICS**

Our transport and logistics operations are supported by its current fleet of 249 prime movers with attached 626 trailers, 138 dump & cargo trucks and 26 diesel & crude palm oil tankers for the transportation of a wide variety of goods from source to destination within East Malaysia.

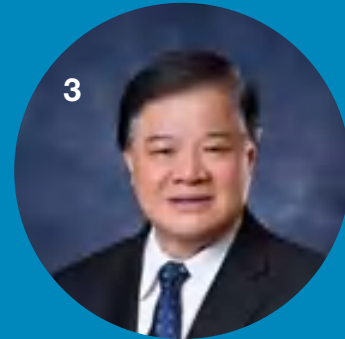
**BARRAGE AND SHIPLOCK MANAGEMENT**

Our Barrage and Shiplock Management operation is solely for the operation management and maintenance of the Barrage and Shiplock in particular for Lembaga Sungai Sungai Sarawak/ Sarawak Rivers Board under the Sungai Sarawak Regulation Scheme since 1997. Currently, we have fifty (50) staff in its team with the vast experience and qualification which operates on a 24 hours basis every day.

**GAS**

Our gas operation operates 2 production plants for Dissolved Acetylene and Air Separation unit, 2 refilling gas industrial facilities in Miri and 2 refilling gas industrial facilities in Bintulu. The principal market of our gas products and services are Malaysia and Brunei.

## CORPORATE INFORMATION



### BOARD OF DIRECTORS

- |  |   |
|--|---|
| <p>1. <b>Tan Sri Datuk Ling Chiong Ho</b><br/>Group Executive Chairman</p> <p>2. <b>Datuk Ling Lu Kiong</b><br/>Group Executive Vice Chairman</p> <p>3. <b>Ling Chiong Sing</b><br/>Group Managing Director</p> <p>4. <b>Ling Chiong Pin</b></p> | <p>5. <b>Ling Siu Chuo</b></p> <p>6. <b>Vincent Ling Lu Yew</b></p> <p>7. <b>Arshad Bin Zainuddin</b></p> <p>8. <b>Yong Nyet Yun</b></p> <p>9. <b>Jack Willien @ William Anak Jinep</b></p> |
|--|---|

**CORPORATE INFORMATION**

(Cont'd)

**AUDIT AND RISK  
MANAGEMENT COMMITTEE****Yong Nyet Yun**Chairman and Independent  
Non -Executive**Arshad Bin Zainuddin**

Independent Non -Executive

**Ling Siu Chuo**

Non-Independent Non-Executive

**Jack Willien @ William Anak Jinep**

Independent Non -Executive

**JOINT NOMINATION &  
REMUNERATION COMMITTEE****Jack Willien @ William Anak Jinep**Chairman and Independent  
Non -Executive**Arshad Bin Zainuddin**

Independent Non -Executive

**Ling Siu Chuo**

Non-Independent Non Executive

**PRINCIPAL BANKERS**AmBank (M) Berhad  
Affin Bank Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
United Overseas Bank (Malaysia) Bhd**CHIEF EXECUTIVE OFFICER**

Captain Ting Hien Liong

**CHIEF OPERATING OFFICER  
CUM COMPANY SECRETARY**

Richard Ling Peng Liing

**CHIEF FINANCIAL OFFICER**

Teh Zi Qin

**SHARE REGISTRARS****Boardroom Share****Registrars Sdn Bhd**(199601006647 / 378993-D)  
11th Floor, Menara Symphony  
No.5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Telephone No. : [603]-7890 4700  
Facsimile No. : [603]-7890 4670**AUDITORS****Crowe Malaysia PLT (AF: 1018)**Lot 2395, Block 4, Bulatan Business  
Park, Jalan Bulatan Park, 98000 Miri,  
Sarawak, Malaysia

Telephone No. : [6085]-658 835

Facsimile No. : [6085]-655 001

**REGISTERED OFFICE**Sublot 153 (Parent Lot 70)  
Jalan Kuala Baram, Kuala Baram  
98100 Miri, Sarawak, Malaysia  
Telephone No. : [6085]-428399  
Facsimile No. : [6085]-421428  
E-mail: ir.sygroup@shinyang.com.my  
Website: www.shinyanggroup.com.my**STOCK EXCHANGE LISTING**

The Main Board Bursa Malaysia

**STOCK NAME**

SYGROUP

**STOCK CODE**

5173 (Transportation and Logistics)

**DOMICILE**

Malaysia



Berthing of Danum 173



## FINANCIAL CALENDAR

### FINANCIAL YEAR END

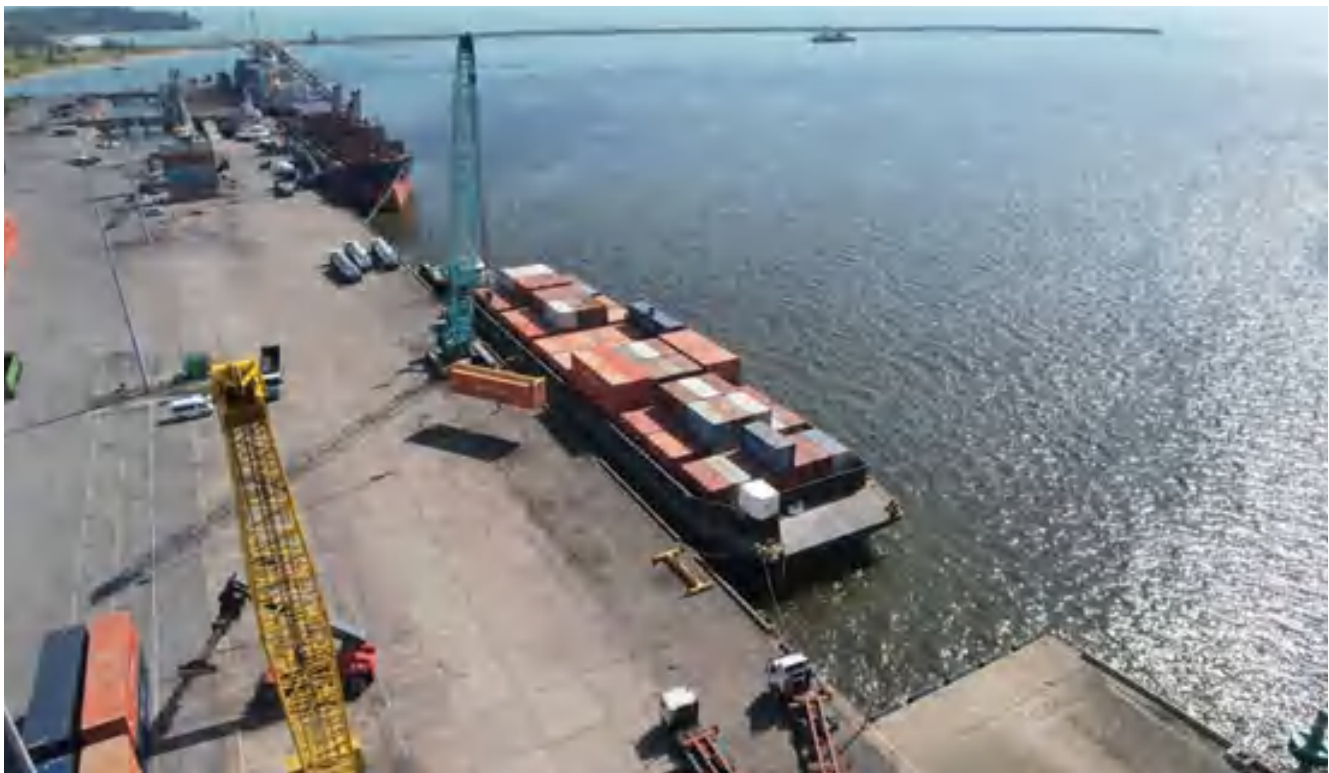
30 JUNE 2023

#### Announcement of results

First Quarter	29 November 2022
Second Quarter	24 February 2023
Third Quarter	30 May 2023
Fourth Quarter	30 August 2023

#### Published Annual Report And Financial Statements

Notice of Annual General Meeting	27 October 2023
18th Annual General Meeting	24 November 2023



Container handling at Samalaju Industrial Park, Sarawak



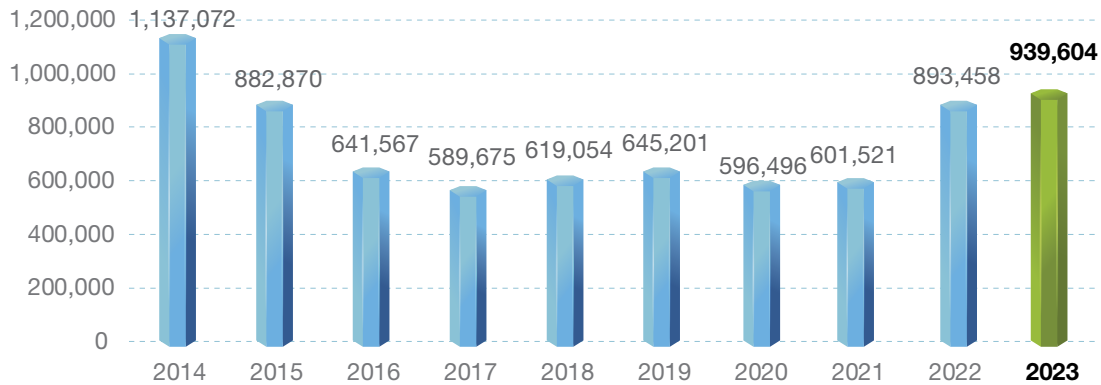
Floating dock in operation



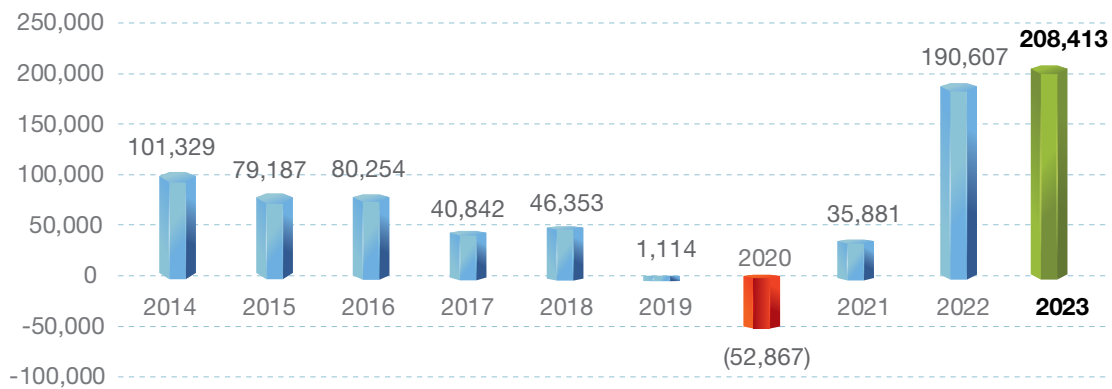
Construction for conversion of crude palm oil barge to container vessel

## 10- YEARS STATISTIC HIGHLIGHTS

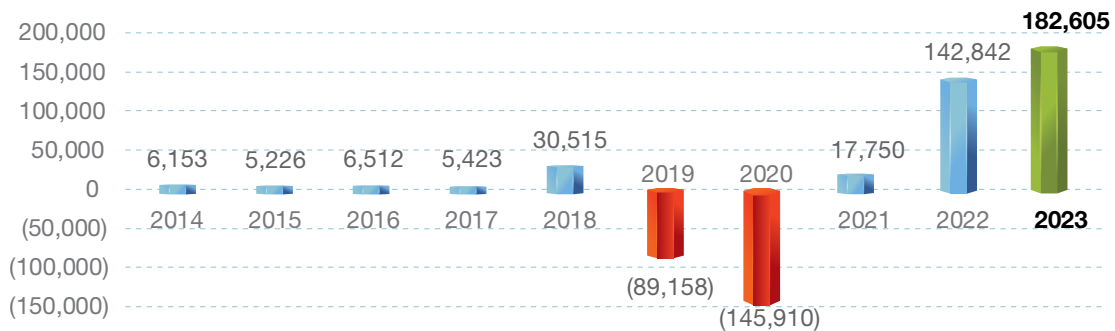
## Revenue (RM'000)



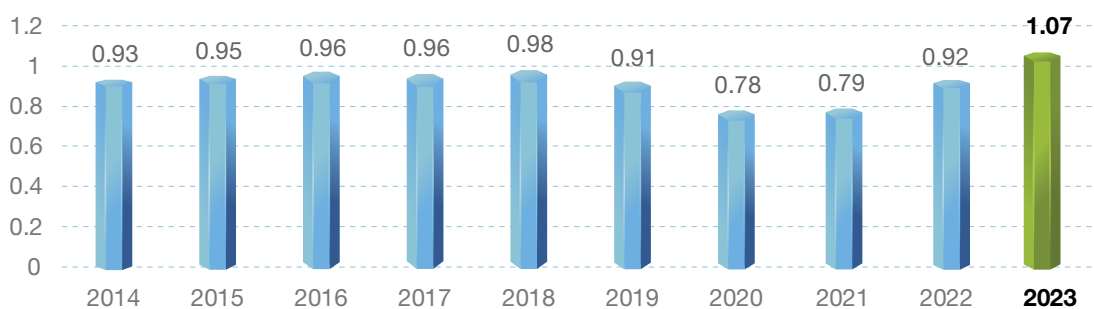
## Gross Profit (RM'000)



## PAT (RM'000)



## NTA (RM per share)

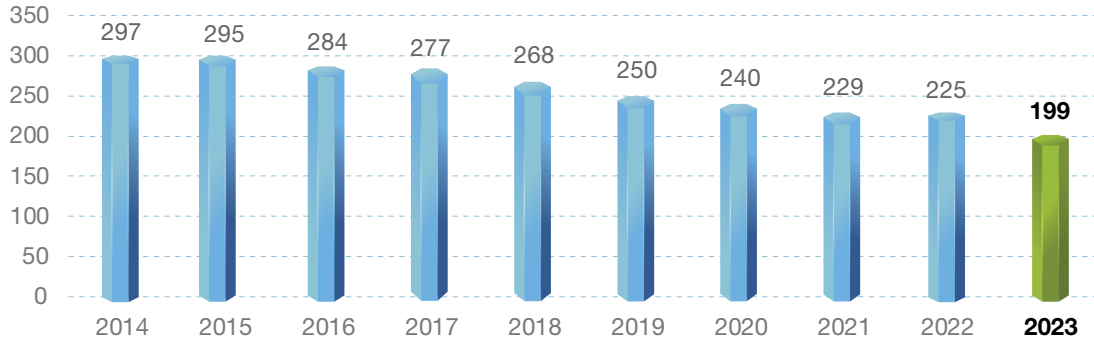




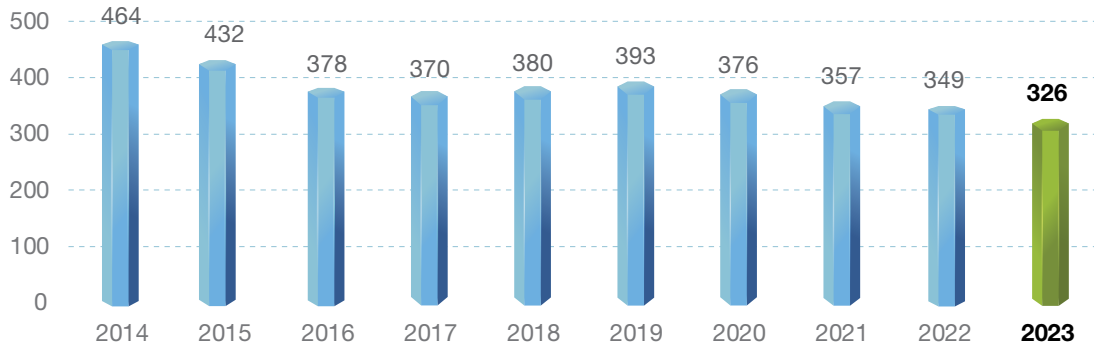
## 10- YEARS STATISTIC HIGHLIGHTS

(Cont'd)

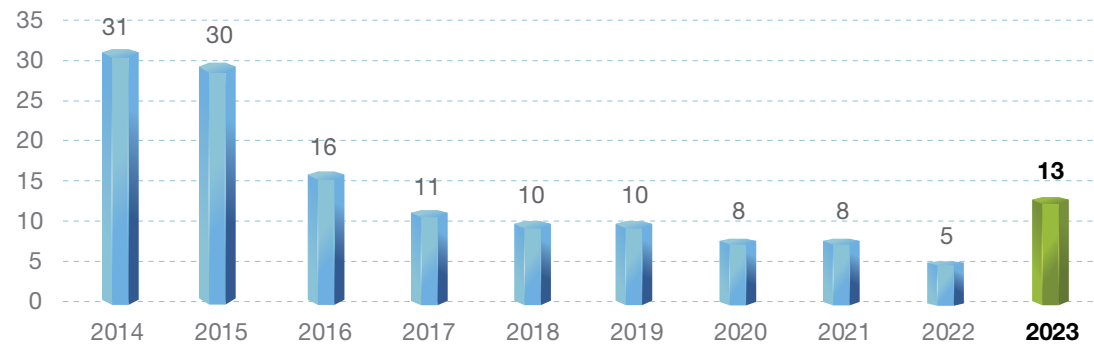
## Vessel fleet (no)



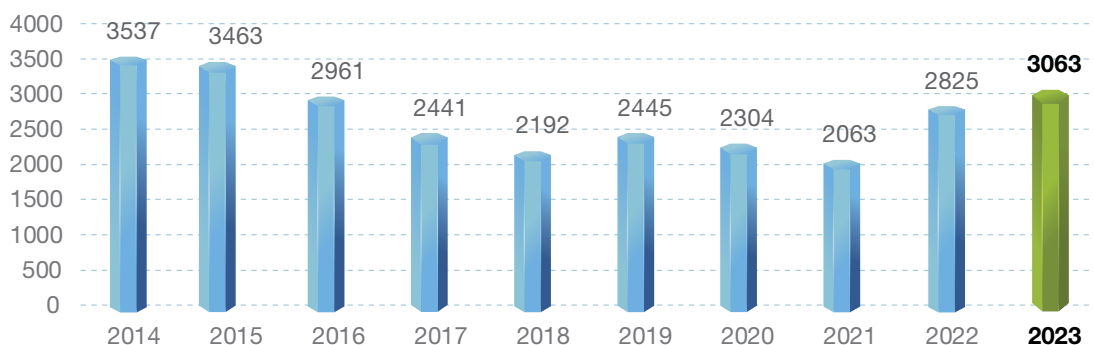
## Vessel fleet (GT'000)



## No. of Vessels completed &amp; WIP



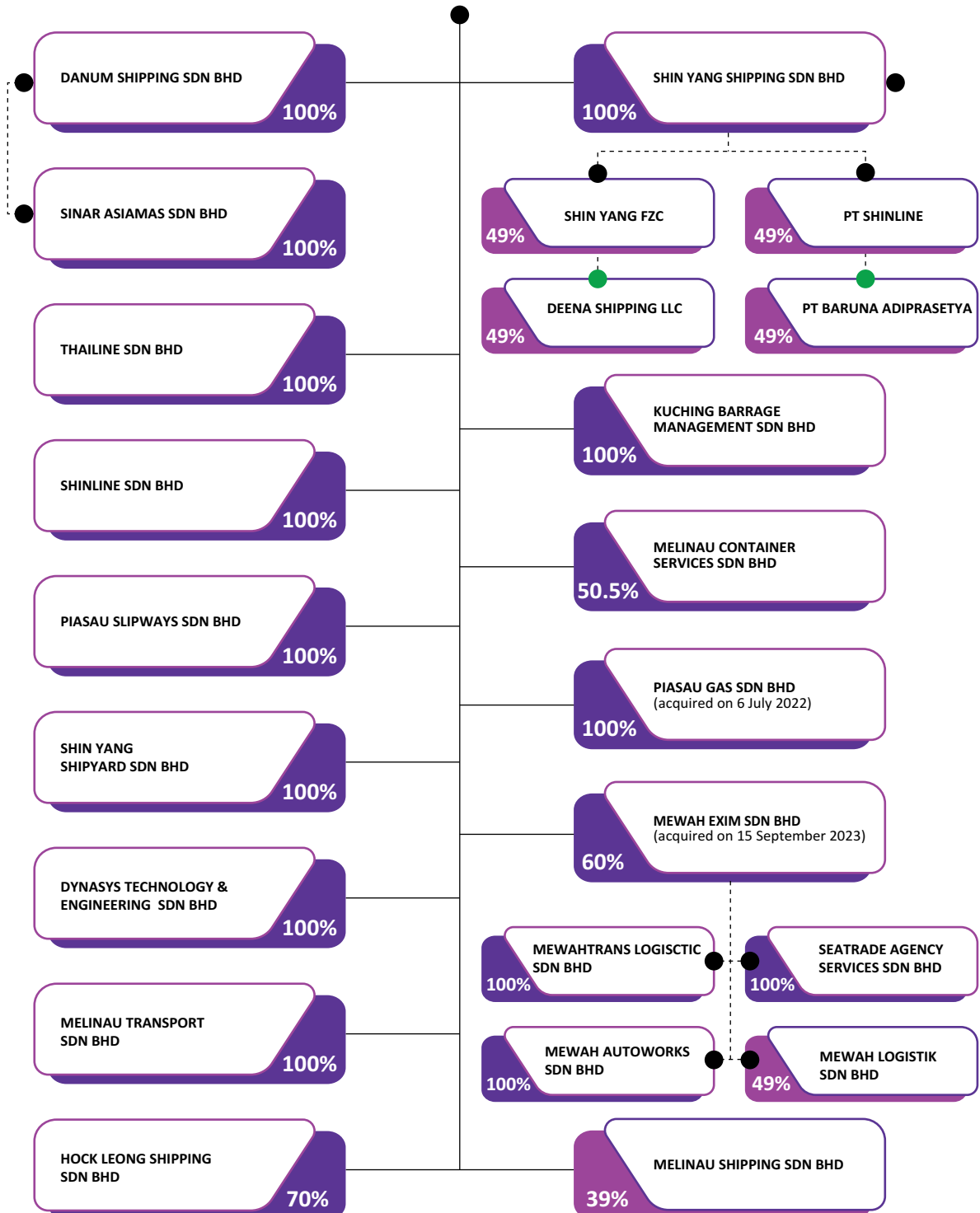
## No. of Employee



# CORPORATE STRUCTURE




## SHIN YANG GROUP BERHAD



- Subsidiaries of Shin Yang Group Berhad
- Associates of Shin Yang Group Berhad

## PROFILE OF BOARD OF DIRECTORS



**TAN SRI DATUK LING CHIONG HO**  
Group Executive Chairman

Male

Malaysian

71 years

**Date Of Appointment**  
15 September 2004 (Director)  
31 March 2010 (Non-Executive Chairman)  
28 February 2022 (Group Executive Chairman)

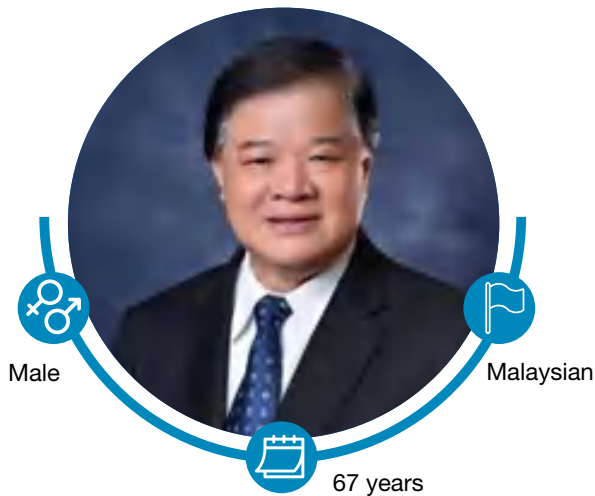
**Tan Sri Datuk Ling Chiong Ho** has been re-designated as the Group Executive Chairman on 28 February 2022. He has extensive experience and technical know-how towards new development and design & full construction of vessels and repair of vessels. He has been instrumental in the growth and development of the Group and had led our Group to become an established shipping operator and leading shipbuilder in Malaysia. Tan Sri Datuk Ling is the founder and Chairman of the well diversified Shin Yang Holding Group of Companies involved in reforestation, wood based downstream activities, property development, infrastructure projects and public toll concession, oil palm plantation, public transportation, supermarkets and hotel businesses. Tan Sri Datuk Ling is also the Group Business Advisor of Sarawak Oil Palms Berhad, a company listed on Bursa Malaysia Securities Berhad.

Tan Sri Datuk Ling is the brother of Ling Chiong Sing, Ling Chiong Pin and Mdm Ling Siu Chuo, directors of the Company. Tan Sri Datuk Ling is deemed connected to Shin Yang Holding Sdn Bhd, one of the substantial shareholders of the Company. He is deemed interested in various transactions between the Group and certain companies carried out in the ordinary course of business by virtue of his common directorship and/or shareholdings in these companies.

Tan Sri Datuk Ling had attended all four Board Meetings held during the financial year ended 30 June 2023. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

## PROFILE OF BOARD OF DIRECTORS

(Cont'd)



**LING CHIONG SING**  
Group Managing Director

**Date Of Appointment**

15 September 2004 (Director)  
13 May 2010 (Group Managing Director)

**Ling Chiong Sing** graduated from Taiwan in Accountancy and is responsible for the overall operational and financial management of our Group. As one of the founding members of our Group, Mr. Ling brings with him over thirty (30) years of extensive and hands-on knowledge on all aspects of our business activities ranging from international and coastal shipping, shipbuilding and ship repairs. Mr. Ling was also a pioneer to our projects planning and business development, especially the expansion of new shipping routes. Mr. Ling is also the Non-Executive Director and a member of MRGF Committee of Sarawak Oil Palms Berhad, a company listed on Bursa Malaysia Securities Berhad.

Mr. Ling also served as Chairman to Miri Chinese Chamber of Commerce and Industry for the 2021 to 2023 term. He has been appointed as a permanent council member of Sarawak Timber Association since March 2010.

He is the brother of Tan Sri Datuk Ling, Ling Chiong Pin and Mdm Ling Siu Chuo who are Group Executive Chairman, Executive Director and Non-Executive Director of the Company respectively. He is deemed connected to Shin Yang Holding Sdn Bhd, one of the substantial shareholders of the Company. He is deemed interested in various transactions between the Group and certain companies carried out in the ordinary course of business by virtue of his common directorship and/or shareholdings in these companies.

He has attended all four Board Meetings held during the financial year ended 30 June 2023. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



**DATUK LING LU KIONG**  
GROUP EXECUTIVE VICE CHAIRMAN

**Date Of Appointment**

8 April 2022 (Group Executive Vice Chairman)

**Datuk Ling Lu Kiong** graduated with a Bachelor of Marketing from Curtin University of Technology, Malaysia in 2002. He started his career with Shin Yang Holding Group's timber downstream division in year 2003. He is responsible for the overall corporate strategic planning, management and operation of the well diversified Shin Yang Holding Group. He brings with him twenty (20) years of extensive working experience and hands-on knowledge on all aspects of Shin Yang Holding Group's business activities, which include timber downstream processing, forest reforestation and oil palm plantation, shipping and shipbuilding activities, quarry operation, public servicing section, property development and construction, hypermarket & department store business, hotel management and general trading. Datuk Ling Lu Kiong is currently the Group Managing Director of the well diversified Shin Yang Holding Group of Companies, based in Sarawak.

He was conferred the award of Darjah Panglima Gemilang Bintang Kenyalang (PGBK) by Yang Dipertua Negeri Sarawak on 9 October 2021.

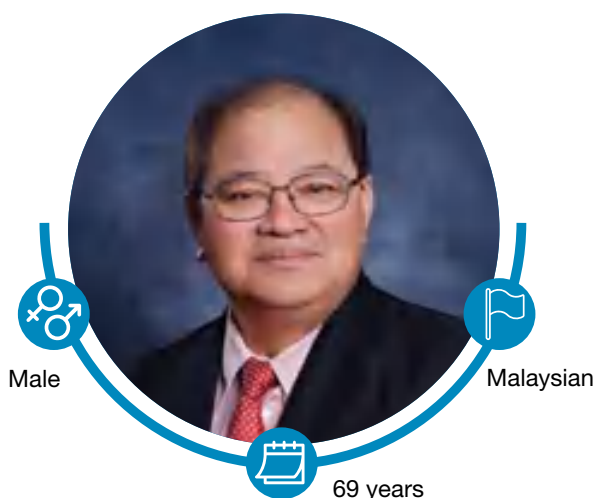
He is the son of Tan Sri Datuk Ling Chiong Ho, the Group Executive Chairman, and nephew of Ling Chiong Pin and Ling Chiong Sing, who are the Executive Director and Group Managing Director of the Company respectively. He is an appointed representative of Shin Yang Holding Sdn Bhd, one of the substantial shareholders of the Company. He is deemed interested in certain transactions between the Group and certain companies carried out in the ordinary course of business by virtue of his common deemed shareholdings in these companies.

He has attended all four Board Meetings held during the financial year ended 30 June 2023. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



## PROFILE OF BOARD OF DIRECTORS

(Cont'd)



**LING CHIONG PIN**  
Executive Director

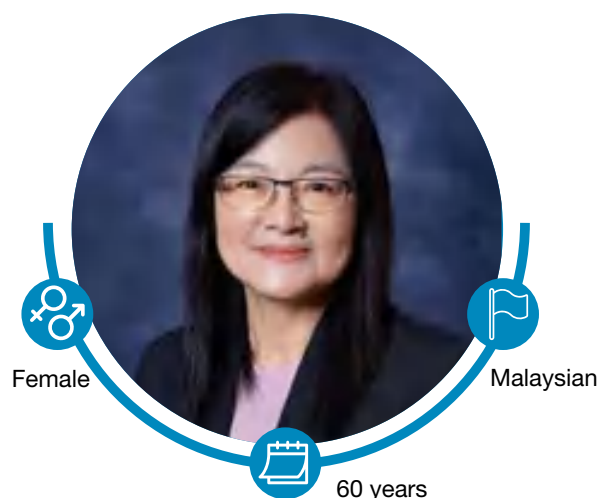
### Date Of Appointment

30 November 2009 (Executive Director)

**Ling Chiong Pin** had served as a Coastal Master of domestic tugboats for over ten (10) years during the 1970s. He is currently the Director of Piasau Slipways Sdn Bhd and is responsible for all aspects of our shipbuilding and ship repair operations. He brings with him extensive hands-on experience and knowledge in shipping and shipbuilding operations.

He is the brother of Tan Sri Datuk Ling, Ling Chiong Sing and Mdm Ling Siu Chuo, who are Group Executive Chairman, Group Managing Director and Non-Executive Director of the Company respectively. He is deemed connected to Shin Yang Holding Sdn Bhd, one of the substantial shareholders of the Company. He is deemed interested in various transactions between the Group and certain companies carried out in the ordinary course of business by virtue of his common directorship and/or shareholdings in these companies.

He has attended all four Board Meetings held during the financial year ended 30 June 2023. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



**LING SIU CHUO**  
Non-Independent Non-Executive Director

### Date Of Appointment

30 November 2009 (Non-Independent Non-Executive Director)

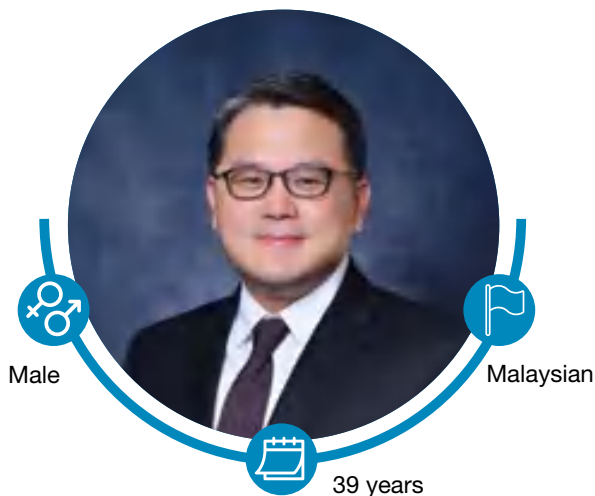
**Ling Siu Chuo** started her career with Shin Yang Holding Group in the 1980s and was later promoted to be the Manager in charge of the administration and human resources of Shin Yang Holding Group in 1990. She has hands-on experience and knowledge of the business activities of the Shin Yang Holding Group and related business and administrative matters involving shipping and shipbuilding activities. Presently she serves as a member of the Audit and Risk Management Committee and as a member of the Joint Remuneration and Nomination Committees.

She is the sister of Tan Sri Datuk Ling, Ling Chiong Sing and Ling Chiong Pin who are Group Executive Chairman, Group Managing Director and Executive Directors of the Company respectively. She is an appointed representative of Shin Yang Holding Sdn Bhd, one of the substantial shareholders of the Company. She is deemed interested in certain transactions between the Group and certain companies carried out in the ordinary course of business by virtue of her common directorship in these companies.

She has attended all four Board Meetings held during the financial year ended 30 June 2023. She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

## PROFILE OF BOARD OF DIRECTORS

(Cont'd)



**VINCENT LING LU YEW**  
Non-Independent Executive Director

**Date Of Appointment**

2 September 2016 (Non-Independent Executive Director)

**Vincent Ling Lu Yew** graduated with a Bachelor of Civil and Construction Engineering from Curtin University of Technology, Australia in 2006. In 2007, he joined Shin Yang Shipyard as Operation Manager and was appointed as Director of Shin Yang Shipyard in March 2010. Mr. Vincent Ling oversees the day-to-day operations of our Shipbuilding and ship repair & metal fabrication operations and actively implementing continual improvements to our shipbuilding and ship repair & metal fabrication operations. He is gradually overseeing the international shipping sector within the Group and will gradually contribute to the strategic planning and evaluation of the overall shipping sector.

He is the son of Ling Chiong Pin, the Executive Director and nephew of Tan Sri Datuk Ling Chiong Ho and Ling Chiong Sing who are Group Executive Chairman and Group Managing Director of the Company respectively. He is an appointed representative of Shin Yang Holding Sdn Bhd, one of the substantial shareholders of the Company. He is deemed interested in certain transactions between the Group and certain companies carried out in the ordinary course of business by virtue of his common deemed shareholdings in these companies.

He has attended all four Board Meetings held during the financial year ended 30 June 2023. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



**ARSHAD BIN ZAINUDDIN**  
Independent Non-Executive Director

**Date Of Appointment**

2 September 2016 (Independent Non-Executive Director)

**Arshad Bin Zainuddin** has extensive experience in Quality Assurance and Health Safety and Environmental activities. He started work as an assistant administrator for the Sarawak region with Bintulu Industrial Gas Sdn Bhd in 1989. He was a HSE Manager for the Sarawak Region in Citra Alti Sdn Bhd, who was in charge of HSE activities for all project sites including new projects in Malaysia.

He was awarded the National General Certificate in Occupational Safety and Health in July 1994 by The National Examination Board in Occupational Safety and Health, England. He was also awarded the Chartered Member and Chartered Advanced Diploma in Logistics Management by The Chartered Institute of Logistics and Transport, United Kingdom in December 2006.

Encik Arshad is also a member of the Audit and Risk Management Committee and Joint Remuneration and Nomination Committees. He is not related to any director and /or substantial shareholders of the Company and does not have any conflict of interest with the Group.

He has attended all four Board Meetings held during the financial year ended 30 June 2023. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

## PROFILE OF BOARD OF DIRECTORS

(Cont'd)



### YONG NYET YUN

Independent Non-Executive Director

#### Date Of Appointment

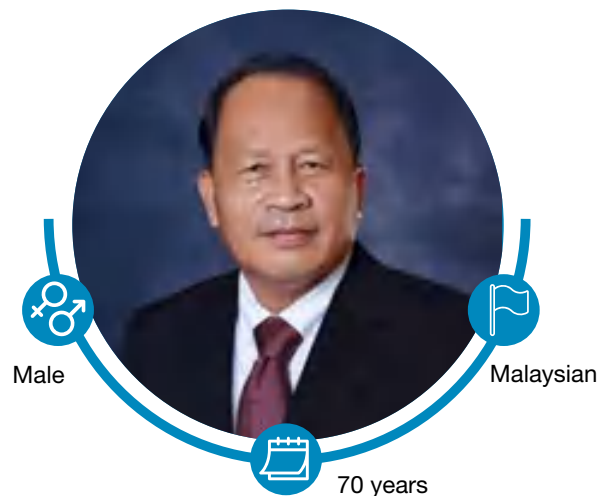
31 May 2022 (Independent Non-Executive Director)

**Mdm Yong Nyet Yun** graduated with a Bachelor of Commerce degree from the University of New South Wales, Sydney, Australia in 1983. She is a member of the Malaysian Institute of Accountants, a Fellow member of CPA Australia and a member of the Chartered Tax Institute of Malaysia.

She joined Ernst & Young Malaysia in 1984. She was the partner in charge of Ernst & Young Miri and Bintulu Offices until she retired from the partnership in 2019. She has intensive experience in assurance, taxation and corporate finance services.

Mdm Yong is also the Chairman of the Audit and Risk Management Committee and the director of Mewah Exim Sdn Bhd, a subsidiary of Shin Yang Group Berhad. She is not related to any director and/or substantial shareholders of the Company and does not have any conflict of interest with the Group.

She has attended all four Board Meetings held during the financial year ended 30 June 2023. She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



### JACK WILLIEN @ WILLIAM ANAK JINEP

Independent Non-Executive Director

#### Date Of Appointment

14 April 2022 (Independent Non-Executive Director)

**Jack Willien @ William Anak Jinep** holds a Degree in Maritime Transport from Institute of Transport, Portland Place, London and a Post Graduate Diploma in Shipping Management from Plymouth Polytechnic, England. He is also a Chartered Member of the Chartered Institute of Logistics and Transport, Malaysia. He has nearly 50 years of extensive experience in maritime transport.

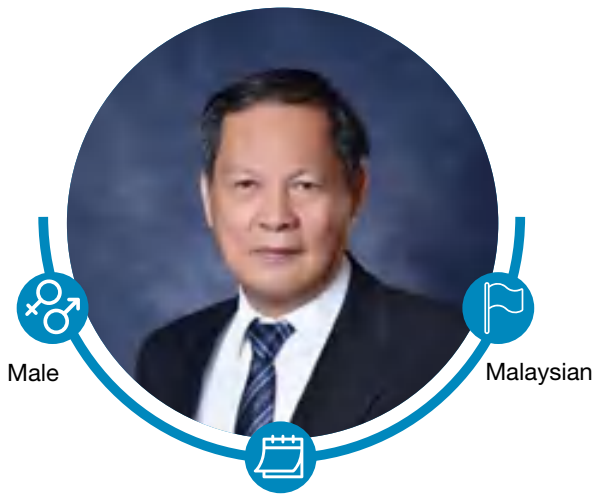
Mr. William Jinep held various positions in the Marine Department, Sarawak until he left in year 1990 and joined Bintulu Container Services Sdn Bhd, a subsidiary of the Bintulu Development Authority as the General Manager. He joined Sarawak Rivers Board in 1993 and was appointed as the Chief Executive Officer from November 2011 until October 2017. In May 2019, he was appointed as Port Advisor to the Ministry of Infrastructure and Port Development, Sarawak until May 2021. He had served as a Board member of Miri Port Authority, Sarawak Rivers Board, Magna Focus Sdn Bhd and the Sarawak Buoys and Lights Board.

In recognition of his excellent services, Mr. William Jinep has been awarded the Ahli Mangku Negara (2008), Kesatria Mangku Negara (2022) from the Yang DiPertuan Agong, Pingat Perkhidmatan Bakti (2008) Pingat Terpuji Jubli Emas, Malaysia (2014) and Pegawai Bintang Kenyalang (2013) from Tuan Yang Dipertua Negeri Sarawak.

Mr. William Jinep is also the Chairman of the Joint Remuneration and Nomination Committees and a member of the Audit and Risk Management Committee. He is not related to any director and/or substantial shareholders of the Company and does not have any conflict of interest with the Group.

He has attended all four Board Meetings held during the financial year ended 30 June 2023. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

## KEY MANAGEMENT PROFILE



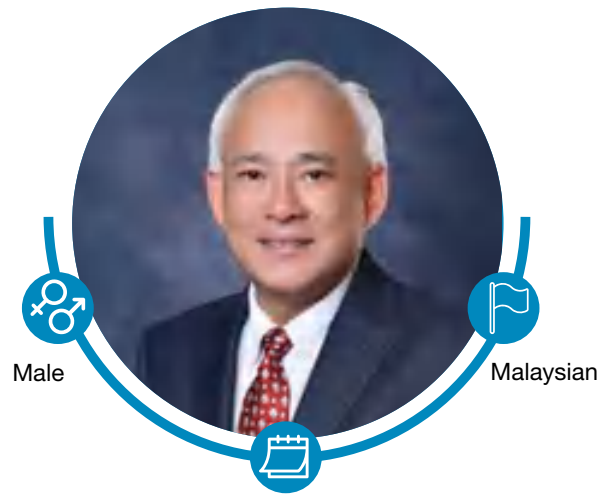
**CAPTAIN TING HIEN LIONG**  
Chief Executive Officer

**Captain Ting** is responsible for the overall daily operation of the Group. Captain Ting graduated with a Bachelor of Science in Marine Navigation and Shipping Management from Keelung, Taiwan, and also holds a Class 1 Master Certificate (Captain). Captain Ting joined Shinline Sdn. Bhd. as the General Manager in 1997. Since 2000, he oversees the overall operations of our shipping, shipbuilding and ship repair & metal fabrication operations and subsequently redesignated as the Chief Executive Officer of the group. He over thirty (30) years of hand-on experience in shipping operations including Class Marine Surveyor for Bureau Veritas, Owner Representative of shipping companies, Ship Captain for Ocean going vessels, Docking Master and Charging Engineer for companies in Sabah and Sarawak, Master, Chief Officer, and Deck Cadet on board of various cargo vessels operated by Mitsui O.S.K Lines, Japan and OOCL Hong Kong.

Captain Ting is a Director of Hock Leong Shipping Sdn Bhd and Mewah Exim Sdn Bhd, both the subsidiaries of the Group. He also a Director of Sarawak Maritime Academy Sdn Bhd, maritime higher learning institute which is a member of Shin Yang Holding Group.

He is not related to any director and/or substantial shareholders of the Company and does not have any conflict of interest with the Group.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



**RICHARD LING PENG LIING**  
Chief Operating Officer cum Company Secretary

**Richard Ling** holds a Master in Business Administration from Curtin University of Technology, Australia and is a Fellow member of the Association of Chartered Certified Accountants (ACCA), Malaysian Institute of Accountants and the Chartered Tax Institute of Malaysia. He began his career as an Auditor with TNAC & Partner, United Kingdom in 1991. Later, he joined Arthur Andersen & Co. in 1993 where he was involved in financial audits including statutory bodies and financial due diligence exercises.

He joined the Shin Yang Holding Group in 1997 as an Accountant in Forescom Plywood Berhad and later assumed responsibility as the Senior Accountant in charge of financial reporting in the headquarters of Shin Yang Sdn Bhd in 1998. Since 2008, he has been in charge of our treasury function and corporate finance and was promoted to Financial Controller and Company Secretary in 2009 and subsequently redesignated as Chief Financial Officer. His professional experience includes accounting, secretarial, management consultancy, taxation, banking and finance. At present, he is currently the Chief Operating Officer and Company Secretary of the Group.

Richard Ling is also a director of Mewah Exim Sdn Bhd, a subsidiary of Shin Yang Group Berhad

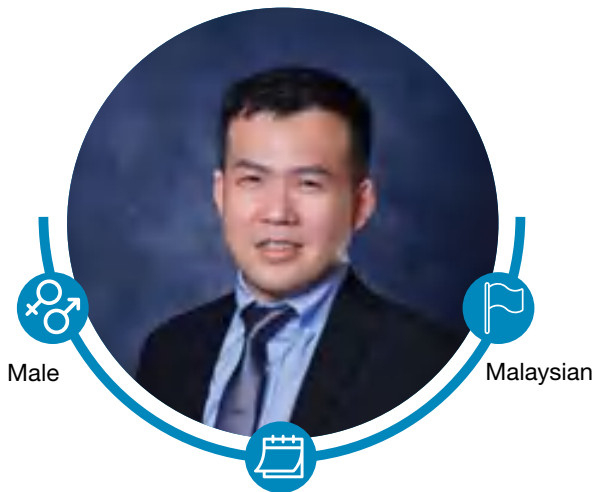
He is not related to any director and/or substantial shareholders of the Company and does not have any conflict of interest with the Group.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



## KEY MANAGEMENT PROFILE

(Cont'd)



**TEH ZI QIN**

Chief Financial Officer

**Mr. Teh** was appointed on 1 July 2023. He holds a Bachelor of Accounting (hons) degree from Multimedia University Malaysia. He is a Chartered Accountant with the Malaysia Institute of Accountants, an Associate Member of the Institute of Internal Auditors Malaysia, and the Malaysian Association of Certified Fraud Examiners.

Mr. Teh possesses over 13 years of diverse industry accounting related experiences, including role as internal audit consultant, in-house internal auditor and external auditor. He is actively involved in examine and review the financial records and processes, operational and financial controls enhancement, internal controls review of IPO (initial public offering) exercises, business process improvement, compliances and enterprise risk management with both public listed companies and private enterprises. His exposures of industries are including logistics, manufacturing, plantation, trading, construction & development, hotel, retail, Information Technology, medical services, financial services and e-commerce.

Before joining the Group, he served as Head of Internal Audit, Compliances, and Risk Management function at various public and private companies, specializes in logistics and manufacturing.

He is not related to any director and/or substantial shareholders of the Company and does not have any conflict of interest with the Group.

He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



Attended EGM on 30/6/2023 on change of company name



Keel Lay Ceremony on Yard 466

## CHAIRMAN'S STATEMENT



**It is my privilege to present on behalf of the Board of Directors of Shin Yang Group Berhad and its subsidiaries (“the Group”), the Annual Report and Audited Financial Statements of the Group for the financial year ended 30 June 2023.**



As part of the Group's move to integrated expansion, the Group rebrands itself as Shin Yang Group Berhad with effect from 4 July 2023. The change of name of the Company from Shin Yang Shipping Corporation Berhad is in line with the Company's rebranding, restructuring and recapitalisation exercise with an aim to better reflect the Group's new corporate identity and entity. The Group is marking its mark and moving forward, expanding into more diversified business activities and establishing brand building of the Group.

### REVIEW OF RESULT PERFORMANCE

In the financial year ended 30 June 2023 under review (FYE2023), the Group reported a group revenue of RM 939.6 million, representing a 5.2% growth compared to RM 893.5 million achieved in the preceding year (FYE2022). The Group also achieved a profit after tax of RM 182.6 million, an uptrend moving of 27.8% achieved as compared to RM 142.8 million recorded in FYE2022. This achievement resulted from a combination of factors, coupled with a high utilisation of shipping spaces for the container vessels and bulk carriers as well as the improved sales volume and high demand for transportation and logistics services.

Our financial position is commendable and we take courage in our improved surplus cash position and net current asset level.

During the year, the Group had maintained its vessel fleet of 199 vessels with a Gross Tonnage (GT) of approximately 326,000 tonnages compared to 225 vessels with an approximate GT of 349,000 tonnages in year 2022.

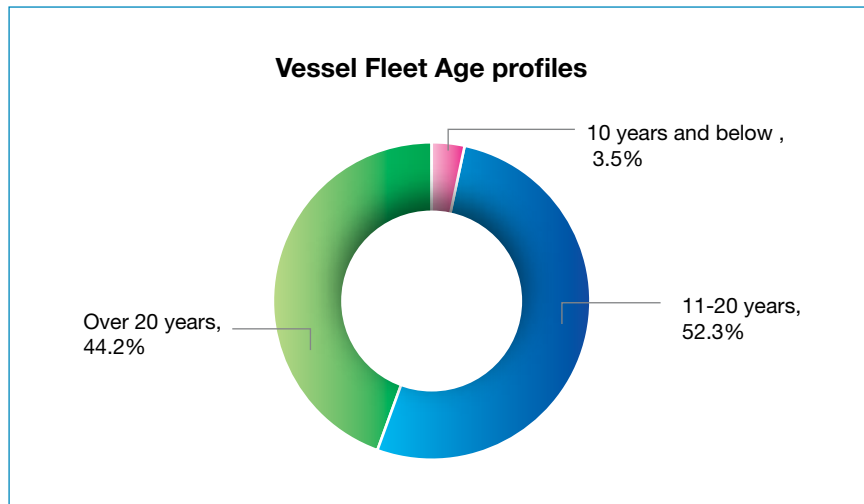
We had analysed that domestic and coastal shipping were the major growth contributors covering the local demand from both the infrastructure and resource-based sectors. Furthermore, the Group's shipbuilding sector has also showed signs of a stable recovery path from the operating expenditures by the oil and gas industry players, coupled with improvement in crude oil prices. The order books for ship repair and docking effect maintenance has shown a gradual recovery with a few new built vessels being ordered as the industry recovers over the year. In order to sustain in the maritime industry, the Group must be able to stand firm and consolidate its business activities and we are as committed and dedicated to fulfil the Group's commitments and responsibilities to the stakeholders.



## CHAIRMAN'S STATEMENT

(Cont'd)

The vessel fleet age profiles of the Group is as follows:



With the continuous improvement in terms of fleet efficiency, routes enhancement and plying speed of our vessel fleets, the Group is expected to increase its containers shipping scope by establishing strategic alliance with business partners to provide efficient and effective port services while the partners will aim to achieve economies of scale to increase shipping service frequency routes from our sixteen (16) units of container vessels. The shipment of liquid bulk from the tankers has also shown its earnings stability.

As part of our strategic growth plan, we embark to leverage our expertise in warehousing and third party logistics to solidify our position as a one stop service provider. We have dedicated to expand our network of warehousing deliberately, allowing us to better serve our clients and to meet the ever evolving market demands.



Container handling at Port designation area

### DIVIDEND

The Board is mindful of the continuous support and loyalty of its shareholders. FYE2022, a final Single-tier tax exempt dividend of 1.25 sen per ordinary share was declared and paid on 15 December 2022. Nonetheless, the Board has proposed a final single-tier dividend of 3.00 sen per ordinary share in respect of the FYE 2023 for the shareholders' approval at the forthcoming Annual General Meeting.

### REVIEW OF OPERATIONS

For the year under review, we have shipped 0.437 million cubic metres of downstream timber products, a decrease of 34.2% from 0.664 million cubic metres in FYE2022 from our five (5) units of Twin Decker cargo vessels to the Far East regions.

Our container vessels had transported 196,354 TEUs lifting capacity for the FYE2023 (FYE2022: 212,500 TEUs). The Group currently operates a fleet of 16 container ships, plying between Sarawak and Singapore, serving ports between Peninsular Malaysia, Sarawak and Sabah.

For the shipbuilding sector, we had successfully completed and delivered one (1) vessel to the ship owner in FYE2023.



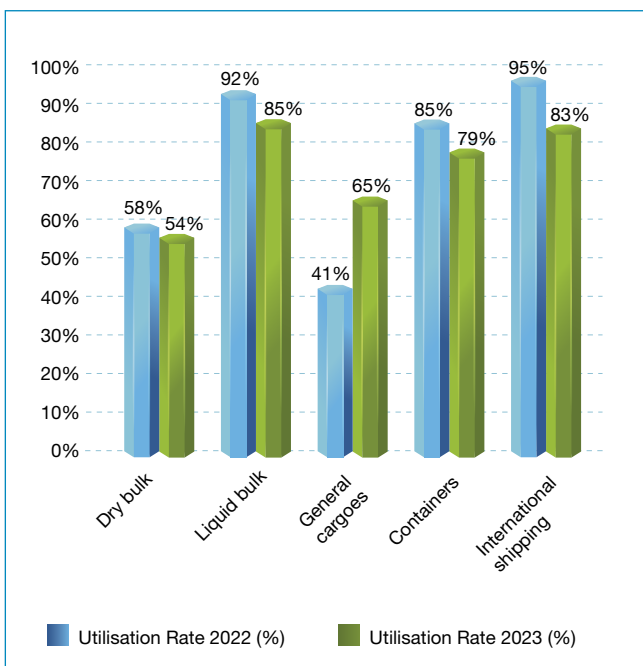
# CHAIRMAN'S STATEMENT

(Cont'd)

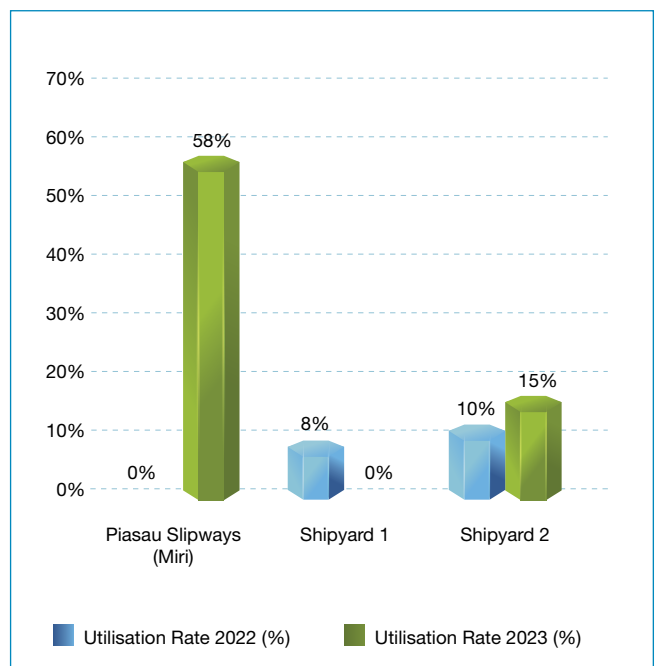


Our major business operation activities at Kuala Baram Industrial Estate, Miri, Sarawak

### Shipping Operation Utilisation Rates (%):



### Shipbuilding Operation Utilisation Rates (%):





## CHAIRMAN'S STATEMENT

(Cont'd)

### CORPORATE DEVELOPMENT

The Group had acquired the entire equity interest in Piasau Gas Sdn Bhd ("PGSB") during the financial year. In September 2023, the Group had also completed an acquisition of 60% owned subsidiary, Mewah Exim Sdn Bhd ("Mewah Exim"). With the anticipation of the corporate growth in the business network and potential external customer base, the Board believes that these acquisitions represent a good opportunity to further strengthen the future earnings of the Group. Further details of the acquisition are outlined in the Management's Discussion and Analysis on page 21.

### CORPORATE SOCIAL RESPONSIBILITY

The Group has always been mindful of its Corporate Social Responsibility ("CSR") and its care towards the community, its shareholders and its employees. Our community activities focus mainly on improving the living standard of local communities and promoting education among the younger generation especially in the maritime sector.

In the area of promoting education, the Group has granted sponsorship for thirty five (35) students cumulatively for a three year academic education in the Maritime Cadetship programme for Diploma in Nautical Studies and Diploma in Marine Engineering at the Sarawak Maritime Academy School in Sarawak. Out of the total member of students sponsored, some of the student graduates are now in our employment on our ocean going vessels and our shipyards.

### CORPORATE GOVERNANCE

The Group believes in the maintenance of the highest standards of corporate governance practice within the group as a fundamental part of discharging our responsibility to safeguard and maximize shareholder values and to enhance the continued business prosperity of the Group. The steps implemented have been reported in the Corporate Governance Overview Statement from pages 58 to 70.

### SUSTAINABILITY

The Group has dedicated its time and effort to incorporate Economic, Environmental, Social and Governance (EESG) best practices across the organisation. We are steadfast in our commitment to good governance, transparency, high standards of occupational safety, health and welfare of our workforce and fulfilment of our corporate social responsibilities to the local communities.

We are committed to minimising our environmental impact by implementing eco-friendly practices throughout our operations. From improving fuel efficiency to practising the 4Rs (Reduce, Reuse, Recycle and Recovery), we actively promote sustainable business culture to balance the needs of People, Planet and Profit.



Further information can be found in our Sustainability Report from pages 26 to 57.

### PROSPECT

We continue to equip ourselves to build a greater resilience in our business portfolio. Our strength on the balanced consolidation of our business activities would continue to guide us to higher revenue earning and greater business achievements.

The continuous infrastructure development which is prioritised by the Sarawak State Government creates numerous supporting spin-off shipping business activities including the requirement for shipping and third party logistics for the resource based projects.

In the shipbuilding sector, the emphasis is on taking aggressive steps to build valued new vessels and to strengthen our floating dock facility, which would enable us to carry out improved vessel maintenance works and also effectively carry out docking essential empowering works to meet the niche requirement markets.

The challenge for the Group is to further improve its efficiency and productivity in the fleet efficiency, shipbuilding & ship repair activities and third party logistic activities. The Group shall continue to work on achieving and realising its potential through the full use of its resources. Barring any unforeseen developments, the Board remains positive yet cautious that the Group will continue to sustain their resilient performances in FYE2024.

### APPRECIATIONS

Together with my fellow Board members, we would like to extend our sincere gratitude and appreciation to our employees, customers, business associates, and other stakeholders for their continued support and confidence in the Group.

Tan Sri Datuk Ling Chiong Ho  
Group Executive Chairman

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of this review is to highlight and provide further details on the financial and operating information of the Group.

### 1. Overview of the Group's Business and Operations:-

The Group's core businesses are shipping, shipbuilding, ship repair as well as shipping and forwarding agency. The shipping sector is further classified as dry bulk, liquid bulk, containers and coastal shipping, barges and tug, international shipping and logistic segments of door-to-door services. Our shipping operations cover both Malaysian and International waters; ranging from South East Asia, East Asia and the Far East regions. Currently, we are supported by our own fleet of 199 vessels with Gross Tonnage (GT) of approximately 326,000 tonnages.

The ship repair sector is taking aggressive steps to move towards high quality repair works such as docking for essential defect works with our floating dock facilities to meet the niche markets. Our shipbuilding facilities are supported by three shipbuilding yards located in Kuala Baram, Miri and one in Bintulu, Sarawak with a total land area of approximately 280 acres.

### 2. Corporate Development

#### Acquisition of 60% equity interest in Mewah Exim Sdn Bhd.

On 31 May 2023, the Company entered into a conditional Share Sale and Purchase Agreement to acquire 600,000 ordinary shares in Mewah Exim Sdn. Bhd ("Mewah Exim"), representing 60% equity interest in Mewah Exim.

The acquisition was completed on 15 September 2023. Mewah Exim is now the subsidiary of the Company. Mewah Exim is culminated as a holding company with 3 subsidiaries namely Seatrade Agency Services Sdn Bhd, Mewahtrans Logistic Sdn Bhd, Mewah Autoworks Sdn Bhd and an associate namely Mewah Logistik Sdn Bhd.

Mewah Exim is a well established shipping freight and forwarding agent in the Johor region. The acquisition would increase the presence of the Group especially for transshipment cargoes from the international routes to Malaysia as well as to enhance timely and reliable delivery services to the Group's overall operations.

In addition, Mewah Exim is also able to provide an integrated total logistics solution and door to door delivery service using a single entry point. The Board also believes that the acquisition would provide the Group with more opportunities to build its presence in Peninsular Malaysia and participate through a wider network of office for a more efficient management and coordination of transportation shipments and scheduling as a whole.



Signing of Share Sales and Purchase Agreement



Periodic agency meeting

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

### 3. Financial Results

The Group recorded a gross revenue of RM939.6million, representing of 5.2% increase from the previous financial year ended 30 June 2022. The increase was due to the higher charter activities and utilisation rates from the shipping segments as well as the improved sales volume and high demand for transportation and logistics services.

The Group achieved a net profit after tax of RM182.6million for the financial year ended 30 June 2023 ("FYE2023"), an increase of 27.8% as compared to a net profit after tax of RM 142.8million for the financial year ended 30 June 2022 ("FYE2022")

#### (i) Group Income Statement:

	FYE 2023 RM'million	FYE 2022 RM'million
Revenue	939.6	893.5
Gross Profit	208.4	190.6
Profit after tax	182.6	142.8
Profit per share:		
Basic (sen)	15.83	12.24
Diluted (sen)	15.83	12.24

#### (ii) Group Cash Flow Statement:

	FYE 2023 RM'million	FYE 2022 RM'million
Cash flows from operating activities	272.2	218.1
Cash flows for investing activities	(54.9)	(21.4)
Cash flows for financing activities	(191.7)	(179.5)
<b>Net increase in cash and cash equivalent</b>	<b>25.6</b>	<b>17.2</b>
Cash and cash equivalent at beginning of financial year	76.3	59.1
<b>Cash and cash equivalent at end of financial year</b>	<b>101.9</b>	<b>76.3</b>
Fixed and treasury deposits with maturity more than 3 months and overdraft banks	291.2	189.1
Bank overdraft	5.8	17.8
<b>Cash and cash equivalent at end of financial year (inclusive fixed and treasure deposits with maturity more than 3 months and exclusive of bank overdraft)</b>	<b>398.9</b>	<b>283.2</b>



160m floating dock in empowering marine works

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

### (iii) Group Statement of Financial Position:

	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000
Non-current assets	938,679	964,111
Current Assets	621,530	524,102
Non- Current assets held for sale	11,185	-
<b>Total Assets</b>	<b>1,571,394</b>	<b>1,488,213</b>
<b>Total equity fund</b>	<b>1,225,487</b>	<b>1,066,902</b>
Current liabilities	258,282	327,855
Non-current liabilities	87,625	93,456
<b>Total liabilities</b>	<b>345,907</b>	<b>421,311</b>
<b>Total equity and liabilities</b>	<b>1,571,394</b>	<b>1,488,213</b>

### (iv) Dividend

In respect of FYE2023, the Board proposes payment of a final single-tier dividend of 3.00 sen per share. This gives a dividend yield of 4.96% based on the Company's closing share price of RM0.605 as at 30 June 2023. The proposed final single-tier dividend is subject to the Company's shareholders' approval at the upcoming 18th Annual General Meeting. Our goal remains to deliver a long-term sustainable dividend upward trend to reward our supportive shareholders.

## 4. Review of Operation:

### (i) Shipping Operation

#### a) Dry Bulk

The Group's vessels transport dry bulk such as timber products, quarry, aggregate, sands, equipment & machinery and many more plying Miri, Bintulu, Sibul, Kuching, Kota Kinabalu, Sandakan, Port Klang, Brunei, Singapore, Thailand and Indonesia on a regular basis.

The Group has sufficient vessels for voyage and time charters to sustain the demands of both international and domestic charterers. Our current major charterers are from oil and gas, timber downstream, oil palm industries and other resource based industries. The Group is actively participating in sand extraction and reclamation of land with its fleet of tugs and barges and managing total logistic service providers.

#### b) Liquid Bulk

The demand for liquid shipment for East Asia regions is stable and seasonal with freight rates ranging from USD26 to USD60 per metric ton.

The Group has signed an on-going five year contract of affreightment with Petronas Chemical Marketing (Labuan) LTD. to ship methanol products from Labuan via vessel with parcel size below 1,500MT.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

### c) Containers and coastal

The Group is expected to improve its container shipping service by establishing strategic alliance with business partners to provide efficient and effective port services while the partners aim to achieve economies of scale to increase shipping service frequency routes from our existing sixteen (16) units of container vessels.

The Group has two (2) units of container vessels with carrying capacities of 800-1,000 TEU per trip plying between Sarawak and Singapore to strengthen the container shipping activities. The other container vessels serve ports between Peninsular Malaysia, Sarawak and Sabah. The Group has converted two (2) tug-and-barges to transport containers for shorter routes to ensure that there is no shortage of shipping spaces. The Group has leased out two container vessels for container shipment between China, Vietnam and Philippine.



Daily Depot's container handling

### d) International Shipping

Our five (5) double decker cargo vessels consistently ply routes to the far east regions and have shipped 0.467 million cubic meters of cargo with freight rates of USD42 – USD 54 per cubic meter. For the returning inbound routes, they were mainly on time charter for shipments of general cargo from far east regions to the Philippines and other Asean countries, enroute to home region.

With the foreseen stable demand toward the international shipping due to supply uncertainty in term of freight rates and utilisation, our emphasis is on time charter of vessels for international shipping.

#### (ii) **Shipbuilding Operation**

There are signs of recovery in shipbuilding due to capital expenditures by the oil and gas industry players. During the year, we have constructed and delivered one (1) vessel. Our current book order stands at RM 175.7 million with five (5) new build contracts secured.

#### (iii) **Ship Repair and fabrication**

The ship repair sector satisfactorily repaired a total of 585 units (FYE 2022: 518) of vessels including minor and major repairs. Our 160 meter length and 80 meter length floating docks enable us to effectively carry out improved vessel repair and maintenance works. Our current book order stands at RM 89.3 million with seven (7) major ship repair contracts secured.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)



Docking of own container vessel at own shipyard

### 5. Outlook and Prospects:

The performance of the Group is largely dependent on the volatility of the world's fuel market price, the standard of skills and experience of ship crews, domestic and regional demand for transportation of dry bulk and general cargoes, movement of the Malaysian Ringgit and the world economic situation, all of which may significantly disrupt business operations.

The prospects for the shipping industry continue to remain challenging, with the recent hike in crude oil price and increase in the Baltic Dry Index. The Group is prepared to weather this challenge with the selective market driven routes based on fleet load utilization. The Group is confident in the stability of the domestic, coastal and container shipping operations given the stable container volume. The Group is actively strengthening the business in terms of operational and cost efficiency, fleet efficiency and routes enhancement to ensure the readiness to capture opportunities as when they arise.

Other factors contributing to the prospects of the shipbuilding and ship repair operations include the price movements of marine mild steel plates, other heavy equipment and machinery and the global trend of demand for newly constructed vessels especially from the niche market segments in the oil and gas industry. In order to improve the performance and manage the operating expenditures, the Group is taking initiatives such as focusing on improving the ship repair operations to meet the requirements of the niche market segments in the oil and gas industry which has showed signs of higher utilisation rate of offshore supply vessels and also to satisfy the requirements of other potential markets from the resource-based sectors.

With the ever growing popularity of online purchases, the Group recognises a higher demand for logistic and haulage services and hence has viewed the potential in container depots, haulage services including trucking and warehouse services as another opportunity for the Group.

The Group remains prudent to further improve its efficiency and productivity in both the fleets efficiency and shipbuilding activities and cost control, coupled with the expected sustainable fleet utilisation, the performance of the Group is anticipated to be satisfactory and is expected to only improve as the Group progresses through the years.

# SUSTAINABILITY REPORT

## About this Sustainability Report

The Board of Directors (“BOD”) of Shin Yang Group Berhad (“SYGROUP”) is pleased to present the Sustainability Report for the year 2023.

The Group Sustainability Report emphasises on the corporate commitment to a balanced integration of economic, environmental, social and governance factors into its business practices to ensure long term success for a sustainable future.

This Report forms an integral part of the Group’s Annual Report for the year 2023, which would then jointly provide a more comprehensive description of the Group from the economics, environmental, social and governance perspectives.

## Scope of the Report

SCOPE OF REPORT	
<b>REPORTING PERIOD</b>	1 <sup>st</sup> July 2022 to 30 <sup>th</sup> June 2023, unless otherwise specified
<b>DATE OF RECENT REPORT</b>	This is the 5 <sup>th</sup> Sustainability Report
<b>REPORTING CYCLE</b>	Annually
<b>COVERAGE</b>	This Sustainability Report 2023 covers the entire operational and management activities in Malaysia of Shin Yang Group Berhad Group of Companies (“Group”), which comprises the parent company and her subsidiary companies.
<b>REPORTING FRAMEWORK</b>	<ul style="list-style-type: none"> <li>• Bursa Malaysia Sustainability Reporting Guide (3rd Edition)</li> <li>• United Nations Sustainable Development Goals (“UNSDGs”).</li> </ul>
<b>DISTRIBUTION OF AND FEEDBACK ON THE REPORT</b>	This report is available to all stakeholders in hard copy upon request. For further information and comments, please contact:- Shin Yang Group Berhad Contact Person: Richard Ling Telephone: +6 085 428 399





## SUSTAINABILITY REPORT

(Cont'd)

### Data Validation

Details presented in this Report has been sourced internally and validated by the respective business entities or information owners. The Group continually improves data collection and analysis to provide further comprehensive and transparent perspective of its sustainability performance.

With a continuous commitment from the Board of Directors and active participation of all our stakeholders, we will work hard to ensure that the notion of sustainability becomes embedded within our working culture in a more prominent manner.



First Steel Cutting Ceremony for YD466



Docking of chemical tanker at own shipyard



# SUSTAINABILITY REPORT

(Cont'd)

## CHIEF EXECUTIVE OFFICER'S STATEMENT TO STAKEHOLDERS

Dear stakeholders,

We are pleased to present our Sustainability Report for the financial year ended 30 June 2023 which is prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide and the United Nations Sustainable Development Goals ("UNSDGs").

This Report outlines our framework to drive sustainable strategies and practices in addressing material sustainability challenges and opportunities along our journey towards sustainable long-term growth within the context of Economic, Environment, Social and Governance ("EESG").

The Group strive to ensure that our business strategies and daily operations incorporate the EESG agenda. The Group is committed to promote sustainability and believes that propelling our business operations towards sustainability enables us to balance our business opportunities and the sustainable risk that we face globally today.

The Group's sustainability commitment encompasses our shareholders as well as our community and we are fully committed to our approach to environmental, social and economic responsibility. The Group seeks to engage with our employees and stakeholders in our effort to build a more sustainable world through consistent mutual support and comprehensive dedication from all the stakeholders.

The Group has established and embedded policies and procedures in its operations to guide our employees and seafarers to discharge their roles and responsibilities in an ethical manner. The Group's existing policies includes Environmental Policy, Safety & Health Policy, Smoking Policy, Waste Management Policy, Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy and Director Fit & Proper Policy.

Thereupon, the Group has made progress towards transparency and traceability and is determined to achieve higher sustainability milestones.

The Group is mindful that the environment is a sensitive aspect within the group operation and the Group is committed to operate in compliance with environmental regulations and to minimise adverse impact on the environment. The Group is committed to safeguarding the environment by optimizing water and energy consumption, efficient management of waste and reducing greenhouse gases emissions. Ashore and at sea, the Group complies with the mandatory ISM code, MARPOL regulation and other relevant regulations that prescribe system controls, procedural safeguards and training to prevent and respond to oil spillage and oil/water discharge.

The Group remains committed to nurturing future leaders for the industry and providing equitable opportunities to young people. We have sponsored 36 students through the Sarawak Maritime Academy School cadet's sponsorship programme.

Moving forward, the Group will continue to strive for improvement in the Group business strategy with embedding EESG and sustainability considerations. With continuous exposure to various challenges, the Group's strategic integration of sustainability and transparency into our business operations enhanced our agility in responding to unexpected events. The Group always encourages feedbacks from all stakeholders while continuing its sustainability journey as part of the Group's growth.

On behalf of the Group, I would like to extend my sincere appreciation to our stakeholders for their true spirit of collaboration and engagement which has enabled the Group to effectively contribute to sustainable earnings and in meeting the stakeholder's expectations.

# SUSTAINABILITY REPORT

(Cont'd)

## 1. SUSTAINABILITY GOVERNANCE

### 1.1 Sustainability governance structure

The Board of Directors continues to determine, monitor and manage the economic, environmental and social factors that are material to the Group. The Board approves the overall strategic direction and oversees the standards, management processes and strategies for all fundamental initiatives.

The Key Senior Management personnel led by Group Executive Chairman and comprises the Key Senior Management personnel formulate strategies and set procedures for implementation. The Key Senior Management personnel also deliberate on the current sustainability challenges and manages the Group's sustainability performance and reporting.

The Head of Departments implements the established sustainability procedures which are embedded into the Group's operational activities. The Head of Departments also helps to raise awareness among the employees and encourage improved performance to ensure that sustainability standards are consistently upheld across the Group.

#### BOARD OF DIRECTORS (Oversight Role)

- Approve of sustainability policies
- Oversee the Group's sustainability performance
- Approve Sustainability Report



#### KEY SENIOR MANAGEMENT

- Formulating sustainability strategies, goals and implementation procedures and practices
- Deliberate sustainability issues
- Group's sustainability performance



#### HEAD OF DEPARTMENTS

- Maintaining sustainability performance across the Group
- Stakeholders engagement
- Rising awareness among employees
- Assisting management to ensure that sustainability standards are consistent across the Group



# SUSTAINABILITY REPORT

(Cont'd)

## 1. SUSTAINABILITY GOVERNANCE (CONTINUED)

### 1.2 Sustainability Commitments and Sustainable Development Goals

In 2015, the United Nations (“UN”) General Assembly has set up the Sustainable Development Goals (“SDGs”) which comprise of a set of 17 goals as per below with the respective targets to be achieved by the year 2030. These SDGs establish a clear pathway and framework to help businesses work towards creating a more positive future. In our sustainability drive, we have also aligned our sustainability strategy and framework with the following SDGs, which are most relevant to its operations.









Container handling at Port designation area

## SUSTAINABILITY REPORT

(Cont'd)

## 1. SUSTAINABILITY GOVERNANCE (CONTINUED)

## 1.2 Sustainability Commitments and Sustainable Development Goals (continued)

Pillar	Material Matter	Why is it material	Our Response	Progress in 2023	SDGs contribution
Economic	<ul style="list-style-type: none"> <li>Business Performance</li> </ul>	Achieve sustainable business growth to maintain long term shareholder value	<ul style="list-style-type: none"> <li>i) Incorporate and promote ESG across all business activities</li> <li>ii) Expanding our market presence through acquisitions, joint-ventures and organic growth</li> </ul>	<ul style="list-style-type: none"> <li>i) The Group has established policies, procedures and relevant code of conduct to guide all business activities towards achieving economic resilience with integrity</li> <li>ii) Acquisition of subsidiaries engaged in shipping freight and forwarding agent industry to strengthen its existing business operations</li> </ul>	
	<ul style="list-style-type: none"> <li>Product safety and quality</li> </ul>	To deliver quality products and services to meet customers' satisfaction	<ul style="list-style-type: none"> <li>i) Improving the quality, reliability and efficiency of products and services</li> </ul>	<ul style="list-style-type: none"> <li>i) The Group has invested in equipment necessary to improve the safety features of our shipyard</li> <li>ii) Compliance with globally recognised standards, namely the ISO 9001:2015 Quality Management System</li> <li>ii) Compliance with the mandatory ISM code, MARPOL regulation and other relevant regulations.</li> </ul>	
Environmental	<ul style="list-style-type: none"> <li>4Rs of sustainability</li> <li>Effluent and waste</li> <li>Energy</li> <li>Carbon footprint</li> <li>Environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>To ensure sustainable consumption by promoting circular economy</li> <li>To mitigate the depletion of natural resource and reduce greenhouse gases emissions</li> </ul>	<ul style="list-style-type: none"> <li>i) To promote the continual use of resources</li> <li>ii) Efficient utilisation and upkeep of motor vehicles and vessels</li> <li>iii) To reduce energy consumption and emission</li> <li>iv) Complying with environmental protection regulations</li> </ul>	<ul style="list-style-type: none"> <li>i) The 4Rs Practice -Reduce, Reuse, Recycle and Recover (Waste-to-Value concept)</li> <li>ii) Acquisition of new vehicles to replace the existing disposed fleet.</li> <li>iii) Usage of low sulphur fuel oil to reduce emissions</li> <li>iv) All of the Group's ships engaged in international trade carry a ballast water record book and an International Ballast Water Management Certificate.</li> </ul>	   











# SUSTAINABILITY REPORT

(Cont'd)

## 1. SUSTAINABILITY GOVERNANCE (CONTINUED)



### 1.2 Sustainability Commitments and Sustainable Development Goals (continued)

Pillar	Material Matter	Why is it material	Our Response	Progress in 2023	SDGs contribution
Social	Occupational, Safety and Health	To create a conducive workplace and nourishing community	i) work without exposure to the risk of accidents or occupational disease	i) Conduct internal and external training to increase safety awareness to achieve minimal injuries and zero fatalities.	 
	Training and education	Future-proof talent and building a sustainable and robust leadership at all level of decision making	i) To provide employment with development and talent retention	i) Spent a total of RM 173,429.95 on training for career development of our employees	 
	Diversity and equality	Attract, develop and retain high-performance employees and crews, creating an inclusive and diverse culture	i) Adheres to the principles of fairness, equality and diversified employment.	i) To provide equal employment and career growth opportunities for all irrespective of gender, age, race and religion	 
	Community engagement	Crucial to support the local community for long term mutual sustainable growth	i) Improving the living standard of local communities and promoting education among the younger generation especially in the maritime sector	i) Provided sponsorship of thirty-six (36) students cumulatively for a three-year academic education in Maritime Cadetship programme for Diploma in Nautical Studies and Diploma in Marine Engineering at the Sarawak Maritime Academy School in Sarawak.	 

**SUSTAINABILITY REPORT**  
(Cont'd)

**1. SUSTAINABILITY GOVERNANCE (CONTINUED)**

1.2 Sustainability Commitments and Sustainable Development Goals (continued)

Pillar	Material Matter	Why is it material	Our Response	Progress in 2023	SDGs contribution
Governance	<ul style="list-style-type: none"> <li>Sustainability policy</li> <li>Governance and ethic</li> </ul>	Uphold high standard of ethics and conduct business with integrity is fundamental for business success	<p>i) To maintain good corporate governance to establish investor confident and sharpening shareholder value.</p>	<p>i) Embed the best corporate governance practices with in line with all applicable laws, regulations, compliance acts and code of corporate governance practices</p> <p>ii) Engaged independent adviser to perform Corporate Governance health check on the Group. Scope of engagement covers:-</p> <p>a) Awareness briefing on corporate governance, risk management &amp; internal audit, sustainability reporting and Malaysian Anti-Corruption Commission</p> <p>b) To review and validate the corporate governance disclosure and ensure compliance with relevant listing requirement and guides of Bursa Malaysia.</p> <p>c) To report the findings and action plans to Audit and Risk Management Committee</p>	 

## SUSTAINABILITY REPORT

(Cont'd)

### 1. SUSTAINABILITY GOVERNANCE (CONTINUED)

#### 1.3 Sustainability Certificates

LAW /ACT	DESCRIPTION OF THE ACT	COMPLIANCE STATUS	CERTIFICATES
International Convention on Tonnage Measurement of Ships, 1969	Adopt universal tonnage measurement system to ensure that ships were given reasonable economic safeguards, since port and other dues are charged according to ship tonnage.	Complied	<ul style="list-style-type: none"> <li>International Tonnage Certificate (1969)</li> </ul>
International Convention for the Safety of Life at Sea, 1974 (SOLAS)	Marine treaty which sets the minimum safety standards in the construction, equipment and operation of merchant ships	Complied	<ul style="list-style-type: none"> <li>Cargo Ship Safety Equipment Certificate</li> <li>Cargo Ship Safety Construction Certificate</li> <li>Cargo Ship Safety Radio Certificate</li> <li>Document of Compliance Special Requirements for Ship Carrying Dangerous Goods</li> <li>Safe Manning Document</li> <li>Safety Management Certificate</li> </ul>
International Convention on Load Lines, 1966	Uniform principles and rules with respect to the limits in which ships on international voyages may be loaded having regard to the need for safeguarding life and property at sea	Complied	<ul style="list-style-type: none"> <li>International Load Line Certificate</li> </ul>
International Convention for the Prevention of Pollution from Ships, 1973 /1978 (MARPOL)	International convention covering prevention of pollution of the marine environment by ships from operational or accidental causes	Complied	<ul style="list-style-type: none"> <li>International Oil Pollution Prevention Certificate</li> <li>International Air Pollution Prevention Certificate</li> <li>International Sewage Pollution Prevention Certificate</li> <li>International Energy Efficiency Certificate</li> <li>Statement of Compliance – Fuel oil Consumption Reporting and Operational Carbon Intensity Rating</li> <li>Confirmation of Compliance – Ship Energy Efficiency Management Plan (SEEMP) Part III</li> <li>Report of Preliminary Verification of Energy Efficiency Existing Ship Index (EEXI)</li> </ul>
International Code for the Security of Ships and of Port Facilities (ISPS Code)	A set of measures to enhance the security of ships and port facilities	Complied	<ul style="list-style-type: none"> <li>International Ship Security Certificate</li> </ul>
Maritime Labour Convention, 2006	Provides a broad perspective to the seafarer's rights and fortification at work	Complied	<ul style="list-style-type: none"> <li>Maritime Labour Certificate</li> </ul>

# SUSTAINABILITY REPORT

(Cont'd)

## 1. SUSTAINABILITY GOVERNANCE (CONTINUED)

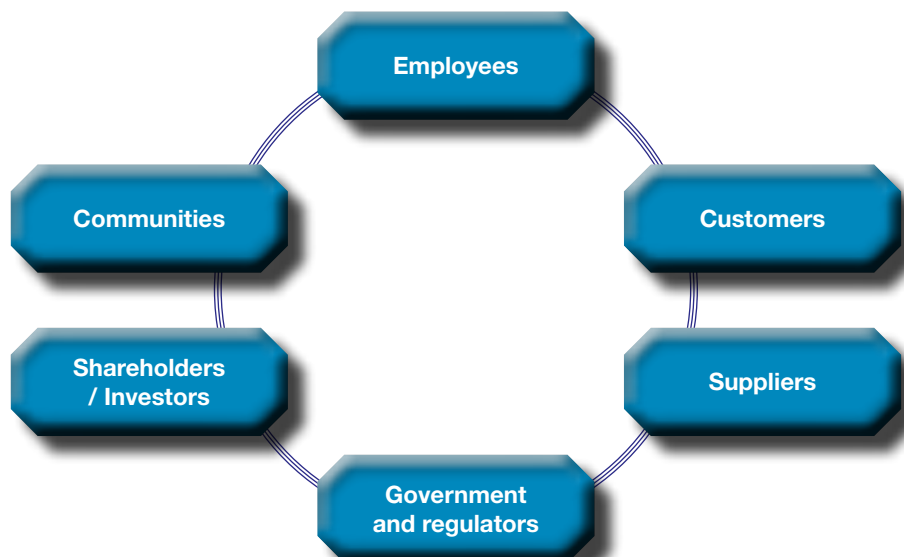
### 1.3 Sustainability Certificates (continued)

LAW /ACT	DESCRIPTION OF THE ACT	COMPLIANCE STATUS	CERTIFICATES
International Convention on the Control of Harmful Anti-Fouling Systems on Ships	Prohibits the use of harmful organotin compounds in anti-fouling paints used on ships and establishes a mechanism to prevent the potential future use of other harmful substances in anti-fouling systems	Complied	<ul style="list-style-type: none"> <li>International Anti-Fouling System Certificate</li> </ul>
International Convention for the Control and Management of Ships Ballast Water and Sediments	Treaty adopted by the International Maritime Organization (IMO) in order to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water.	Complied	<ul style="list-style-type: none"> <li>International Ballast Water Management Certificate</li> </ul>
International Convention on Standards of Training Certification and Watchkeeping for Seafarers 1978 (STCW)	Sets qualification standards for masters, officers and watch personnel on seagoing merchant ships	Complied	<ul style="list-style-type: none"> <li>All crew certificates</li> </ul>
Prosedur ISO	Specific integrated management procedure	Complied	<ul style="list-style-type: none"> <li>ISO 9001:2015</li> </ul>

## 2. STAKEHOLDERS ENGAGEMENT

The Group recognises that stakeholders engagement and their feedback are an integral part of its sustainability strategy and initiatives. The Group believe that through active engagement with the stakeholders, the Group would be able to stay updated with the issues and concerns of the stakeholders.

The stakeholders engagement process involves both formal and informal approaches. The following provides an overview of the efforts involved in the Group's focus on stakeholders' engagement.









# SUSTAINABILITY REPORT

(Cont'd)



## 2. STAKEHOLDERS ENGAGEMENT (CONTINUED)

Stakeholder Group	Modes of engagement	Frequency	Key areas of interest	Material matters	Outcomes
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Scheduled Meeting/ Discussion</li> <li>Electronic communication</li> <li>Events and functions</li> <li>In-house and external training</li> <li>Performance Review</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>Ad-hoc</li> <li>Ad-hoc</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Company direction and strategy</li> <li>Health and Safety Career development and Training</li> <li>Talent acquisition and retention</li> <li>Diversity and inclusivity</li> </ul>	<ul style="list-style-type: none"> <li>Economic sustainability</li> <li>Occupational Health and Safety</li> <li>Training and Development</li> </ul>	<ul style="list-style-type: none"> <li>Improves employees' understanding on sustainability policies &amp; practices, vision and direction, culture &amp; values of the Group</li> <li>Enhance employees' competency</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Meeting/ Discussion</li> <li>Agency Meeting</li> <li>Customer Feedback via Company website &amp; email</li> <li>Press release /Announcement</li> <li>Customer visitation</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>Annually</li> <li>On-going</li> <li>On-going</li> <li>Ad-hoc</li> </ul>	<ul style="list-style-type: none"> <li>Product/service quality, pricing and delivery</li> <li>Business sustainability for total business solutions</li> </ul>	<ul style="list-style-type: none"> <li>Market place</li> <li>Product safety and quality</li> </ul>	<ul style="list-style-type: none"> <li>To better meet customers' satisfaction</li> <li>To better understand customers' requirements.</li> </ul>
<b>Suppliers/ Business partners</b> 	<ul style="list-style-type: none"> <li>Business review Vendor registration and credit review</li> <li>Meeting/ Discussion</li> <li>Contract bidding and tendering</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Ad-hoc</li> <li>On-going</li> <li>On-going</li> </ul>	<ul style="list-style-type: none"> <li>Procurement practice</li> <li>Anti corruption practice</li> <li>Supply chain management with total supply solution &amp; requirement</li> </ul>	<ul style="list-style-type: none"> <li>Economic sustainability</li> <li>Corporate governance and ethics</li> </ul>	<ul style="list-style-type: none"> <li>To achieve transparent procurement process and strengthen supply chain.</li> <li>To achieve constant supply and delivery of products</li> </ul>
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>Official visits &amp; dialogue</li> <li>Events and seminars</li> <li>Regular reporting</li> <li>Scheduled Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> <li>Ad-hoc</li> <li>Ad-hoc/ Annually</li> <li>Monthly &amp; quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Compliance of regulatory requirements</li> <li>Alignment in sustainability initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Economic Sustainability</li> <li>Environmental management</li> <li>Corporate Governance and Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Continuous compliance with the relevant laws, rules and regulations</li> </ul>

## SUSTAINABILITY REPORT

(Cont'd)

## 2. STAKEHOLDERS ENGAGEMENT (CONTINUED)

Stakeholder Group	Modes of engagement	Frequency	Key areas of interest	Material matters	Outcomes
<b>Shareholders / Investors &amp; Banks</b> 	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual report and quarterly announcements of financial results</li> <li>Company website</li> <li>Site visits</li> <li>Briefing and visiting</li> <li>Investor relation</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Annually/quarterly</li> <li>On-going</li> <li>Ad-hoc</li> <li>Ad-hoc</li> </ul>	<ul style="list-style-type: none"> <li>Company performance</li> <li>Profitability/Growth</li> <li>Business performance and prospects</li> <li>Career talk with local college university</li> </ul>	<ul style="list-style-type: none"> <li>Economic sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Better understanding of the Group's sustainability progress</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Internship opportunities for students and study tours</li> <li>Official launches and corporate events</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> <li>Ad-hoc</li> </ul>	<ul style="list-style-type: none"> <li>Job opportunities</li> <li>Communities' engagement</li> <li>Corporate Social Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Communities Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Create awareness on working life, career development</li> <li>Better understanding of the Group as a responsible corporate citizen amongst local communities at large</li> </ul>

Given the swiftly changing business environment and the repetitively shifting of the stakeholders' expectations, the Group will continuously work to meet the stakeholders' expectations by widening the scope towards a broader group of stakeholders.



Piasau Shipways' own yards

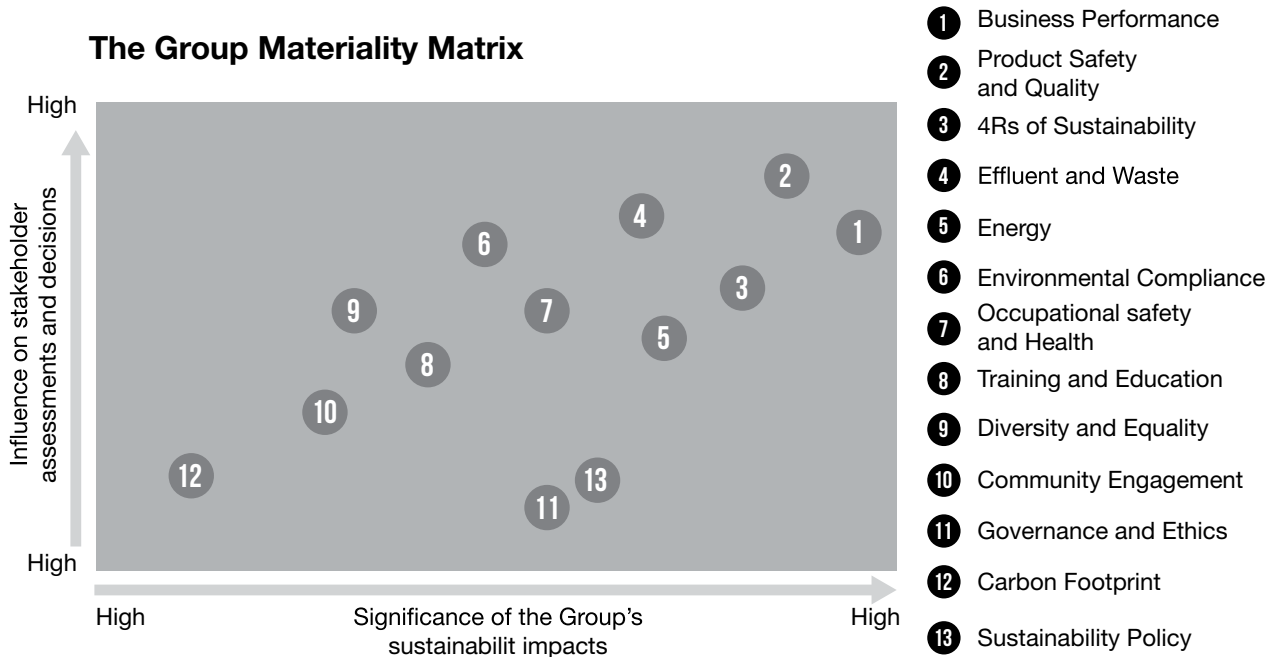
# SUSTAINABILITY REPORT

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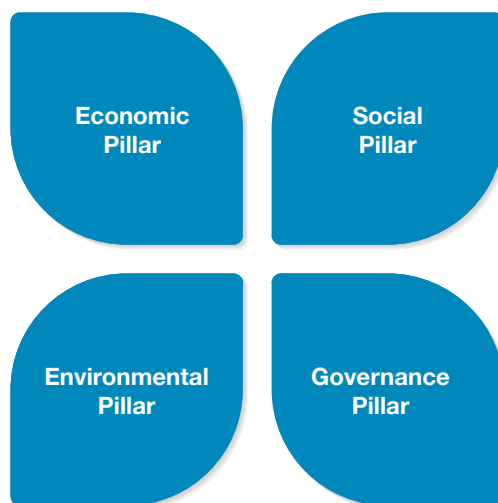
## 3. MATERIALITY

In year 2023, a materiality analysis exercise was conducted by taking into consideration the view and responses from all the Group's stakeholders on significant environmental, economic and social aspects, impacts, risks and opportunities which are crucial for the success and continued growth of the Group.

Thirteen (13) key material matters were identified as being of high concern to the stakeholders and of high significance for the Group.



Thirteen (13) key material matters are categorised into four (4) main pillars, as follows:-



# SUSTAINABILITY REPORT

(Cont'd)

### 3. MATERIALITY (CONTINUED)

#### ECONOMIC PILLAR

- Business Performance
- Product Safety and Quality

To achieve long term shareholder value

#### ENVIRONMENTAL PILLAR

- 4Rs of Sustainability
- Effluents and Waste
- Energy
- Carbon Footprint
- Environmental Compliance

To ensure a positive impact on environment and natural resources

#### SOCIAL PILLAR

- Occupational, Safety and Health
- Training and Education
- Diversity and Equality
- Community Engagement

To ensure a positive impact on community it operates in the communities

#### GOVERNANCE PILLAR

- Sustainability Policy
- Governance and Ethics

To establish investor confident and improve shareholder value





## SUSTAINABILITY REPORT

(Cont'd)

### 4. SUSTAINABILITY PILLAR: ECONOMIC

#### 4.1 Business Performance

Economic sustainability is the ability of the Group to continue operating at an effective and sustainable economic level over a longer term. The Group is committed in increasing sustainable and responsible corporate performance, creating the conditions for development that ensures the needs and expectations of all stakeholders are met

We are delighted to announce that we have achieved a financial improvement with a 5.2% revenue growth in FYE 2023 as compared to FYE 2022. The table below shows the growth of the Group's overall financial performance in comparison to the last financial year:-

	FYE 30 June 2023	FYE 30 June 2022
Revenue (RM'000)	939,604	893,458
Profit before tax (RM'000)	180,260	151,108
Earnings per share (sen)	15.83	12.24

For further information, please refer to the Management Discussion and Analysis section of this Annual Report.

The Board continues to support the management through sourcing for business opportunities to ensure business continuity. During the year, the Group has acquired:-

- a) A wholly owned subsidiary, Piasau Gas Sdn Bhd ("PGSB") which is engaged in the business of manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in welding equipment and machinery. PGSB is currently in the midst of obtaining the ISO certificate in trading of medical gas which allows the company to further propel in the Liquid Nitrogen market and in the medical manufacturing and pharmaceutical industries.

The acquisition is expected to strengthen and complement the shipbuilding activities of the Group.

#### 4.1.1 Indirect Economic impact

The Group has provided employment opportunities for those from local communities, local universities and educational institutions. The priority placed on local hiring has helped boost the economic value and livelihood of these communities.

Furthermore, the Group supports local suppliers through purchasing mostly from local suppliers. This contributes to the economic wellbeing and inward cash flow of local industries.

#### 4.1.2 Procurement practices

Project sub-contractors are selected via tender and selection process. The Group has in place formalised standard operating procedures for tender processes, priorities for local business wherever appropriate etc., satisfactory quality of goods and services and competitive prices. A tender committee was set up to govern the evaluation and selection of sub-contractors, incorporating a combination of technical, financial and pricing criteria.

#### 4.1.3 Anti – Corruption

The Group's Code of Conduct contains detailed procedures on dealing with improper solicitation, bribery and corruption. The consequences of breaching the Code of Conduct are clearly set out and subject to the requirements of applicable laws, and action will be taken against any employee for non-compliance. The Group has also adopted a Whistle-Blowing Policy with the aim of providing a structured mechanism for employees and other stakeholders to raise genuine and legitimate concerns on any suspected wrongful activities or wrongdoings. The Whistle-Blowing Policy is implemented to emphasize the Group's commitment to the highest standards of quality, honesty, openness and accountability in ensuring that discrepancies are reported and dealt with promptly to ensure ethical business practices, and to protect the employees.

## SUSTAINABILITY REPORT

(Cont'd)

### 4. SUSTAINABILITY PILLAR: ECONOMIC (CONTINUED)

#### 4.2 Product safety and quality

Over the years, we have invested in equipment necessary to improve the safety features of our shipyard. We have also upgraded our communication systems and technology to increase our capacity and efficiency. These investments have enabled us to provide better service to our customers and to better meet the needs of our other stakeholders now and in the future. We are pleased to state that our business processes continue to comply with globally recognised standards, namely the ISO 9001:2015 Quality Management System, which stands as a testament to our commitment to quality.

We also pleased to notable the improved product innovation and quality as follow:-

- a) Fleet enhancement plans with the conversion of 2 units of crude palm oil barges to commercial container vessel with capacity of 350 Ties loading factor;
- b) Construction of new category of shipbuilding vessel of a 42-meter fast crew boat in provision of Offshore Support Vessel (OSV) for Petroleum Arrangement Contractors (PACS) operations; and
- c) Construction of high value quality vessels of 1 unit of shallow water Diesel Electrical Anchor Handling Tug and Supply Vessel, complying to ABS'S ENVIRO notation and 2 units of DP2 Diesel Electrical Anchor Handling Tug and Supply Vessel, complying not only to ENVIRO notation as well as SMART notation for (INF, SHM(Tier 1), MHM(Tier 1)), which continuously collect, transmit, manage, analyze and report data for enhance health and condition awareness, operational assistance, operational optimisation and decision-making support.

### 5. SUSTAINABILITY PILLAR: ENVIRONMENTAL

The Group is aware of its industry's impact on the environment which includes generating of industrial wastes, water and air pollution and depletion of natural resource, such as energy and water.

In raising awareness on the key environmental issues, the Group is committed in operating in a manner that does not compromise on the health of ecosystems in which it operates in the long term. The Group continuously improves on its resource management and environmental management to ensure that natural resources are conserved for the next generation.



#### 5.1 4Rs of sustainability

The Group is committed to the 4Rs principles (Reduce, Reuse, Recycle and Recover) to reduce wastage.

For onshore office, all staff has been instilled with the culture of computer data storage whenever possible to reduce paper consumption.

The shipbuilding and ship repairing operations such as welding and cutting generate solid wastes, especially scrap metal. Such scraps, which have economic value are recycled and reused for other sub projects and to rebuild aged vessels for example our conversion vessel of CPO barge to commercial container vessel. This helps to increase our resource efficiency for materials consumption.

Waste management plans are implemented on all of our vessels. Waste separation is carried out on board and recyclable items such as plastic, paper and glass are sent to shore recycling facilities. Other types of waste are collected for treatment, recovery or disposal at shore, while waste which are permitted for on-board incineration are disposed of in the shipboard incinerator. The only waste that is allowed to be disposed at sea is food waste, without packaging or container. This disposal is carried out in compliance with MARPOL (The International Convention for Prevention of Marine Pollution For Ships).

## SUSTAINABILITY REPORT

(Cont'd)

### 5. SUSTAINABILITY PILLAR : ENVIRONMENTAL (CONTINUED)

#### 5.2 Effluent and waste

Waste management and pollution implemented on-board vessels are governed by the International Convention For The Prevention of Pollution from Ships 1973/1978 (“MARPOL”) with the objective of minimising pollution of the oceans and seas, including dumping, oil and air pollution.

We take pro-active initiatives in the management of our environment including emission mitigation. The Group embarked on IMO’s Data Collection System (DCS) that is developed in the context of reduction of greenhouse gases (GHG)/carbon dioxide emissions and with the target of measuring and potentially reducing the CO2 emissions in the maritime industry.

Preventive actions are identified and controls are established to prevent any pollution and environmental hazards. All garbage accumulated is compressed to its possible minimum size prior to disposal to shore facilities.

All of our ships engaged in international trade carry a ballast water record book and an International Ballast Water Management Certificate. The Group manage the ballast water and sediments, according to a ship-specific ballast water management plan to avoid the introduction of alien species into coastal areas, including exchanging the ballast water or treating it using an approved ballast water management system.

We have Zero incidents of significant oil spills in 2023 and have maintained a 100% vessel-compliance rate for oil spill regulations. We aim to maintain this target and outcome in 2024.

Waste

Shipping Operations	Unit	2023
Ship oil sludge	m3	2,021
<u>Ship garbage</u>		
Ship garbage disposed to reception facility	m3	963
Ship garbage discharged to sea - Category B	m3	730

#### 5.3 Energy

##### 5.3.1 Water & Electricity

Measures have been taken to reduce energy consumption and conserve water.

The Group encourages to switch off any equipment or lights that are not in use for energy conservation.

The Group embraces water saving behaviour, such as collecting rainwater for cleaning our prime movers, cranes and shovels.

In FYE2023, the Group’s water & electricity consumption increased by 12.6%, RM5.507million (FYE2022: RM4.893million).

Water Consumption	Unit	2023
Water Consumption (from vessels’ freshwater generator)	m3	2,021

## SUSTAINABILITY REPORT

(Cont'd)

### 5. SUSTAINABILITY PILLAR : ENVIRONMENTAL (CONTINUED)

#### 5.3 Energy (continued)

##### 5.3.2 Fuel management

Fuel is our prime resource. The Group continuously monitors and controls its fuel consumption to ensure optimal use on its operations.

IMO 2020 mandates a maximum sulphur content of 0.5% in marine fuels globally. As of last quarter of 2019, the Group has complied with the new emission standards of instituted low sulphur Fuel Oil with a sulphur content of 0.5% or less instead of using the cheaper high sulphur HFO. In Emission control areas (ECAs), the Group has complied to use the 0.1% sulphur content fuel oil to minimize airborne emissions from ships. This subsequently reduces the air pollution created in the shipping industry by reducing the sulphur content of the fuels that ships use. The fuel consumption of the Group is as follows:-

Fuel consumption (MT)	2023		2022	
	LSFO	MDO/MGO	LSFO	MDO/MGO
	19,135.35	27,125.76	19,377.41	29,173.87

#### 5.4 Carbon footprint initiatives

Climate change poses a significant threat to the environment, societies and the economy. The Group recognises the importance of quantifying carbon footprint or greenhouse gases emissions.

Total energy consumption is illustrated as below:-

Description	FYE 2023	FYE 2022
Petrol consumption (litre)	22,541,439	22,826,590
Diesel consumption (litre)	31,954,144	34,366,820
Purchase Electricity consumption (kwh)	21,572,991	18,563,838

The Group disclose these measurements as part of our Scope 1 and Scope 2 as below:-

Description	FYE 2023	FYE 2022
Scope 1 (tCO <sub>2</sub> e) <sup>1</sup>	139,674.0	146,928.9
Scope 2 (tCO <sub>2</sub> e) <sup>2</sup>	16,826.9	14,479.8
<b>Total (tCO<sub>2</sub>e)</b>	<b>156,500.9</b>	<b>161,408.7</b>
Carbon emission intensity (total carbon emission over revenue in RM'000)	0.17	0.18

Note:

Scope 1 emissions are defined as emissions based on petrol and diesel claimed

Scope 2 emissions are based on quantity consumed according to electricity bill

<sup>1</sup> The Scope 1 emissions were calculated by multiplying the fuel consumption (in litre) by the Malaysian Green Technology and Climate Change Corporation (MGTC) emission factor.

<sup>2</sup> The Scope 2 emissions were calculated by multiplying the electricity consumption (in kWh) by the Malaysian Green Technology and Climate Change Corporation (MGTC) emission factor.

Source: <https://www.mgtc.gov.my/lcos-sme-calculator/>



## SUSTAINABILITY REPORT

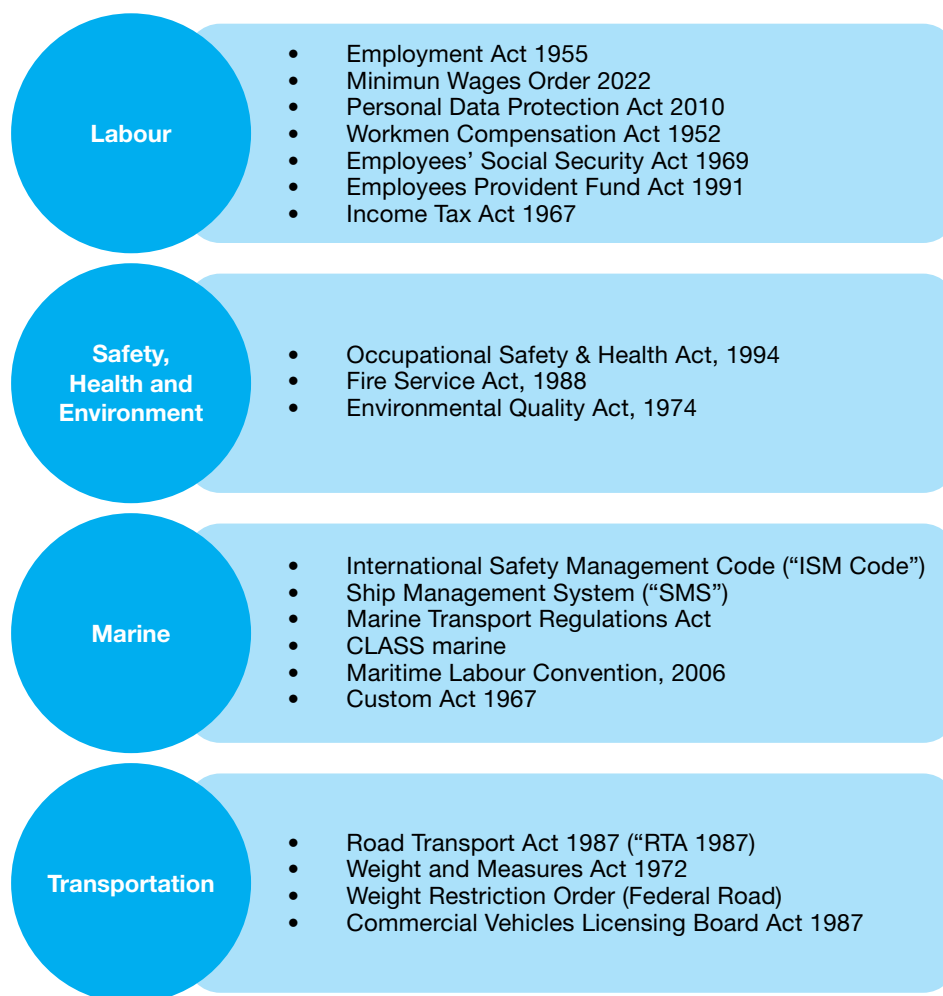
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### 5. SUSTAINABILITY PILLAR : ENVIRONMENTAL (CONTINUED)

#### 5.5 Environmental Compliance

The Group endeavours to comply with all applicable laws, regulations and statutory obligations relating to environmental issues.

The Group has complied with all the relevant Laws and Standards including the following:-



Our vessel environmental certificates are kept up to date. Some of these certifications include the International Energy Efficiency Certificate, International Sewage Pollution Prevention Certificate, International Oil Pollution Prevention Certificate, International Air Pollution Prevention Certificate and Ballast Water Management Certificate.

In alignment with the amendments to MARPOL Annex VI of the IMO, we are also obtaining the Energy Efficiency Existing Ship Index (EEXI) value and Operational Carbon Intensity Indicator (CII) certification of all existing vessels. The EEXI value is to measure the energy efficiency of vessels and initiating the collection of data for the reporting of the annual operational carbon intensity indicator (CII) and CII rating. We have installed overridable power limitation (OPL) system to our existing vessels to reduce carbon emissions by restricting the maximum power and thus reducing fuel consumption.

Compliance	No of vessels eligible to comply	No of vessels complied
EEXI	13	13
CII	13	13
OPL system	9	9

**SUSTAINABILITY REPORT**

(Cont'd)

**6. SUSTAINABILITY PILLAR: SOCIAL****6.1 Occupational Health & Safety**

Safety at work is a vital condition for the performance of work without exposure to the risk of accidents or occupational disease. Historically the Group has dedicated significant effort to the protection of health and safety; over the years it has promoted a profound change in safety culture, as a first step towards further development. The key element is personnel training as a tool for risk prevention.

The Group is committed to constantly develop an active role in the field of occupational health and safety through the following actions:

- Always acting in full compliance with mandatory laws and reference standards;
- Managing the hazards and risks identified in relation to activities and duties, constantly updating knowledge and keeping abreast on the subject in order to prevent accidents and injuries;
- Periodically reviewing the Health & Safety Policy and targets;
- Raising the skills and awareness of all personnel involved in its activities by means of adequate information and training, with the belief that more knowledge brings better safety and ensures the cultural change necessary to improve results;
- Cooperating with stakeholders on policy making and continuous improvement, so as to build a grounded structure between the Company's top management and all employees.

All of our vessels are certified under the Maritime Labour Convention ("MLC") and are crew accommodation certified, which strives to provide favourable labour conditions for maritime crew in compliance with all MLC requirements. The requirements include minimum age limits, adequate hours of rest, accommodation and on-board facilities, food and catering, payment of wages, and the qualification of medical practitioners.

We continue to remain vigilant and socially responsible and maintain good hygiene practices at our workplace in upholding the highest occupational health and safety standard in the Group.

**INCIDENT REPORT**

Category	Total Reported / Cases	
	Jul'22 - Jun'23	Jul'21 - Jun'22
Unsafe Act	22	2
Unsafe Conditions	98	130
Environmental Spillage	2	8
Fire Outbreak	2	2
Property Damage	1	1
First Aid	6	15
Medical Treatment	27	35
Restricted Work	0	0
Lost Time Injury (LTI) Frequency rate	0	3
Fatality	1	1

## SUSTAINABILITY REPORT

(Cont'd)

### 6. SUSTAINABILITY PILLAR : SOCIAL (CONTINUED)

#### 6.2 Training and education

We offer to our employees training programme and opportunities to attend seminars, workshops and conferences covering a wide range of economic, environmental, financial and social matters that are integral to the successful running of the Group's operations and for career advancement of our employees.

During the financial year, the following training courses were attended by our employees:-

No	Training	Month & Year	No. of Employee
1	In House Training - Project Management Essentials	Jul-22	12
2	Workshop: The Study of Economic Impacts on Malaysian-Flagged Ships under MARPOL Annex VI Requirements (EEXI & CII)	Jul-22	1
3	The Definitive Guide To Warehouse Operations, Health & Safety	Jul-22	5
4	Proficiency in Survival Craft & Rescue Boats Refresher	Aug-22	1
5	HRD Corp Insights for Newly Registered Employers- Sarawak	Aug-22	3
6	Strategically Advanced Company Law and Secretarial Practice for Accountants	Aug-22	2
7	Kursus Mate Domestic <500 GT (Open)	Aug-22	1
8	Advance Fire Fighting (Refresher)	Aug-22	1
9	Twin Disc Product Seminar 2022	Aug-22	9
10	Inaugural Sarawak Occupational Safety & Health Conference (ISOSH)	Sep-22	2
11	Labour Ordinance of Sarawak (With Latest Amended Act)	Sep-22	1
12	Authorised Gas Tester & Entry Supervisor for Confined Space	Sep-22	2
13	Coaching Skills for Leaders : LEDA Level 3	Sep-22	1
14	Basic Training	Sep-22	1
15	Taklimat Pengimportan Makanan dan Garis Panduan Penlabelan Makanan KKM	Sep-22	3
16	New E-Permit Roadshow & Engagement Session	Oct-22	6
17	User E-In Out Training	Oct-22	28
18	Permit to Work for Managing Safety at Industries	Nov-22	1
19	Occupational Safety & Health Coordinator (OSH-C)	Nov-22	4
20	Internal Training - Scaffolding	Nov-22	22
21	International Maritime Dangerous Goods IMDG Code - General Awareness (Online)	Nov-22	1
22	International Maritime Dangerous Goods IMDG Code - General Awareness (Physical)	Nov-22	5
23	Key Income Tax Updates in 2022	Dec-22	8
24	ESG - Role of the Accountant and Financial Reporting	Dec-22	8
25	Import Docs Training	Jan-23	3
26	Online Seminar on Advanced Service by RMCD	Jan-23	1
27	Shipping Operations and Container Management	Jan-23	1
28	Program Workplace Safety Improvement	Jan-23	1
29	Authorised Entrant & Standby Person for Confined Space	Jan-23	2
30	Shipping Documents, Procedure & Incoterms 2020	Feb-23	5
31	Basic Fire Fighting Training	Feb-23	15

## SUSTAINABILITY REPORT

(Cont'd)

### 6. SUSTAINABILITY PILLAR : SOCIAL (CONTINUED)

#### 6.2 Training and education (continued)

No	Training	Month & Year	No. of Employee
32	International Maritime Dangerous Goods IMDG Code: Function Specific (Physical)	Feb-23	5
33	Combined ISM & ISPS Code Internal Auditor Course	Feb-23	2
34	Certified Environmental Professional in Scheduled Wastes Management (CePSWaM)	Mar-23	1
35	Corporate Tax Strategy : Capitalising the Right Tax Opportunities for your Bussiness	Mar-23	1
36	Inventory Control Management Training	Mar-23	10
37	Labour Law Workshop	Mar-23	3
38	Program Handholding Authorized Economic Operator (AEO) & Pengikraran Borang Kastam Borang Berkualiti	Mar-23	6
39	Basic Training (Refresher)	Mar-23	1
40	Budget 2023 - Key Updates and Changes for Corporate Accountants	Mar-23	10
41	Proficiency in Survival Craft & Rescue Boats (Refresher)	Mar-23	1
42	Search & Rescue Training	Mar-23	25
43	In House Training : ISO 9001:2015 Awareness & Internal Quality Auditor Training	Mar-23	31
44	Impactful HR Auditing	Mar-23	1
45	International Maritime Dangerous Goods : IMDG Code "Function Specific" (Online)	Apr-23	1
46	Advance Fire Fighting	Apr-23	1
47	Kursus Proses Pengurusan Tender Pembinaan	Apr-23	2
48	HRD Corp Meet & Greet 2023 Miri Session	Apr-23	2
49	ESG Sustainability Reporting Workshop	Apr-23	5
50	Effective Occupational Safety & Health Management System	Apr-23	2
51	Kursus Industri Pembinaan Moden (IBS)	Apr-23	2
52	Team Dynamics-Transformation Towards Excellence	Apr-23	32
53	Maritime Law & Business Conference 2023	May-23	2
54	Global Board of Directors Transformation Masterclass	May-23	2
55	Briefing on E-Permit	Jun-23	2
56	MIA Conference 2023	Jun-23	5
57	OSHA Compliance & Amendment	Jun-23	2
58	E-Vetting 2.0 Training for Vendors, Contractors & Port Users	Jun-23	1
59	Skop& Konsep Cukai Jualan Termasuk Kemudahan Pengecualian & Pelupusan	Jun-23	1

The Group has incurred a total training cost of RM 168,062.03 (FY 2022: RM 37,419.55) during the financial year 2023.

Total Training Cost (RM)	
Jul'22 – Jun'23	Jul'21 – Jun'22
168,062.03	37,419.55

## SUSTAINABILITY REPORT

(Cont'd)

### 6. SUSTAINABILITY PILLAR : SOCIAL (CONTINUED)

#### 6.2 Training and education (continued)

Total training hours

Total Training hours	
Jul'22 – Jun'23	Jul'21 – Jun'22
2,520	576

#### 6.3 Diversity and equality

Employee diversity is of significant importance to the Group, as we believe a diverse workforce promotes a respectful culture that is open-minded and understanding, and encourages new ways of thinking and thriving, that is especially significant for a global minded corporation. The diversity of our employees is evidenced by the profile of our 2,072 onshore employees working for the Group, from over fifteen nationalities across numerous regions. This number encompasses permanent and contract employees. We practise a non-discriminatory hiring policy and all of our employees are hired based on qualification, capability and expertise.

Below is the Group's Employee Demographic Highlights FYE 2023 and FYE 2022:-

TOTAL NUMBER OF EMPLOYEES		NO	NO
		FYE 2023	FYE 2022
PERMANENT	Female	425	367
	Male	955	834
CONTRACT	Female	12	27
	Male	680	655
		<b>2,072</b>	<b>1,883</b>

TOTAL NUMBER OF EMPLOYEES BY AGE GROUP		NO	NO
		FYE 2023	FYE 2022
30, and under	Female	177	156
	Male	437	404
31-40	Female	175	162
	Male	454	406
41-50	Female	65	57
	Male	388	364
51 and above	Female	20	18
	Male	356	316
		<b>2,072</b>	<b>1,883</b>

TOTAL NUMBER OF EMPLOYEES BY NATIONALITY		NO	NO
		FYE 2023	FYE 2022
Malaysian		1,698	1,539
Non- Malaysian		374	344
		<b>2,072</b>	<b>1,883</b>



**SUSTAINABILITY REPORT**  
(Cont'd)

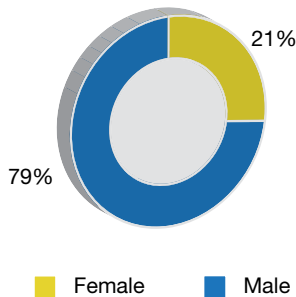
**6. SUSTAINABILITY PILLAR : SOCIAL (CONTINUED)**

6.3 Diversity and equality (continued)

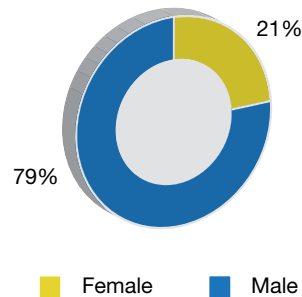
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT LEVELS		NO	NO
		FYE 2023	FYE 2022
MANAGEMENT	Female	3	0
	Male	36	31
EXECUTIVE	Female	114	101
	Male	150	145
NON- EXECUTIVE	Female	280	263
	Male	126	122
GENERAL WORKER	Female	28	18
	Male	1,335	1,203
		<b>2,072</b>	<b>1,883</b>

Across the Group, the male outnumbered female employees considering the business nature and models of logistics and marine working environment. Male employees accounted for 79% (2022: 79%), while the remaining 21% (2022: 21%) are female employees.

2023: Gender Diversity



2022: Gender Diversity



The Group encourages diversity, approximately 82% (2022: 82%) of our employees are Malaysians, and the remaining 18% (2022: 18%) are foreigners and from other ethnicities. Whenever possible, the Group hires local employees at our operations.



Ship repair briefing session



Site visit to the ship repair yard

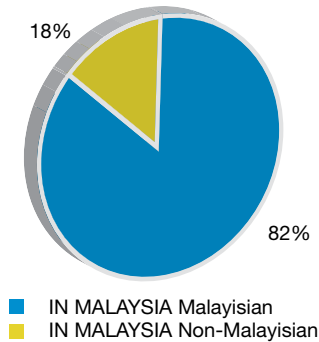
## SUSTAINABILITY REPORT

(Cont'd)

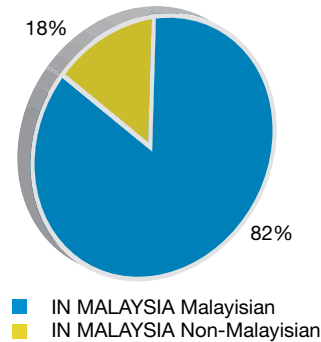
### 6. SUSTAINABILITY PILLAR : SOCIAL (CONTINUED)

#### 6.3 Diversity and equality (continued)

2023: Malaysian vs Foreign Employees

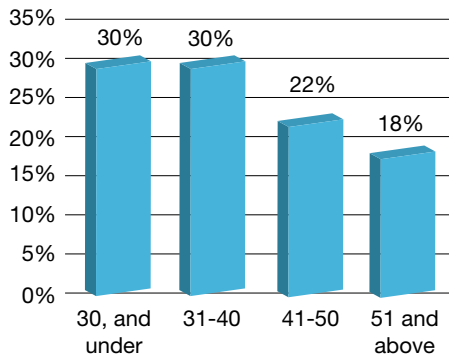


2022: Malaysian vs Foreign Employees

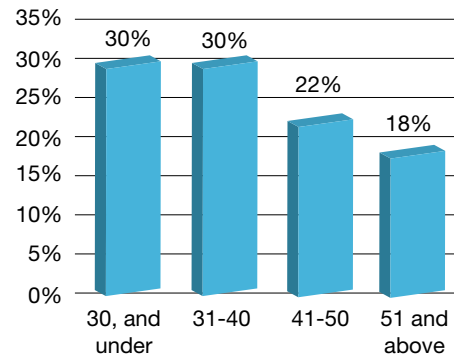


The Group has a young employee profile where almost 30% (2022: 30%) of the employees are under 30 years old, while 30% (2022: 30%) of the employees are between the age band of 31-40 years old, 22% (2022: 22%) of the employees are between the age band of 41 -50. The remaining 18% (2022: 18%) of employees aged above 50, which comprise of the senior employees who share their experience and focusing their roles in providing guidance and mentorship to our young employees. The Group continues to engage effectively with our employees and employs more graduates and trainees to be a part of our workforce through nurturing career development prospects.

2023: Age Diversity



2022: Age Diversity



#### New employees hired for the Group

- a) The total number of new employees hired during the reporting period, by age group and gender, as below. The rate shows the distribution of new hires across different age group.

Year	Gender				Total
	Male	Rate	Female	Rate	
Jul 2022 – Jun 2023	477	85%	82	15%	559

## SUSTAINABILITY REPORT

(Cont'd)

## 6. SUSTAINABILITY PILLAR : SOCIAL (CONTINUED)

## 6.3 Diversity and equality (continued)

## New employees hired for the Group (Continued)

- a) The total number of new employees hired during the reporting period, by age group and gender, as below. The rate shows the distribution of new hires across different age group. (Cont'd)

Year	Age Group						Total
	Below 30	Rate	30-50	Rate	Above 50	Rate	
Jul 2022 – Jun 2023	290	52%	231	41%	38	7%	559

## Total employees' turnover

- a) The total number of employees' turnover during the reporting period, by gender and age group, as below. The rate shows the distribution of turnover across different age group.

Year	Gender				Total
	Male	Rate	Female	Rate	
Jul 2022 – Jun 2023	428	85%	74	15%	502

Year	Age Group						Total
	Below 30	Rate	30-50	Rate	Above 50	Rate	
Jul 2022 – Jun 2023	229	46%	216	43%	57	11%	502

- b) By Function:

Function	Turnover (%)
Operations	23%
Non – operations	77%

## 6.4 Employee welfare and engagement

We understand that our employees need meaningful career development and skills improvement as well as competitive compensation and benefits to cope with the rising cost of living.

The Group complies with the local statutory requirements on wages and benefits such as the Minimum Wages Order, Employees' Provident Fund, Social Security Protection and bonus payment in line with performance indicators and annual leave provision.

In year 2023, the Group had conducted various activities including an appreciation lunch and sports events to encourage employee interaction and foster spirit de corps while promoting work-life balance.

## SUSTAINABILITY REPORT

(Cont'd)

### 6. SUSTAINABILITY PILLAR: SOCIAL (CONTINUED)

#### 6.4 Employee welfare and engagement (Continued)



Table Tennis Tournament



Basketball Tournament



Futsal Tournament



Sarawak Independence Day Parade

#### 6.5 Community Engagement

The Group recognises its vital role to play in promoting sustainable development and enhancing the well-being of the local community. The Group has always been mindful of Corporate Social Responsibility ("CSR") to create a positive impact on the local community.

##### i) **Education Sponsorship Program - Sarawak Maritime Academy School**

In the area of promoting education, the Group has provided a complete sponsorship of thirty six (36) students cumulatively for a three year academic education in the Maritime Cadetship programme for the Diploma in Nautical Studies and Diploma in Marine Engineering at the Sarawak Maritime Academy School in Sarawak. Out of the total students sponsored, some of the student graduates have been in our employment on our ocean going vessels and our shipyards.

## SUSTAINABILITY REPORT

(Cont'd)

### 6. SUSTAINABILITY PILLAR: SOCIAL (CONTINUED)

#### 6.5 Community Engagement (continued)

##### ii) Social Contributions

The Group has made cash contribution to charity bodies as follow:-

Charity Bodies	RM
Persatuan Ibu Bapa Kanak-kanak Istimewa Miri (PIBAKIS)	2,500.00
Palliative Care Association of Miri (PCAM)	2,500.00
Wishesland Miri	2,500.00
Morsjaya Community-Based Rehabilitation Centre (PDK)	2,500.00



The Group's representative handing over cash contribution to PCAM



The Group's representative handing over cash contribution to PIBAKIS



The Group's representative handing over cash contribution to PDK



The Group's representative handing over cash contribution to Wishesland

##### iii) Blood Donation Drive

The Group's Blood Donation Drive in collaboration with Miri General Hospital's Blood Transition Unit, Malaysian Red Crescent and Permaisuri Imperial City Mall is part of the Group's initiative and effort to contribute to the betterment of our community's health by donating blood for those in need. It aims to create awareness on the importance of blood donation to save lives and improve knowledge of the community on safe voluntary blood donation and transfusion. The program is held four times a year to assist the Blood Transfusion Unit of Miri General Hospital in blood supply during critical periods.



## SUSTAINABILITY REPORT

(Cont'd)

### 6. SUSTAINABILITY PILLAR: SOCIAL (CONTINUED)

#### 6.5 Community Engagement (continued)

##### iii) Blood Donation Drive (continued)

Date	Venue	Number of Pints of Blood
16.07.2022	Malaysian Red Crescent Training Institute Miri	90
15.10.2022	Malaysian Red Crescent Training Institute Miri	74
11.02.2023	Permaisuri Imperial City Mall	114
13.05.2023	Permaisuri Imperial City Mall	121



##### iv) Membership of Associations

In the effort of dissemination of agenda and integration of goals into our business and industry, we actively continue engaging with various local and national associations to ensure that we understand the needs of the industry and hence are able to make necessary contribution to the industry.

Associations	Membership/ Representative
Sarawak Association of Maritime Industries (SAMIN)	Deputy Chairman
Malaysia Shipowner's Association (MASA)	EXCO member of Sarawak Representative
International Malaysia Society of Maritime Law (IMSML)	Corporate Member
Association of Marine Industries of Malaysia (AMIM)	Vice Chairman and Sarawak Representative
Miri Chinese Chamber of Commerce and Industry (ACCCIS)	Chairman
Sarawak Timber Association (STA)	Permanent Council Members & Elected Council Member

**SUSTAINABILITY REPORT**

(Cont'd)

**7. SUSTAINABILITY PILLAR: GOVERNANCE**

We are committed to valuing and upholding the business integrity, transparency and honesty across all our operations. As we adhere to these important standards, we strive to cultivate strong levels of trust and loyalty among our stakeholders.

**7.1 Sustainability Policies****[a] Environmental Policy (Established in 2016)**

- Aims to prevent and control pollution by using energy, water and other resources efficiently.
- Using environment technologies to achieve a Clean and Green Production Environment.
- Enhancing environmental education and training to all employees to improve environmental consciousness and social responsibility to create and maintain a pleasant work environment.

**[b] Safety and Health Policy (Established in 2012)**

- To maintain prominent safety culture to create an intact business reputation; to reduce medical cost, training and turnover costs; providing a conducive working environment, and to instill confidence in customers and vendors and the self-esteem of employees and contractors.

**[c] Smoking Policy (Established in 2012)**

- Aims to reduce numerous fire accidents or smoking related incidents at workplace.

**[d] Waste Management Policy (Established in 2016)**

- To comply with the Environmental Quality (Scheduled Wastes) Regulations 2005 of Environmental Quality Act 1974, to minimize waste production throughout the Group

**7.2 Governance and Ethics**

The Group recognises good corporate governance is more than just complying with existing standards and regulations. It is also about ethics, trust and values which shape the Group's business conduct. This enhances the stakeholders' confidence and sets the standard of the conducts for the Group.

**a. Code of Ethics and Conduct**

The Group has an established Business Ethics and Code of Conduct that describe the expected action and behaviour from the employees and business associates. The Ethics and Code of Conduct emphasises legal, equitable and unbiased standards in relation to conflict of interest, entertainment and gifts, misuse of position, insider trading and misconduct. The employees of the Group are required to retain the highest standard of ethics and professional conduct during their employment with the Group. The employees are kept abreast of updates via web posts, email and face-to-face/virtual briefings.

**b. Whistle-blowing Policy**

This Policy was established with the aim to provide a structured mechanism for employees and other stakeholders to raise genuine and legitimate concerns on any suspected wrongful activities or wrongdoings. The Group intends to embed a culture across the Group where wrongdoing is not tolerated and when reported, it will be quickly and efficaciously addressed. The Group also commits to provide protection for those who make such disclosures.

## SUSTAINABILITY REPORT

(Cont'd)

### 7. SUSTAINABILITY PILLAR: GOVERNANCE (CONTINUED)

#### 7.2 Governance and Ethics (Continued)

##### b. Whistle-blowing Policy (Continued)

This Policy covers, though it is not limited to, the following instances of improper conduct (actual or suspected):

- i. bribery and corruption;
- ii. theft or embezzlement;
- iii. violation of laws and regulations;
- iv. misuse of Company's funds and resources;
- v. abuse of power of authority;
- vi. conflict of interest without due disclosure;
- vii. misstatement arising from misappropriation of assets

Employees can confidently raise their concerns and/or file their report to the Chairman of Central Committee.

In FYE2023, no reports of whistleblowing were received.

##### c. Anti-Bribery and Anti-Corruption Policy ("ABC Policy")

As part of its commitment to ethical business practices, the Group had implemented an Anti- Bribery and Anti-Corruption Policy ("ABC Policy"), wherein the Group adopts a zero-tolerance policy against all forms of bribery and corruption. The ABC Policy ensures that the directors, employees and business associates of the Group are committed to complying with the Malaysian Anti-Corruption Commission Act 2009 (including all Amendments, in particular the Malaysian Anti-Corruption Commission Act 2018) and other applicable anti-bribery and anti-corruption laws.

In FYE2023, no reports of bribery or corruption were received.

##### d. Directors' Fit and Proper Policy

In compliance with the relevant provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Malaysian Code on Corporate Governance 2021 ("MCCG"), the Group had implemented the Directors' Fit and Proper Policy to achieve a Board composition with appropriate balance, diversity and mix of skills, business experience, background, industry and geographic knowledge, professional qualifications and other relevant qualities.

In pursuing a culture free from corruption, we believe this endeavour should emanate from the top management. In alignment with this, the Board adheres to the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia, which is grounded in principles centred on transparency, integrity, accountability and corporate social responsibility.

**SUSTAINABILITY REPORT**

(Cont'd)

**8. BURSA COMMON SUSTAINABILITY MATTERS – PERFORMANCE DATA TABLE**

Common Sustainability Matters	Common indicators	Reference
1) Anti - corruption	1(a) Percentage of employees who have received training on anti-corruption by employee category	Only elected facilitators have attended training as part of training programme
	1(b) Percentage of operations assessed for corruption-related risks	Year 2023: 0%
	1(c) Confirmed incidents of corruption and action taken	Year 2023: Nil
2) Community / Society	2(a) Total amount invested in the community where the target beneficiaries are external to listed issuer	Sustainability Report – Community Engagement, Pages 52 to 54
	2(b) Total number of beneficiaries of the investment in communities	Sustainability Report – Community Engagement, Pages 52 to 54
3) Diversity	3(a) Percentage of employees by gender and age group, for each employee category	Sustainability Report – Diversity and equality, Pages 48 to 51
	3(b) Percentage of directors by gender and age group	Corporate Governance Overview Statement – Board composition and balance, Pages 59 to 60
4) Energy Management	4(a) Total Energy Consumption	Sustainability Report -Energy, Pages 42 to 43
5) Health and safety	5(a) Number of work-related fatalities	Sustainability Report – Occupational Health & Safety, Page 45
	5(b) Lost time injury frequency rate	Sustainability Report – Occupational Health & Safety, Page 45
6) Labour practices and standards	6(a) Total hours of training by employee category	Sustainability Report – Training and education, Page 48
	6(b) Percentage of employees that are contractors or temporary staff	Sustainability Report – Diversity and equality, Page 48
	6(c) Total number of employee turnover by employee category	Sustainability Report – Diversity and equality, Page 51
	6(d) Number of substantiated complaints concerning human rights violations	Year 2023 : Nil
7) Supply chain management	7(a) Proportion of spending on local suppliers	Year 2023 : 84.2%
8) Data privacy and security	8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Year 2023: Nil
9) Water	9(a) Total volume of water used	Sustainability Report – Energy, Page 42
10) Waste management	10(a) Total waste generated, and breakdown of the following: a) Total waste diverted from disposal iii) Total waste directed to disposal	Sustainability Report -Effluent and waste, Page 42
11) Emissions management	11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Sustainability Report -Carbon footprint initiative, Page 43
	11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Sustainability Report -Carbon footprint initiative, Page 43

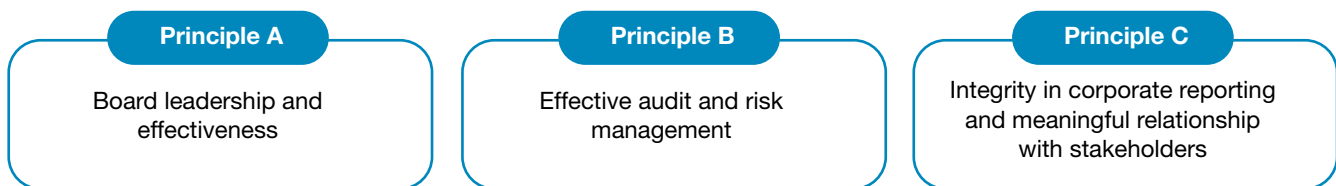
## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board remains committed in ensuring the high standards of corporate governance are practised throughout the Group in discharging its responsibilities to protect and enhance all of the shareholders' value.

The Board believes that good corporate governance displays integrity of the Group and adds value to the business of the Group and will ensure that this practice continues. The Board of Directors believes in playing an active role in guiding the Management through its oversight review while at the same time steering the Group's business directions and strategies.

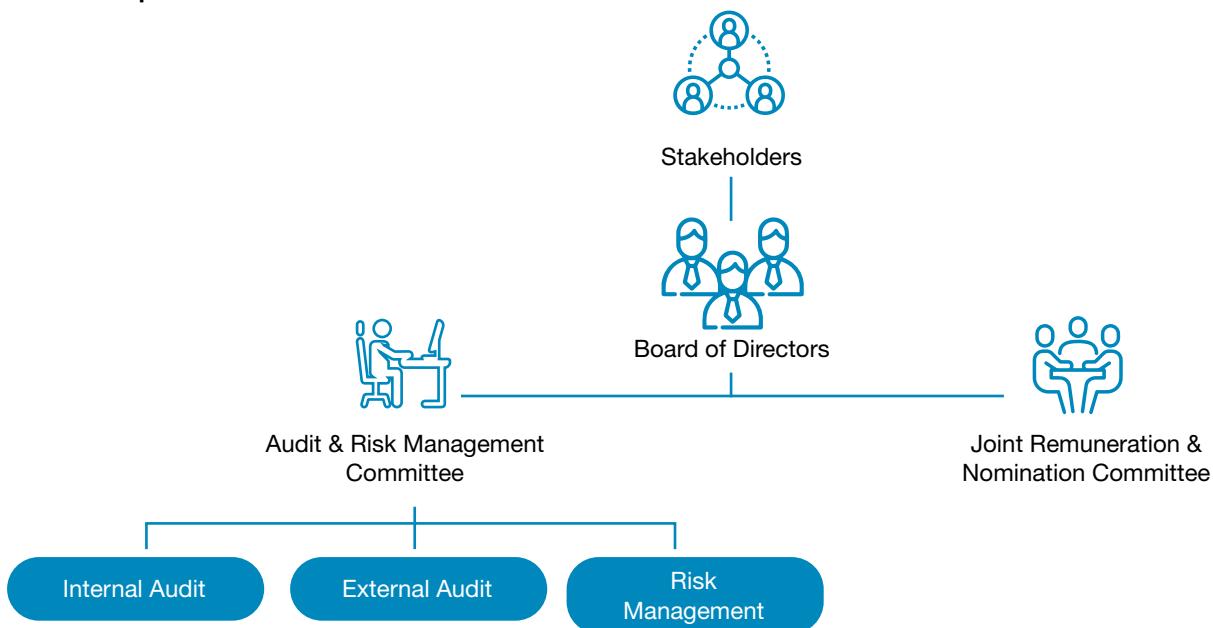
The statement outlines how the Group has applied the principles of corporate governance and the extent of compliance with the principles, recommendations and best practices set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") and is to be read in conjunction with the Corporate Governance Report (CG Report) which is available on the Group's website.

The three (3) principles of corporate governance as set out in MCCG are:-



### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

#### Roles and responsibilities



The Board of Directors ("Board") has the overall responsibility for the performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board is guided by the prevailing legal and regulatory requirements as well as the Company's policies and Board Charter in discharging its fiduciary duties and responsibilities at all times in the best interest of the Company and the Group.

The Board delegates the day-to-day management of the Company's business to the management team, reserving its consideration for significant matters such as the following: -

- Formulation of corporate policies and strategies;
- Overseeing and evaluating the conduct of the Group's businesses;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage those risks; and
- Reviewing and approving key matters such as financial results, structures and policies, investments and divestments, acquisitions and disposals and major capital expenditure.
- Ensuring full compliance with Listing Requirements of Bursa Securities and all other applicable laws, regulations and statutory requirements



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

## Board Composition and Balance

The Group is led and managed by a competent Board which sets the policies to enable them to lead and guide the Group to achieve its goals. The Board currently has nine (9) board members, headed by the Group Executive Chairman. The nine (9) members of the Board comprise of five (5) Executive Directors and one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. This has met the Bursa Malaysia Securities Berhad's Main Market Listing Requirements which require at least two (2) Directors or nearest of one third (1/3) of the Board, whichever is higher, to be Independent Directors.

The profile of each director is presented from page 10 to page 14 in the Annual Report.

Together, the Directors bring with them a broad range of hands-on extensive experience and expertise in the areas such as finance, corporate affairs, marine law, business acumen, logistic management and shipping and shipbuilding technical operations, which are all vital to the success of the Group.

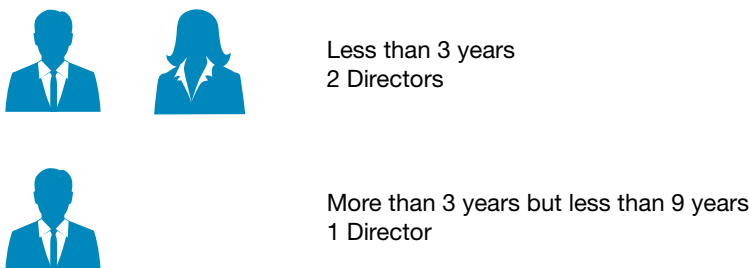
The Board believes that the appointment of board members, regardless of gender, should be based on experience, expertise, character, integrity and competence as these are the essential criteria for an effective Board.

Details view of the current Board Composition illustrated as below:-

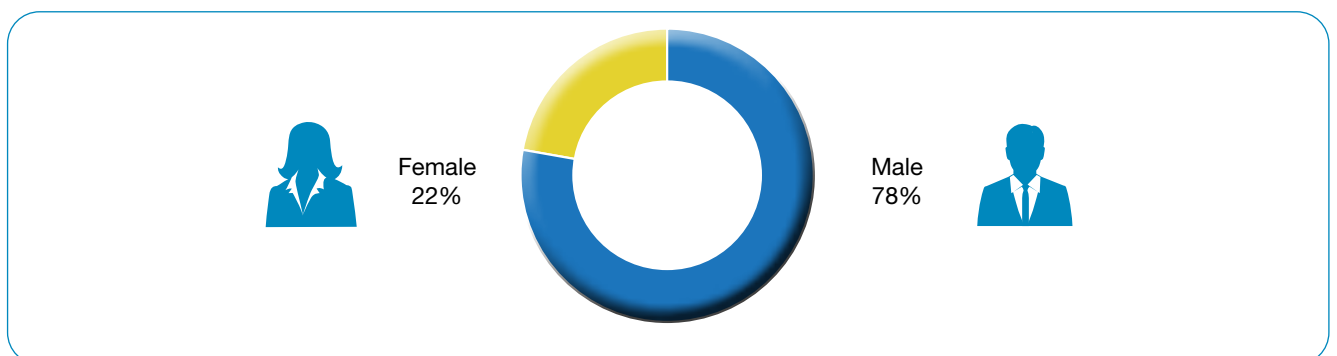
### Directorship



### Tenure of Independent Directors



### Gender

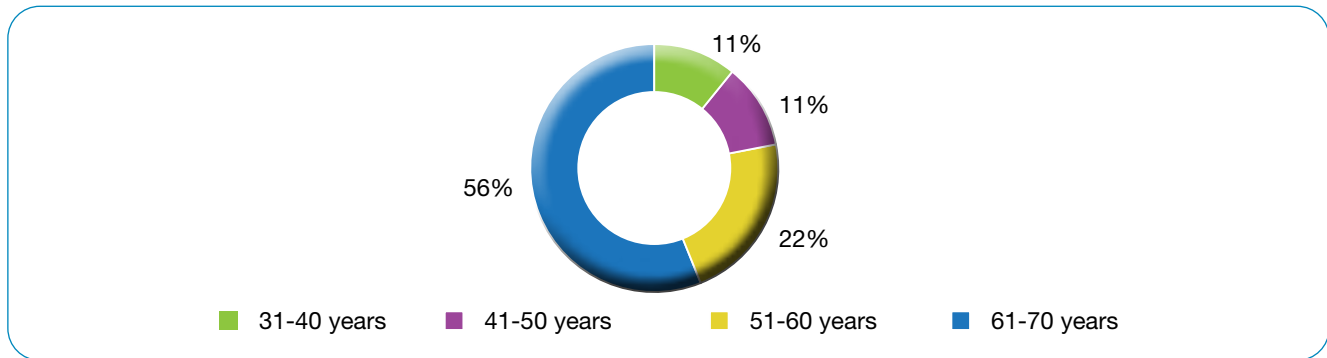


## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Board Composition and Balance (Continued)

#### *Age profile*



#### *Experience and Expertise*



### Time Commitment

Directors are expected to give sufficient time to carry out their duties and responsibilities. In line with paragraph 15.06 of the Listing Requirements of Bursa Malaysia Securities Berhad in relation to the restriction on directorship in listed companies, none of the Board members holds more than five (5) directorships in public listed companies to ensure that they are able to devote sufficient time to carry out their responsibilities.

### Roles of the Chairman and Chief Executive Officer

The Board is led by Tan Sri Datuk Ling Chiong Ho, the Group Executive Chairman while the position of the Chief Executive Officer is helmed by Captain Ting Hien Liong.

The distinct and separate roles of the Group Executive Chairman and Chief Executive Officer, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The Group Executive chairman is responsible for leadership, orderly conduct and the workings of the Board, whereas the Chief Executive Officer is responsible for the day-to-day management and operations of the Group's business.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Company Secretary

The Board is supported by a qualified, experienced and competent Company Secretary. The Company Secretary plays an important role in supporting the Board by ensuring adherence to Board policies and procedures. The Board is updated by the Company Secretary on new statutes and directives issued by the regulatory authorities from time to time. The Company Secretary attends the Board and Committee meetings and ensured that all procedures are adhered to. He also facilitates the communication of key decisions and policies between the Board, Board Committees and Senior Management and updates the Board on the Follow-up or implementation of its decisions or recommendations.

### Board Charter

The roles and functions of the Board are delineated in the Board Charter, which is available on the Group's website.

The Charter shall is reviewed periodically as stipulated to ensure its relevance in assisting the Board to execute its duties with changes in corporate laws and regulations that may arise from time to time.

### Board Committee

The Board has delegated certain functions to the committees to assist in the execution of its responsibilities:

- **Audit and Risk Management Committee**

The Audit and Risk Management Committee comprises of three (3) Independent Non-Executive Directors and one (1) Non- Independent Non-Executive Director. The composition, responsibilities, detailed terms of reference and the activities of the Committee during the financial year are set out separately in the Audit and Risk Management Committee Report on page 75 to 78 of the Annual Report.

- **Joint Remuneration and Nomination Committee**

The Committee is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board for approval and also recommending the right candidates with the necessary skills, knowledge, expertise and experience including his/her professionalism and integrity to fill the Board. The Committee is also responsible to assess the effectiveness of the Board, its Committee and the performance of individual Director annually. The members of the Joint Remuneration and Nomination Committee are as follow:

Jack Willien @ William Anak Jinep– Chairman, Independent Non –Executive Director

Arshad Bin Zainuddin - Independent Non –Executive Director

Ling Siu Chuo – Non-Independent Non-Executive Director.

The Committee meets as and when necessary. For the financial year ended 30 June 2023, the Committee has held two (2) meetings.

The respective Committees operate under clearly defined terms of reference and the Chairman of the respective Committees report to the Board on the outcome of the Committee Meetings.

### Supply and Access of Information

All Directors have full access to information concerning the Company and the Group. The Directors are provided with the relevant agenda and a set of Board papers in sufficient time prior to every Board meeting to enable them to understand the matter and seek further explanation where necessary, in order to be properly informed before the meeting. The Board papers circulated include quarterly and annual financial statements, minutes of meeting of all Committees of the Board, report on recurrent related party transactions, internal audit reports and reports on the Group's financial, operational and corporate developments. All matters requiring the Board's approvals have been duly circulated prior to the Board Meeting. All proceedings of the Board Meeting are minuted and signed as correct record by the Chairman of the Meeting.

At all times, the Directors have direct access to the advice and the services of the Company Secretary, Key Senior Management Staff as well as independent professional advisers including the external auditors. Directors, especially newly appointed ones are encouraged to visit the Group's operating locations to familiarize themselves with the various operations of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Board Meeting

Board meetings are scheduled in advance to enable all directors to plan ahead. The Board meets at least four times a year with additional meetings to be convened as and when the Board's approval and guidance is required.

During the financial year ended 30 June 2023, the Board met a total of four times.

Details of the attendance are as follows:

No	Directors	Status of Directorship	No. of Meeting attended
1	Tan Sri Datuk Ling Chiong Ho	Group Executive Chairman	4/4
2	Ling Chiong Sing	Group Managing Director	4/4
3	Datuk Ling Lu Kiong	Group Executive Vice Chairman	4/4
4	Ling Chiong Pin	Executive Director	4/4
5	Vincent Ling Lu Yew	Executive Director	4/4
6	Ling Siu Chuo	Non-Independent Non-Executive Director	4/4
7	Arshad Bin Zainuddin	Independent Non-Executive Director	4/4
8	Jack Willien @ William Anak Jinep	Independent Non-Executive Director	4/4
9	Yong Nyet Yun	Independent Non-Executive Director	4/4

The Board meetings may be conducted via electronic means and for convenience, circular resolutions of the Directors will be prepared for the Directors' execution in order to facilitate efficient implementation of the Board's decision. Any Director who is unable to be present physically at meetings is encouraged to participate through electronic means of communication.

At the Board Meeting, the Board deliberates and considers matters relating to the Group's financial performance, major capital expenditure, budgets, investment, corporate development, strategic issues and business plan. Although all of the Directors have an equal responsibility for the Group's operation and performance, the roles played by the Independent Non-Executive Directors are vital to ensure that strategies formulated or transactions proposed by the Management are thoroughly discussed in an unbiased and independent manner, taking into account the interest of not only the Group but also the shareholders, employees, customers, suppliers, business associates, environment and community at large.

### Code of Ethics and Conduct

The Board is committed to maintaining a corporate culture with good ethical conduct. This is formalised through the Company's Code of Ethics and Code of Conduct. This Code of Ethics and Conduct intends to serve as a guide to the daily professional and ethical attitudes of all the employees of the Group. It covers matters in relation to office rules and regulations, conflict of interest, supply chain code, security and confidential information, harassment, abusing assets/office facilities, drugs/liquors and breaches and offenses. The directors and employees of the Group are expected to adhere to the standard of ethics and conduct set out therein.

### Whistle-Blowing Policy

The Board is committed to the highest standards of integrity, accountability and ethical behavior in its business conduct and operations, consistent with the Group's corporate values. All the employees and third parties employed or engaged are provided with the mechanism to report wrongdoing or improper conduct without fear of retaliation or being victimised.

### Anti-Bribery and Corruption Policy

The Board is committed to conduct business in compliance with all the applicable provisions set out in the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The Group adopts a zero-tolerance policy against all forms of bribery and corruption. The Anti-Bribery and Corruption Policy has been developed to provide information and guidance to the Group on standards of behaviour, and to ensure that the Group recognises and upholds its responsibilities when dealing with bribery and corruption

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Sustainability

The Board recognises the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boosts the business performance of the Company.

The Board and the Key Senior Management proactively govern the Company's materiality processes, including setting the Company's sustainability strategies, priorities and targets. Any action against these clearly set out strategies, priorities and targets are communicated to the Company's internal and external stakeholders.

The Board and the Key Senior Management integrate Economic, Environmental, Social and Governance (EESG) factors into their investment decision-making process and the Group's overall strategy and operations in paving the path for a more sustainable future.

### Appointment and Retirement of Directors

The appointment of any additional director(s) is made as and when it is deemed necessary by the Board of Directors with due consideration given to a good mix of knowledge, skills and experiences required for the Board to discharge its duties effectively. The appointment of new Director(s) by the Board is following the recommendation of the Joint Remuneration and Nomination Committee. Any proposal to appoint new director(s) will be discussed among the Board members and appointment to the Board will be documented in the Board resolutions.

The Company's Constitution provides that one third of the Board shall retire from office and be eligible for re-election at every Annual General Meeting ("AGM"). The Directors who shall retire in each year are the Directors who have been longest in office since their last appointment or re-appointment. A retiring Director is eligible for re-appointment. This accords an opportunity to the shareholders to renew their mandates. The election of each Director is voted on separately.

### Tenure of Independent Directors

The Board complies with the recommendation of the MCCG 2021 that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine years, the Board may, at its absolute discretion, consider re-designating the independent director as a non-independent director if it is so determined that the expertise and experience of the independent director is still relevant. Currently, none of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years in the Company.

### Annual Assessment of Director

The Board, through the Joint Remuneration and Nominee Committee, assesses the independence of Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his/her involvement in any significant transaction with the Company.

The evaluation is conducted internally via written questionnaires and the Board views that the current evaluation process is adequate to provide an objective assessment on the effectiveness of the Board, Board Committees and each individual Director.

The Board and Board Committees are satisfied with their existing composition and are of the view that, with the current mix of skills, experience, expertise, and competency of the existing Directors, the Board and respective Board Committees are able to discharge their duties effectively. The Board is also satisfied that the Board's composition in terms of size, and the balance between Executive, Non-Executive and Independent Directors and mix of skills is adequate.

### Gender Diversity

The Board yet not adopt a gender diversity policy for the Board and Key Senior Management. The Board believes that the Company's existing selection criteria of a director based on an effective mix of experience, skills, competency and knowledge in areas identified by the Board are sufficient.

Steps have been taken to ensure that the selection and recruitment practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious bias that might discriminate against female candidates.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Directors' Training

All of the Directors have attended and completed the Mandatory Accreditation Programme ("MAP") prescribed by the Bursa Malaysia Training Sdn Bhd. The Directors are also encouraged to attend the Continuing Education Programme ("CEP") organized by accredited organisations as and when necessary to keep abreast with the latest development that are relevant to the Group.

The Directors having during the financial year ended 30 June 2023, attended the necessary training which covered a range of topics to provide the Directors with updates on business trends and management, risk management, corporate governance, financial and audit. This training regarded as essential in providing the Directors with continuous education and enhancement of their knowledge and skills in discharging their responsibilities as directors of the Company

Training programmes	Duration of training per programme, day(s)
<b>SSM National Conference 2022</b>	2
<b>The Definitive Guide To Warehouse Operations, Health &amp; Safety</b>	3
<b>Twin Disc Product Seminar 2022</b>	1
<b>Coaching Skills for Leaders : LEDA Level 3</b>	5
<b>Global Board of Directors Transformation Masterclass</b>	3
<b>Practical Secretarial Issues and Challenges 2 – Case studies on Shares</b>	1
<b>Managing Challenging Communication</b>	2
<b>Removal of Director – Step by Step</b>	1
<b>Corporate Governance Case Studies</b>	1
<b>Employment Act with Latest Updates</b>	1
<b>AGM, Accounts, Annual Returns under Companies Act 2016</b>	1
<b>Employer Statutory Obligation 23</b>	1
<b>Sustainability Reporting</b>	1

The Joint Remuneration and Nomination Committee reviews the annual salaries, incentive programmes, service arrangements and other employment conditions of the Executive Directors. They shall ensure that the Company's Directors are fairly rewarded for their individual contributions to the Company's overall performance and the levels of remuneration shall be sufficient to incentivize and retain Directors to run the Company and Group successfully. Where applicable, the Board who takes into consideration information sourced by independent consultants or survey information on comparable companies in determining the remuneration package.

The Group pays its Non-Executive Directors annual fees, which are approved annually by the shareholders. The Directors are also reimbursed for reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Group.

The determination of remuneration packages of Directors are determined by the Board as a whole and individuals are required to abstain from discussion of their own remuneration.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

(Cont'd)

The details of the remuneration of the directors of the Company and Group for the financial year ended 30 June 2023 are as follows:

	Company				Subsidiaries		Group
	Fees	Salaries and Bonus	Others	Company Total	Salaries and Bonus	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>EXECUTIVE</b>							
Tan Sri Datuk Ling Chiong Ho		2,400	96	2,496	195	9	2,700
Ling Chiong Sing	-	750	31	781	880	37	1,698
Ling Chiong Pin	-	225	10	235	65	3	303
Vincent Ling Lu Yew	-	780	95	875	67	11	953
Datuk Ling Lu Kiong	-	30	4	34	-	-	34
<b>NON-EXECUTIVE</b>							
Ling Siu Chuo	24	-	-	24	-	-	24
Arshad Bin Zainuddin	24	-	-	24	2	-	26
Jack William @ William Anak Jinep	28	-	-	28	-	-	28
Yong Nyet Yun	48	-	-	48	-	-	48
<b>Total</b>	<b>124</b>	<b>4,185</b>	<b>236</b>	<b>4,545</b>	<b>1,209</b>	<b>60</b>	<b>5,814</b>

**PRINCIPLES B – EFFECTIVE AUDIT AND RISK MANAGEMENT****Audit and Risk Management Committee**

The Board acknowledges that it is responsible for maintaining a sound risk management practice and internal control system to safeguard the Shareholders' investments and the Group's assets.

The Board, through its Audit and Risk Management Committee, has established an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The above activities are monitored by the Management with the assistance of the Internal Auditor.

The Audit and Risk Management Committee Report is set out on page 75 to 78 of the annual report.

**Chairman of Audit and Risk Management Committee**

The Chairman of Audit and Risk Management Committee and that of the Board are held by different persons as below:-

Chairman of the Audit and Risk Management Committee – Mdm Yong Nyet Yun  
Chairman of the Board – Tan Sri Datuk Ling Chiong Ho

Having the positions of Chairman of the Board and that of the Audit and Risk Management Committee respectively assumed by different persons allows the Board to objectively review the Audit and Risk Management Committee's findings and recommendations.

**Risk Management and Internal Control**

The Statement on Risk Management and Internal Control is set out on page 71 to 74 of the Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### Former Key Audit Partner

The Group recognises the importance of the independence of its External Auditors and that no possible conflict of interest whatsoever should arise.

The Terms of Reference of the Audit and Risk Management Committee of the Group had included a cooling off period of least three (3) years before a former audit partner is being appointed as a member of the Audit Committee.

The Terms of Reference of the Audit and Risk Management Committee is available on the Group's website at [www.shinyanggroup.com.my](http://www.shinyanggroup.com.my).

Currently, none of the members of the Audit and Risk Management Committee is a former key audit partner of the Company.

### Relationship with Auditors

Through the Audit and Risk Management Committee, the Group maintains a formal and transparent professional relationship with the internal and external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit and Risk Management Committee meets with the external auditors at least once a year to review audit plans and memorandum and to facilitate exchange of view on issues requiring attention. Key features of the Audit and Risk Management Committee's Term of Reference are set out from page 75 to 78 of the Annual Report.

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects: has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

## PRINCIPLES C – INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Financial Reporting

The Board aims to present a balanced, meaningful assessment of the Group's financial position and prospects primarily through its Annual Report and quarterly interim financial results. In the process of preparing these financial statements, the Board, with the assistance of the Audit and Risk Management Committee, has reviewed the accounting policies and practices to ensure that they are consistently applied throughout the financial year. In cases where judgment and estimates were made, they were based on reasonableness and prudence. The financial statements have been prepared in conformity with the applicable approved accounting standards. The Company announces its quarterly and full year results within the mandatory period.

The Statement by Directors pursuant to the Companies Act 2016 is set out on page 79 of this Report.

### Ensure timely and high quality disclosure

The Board recognises the importance of timely dissemination of accurate information pertaining to the Group's business activities and financial performance to its shareholders, investors and other stakeholders.

The Group's financial results, announcements, annual report and circulars can be accessed from the Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com). In addition, shareholders and investors may also access other information about the Group via the Company's corporate website at [www.shinyanggroup.com.my](http://www.shinyanggroup.com.my).

### Communication with Shareholders and Investors

The Group recognizes the importance of effective and timely communication with shareholders and investors to keep them informed on the Group's latest business and corporate developments. Such information is disseminated via the Company's quarterly financial results, the various announcements, annual reports, circulars to shareholders made from time to time and notices of general meeting. The policy of the Group is to maintain an active dialogue with its shareholders with the intention of giving shareholders at clear and precise picture of the Group's performance and position.

The Group Managing Director and Chief Operating Officer cum Company Secretary hold dialogues with the institutional investors and presentations to analysts to keep them updated on the Group's performance, business expansion plans and other matters related to the shareholders' interest.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

(Cont'd)

The Group's Annual General Meeting ("AGM") is the principal avenue for dialogue and interaction with the shareholders. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed and about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operation for the financial year and outlines the prospect of the Group for the subsequent financial year in the Chairman's statement on page 17 to 20. Resolutions tabled and passed at the AGM are released to Bursa Malaysia on the same day to enable the public to be promptly informed of the outcome.

All resolutions put forth for the shareholders' approval at AGM are voted by poll. A scrutineer is engaged to facilitate counting and independent verification of votes.

The Group's website, [www.shinyanggroup.com.my](http://www.shinyanggroup.com.my) allows all of the shareholders and investors to gain access to information about the Group.

At all times, investors and shareholders may contact the Company Secretary for more information on the Group.

**Corporate Governance Report**

Pursuant to paragraph 15.25(2) of the Listing Requirement, the Corporate Governance Report which discloses the application of each Practice of the MCCG by the Group in the format prescribed by Bursa Malaysia is available at the Group's website, [www.shinyanggroup.com.my](http://www.shinyanggroup.com.my)

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 20 October 2023.

**ADDITIONAL COMPLIANCE INFORMATION****i) Shares Buy-back**

During the financial year ended 30 June 2023, the Company bought back 12,715,000 shares from the open market as follows:

Month of Purchase	Total number Of Shares Purchased	Total Purchase Consideration (RM)	Highest Price Paid (RM)	Lowest Price Paid (RM)	Average Price Paid (RM)
July 2022	580,000	231,250.00	0.420	0.380	0.399
August 2022	550,000	251,550.00	0.520	0.410	0.457
September 2022	700,000	500,750.00	0.775	0.630	0.715
October 2022	530,000	381,300.00	0.800	0.680	0.719
November 2022	510,000	379,850.00	0.760	0.735	0.745
December 2022	1,990,000	1,523,700.00	0.835	0.740	0.332
January 2023	1,350,000	986,950.00	0.765	0.710	0.731
February 2023	1,505,000	1,010,225.00	0.735	0.650	0.671
March 2023	1,740,000	1,009,750.00	0.660	0.525	0.580
April 2023	1,230,000	740,750.00	0.680	0.545	0.602
May 2023	1,110,000	617,900.00	0.600	0.530	0.557
June 2023	920,000	569,850.00	0.645	0.605	0.619
<b>TOTAL</b>	<b>12,715,000</b>	<b>8,203,825.00</b>	<b>0.835</b>	<b>0.380</b>	<b>0.645</b>

All of the shares purchased by the Company were retained as treasury shares. There were no treasury shares resold or cancelled during the financial year. As at 30 June 2023, a total of 64,169,700 shares were held as treasury shares.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

### ii) Imposition of Sanction and / or Penalties

There were no sanctions and/or penalties on the Company or its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 30 June 2023.

### iii) Non-Audit Fees

The amount of non-audit fees paid to the external auditor by the Company and its subsidiaries during the financial year ended 30 June 2023 amounted to RM83,100 for the professional services rendered as follows:

Company	Review of Internal Control System (RM)	Tax Fee (RM)	Total (RM)
Shin Yang Group Berhad	5,000	4,000	9,000
Its subsidiaries	-	74,100	74,100
Total (RM)	5,000	78,100	83,100

### iv) Variation of Results

There were no material variances between the audited results of the financial year ended 30 June 2023 and the announced unaudited results.

### v) Profit Guarantee

There were no profit guarantees given by the Company and its subsidiaries.

### vi) Revaluation Policy

The Group does not adopt a policy of regular revaluation.

### vii) Share Options Offered to Non-Executive Directors

There were no share options granted during the financial year ended 30 June 2023.

### viii) Utilisation of Rights Issue Proceeds

There were no rights issue proceeds during the financial year ended 30 June 2023.

### ix) Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The RRPT entered into by the Group during the financial year ended 30 June 2023 were as follows:

Name of Related Parties	Nature of transaction with the Related Parties	Business Activities of Related Parties	Manner of relationship in the Related Parties		Financial Year Ended 30 June 2023 Actual (RM'000)	
			Director	Major Shareholder		
<b>Shin Yang Holding Sdn Bhd and Companies related to Shin Yang Holding Sdn Bhd</b>						
1.	Shin Yang Holding Group <sup>(1)</sup>	Provision of shipping services by the Group	Hypermarket and departmental store, hotel business, property developing, wood-based products manufacturing, research & development of wood products, reforestation and oil palm operations, quarry operation, construction and engineering, transportation services and logistics, parts & hardware supplies, agriculture, glue manufacturing, plastic manufacturing, sales of marine equipment and electrical engineering	Yes	Yes	147,323



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Name of Related Parties		Nature of transaction with the Related Parties	Business Activities of Related Parties	Manner of relationship in the Related Parties		Financial Year Ended 30 June 2023 Actual (RM'000)
				Director	Major Shareholder	
2.	Shin Yang Holding Group <sup>(1)</sup>	Provision of fabrication services by the Group	Reforestation and wood-based products manufacturing, quarry operation, construction and engineering, transportation services and logistics, and parts & hardware supplies.	Yes	Yes	2,435
3.	Shin Yang Holding Group <sup>(1)</sup>	Provision of fabrication services by the Group	Reforestation and wood-based products manufacturing, quarry operation, construction and engineering, transportation services and logistics, and parts & hardware supplies.	Yes	Yes	2,435
4.	Shin Yang Holding Group <sup>(1)</sup>	Purchase of marine hardware supplies and spare parts by the Group	Trading house, construction and engineering, and transportation and haulage service	Yes	Yes	17,534
5.	Shin Yang Holding Group <sup>(1)</sup>	Rental of properties by the Group	Investment and properties holding, wood based products manufacturing, quarry operation and construction & engineering	Yes	Yes	1,062
6.	Shin Yang Holding Group <sup>(1)</sup>	Purchase of transportation services and hotel accommodation by the Group	Investment holding, transportation and haulage services, provision of bus services for the Group's employees as well as ticketing agents and provision of hotel accommodation	Yes	Yes	1,694
7.	Shin Yang Holding Group <sup>(1)</sup> and Shin Yang Services Sdn Bhd <sup>(2)</sup>	Purchase of diesel and bunker by the Group	trading house	Yes	Yes	9,525
<b>Companies connected to the Directors or Person Connected to the Directors</b>						
8.	Ling Family Group <sup>(3)</sup>	Provision of shipping services by the Group	Equipment and machinery supplies, tyre retreading, oil palm plantation, wet market supply in hypermarket, construction and engineering, trading of scrap metal and hydraulic hose supplies	Yes	Yes	14,236
9.	Ling Family Group <sup>(3)</sup>	Provision of fabrication services by the Group	Equipment and machinery supplies, tyre retreading and trading of scrap metal	Yes	Yes	209
10.	Ling Family Group <sup>(3)</sup>	Provision of gas services by the Group	Equipment and machinery supplies, tyre retreading, oil palm plantation and trading of scrap metal	Yes	Yes	312

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Name of Related Parties	Nature of transaction with the Related Parties	Business Activities of Related Parties	Manner of relationship in the Related Parties		Financial Year Ended 30 June 2023 Actual (RM'000)
			Director	Major Shareholder	
11. Ling Family Group <sup>(3)</sup>	Purchase of marine hardware supplies and spare parts by the Group	Ration supplier, trading house, workshop operation and trading of scrap metal.	Yes	Yes	4,933
12. Ling Family Group <sup>(3)</sup>	Rental of property by the Group	Provision of berthing facilities and letting of properties	Yes	Yes	42
13. Ling Family Group <sup>(3)</sup>	Purchase of transportation services and accommodation services by the Group	Public transportation and provision of hotel accommoanddation.	Yes	Yes	11

**Notes:-**

- <sup>(1)</sup> Subsidiary companies of Shin Yang Holding Sdn Bhd, which Tan Sri Datuk Ling Chiong Ho, Ling Chiong Sing and Ling Chiong Pin who are the Directors and Major Shareholders. Shin Yang Holding Sdn. Bhd. is the holding company of Shin Yang Group Berhad.
- <sup>(2)</sup> Associated companies of Shin Yang Holding Group
- <sup>(3)</sup> Companies in which Tan Sri Datuk Ling Chiong Ho, Ling Chiong Sing, Ling Chiong Pin, Ling Siu Chuo, Datuk Ling Lu Kiong and Vincent Ling Lu Yew have substantial interests and / or directorships.



Oxygen & Acetylene plants under Piasau Gas

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board affirms its commitment to maintain sound risk management practices and internal control system in the Group to safeguard the shareholders' investment and the assets of the Group. Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" ("the Guidelines") as well as Practice 10.1 and 10.2 of the MCCG 2021, the Board is pleased to provide the following statement on risk management and internal control, which outlines the nature and scope of internal controls of the Group during the financial year, ended 30 June 2023.

### BOARD RESPONSIBILITY AND ACCOUNTABILITY

The Board acknowledges its responsibilities and are fully committed to maintaining a sound risk management practices and internal control environment to safeguard the Shareholders' investments and the Group's assets. The Board has an overall responsibility for the Group's system of risk management and internal control and its effectiveness, as well as reviewing its adequacy and integrity. The Group's risk management process and system of internal control consists of financial controls, operational and compliance controls and risk management to safeguard the shareholders' investment and assets of the Group.

In view of the limitations that are inherent in any system of risk management and internal control, our system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Therefore, the system can only provide reasonable, but not absolute, assurance against any material misstatements, financial losses, defalcations or fraud. The Board continuously evaluates appropriate measures to strengthen the transparency and efficiency of its operations taking into account of the requirements for sound and appropriate internal control and management information system of the Group.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group's assets.

The Board, through its Audit and Risk Management Committee ("ARMC") has established an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the ARMC on a periodic basis.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and also in the design and operation of suitable internal controls to mitigate these risks identified.

The effectiveness of internal controls was reviewed by the ARMC in relation to the audits conducted by the internal auditors ("IA") during the financial year. Audit issues and actions taken by the Management to address the issues tabled by IA were deliberated during the ARMC meetings. Minutes of the ARMC meetings which recorded these deliberations were presented to the Board.

Internal control and risk-related matters which warranted the attention of the Board were recommended by the ARMC to the Board for its deliberation and approval and matters or decisions made within the ARMC's purview were referred to the Board for its notation.

### MANAGEMENT RESPONSIBILITY

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying, assessing, monitoring and reporting risk and internal control, as well as taking proper actions to address such risks. The Management has further assured the Board that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

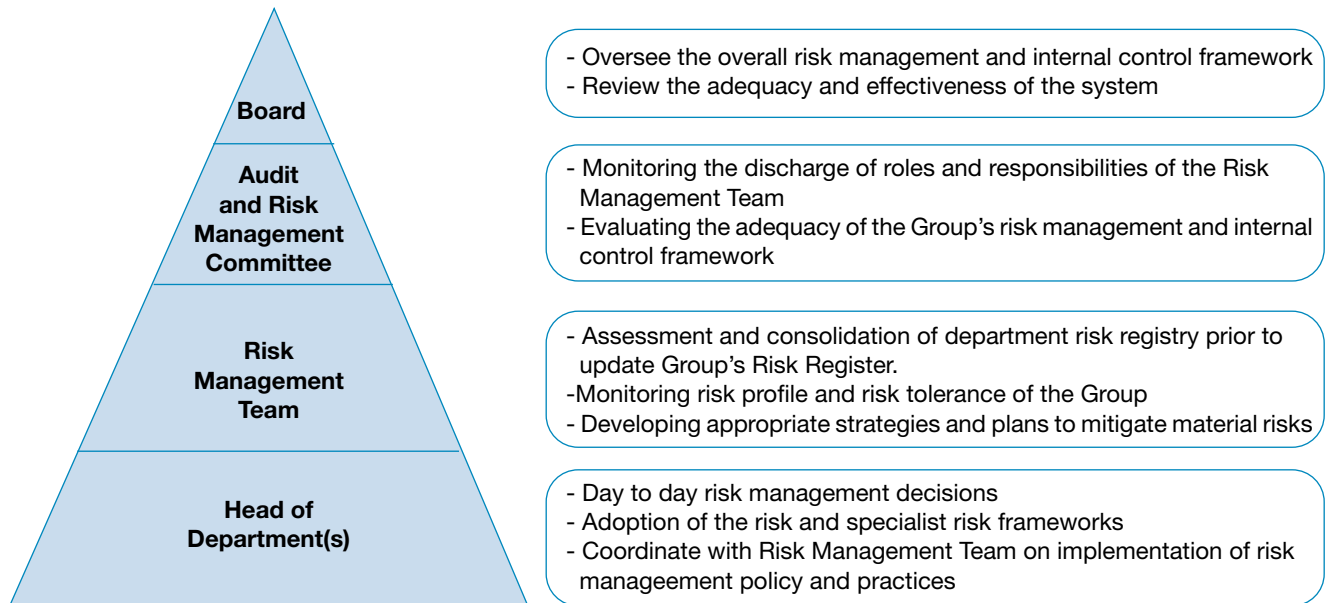
### KEY COMPONENTS OF INTERNAL CONTROL ENVIRONMENT

#### Risk Management Framework

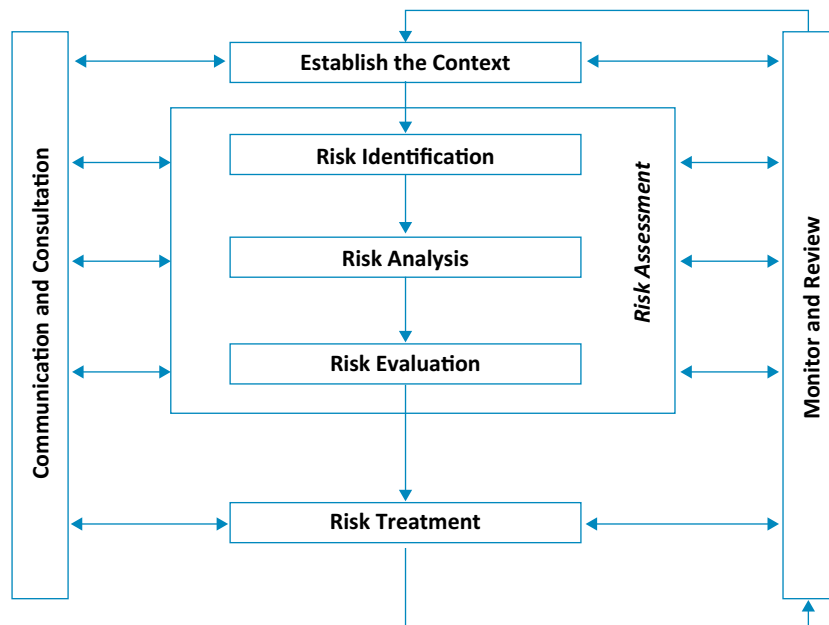
The Board has made risk assessments an on-going exercise to effectively identify, evaluate, manage and review any changes in the risks faced by the businesses in the Group. The significant risks encountered by the Company are managed in accordance to the Guidance for Directors of Public Listed Companies on Statement on Risk Management and Internal Control. The risk management process involves all business and functional units of the Group identifying significant risks which impact the achievement of business objectives of the Group. The Group has established procedures for reporting and monitoring of risks and controls. Regular reviews are conducted with additional procedures to be carried out as and when required.

The Audit and Risk Management Committee has been delegated to oversee the risk management activities and to approve appropriate risk management procedures and measurement methodologies for the Group.

The Group's risk management framework is set out in the diagram below:-



#### Risk Management Process



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

A summary of the risk management procedures undertaken under the structure of the Group's Risk Management Framework is summarised as follows:

- i) Risk Identification
- ii) Risk Evaluation
- iii) Risk Mitigation and
- iv) Risk Monitoring and Reporting

The Board recognises the importance of Enterprise Risk Management ("ERM") in enhancing shareholder value while upholding a high standard of corporate governance. Combining a strong and sustained commitment from the Board and Senior Management with a clear direction and oversight from all levels of leadership, the Group embraces a holistic risk management approach to achieve its business targets with minimal surprises.

The Board continues to ensure that risk management is effectively institutionalised and its risk maturity level is elevated. This is achieved via a multitude of ERM initiatives clustered into key strategic areas as part of the Group's efforts to ensure smooth ERM practice on the ground coupled with continuous tracking and monitoring of risks and controls. It also strengthens its risk culture and practice, harmonise its risks and risk appetites at the operational level wherever possible.

### OTHER KEY COMPONENTS OF INTERNAL CONTROL ENVIRONMENT

#### Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in *Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* ("AAPG3") issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 30 June 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects: has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the external auditor was made solely for, and directed solely to the Board in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

#### Board Meeting

The Board meets at least quarterly and has a formal agenda on matters for discussion and approval. Presentation of board papers, comprehensive explanation and feedback from the board members are the prerequisites to arriving at an informed decision. In addition, the Board is kept updated on the Group's activities and operations on a regular basis.

#### Organisational Structure with Defined Responsibility and Authority

We have in place an organisational structure with defined responsibility lines and authority to facilitate response to changes in the business environment and accountability for operational performance. Capital and non-capital expenditures and acquisition and disposal of investment interests are subject to appropriate approval processes and evaluations.

#### Performance Management Framework

We generate comprehensive management reports on a regular and consistent basis and present to the Board for its review. The review encompasses financial and non-financial key performance indicators, operation progress and performance report.

We also have business planning and a budgetary system in place to manage performance of the business activities and measure actual performance against set targets on a periodic basis.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

### Operational Policies and Procedures

The documented policies and procedures form an integral control system to safeguard the Group's assets against material losses and to ensure completeness and accuracy of financial information. The documents consist of memorandum, circulars and letters, which are continuously being revised and updated to meet operational needs.

### Internal Control

The Internal Audit ("IA") provides independent assessment on the effectiveness and efficiency of internal controls to support the corporate governance framework and to assist the Group in enhancing its existing risk management framework.

The IA reports regularly on the internal control system and the effectiveness of the risk management system of the Group in its quarterly reports to Audit and Risk Management Committee ("ARMC")

The IA reviews compliance with policies and procedures and advises executive and operational management areas for improvement and subsequently reviews the extent to which its recommendations have been implemented. The IA also conducts a follow up review on the implementations status of action plans agreed by the Management.

The IA focuses on high priority activities determined by the risk assessment and in accordance with the audit planning memorandum approved by the ARMC.

The IA is free from any relationships or conflict of interest, which could impair its objectivity and independence.

### Quality Assurance

The IA develops and maintains a quality assurance and improvement programme that covers all aspects of internal audit activities. The quality assurance programme assesses the effectiveness of IA processes and identifies opportunities for improvement via both internal and external assessments. It has its own peer reviewer mechanism to ensure consistently good quality output of every audit engagement. The team leader is well experienced to manage the internal audit assignments.

### Information and Communication

While the Management has full responsibility in ensuring the effectiveness of internal control, which it establishes, the Board of Directors has the authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire information and clarification from the Management as well as to seek inputs from the ARMC, external and internal auditors, and other experts at the expense of the Company.

### Assurance from the Management

The Board has received assurance from the Group Managing Director and Chief Executive Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management practices and internal control system of the Group.

### Audit and Risk Management Committee

The Audit and Risk Management Committee reviews the adequacy and effectiveness of the Group's systems of internal control as well as reviews issues identified by the internal auditors. The ARMC also ensures that there is a continuous effort by the Management to address and resolve areas where weaknesses exist.

All audit findings, recommendations and management actions are rigorously deliberated upon during ARMC meetings before reporting to the Board. Quarterly reports to the ARMC track the progress towards completion of all corrective actions taken on issues highlighted by the Group Internal Audit.

The ARMC reviews the quarterly results of the Group and if satisfied, recommends adoption of such results to the Board.

### Conclusion

The Board is also cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Continuous management efforts are in place to further enhance the Group's system of internal control and risk management framework. There was no major internal control weakness identified during the year under review that may result in any material loss or uncertainty to the Group.

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 20 October 2023.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### MEMBERS

Yong Nyet Yun  
Chairman and Independent Non –Executive Director

Jack Willien @ William Anak Jinep  
Independent Non –Executive Director

Ling Siu Chuo  
Non-Independent Non-Executive Director

Arshad Bin Zainuddin  
Independent Non –Executive Director

### TERMS OF REFERENCE

The Committee was established in year 2010 and with effect from year 2020, it was renamed as Audit and Risk Management Committee, to serve as a Committee of the Board, with the terms of reference as set out below:

### COMPOSITION OF THE COMMITTEE

- The Committee shall comprise of not less than three (3) members.
- All members of the Committee must be Non-Executive Directors, with a majority of independent Directors
- All members of the Committee should be financially literate and at least one member of the Committee must be a member of Malaysian Institute of Accountants (“MIA”). The Chairman of Audit & Risk Management Committee is a member of Malaysian Institute of Accountants, a Fellow member of CPA Australia and a member of Chartered Tax Institute of Malaysia.
- No alternate director shall be appointed as a member of the Committee
- The Chairman who shall be elected by the members of the Committee must be an Independent Non-Executive Director
- Any vacancy in the Committee resulting in non-compliance of the said requirements must be filled within three (3) months
- No former key audit partner shall be appointed as a member of the Audit and Risk Management Committee, unless he/she has observed a cooling-off period of at least three (3) years before for such appointment.
- All members must possess sound judgement, objectivity, management experience, integrity and knowledge of the industry.
- The term of office and performance of the Committee members shall be reviewed by the Board at least once every three (3) years

### DUTIES AND RESPONSIBILITIES

- Provide assistance to the Board of Directors in fulfilling its fiduciary responsibilities relating to the corporate accounting practices for the Company and Group.
- Maintain a direct line of communication between the Board and the external and internal auditors.
- Review and monitor to ensure that an adequate system of risk management for the management to safeguard the Group’s assets and operations.
- Prepare reports, if the circumstances arise or at least once a year, to the Board summarising the work performed in fulfilling the Committee’s primary responsibilities.
- Any other activities, as authorised by the Board.
- Act upon the Board’s request to direct and where appropriate supervise any special projects or investigation considered necessary and review investigation reports on any major issues with regard to the management of the Group.
- Report promptly to Bursa Securities Malaysia Berhad on any matter reported to the Board, which has not been satisfactorily resolved resulting in a breach of Bursa Malaysia Main Market Listing Requirement.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

### AUTHORITY

- The Committee is authorised to seek any information it requires from employees, who are required to co-operate with any request made by the Committee.
- The Committee shall have full and unlimited access to any information pertaining to the Group as well as direct communication to the internal and external auditors and with some senior management of the Group.
- The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Group, outside legal or other independent professional advice, if it considers necessary.
- The Committee shall be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.
- Where the Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in breach of the Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.  
the Board meeting to uphold an objective and independent discussion during the meeting;
- The Secretary shall send notice to all Committee members prior to the meeting. Minutes of each meeting shall be kept at the registered office of the Company and circulated to all members in a timely manner;
- Minutes shall be confirmed at the following meeting of the Committee;
- No Director or employee shall attend any meeting of the Committee except at the Audit and Risk Management Committee's invitation, specific to the relevant meeting; and
- Decisions of the Committee shall as far as possible be by consensus, failing which the decision will be by a simple majority.

### FINANCIAL PROCEDURE AND FINANCIAL REPORTING

- Review the quarterly results and the year end financial statements, prior to the approval of the Board, focusing particularly on:-
- Any significant changes to accounting policies and practices;
  - Significant adjustments arising from the audits;
  - Compliance with accounting standards and other legal requirements; and
  - Going concern assumption.

### RELATED PARTY TRANSACTIONS

- Review the recurrent related party transactions of a revenue or trading nature ("RRPT") entered into by the Company and the Group on a quarterly basis.
- Review the thresholds of the RRPTs to ensure compliance with the Main Listing Requirements of Bursa Securities. Significant adjustments arising from the audits;
- Review the draft proposal to seek shareholders' mandate for the Company and the Group to enter into RRPTs.

### AUDIT REPORTS

- Prepare the annual Audit and Risk Management Committee report to the Board which includes the composition of the Audit and Risk Management Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an Internal Audit unit and summary of the activities of that unit for inclusion in the Annual Report; and
- Review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the Annual Report.

### INTERNAL CONTROL

- To consider annually the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximize opportunities;
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures;
- To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Group; and

**AUDIT AND RISK MANAGEMENT COMMITTEE REPORT**

(Cont'd)

- To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit & Risk Management Committee itself.

**INTERNAL AUDIT**

- Review and approve the yearly internal audit plan and audit programmes.
- Review the adequacy of the internal audit scope, functions, and resources of the internal audit and that it has the necessary authority to carry out its works.
- Review the results of the internal audit and ensure that appropriate action is taken by the management on the recommendations of the internal audits.
- Review the performance of the internal audit to ensure that they are able to exercise independence in discharging their duties.
- Approve any appointment or termination of the staff members of the internal audit functions.

**EXTERNAL AUDIT**

- Review with the external auditors and approve the yearly external audit scope and plan.
- Review the independence and objectivity of the external auditors and their services, including non-audit services and professional fees, so as to ensure a proper balance between objectivity and value for money.
- Review the external audit reports and to evaluate their findings and recommendations for actions to be taken.
- Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendation to the Board.

**MEETING**

During the financial year ended 30 June 2023, five (5) committee meetings were held. A record of the attendance to these meetings is as follows:

	No of Meeting attended
Yong Nyet Yun	5/5
Arshad Bin Zainuddin	5/5
Jack Willien @ William Anak Jinep	5/5
Ling Siu Chuo	5/5

The Committee also met with the external auditors twice in the financial year without the presence of the Management. Other directors and employees were invited to attend the Committee meeting on a needed basis at the Committee's invitation and specific to the relevant meeting. Chairman of the Committee will report on key issues discussed at each meeting to the Board.

**INTERNAL AUDIT FUNCTION**

The Group formed its own Internal Audit Department. The Group Internal Audit Department ("IAD") is led by Ms Leh Sheng Sheng, the internal audit manager. She has extensive knowledge and working experience in the internal audit filed with exposure to various industries and Corporate Risk Management. She is supported by three (3) internal audit assistants. The internal audit activities were reported

The Group formed its own Internal Audit Department. The Group Internal Audit Department ("IAD") is led by Ms Leh Sheng Sheng, the internal audit manager. She has extensive knowledge and working experience in the internal audit filed with exposure to various industries and Corporate Risk Management. She is supported by three (3) internal audit assistants. The internal audit activities were reported directly to the Audit and Risk Management Committee ("ARMC") based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all levels of operations within the Group. In addition, the Internal Audit also conducts investigations and special reviews at the request of management. Follow-up audits are then carried out to determine whether corrective actions have been taken by the management.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

During the year, The Internal Audit carried out audits and reviews covering the Group's operations as below:

1. Review effectiveness of Inventory Management
2. Review effectiveness of Purchasing and Procurement of Shinline Sdn Bhd
3. Review the internal control of account payable of Melinau Shipping Sdn Bhd
4. Special review on Profit margin analysis report for Cargo Handling Charge of Melinau Shipping Sdn Bhd
5. Special review on Expenditure Analysis Report of Shin Yang Shipping Sdn Bhd
6. Review of workflow, process and policy procedures on Property, Plant and Equipment Management
7. Follow up review on control & monitoring class, certificate, visa, permit, license on shipping operation.

The Group incurred a total cost of RM 213,583.91 for its internal audit function for financial year ended 30 June 2023.

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### ACTIVITIES

The Committee carried out its duties in accordance with its terms and reference during the year.

A summary of activities of the Committee during the year under review were as follows:

- Reviewed the quarterly financial results announcements before recommending for the Board's approval, focusing particularly on;
    - o The changes in or implementation of major accounting policy;
    - o The significant or unusual events;
    - o Compliance with accounting standards;
    - o Disclosure and other legal requirements
  - Reviewed the related party transactions entered into by the Group and conflict of interest situation that may arise.
  - Reviewed the internal auditors' scope of works and audit planning memorandum for the year.
  - Reviewed the internal auditors' reports, which highlighted audit issues, recommendations and management response.
  - Reviewed the appointment of external auditors and their independence and effectiveness.
  - Reviewed the external auditors' scope of works and audit plans for the year.
  - Reviewed the audited financial statements of the Group with external auditor prior submission to the Board for their consideration and approval, including issues and findings noted in the course of the audit of the Group's financial statement.
  - Considered and recommended to the Board for approval the audit fees payable to the external auditors.
-



## STATEMENT ON DIRECTORS' RESPONSIBILITY

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Directors to issue a statement explaining their responsibility for preparing the Financial Statements.

The Directors are required by the Company Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

In preparing the financial statements, the Directors have:-

- used appropriate accounting policies and are consistently applied;
- made reasonable and prudent judgments and estimates;
- ensured all applicable approved accounting standards in Malaysia, the provision of the Company Act 2016 and the Listing Requirements of the Bursa Malaysia Securities Berhad have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that proper accounting records are maintained which disclose, with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors dated 20 October 2023



Career Talk with students from Curtin University, jointly with CPA Australia



Container Department teambuilding gathering 2022



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# FINANCIAL STATEMENT

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## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and property holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### CHANGE OF NAME

On 4 July 2023, the Company changed its name from Shin Yang Shipping Corporation Berhad to Shin Yang Group Berhad.

### RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	182,604,669	35,865,321
Attributable to:-		
Owners of the Company	180,922,574	35,865,321
Non-controlling interests	1,682,095	-
	<u>182,604,669</u>	<u>35,865,321</u>

### DIVIDENDS

The Company paid an interim dividend of 1.25 sen per ordinary share amounting to RM14,315,191 for the financial year ended 30 June 2022 on 15 December 2022.

At the forthcoming Annual General Meeting, an interim dividend of 3.00 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2024.

## DIRECTORS' REPORT

(Cont'd)

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

### ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

### TREASURY SHARES

During the financial year, the Company repurchased a total of 12,715,000 of its issued ordinary shares from the open market for a total cost of RM8,204,425. The average cost paid for the shares repurchased during the year was RM0.65 per share.

The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016. Of the total 1,200,000,000 issued and fully paid ordinary shares as at 30 June 2023, 64,169,700 are held as treasury shares by the Company. As at 30 June 2023, the number of outstanding shares in issue after the set-off is therefore 1,135,830,300 ordinary shares.

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## DIRECTORS' REPORT

(Cont'd)

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value 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 which would render the values attributed to the current assets in the financial statements misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.



## DIRECTORS' REPORT

(Cont'd)

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Sri Datuk Ling Chiong Ho \*\*  
Ling Chiong Sing \*\*  
Ling Chiong Pin \*\*  
Ling Siu Chuo  
Vincent Ling Lu Yew \*\*  
Arshad Bin Zainuddin  
Datuk Ling Lu Kiong \*\*  
Jack Willien @ William Anak Jinep \*\*  
Yong Nyet Yun

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

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Dennis Ling Lu Jing  
Ling Lu Kuang  
Tan Yeow Cheok  
Tang Tiong Ing  
Hou Siu Kee  
Hong King Siang (Deceased on 11.1.2023)  
Gary Tan Yow Hoo  
Ting Hien Liong  
Hou Su Ee (Alternate Director to Hou Siu Kee)  
Hong Kwang Meng (Appointed on 11.1.2023)  
Lau Sie Ping  
Alfred Ling Lu Khiing (Resigned on 9.6.2023)  
Ngu Chee Sing  
Loretta Jane Lau Mei Nah  
Lawrence Bin Ara  
Azman Bin Sulaiman  
Kong Lee Luang (Resigned on 1.8.2022)  
Pui Voon Poh (Resigned on 1.8.2022)

**DIRECTORS' REPORT**

(Cont'd)

**DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			At 30.6.2023
	At 1.7.2022	Bought	Sold	
<b>Ordinary Shares in the Holding Company, Shin Yang Holding Sendirian Berhad</b>				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	6,250,000	-	-	6,250,000
Ling Chiong Sing	6,250,000	-	-	6,250,000
Ling Chiong Pin	6,250,000	-	-	6,250,000
<b>Ordinary Shares in the Company</b>				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	34,802,669	-	-	34,802,669
Ling Chiong Sing	34,802,669	-	-	34,802,669
Ling Chiong Pin	34,802,668	-	-	34,802,668
Vincent Ling Lu Yew	100,000	-	-	100,000
Ling Siu Chuo	36,000,009	-	-	36,000,009
Datuk Ling Lu Kiong	100,000	-	-	100,000
Yong Nyet Yun	100,000	-	-	100,000
Jack Willien @ William Anak Jinep	-	87,000	-	87,000
Arshad Bin Zainuddin	-	5,000	-	5,000
<b>Deemed interest through Holding Company</b>				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	660,412,796	-	-	660,412,796
Ling Chiong Sing	660,412,796	-	-	660,412,796
Ling Chiong Pin	660,412,796	-	-	660,412,796

By virtue of their shareholdings in the holding company and the Company, Tan Sri Datuk Ling Chiong Ho, Ling Chiong Sing and Ling Chiong Pin are deemed to have interests in shares in its related corporations during the financial year to the extent the holding company and the Company have interests, in accordance with Section 8 of the Companies Act 2016.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the direct interests of Tan Sri Datuk Ling Chiong Ho, Ling Chiong Sing and Ling Chiong Pin in subsidiaries of Shin Yang Holding Sendirian Berhad other than Shin Yang Group Berhad (formerly known as Shin Yang Shipping Corporation Berhad) and its subsidiaries.

## DIRECTORS' REPORT

(Cont'd)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 41(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	<b>The Group RM</b>	<b>The Company RM</b>
Fees	124,000	124,000
Salaries, bonuses and other benefits	5,403,560	4,187,594
Defined contribution benefits	286,035	232,200
	<u>5,813,595</u>	<u>4,543,794</u>

### INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 37.1 to the financial statements.

### SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 37.2 to the financial statements.

**DIRECTORS' REPORT**

(Cont'd)

**HOLDING COMPANY**

The immediate and ultimate holding company is Shin Yang Holding Sendirian Berhad, a company incorporated in Malaysia.

**AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows :-

	<b>The Group RM</b>	<b>The Company RM</b>
Audit fees	254,000	85,000

Signed in accordance with a resolution of the directors dated 27 October 2023

**Yong Nyet Yun**  
Director

**Ling Siu Chuo**  
Director

## STATEMENT BY DIRECTORS

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

We, Yong Nyet Yun and Ling Siu Chuo, being two of the directors of Shin Yang Group Berhad (formerly known as Shin Yang Shipping Corporation Berhad), state that, in the opinion of the directors, the financial statements set out on pages 97 to 201 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 27 October 2023

**Yong Nyet Yun**  
Director

**Ling Siu Chuo**  
Director

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Richard Ling Peng Liing, MIA Membership Number: 9688, being the officer primarily responsible for the financial management of Shin Yang Group Berhad (formerly known as Shin Yang Shipping Corporation Berhad), do solemnly and sincerely declare that the financial statements set out on pages 97 to 201 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 above mentioned  
Richard Ling Peng Liing  
at Miri in the State of Sarawak  
on 27 October 2023

**Richard Ling Peng Liing**

Before me  
**Datuk Lawrence Lai Yew Son**  
Commissioner For Oaths (No. Q025)  
Lot 1155, 1st Floor,  
Miri Waterfront Commercial Centre, Jalan Sri Dagang,  
98000 Miri, Sarawak.



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD) – 200401027554 (666062-A) (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Shin Yang Group Berhad (formerly known as Shin Yang Shipping Corporation Berhad), which comprise the statements of financial position as at 30 June 2023 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 a summary of significant accounting policies, as set out on pages 97 to 201.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 Group and 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 Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)  
– 200401027554 (666062-A) (INCORPORATED IN MALAYSIA) (Cont'd)

### Key Audit Matters

Revenue Recognition Refer to Note 32 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(a) Revenue from freight, lighterage, charterage, hiring charges and transportation charges</p> <p>The Group's revenue from freight, lighterage, charterage, hiring charges and transportation charges is derived from a large volume of transactions. During the financial year, the Group recognised revenue of RM859.2 million from freight, lighterage, charterage, hiring charges and transportation charges, representing 91.4% of the Group's revenue.</p> <p>We identified revenue recognition of freight, lighterage, charterage, hiring charges and transportation charges as a key audit matter because of the significance of revenue in the financial statements in amount.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ Checked the effectiveness of internal control by performing walkthrough tests and test of controls on revenue cycle with samples documented on identified key controls.</li> <li>▪ Tested samples of revenue and verified them to underlying supporting documents to ascertain whether revenue has been appropriately recognised.</li> <li>▪ Assessed whether revenue transactions either side of the balance sheet date are recognised in the correct period.</li> <li>▪ Assessed to material credit notes issued to the customers subsequent to reporting date.</li> </ul>

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS  
SHIN YANG SHIPPING CORPORATION BERHAD)  
– 200401027554 (666062-A) (INCORPORATED IN MALAYSIA) (Cont'd)

**Key Audit Matters (Cont'd)**

<b>Impairment on Trade Receivables</b> Refer to Note 15 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 30 June 2023, the Group's trade receivables were recorded at a gross amount of RM192.4 million with an impairment allowance of RM35.0 million.</p> <p>The management has assessed the recoverability of trade receivables by reviewing customers' ageing profile, credit history and trends, including status of subsequent settlement, and determine whether an impairment allowance is required.</p> <p>We identified impairment on trade receivables as a key audit matter because of the significance of trade receivables in the financial statements both in amount and nature, and the significant judgement required for assessing the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ Reviewed the ageing analysis of receivables and testing the reliability thereof.</li> <li>▪ Assessed the reasonableness of historical loss rate applied and understand and discussed the forward looking information gathered by the management in relation to the provision matrix and the application thereof.</li> <li>▪ Reviewed subsequent cash collections for major receivables and overdue amounts.</li> <li>▪ Reviewed collections and sales trend during the financial year for major receivables.</li> <li>▪ Evaluated the reasonableness and adequacy of the allowance for impairment recognised.</li> <li>▪ Assessed the completeness, accuracy and relevance of disclosure required by MFRS 7.</li> </ul>

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)  
– 200401027554 (666062-A) (INCORPORATED IN MALAYSIA) (Cont'd)

### Key Audit Matters (Cont'd)

<b>Impairment Assessment on Investment in Subsidiaries (Separate financial statement of the Company)</b> Refer to Note 7 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 30 June 2023, the carrying amount of the Company's investment in subsidiaries amounted to RM1,096.6 million, being 88.8% of the Company's total assets. With its significance in value, the management is required to perform impairment assessment of its investment in subsidiaries whenever there is an indication that the investments may be impaired.</p> <p>The management determined the recoverable amounts of investments using the higher of value in use ("VIU") and fair value less costs to sell ("FV") for the relevant investment. The fair value less costs to sell was determined by management based on adjusted net tangible assets of the subsidiary.</p> <p>Given the significant risks and complexity involved in estimating the recoverable amounts of the investments, we have identified the above requiring audit consideration.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ Evaluated the assessment of the indication of impairment loss.</li> <li>▪ Evaluated the appropriateness of the impairment assessment methodology.</li> <li>▪ Evaluated the assumptions applied in the impairment assessment.</li> <li>▪ Assessed the objectivity, independence, reputation, experience and expertise of the internal expert.</li> <li>▪ Checked the mathematical accuracy of management's computation of the fair value less costs of disposal.</li> </ul>

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS  
SHIN YANG SHIPPING CORPORATION BERHAD)  
– 200401027554 (666062-A) (INCORPORATED IN MALAYSIA) (Cont'd)

**Key Audit Matters (Cont'd)**

<b>Purchase Price Allocation (“PPA”)</b> Refer to Note 37 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>On 6 July 2022, the Company acquired 100% equity interests in Piasau Gas Sdn. Bhd. for a purchase consideration of RM22.8 million. The Company performed a PPA exercise for the acquisition, where the purchase consideration was allocated to the fair value of the identifiable assets acquired and the liabilities assumed, resulting in a gain on bargain purchase of RM14.8 million on the business combination.</p> <p>In the PPA exercise, management engaged independent valuers to perform the valuation of the assets of Piasau Gas Sdn. Bhd.</p> <p>We focused on this area as the determination of fair value of the identifiable assets acquired and liabilities assumed, including the identification of intangible assets, required significant management judgement in estimating the underlying assumptions applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ Assessed the competence, capabilities and objectivity of management’s valuation expert.</li> <li>▪ Obtained and received Share Sale Agreement; and identified critical terms with accounting impact, including the purchase consideration.</li> <li>▪ Discussed with management and management’s valuation experts to obtain an understanding of the PPA exercise.</li> <li>▪ Assessed the methodology applied in the PPA exercise, the key assumptions used and the appropriateness of the fair value in determining the valuation of intangible assets.</li> <li>▪ Evaluated the adequacy of the disclosures in the financial statements.</li> </ul>



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS  
SHIN YANG SHIPPING CORPORATION BERHAD)  
– 200401027554 (666062-A) (INCORPORATED IN MALAYSIA) (Cont'd)

### 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. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS  
SHIN YANG SHIPPING CORPORATION BERHAD)  
– 200401027554 (666062-A) (INCORPORATED IN MALAYSIA) (Cont'd)

### Auditor's 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:-

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

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

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD (FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)  
– 200401027554 (666062-A) (INCORPORATED IN MALAYSIA) (Cont'd)

### Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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 financial 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

### OTHER MATTERS

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.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

**Wong Chie Bin**  
00950/01/2024 J  
Chartered Accountant

Miri, Sarawak  
27 October 2023

**STATEMENTS OF FINANCIAL POSITION**

AS AT 30 JUNE 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	7	-	-	1,096,570,082	1,073,773,582
Investment in associates	8	3,401,309	5,004,832	682,500	682,500
Property and equipment	9	931,364,581	953,682,808	48,211,051	48,951,121
Amount owing by subsidiaries	10	-	-	-	38,565,138
Other receivables	16	953,820	2,279,650	953,820	2,279,650
Other investments	11	58,800	58,800	-	-
Goodwill	12	2,063,893	2,063,893	-	-
Deferred tax assets	13	836,028	1,021,430	-	-
		<u>938,678,431</u>	<u>964,111,413</u>	<u>1,146,417,453</u>	<u>1,164,251,991</u>
<b>CURRENT ASSETS</b>					
Inventories	14	33,901,292	34,132,104	-	-
Amount owing by subsidiaries	10	-	-	3,582,158	-
Dividend receivable		-	-	36,155,000	-
Trade receivables	15	157,354,570	181,564,018	-	-
Other receivables and deposits	16	25,714,420	19,125,351	682,643	1,825,500
Contract assets	17	2,089,683	2,455,328	-	-
Current tax assets		3,565,404	3,651,202	-	87,964
Cash and bank balances	39	398,904,483	283,173,425	48,458,529	59,167,993
		<u>621,529,852</u>	<u>524,101,428</u>	<u>88,878,330</u>	<u>61,081,457</u>
Non-current assets classified as held for sale	19	11,185,276	-	-	-
		<u>632,715,128</u>	<u>524,101,428</u>	<u>88,878,330</u>	<u>61,081,457</u>
<b>TOTAL ASSETS</b>		<u>1,571,393,559</u>	<u>1,488,212,841</u>	<u>1,235,295,783</u>	<u>1,225,333,448</u>

The annexed notes form an integral part of these financial statements.

**STATEMENTS OF FINANCIAL POSITION**

AS AT 30 JUNE 2023 (Cont'd)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	20	1,216,972,062	1,216,972,062	1,216,972,062	1,216,972,062
Treasury shares	21	(24,775,956)	(16,571,531)	(24,775,956)	(16,571,531)
Retained profits		326,592,091	159,984,708	34,979,194	13,429,064
Other reserves	22	(297,861,069)	(297,861,069)	-	-
Equity attributable to owners of the Company		1,220,927,128	1,062,524,170	1,227,175,300	1,213,829,595
Non-controlling interests		4,560,128	4,378,033	-	-
<b>TOTAL EQUITY</b>		<b>1,225,487,256</b>	<b>1,066,902,203</b>	<b>1,227,175,300</b>	<b>1,213,829,595</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	23	111,036	138,924	-	-
Bank borrowings	24	36,449,748	50,296,503	4,119,644	5,554,141
Deferred tax liabilities	13	51,063,897	43,020,772	-	-
		87,624,681	93,456,199	4,119,644	5,554,141
<b>CURRENT LIABILITIES</b>					
Trade payables	29	107,902,587	128,323,886	-	-
Contract liabilities	17	20,349,713	8,050,065	-	-
Other payables and accruals	30	24,733,613	21,225,035	1,363,502	1,290,340
Amount owing to a subsidiary	10	-	-	53,625	109,368
Provision for onerous contract	31	-	470,996	-	-
Lease liabilities	23	238,521	286,879	-	-
Bank borrowings	24	102,590,157	155,882,153	1,644,757	4,550,004
Current tax liabilities		2,094,551	12,713,287	938,955	-
Derivative liabilities	18	372,480	902,138	-	-
		258,281,622	327,854,439	4,000,839	5,949,712
<b>TOTAL LIABILITIES</b>		<b>345,906,303</b>	<b>421,310,638</b>	<b>8,120,483</b>	<b>11,503,853</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,571,393,559</b>	<b>1,488,212,841</b>	<b>1,235,295,783</b>	<b>1,225,333,448</b>

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	32	939,604,368	893,457,583	45,277,530	25,574,210
COST OF SALES		(731,191,095)	(702,850,995)	(1,915,723)	(1,921,990)
GROSS PROFIT		208,413,273	190,606,588	43,361,807	23,652,220
OTHER INCOME		34,524,060	9,355,595	21,920	364
FINANCE INCOME		7,985,882	3,587,142	1,546,780	944,445
ADMINISTRATIVE EXPENSES		(47,561,665)	(33,617,568)	(7,487,430)	(3,614,759)
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS	33	(13,171,658)	(9,961,505)	-	-
FINANCE COSTS		(8,336,173)	(9,083,720)	(431,153)	(497,993)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		(1,593,773)	221,144	-	-
PROFIT BEFORE TAXATION	34	180,259,946	151,107,676	37,011,924	20,484,277
INCOME TAX EXPENSE	35	2,344,723	(8,265,735)	(1,146,603)	(75,041)
PROFIT AFTER TAXATION, RE-PRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		182,604,669	142,841,941	35,865,321	20,409,236

The annexed notes form an integral part of these financial statements.



## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (Cont'd)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company:		180,922,574	141,922,475	35,865,321	20,409,236
Non-controlling interests		1,682,095	919,466	-	-
		<u>182,604,669</u>	<u>142,841,941</u>	<u>35,865,321</u>	<u>20,409,236</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company:		180,922,574	141,922,475	35,865,321	20,409,236
Non-controlling interests		1,682,095	919,466	-	-
		<u>182,604,669</u>	<u>142,841,941</u>	<u>35,865,321</u>	<u>20,409,236</u>
EARNINGS PER SHARE (SEN)					
Basic	36	<u>15.83</u>	<u>12.24</u>		

The annexed notes form an integral part of these financial statements.

**STATEMENTS OF CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
<b>The Group</b>								
Balance at 1.7.2021		1,216,972,062	(8,983,427)	(297,861,069)	18,062,233	928,189,799	6,399,339	934,589,138
Profit after taxation for the financial year		-	-	-	141,922,475	141,922,475	919,466	142,841,941
Acquisition of non-controlling interests		1,216,972,062	(8,983,427)	(297,861,069)	159,984,708	1,070,112,274	7,318,805	1,077,431,079
Contributions by and distributions to owners of the Company:		-	-	-	-	-	59,228	59,228
- Purchase of treasury shares	21	-	(7,588,104)	-	-	(7,588,104)	-	(7,588,104)
- Dividends:		-	-	-	-	-	(3,000,000)	(3,000,000)
- by subsidiaries to non-controlling interests		-	-	-	-	-	(3,000,000)	(3,000,000)
Total transactions with owners		-	(7,588,104)	-	-	(7,588,104)	(3,000,000)	(10,588,104)
Balance at 30.6.2022		1,216,972,062	(16,571,531)	(297,861,069)	159,984,708	1,062,524,170	4,378,033	1,066,902,203

The annexed notes form an integral part of these financial statements.

**STATEMENTS OF CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (Cont'd)

	Note	Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
<b>The Group</b>								
Balance at 1.7.2022		1,216,972,062	(16,571,531)	(297,861,069)	159,984,708	1,062,524,170	4,378,033	1,066,902,203
Profit after taxation for the financial year		-	-	-	180,922,574	180,922,574	1,682,095	182,604,669
Contributions by and distributions to owners of the Company:		1,216,972,062	(16,571,531)	(297,861,069)	340,907,282	1,243,446,744	6,060,128	1,249,506,872
- Purchase of treasury shares	21	-	(8,204,425)	-	-	(8,204,425)	-	(8,204,425)
- Dividends:								
- by the Company	38	-	-	-	(14,315,191)	(14,315,191)	-	(14,315,191)
- by subsidiaries to non-controlling interests		-	-	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners		-	(8,204,425)	-	(14,315,191)	(22,519,616)	(1,500,000)	(24,019,616)
Balance at 30.6.2023		1,216,972,062	(24,775,956)	(297,861,069)	326,592,091	1,220,927,128	4,560,128	1,225,487,256

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (Cont'd)

	Note	Share Capital RM	Treasury Shares RM	(Accumulated Losses)/ Retained Profits RM	Total Equity RM
<b>The Company</b>					
Balance at 1.7.2021		1,216,972,062	(8,983,427)	(6,980,172)	1,201,008,463
Profit after taxation for the financial year		-	-	20,409,236	20,409,236
<b>Transactions with owners</b>					
Purchase of treasury shares	21	-	(7,588,104)	-	(7,588,104)
Balance at 30.6.2022/ 1.7.2022		1,216,972,062	(16,571,531)	13,429,064	1,213,829,595
Profit after taxation for the financial year		-	-	35,865,321	35,865,321
<b>Transactions with owners</b>					
Purchase of treasury shares	21	-	(8,204,425)	-	(8,204,425)
Dividend on ordinary shares	38	-	-	(14,315,191)	(14,315,191)
Total transaction with owners		-	(8,204,425)	(14,315,191)	(22,519,616)
Balance at 30.6.2023		1,216,972,062	(24,775,956)	34,979,194	1,227,175,300

The annexed notes form an integral part of these financial statements.

**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>					
Profit before taxation		180,259,946	151,107,676	37,011,924	20,484,277
Adjustments for:-					
Depreciation:					
- property and equipment	9	92,707,259	88,918,417	1,267,699	1,360,960
- right-of-use assets	9	2,143,579	1,859,448	-	-
Dividend income		(1,800)	(1,200)	(39,664,750)	(21,993,250)
Fair value changes on forward contracts		(529,658)	800,213	-	-
Fair value loss on investment securities		-	9,600	-	-
Net gain on disposal of property and equipment		(12,878,121)	(1,465,980)	(20,000)	(364)
Gain on lease modification		-	(176)	-	-
Gain on disposal of non-current asset held for sale		-	(471,243)	-	-
Impairment loss:					
- trade and other receivables		15,334,622	10,448,952	-	-
- property and equipment		3,182,914	-	-	-
Interest expenses		8,336,173	9,083,720	431,153	497,993
Interest income		(7,985,882)	(3,587,142)	(1,546,780)	(944,445)
Gain on bargain purchase		(14,819,789)	(61,723)	-	-
Net changes in provision for onerous contract		(470,996)	109,547	-	-
Property and equipment written off		1,230	-	-	-
Reversal of impairment loss on trade receivables		(2,162,964)	(487,447)	-	-
Reversal of inventories written off		-	-	-	-
Profit retained in associates		1,593,773	(221,144)	-	-
Unrealised loss/(gain) on foreign exchange		2,237,674	(207,833)	-	-
Operating profit/(loss) before working capital changes		266,947,960	255,833,685	(2,520,754)	(594,829)

The annexed notes form an integral part of these financial statements.

**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (Cont'd)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Decrease in inventories		1,826,128	6,753,625	-	-
Decrease/(Increase) in trade and other receivables		19,462,303	(26,132,891)	2,478,437	(2,383,359)
(Decrease)/increase in trade and other payables		(19,305,264)	(742,431)	73,162	247,035
Decrease in contract assets		365,645	1,051,131	-	-
Increase/(decrease) in contract liabilities		12,299,648	(3,584,660)	-	-
Increase in amount owing by subsidiaries		-	-	34,982,980	17,453,285
(Decrease)/increase in amount owing to a subsidiary		-	-	(55,743)	109,368
Net change in related companies balances		(3,942,655)	(6,202,290)	-	-
Net change in holding company balances		(85,684)	319,615	-	-
<b>CASH FROM OPERATIONS</b>		<b>277,568,081</b>	<b>227,295,784</b>	<b>34,958,082</b>	<b>14,831,500</b>
Interest income received		7,985,882	3,587,142	1,546,780	944,445
Interest expenses paid		(8,336,173)	(9,083,720)	(431,153)	(497,993)
Income tax paid		(5,038,221)	(3,704,180)	(119,684)	(238,413)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>272,179,569</b>	<b>218,095,026</b>	<b>35,954,025</b>	<b>15,039,539</b>

The annexed notes form an integral part of these financial statements.



**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (Cont'd)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Acquisition of subsidiaries	37	(20,031,977)	(7,119,002)	(22,796,500)	(9,400,002)
Dividend received from associates		-	68,250	-	68,250
Dividend received from subsidiaries		-	-	3,500,000	21,925,000
Dividend received from others		1,800	1,200	-	-
Purchase of property and equipment	39	(65,653,776)	(25,181,294)	(241,429)	(760,749)
Proceeds from disposal of property and equipment		30,788,685	5,402,460	20,000	450
Proceeds from disposal of non-current assets held for sale		-	5,408,000	-	-
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(54,895,268)</b>	<b>(21,420,386)</b>	<b>(19,517,929)</b>	<b>11,832,949</b>

The annexed notes form an integral part of these financial statements.

**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (Cont'd)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>					
Acquisition of treasury shares		(8,204,425)	(7,588,104)	(8,204,425)	(7,588,104)
Dividend paid on ordinary shares		(14,315,191)	-	(14,315,191)	-
Dividend paid to non-controlling interests in subsidiaries		(1,500,000)	(3,000,000)	-	-
Repayment of principal portion of hire purchase	39	(10,763,892)	(5,090,036)	(75,940)	-
Repayment of principal portion of lease liabilities	23	(290,213)	(241,527)	-	-
Proceeds from term loan	39	-	10,000,000	-	-
Repayment of term loans	39	(16,968,582)	(17,637,001)	(1,550,004)	(1,550,004)
Net movement in fixed and treasury deposit with maturity dates more than 3 months		(102,148,349)	(112,500,000)	(4,000,000)	(16,900,000)
Net movement in trade financing		(37,526,418)	(43,398,891)	(3,000,000)	(1,000,000)
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(191,717,070)</b>	<b>(179,455,559)</b>	<b>(31,145,560)</b>	<b>(27,038,108)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
		25,567,231	17,219,081	(14,709,464)	(165,620)
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>					
		11,500	-	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>					
		76,290,977	59,071,896	15,167,993	15,333,613
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>					
	39	101,869,708	76,290,977	458,529	15,167,993

The annexed notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office which is also the principal place of business is Sublot 153 (Parent Lot 70), Jalan Kuala Baram, Kuala Baram 98100 Miri, Sarawak, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 October 2023.

## 2. CHANGE OF NAME

On 4 July 2023, the Company changes its name from Shin Yang Shipping Corporation Berhad to Shin Yang Group Berhad.

## 3. HOLDING COMPANY

The immediate and ultimate holding company is Shin Yang Holding Sendirian Berhad, a company incorporated in Malaysia.

## 4. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and property holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 5. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 5.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

The adoption of the above accounting standard(s) and/or interpretations(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 5. BASIS OF PREPARATION (CONT'D)

- 5.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES

#### 6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

##### **(a) Depreciation of Property and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property and equipment as at the reporting date is disclosed in Note 9 to the financial statements.

##### **(b) Revenue Recognition for Construction Contracts**

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work completed to date. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 17 to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(c) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 15 and 17 to the financial statements respectively.

##### **(d) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 16 and 10 to the financial statements respectively.

##### **(e) Impairment of Property and Equipment and Investment in Subsidiaries**

The Group determines whether an item of its property and equipment and investment in subsidiaries are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property and equipment and investment in subsidiaries as at the reporting date are disclosed in Notes 9 and 7 to the financial statements respectively.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(f) Purchase Price Allocation**

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair value of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 37 to the financial statements.

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

##### **Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### 6.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.2 BASIS OF CONSOLIDATION (CONT'D)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

##### (a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

##### (b) Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.2 BASIS OF CONSOLIDATION (CONT'D)

##### (c) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

##### (d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

##### (e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

#### 6.4 FUNCTIONAL AND FOREIGN CURRENCIES

##### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

##### (b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

##### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Debt Instruments*

###### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

###### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

###### (iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

##### (b) Financial Liabilities

###### (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

###### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

##### (i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

## 6.5 FINANCIAL INSTRUMENTS (CONT'D)

**(d) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**(e) Derivative Financial Instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (f) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company or the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

#### 6.6 INVESTMENTS IN SUBSIDIARIES

Investment in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 June 2023. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

#### 6.8 PROPERTY AND EQUIPMENT

All items of property and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.8 PROPERTY AND EQUIPMENT (CONT'D)

Subsequent to initial recognition, property and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The cost of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation on property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Dry docking expenses	5 years
Land, buildings, jetty, wharfs and slipways	20 – 50 years
Motor vehicles	5 – 10 years
Office equipment, furniture and fittings	20 years
Plant and machinery	6.7 – 10 years
Shipping equipment and machinery	3 – 20 years
Vessels	8 – 20 years

Capital work-in-progress included in property and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.9 LEASES**

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are as follows:

Land and buildings	2 – 94 years
Motor vehicles	5 – 10 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress comprise cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on the normal operating capacity.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 6.11 CONTRACT COST ASSETS

##### (a) Incremental Costs of Obtaining Contracts

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

##### (b) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

#### 6.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.13 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 - Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

#### 6.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

#### 6.15 IMPAIRMENT

##### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.15 IMPAIRMENT (CONT'D)

##### (a) Impairment of Financial Assets (Cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

##### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.15 IMPAIRMENT (CONT'D)

##### (b) Impairment of Non-financial Assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 6.16 EMPLOYEE BENEFITS

##### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

##### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

#### 6.17 INCOME TAXES

##### (a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.17 INCOME TAXES (CONT'D)

##### (b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

#### 6.18 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.19 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.20 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted associates and joint ventures ceases once classified as held for sale or distribution.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

#### 6.21 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

#### 6.22 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.23 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible preference shares and share options granted to employees.

#### 6.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met: -

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

##### (a) Construction Services - Shipbuilding

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

##### (b) Revenue from freight and lighterage services – sea and land transport

Freight services for sea and land transport are recognised over time in the period the freight services are rendered. The customer is able to benefit from the Group's performance as it occurs and the other entity would not need to substantially reperform the Group's performance (e.g. distance travelled) to date. The Group has selected the output measure (days travelled) which can most appropriately depicts the transfer of control of the service to the customer.

##### (c) Revenue from freight forwarding services

These revenues comprise mainly agency commission, custom clearance, import and export documentation, port related services and etc. These services are considered to represent one single performance obligation satisfied at a point in time.

##### (d) Ship repairs, repairs works, metal fabrication and barrage maintenance fee

Revenue from ship repair, repair works, metal fabrication and barrage maintenance fee is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)****(e) Sales of goods and services**

Revenue from sale of goods and services is recognised at the point in time when control of the assets is transferred to the customers, generally on delivery of the goods and services.

**6.25 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME****(a) Dividend Income**

Dividend income from investment is recognised when the right to receive dividend payment is established.

**(b) Rental Income**

Rental income from investment properties is accounted for on a straight-line method over the lease term.

**(c) Hire income and vessel charter fee**

The Group enters as a lessor into lease agreements that fall within the scope of MFRS 16. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

**7. INVESTMENT IN SUBSIDIARIES**

	<b>2023</b> RM	<b>2022</b> RM
Unquoted share, at cost	1,111,647,678	1,088,851,178
Less: Impairment loss	(15,077,596)	(15,077,596)
	<u>1,096,570,082</u>	<u>1,073,773,582</u>



**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**7. INVESTMENT IN SUBSIDIARIES (CONT'D)**

The details of the subsidiaries are as follows:-

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Danum Shipping Sdn. Bhd.	Malaysia	100%	100%	International shipping operations for liquid chemical products
Piasau Slipways Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures
Shinline Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Shin Yang Shipping Sdn. Bhd.	Malaysia	100%	100%	Domestic and regional shipping operations
Shin Yang Shipyard Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures
Thailine Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Hock Leong Shipping Sdn. Bhd.	Malaysia	70%	70%	Shipping and forwarding agency
Dynasys Technology & Engineering Sdn. Bhd.	Malaysia	100%	100%	Engineering consultation, trading
Melinau Transport Sdn. Bhd.	Malaysia	100%	100%	Transportation and hiring services
Melinau Container Services Sdn. Bhd.	Malaysia	50.50%	50.50%	Transportation and hiring services

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Kuching Barrage Management Sdn. Bhd.	Malaysia	100%	100%	Operations and maintenance of a barrage
Piasau Gas Sdn. Bhd.	Malaysia	100%	-	Manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in welding equipment and machinery
<b>Subsidiary of Danum Shipping Sdn. Bhd.</b>				
Sinar Asiamas Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
<b>Subsidiary of Shin Yang Shipping Sdn. Bhd.</b>				
Gemilang Raya Maritime Sdn. Bhd.*	Malaysia	-	-	Wound up by the Court under the provisions of Section 465(1)(c) and/or (h) of the Companies Act 2016

\*The subsidiary was audited by other firms of chartered accountants.

- (a) During the current financial year, the Company has acquired 100% equity interests in Piasau Gas Sdn. Bhd. The details of the acquisition are disclosed in Note 37 to the financial statements.
- (b) During the previous financial year, the Company has acquired 50.50% equity interests in Melinau Container Services Sdn. Bhd. and 100% equity interests in Kuching Barrage Management Sdn. Bhd. The details of the acquisition are disclosed in Note 37 to the financial statements.
- (c) Non-controlling interests

None of the subsidiaries with non-controlling interests are material to the Group. Accordingly, the disclosure requirements of MFRS 12. Disclosure of Interests in Other Entities, are not presented.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**8. INVESTMENT IN ASSOCIATES**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted share, at cost	3,968,946	3,968,946	682,500	682,500
Share of post acquisition reserves	(567,637)	1,035,886	-	-
	<u>3,401,309</u>	<u>5,004,832</u>	<u>682,500</u>	<u>682,500</u>

(a) The details of the associates are as follows:-

Name Of Associates	Principal Place of Business/ Country of Incorporation	Percentage of Ownership		Principal Activities
		2023 %	2022 %	
Melinau Shipping Sdn. Bhd.*	Malaysia	39%	39%	Shipping and forwarding agency
<b>Associate of Shin Yang Shipping Sdn. Bhd.</b>				
PT Shinline*	Indonesia	49%	49%	Investment holding
Shin Yang FZC*	United Arab Emirates	49%	49%	Investment holding
<b>Associate of PT Shinline</b>				
PT Baruna Adiprasetya*	Indonesia	49%	49%	Inactive
<b>Associate of Shin Yang FZC</b>				
Deena Shipping L.L.C.*	United Arab Emirates	49%	49%	Offshore and marine related shipping business, cargo services and chartering

\* These associates were audited by other firms of chartered accountants.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 8. INVESTMENT IN ASSOCIATES (CONT'D)

The Group has not recognised losses relating to PT Shinline where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the reporting date was RM1,229,219 (2022: RM1,191,506) of which RM37,713 (2022: RM35,673) was the share of the current year's loss. The Group has no obligation in respect of these losses.

- (b) Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information represents the amount in the MFRS financial statements of the associates and not the Group's share of those amounts.

	<b>Melinau Shipping Sdn. Bhd.</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Non-current assets	476,719	584,408
Current assets	15,015,172	16,187,921
Non-current liabilities	(36,562)	(60,839)
Current liabilities	(1,896,529)	(3,200,753)
	13,558,800	13,510,737
Revenue	4,754,817	4,681,677
Profit for the financial year	72,607	599,993
Group's share of profit for the financial year	28,317	233,997
Dividend received	9,750	68,250
	38,067	302,247
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	2,830,979	2,812,234
Carrying amount of the Group's interests in this associate	2,830,979	2,812,234

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

The Group	At	Additions	Acquisition of Subsidiaries	Disposals/ De-recognition	Transfer	Reassessment of lease liabilities	Classified as held for sale	Impairment	Depreciation Charges (Note 34)	At
	1.7.2022									RM
<b>2023</b>										
<i>Carrying amount</i>										
<u>Owned assets</u>										
Dry docking expenses	3,814,837	2,867,878	-	-	-	-	-	-	(1,616,413)	5,066,302
Land, buildings, jetty, wharfs and slipways	196,380,536	7,597,267	11,106,708	-	3,919,000	-	-	-	(7,959,127)	211,044,384
Motor vehicles	4,022,389	1,278,381	16	(5)	-	-	-	-	(863,325)	4,437,456
Office equipment, furniture and fittings	3,401,585	1,083,292	108,800	(2,480)	27,500	-	-	-	(1,053,129)	3,565,568
Plant and machinery	73,381,998	11,928,872	9,906,573	(21,051)	11,297	-	-	-	(11,522,791)	83,684,898
Shipping equipment and machinery	39,681,949	14,929,038	-	(13,051)	3,668,927	-	(113,609)	(1,998)	(8,790,278)	49,360,978
Vessels	538,166,810	-	-	(17,875,207)	17,680,687	-	(11,071,667)	(3,180,916)	(60,902,196)	462,817,511

## 9. PROPERTY AND EQUIPMENT

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 9. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At	Additions	Acquisition of Subsidiaries	Disposals/ De-recognition	Transfer	Reassessment of lease liabilities	Classified as held for sale	Impairment	Depreciation Charges (Note 34)	At
	1.7.2022									RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023</b>										
<i>Carrying amount (Cont'd)</i>										
<u>Owned assets</u>										
Capital work-in-progress	15,082,833	34,616,848	264,485	-	(24,045,943)	-	-	-	-	25,918,223
	873,932,937	74,301,576	21,386,582	(17,911,794)	1,261,468	-	(11,185,276)	(3,182,914)	(92,707,259)	845,895,320
<u>Right-of-use assets</u>										
Land and buildings	79,749,871	132,485	8,910,470	-	(1,261,468)	81,482	-	-	(2,143,579)	85,469,261
	79,749,871	132,485	8,910,470	-	(1,261,468)	81,482	-	-	(2,143,579)	85,469,261
	953,682,808	74,434,061	30,297,052	(17,911,794)	-	81,482	(11,185,276)	(3,182,914)	(94,850,838)	931,364,581



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 9. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.7.2021 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Depreciation Charges (Note 34) RM	At 30.6.2022 RM
<b>The Group</b>								
<b>2022</b>								
<i>Carrying amount</i>								
<u>Owned assets</u>								
Dry docking expenses	3,789,058	1,388,142	-	-	-	-	(1,362,363)	3,814,837
Land, buildings, jetty, wharfs and slipways	201,614,098	562,947	391,320	(41,739)	963,702	-	(7,109,792)	196,380,536
Motor vehicles	4,515,092	312,000	113,213	(2,627)	-	-	(915,289)	4,022,389
Office equipment, furniture and fittings	3,798,680	440,943	307,143	(17,795)	-	-	(1,127,386)	3,401,585
Plant and machinery	66,079,896	6,048,530	9,409,725	(88,009)	-	-	(8,068,144)	73,381,998
Shipping equipment and machinery	30,637,977	17,055,382	-	(17)	776,079	-	(8,787,472)	39,681,949
Vessels	601,771,948	-	-	(2,057,167)	-	-	(61,547,971)	538,166,810

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 9. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At 1.7.2021 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Depreciation Charges (Note 34) RM	At 30.6.2022 RM
<i>Carrying amount (Cont'd)</i>								
<u>Owned assets</u>								
Capital work-in-progress	7,883,756	10,642,352	38,332	(1,729,126)	(1,752,481)	-	-	15,082,833
	920,090,505	36,450,296	10,259,733	(3,936,480)	(12,700)	-	(88,918,417)	873,932,937
<u>Right-of-use assets</u>								
Land and buildings	80,005,644	1,503,722	21,791	(23,691)	12,700	89,153	(1,859,448)	79,749,871
	80,005,644	1,503,722	21,791	(23,691)	12,700	89,153	(1,859,448)	79,749,871
	1,000,096,149	37,954,018	10,281,524	(3,960,171)	-	89,153	(90,777,865)	953,682,808

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**9. PROPERTY AND EQUIPMENT (CONT'D)****The Company****2023***Carrying amount*Owned assets

Land and buildings	48,284,678	99,882	(837,764)	47,546,796
Office equipment, furniture and fittings	624,141	109,747	(339,935)	393,953
Motor vehicles	42,302	318,000	(90,000)	270,302
	48,951,121	527,629	(1,267,699)	48,211,051

	At 1.7.2022 RM	Additions RM	Depreciation Charges (Note 34) RM	At 30.6.2023 RM
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## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 9. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.7.2021 RM	Additions RM	Disposals RM	Reclassification RM	Depreciation Charges (Note 34) RM	At 30.6.2022 RM
<b>The Company</b>						
<b>2022</b>						
<i>Carrying amount</i>						
<u>Owned assets</u>						
Land and buildings	48,301,414	-	-	780,144	(796,880)	48,284,678
Office equipment, furniture and fittings	991,300	140,605	(86)	-	(507,678)	624,141
Capital work-in-progress	160,000	620,144	-	(780,144)	-	-
Motor vehicles	98,704	-	-	-	(56,402)	42,302
	49,551,418	760,749	(86)	-	(1,360,960)	48,951,121

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**9. PROPERTY AND EQUIPMENT (CONT'D)**

<b>The Group</b>	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>30.6.2023</b>			
<u>Owned assets</u>			
Dry docking expenses	16,006,790	(10,940,488)	5,066,302
Land, buildings, jetty, wharfs and slipways	324,715,910	(113,671,526)	211,044,384
Motor vehicles	18,519,225	(14,081,769)	4,437,456
Office equipment, furniture and fittings	22,353,860	(18,788,292)	3,565,568
Plant and machinery	422,642,726	(338,957,828)	83,684,898
Shipping equipment and machinery	193,826,047	(144,465,069)	49,360,978
Vessels	1,203,537,103	(740,719,592)	462,817,511
Capital work-in-progress	25,918,223	-	25,918,223
	<u>2,227,519,884</u>	<u>(1,381,624,564)</u>	<u>845,895,320</u>
<u>Right-of-use assets</u>			
Land and buildings	101,911,348	(16,442,087)	85,469,261
	<u>2,329,431,232</u>	<u>(1,398,066,651)</u>	<u>931,364,581</u>

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 9. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>30.6.2022</b>			
<u>Owned assets</u>			
Dry docking expenses	13,138,912	(9,324,075)	3,814,837
Land, buildings, jetty, wharfs and slipways	299,464,840	(103,084,304)	196,380,536
Motor vehicles	16,596,879	(12,574,490)	4,022,389
Office equipment, furniture and fittings	20,707,667	(17,306,082)	3,401,585
Plant and machinery	389,865,802	(316,483,804)	73,381,998
Shipping equipment and machinery	176,445,522	(136,763,573)	39,681,949
Vessels	1,274,133,895	(735,967,085)	538,166,810
Capital work-in-progress	15,082,833	-	15,082,833
	<u>2,205,436,350</u>	<u>(1,331,503,413)</u>	<u>873,932,937</u>
<u>Right-of-use assets</u>			
Land and buildings	94,152,026	(14,402,155)	79,749,871
	<u>2,299,588,376</u>	<u>(1,345,905,568)</u>	<u>953,682,808</u>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**9. PROPERTY AND EQUIPMENT (CONT'D)**

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>30.6.2023</b>			
<u>Owned assets</u>			
Land and buildings	54,432,620	(6,885,824)	47,546,796
Office equipment, furniture and fittings	5,885,862	(5,491,909)	393,953
Motor vehicles	600,011	(329,709)	270,302
	60,918,493	(12,707,442)	48,211,051
<b>30.6.2022</b>			
<u>Owned assets</u>			
Land and buildings	54,332,738	(6,048,060)	48,284,678
Office equipment, furniture and fittings	5,806,115	(5,181,974)	624,141
Motor vehicles	282,011	(239,709)	42,302
	60,420,864	(11,469,743)	48,951,121

(a) Included in the property and equipment of the Group and the Company were motor vehicles with a total carrying amount of RM8,206,724 (2022 – RM27,648,170) and RM270,300 (2022 – Nil) held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group and the Company as disclosed in Note 24 to the financial statements.

(b) Titles of the certain leasehold land of the Group with the carrying value of RM14,257,580 (2022 – RM14,440,239) have yet to be issued by the authority.



**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**9. PROPERTY AND EQUIPMENT (CONT'D)**Asset pledged as security

The net carrying amount of property and equipment pledged for borrowing as referred in Notes 25 to 28 are as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Land and buildings	85,388,436	99,229,182	35,142,498	35,564,824
Plant and machinery	37,734,000	40,650,000	-	-
Vessels	50,870,140	80,813,763	-	-
	<u>173,992,576</u>	<u>220,692,945</u>	<u>35,142,498</u>	<u>35,564,824</u>

Right-of-use assets

The Group has lease contracts for land and buildings used in its operations.

There are several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extensions and termination options are reasonably certain to be exercised.

**10. AMOUNTS OWING BY/(TO) SUBSIDIARIES**

The amounts owing by/(to) subsidiaries represent non-trade transactions which are unsecured, interest-free and repayable on demand.

**11. OTHER INVESTMENTS**

	The Group	
	2023 RM	2022 RM
Equity instruments (quoted in Malaysia), at fair value	<u>58,800</u>	<u>58,800</u>
Market value of quoted shares in Malaysia	<u>58,800</u>	<u>58,800</u>

The fair value of equity investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**12. GOODWILL**

	<b>The Group</b>	
	<b>2023</b> RM	<b>2022</b> RM
Cost:		
At 30 June 2023/2022	2,063,893	2,063,893

Carrying amount of goodwill on business acquisition is related to the acquisition of a shipping agency in prior years. The Group performed its annual impairment test in June 2023 and 2022.

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections is 11.18% (2022 – 11.45%).

Management determined budgeted profit margin based on past performance and its expectations of the market conditions. The pre-tax discount rates used reflected specific risks relating to the shipping industry. The forecasted growth rates were based on management's estimate which did not exceed the long term average growth rate for the industry.

**13. DEFERRED TAX ASSETS/(LIABILITIES)**

<b>The Group</b>	As 1.7.2022 RM	Acquisition of Subsidiaries RM	Recognised in Profit or Loss (Note 35) RM	At 30.6.2023 RM
<b>2023</b>				
<i>Deferred Tax Liabilities</i>				
Property and equipment	(87,499,437)	(5,243,467)	6,989,914	(85,752,990)
<i>Deferred Tax Assets</i>				
Unabsorbed capital allowances	32,231,273	-	(13,505,867)	18,725,406
Others	2,604,196	-	1,001,157	3,605,353
Unused tax losses	2,259,584	-	2,529,736	4,789,320
Unutilised reinvestment allowances	8,405,042	-	-	8,405,042
	45,500,095	-	(9,974,974)	35,525,121
	(41,999,342)	(5,243,467)	(2,985,060)	(50,227,869)

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The Group	As 1.7.2021 RM	Acquisition of Subsidiaries RM	Recognised in Profit or Loss (Note 35) RM	At 30.6.2022 RM
<b>2022</b>				
<i>Deferred Tax Liabilities</i>				
Property and equipment	(91,607,007)	(1,311,766)	5,419,336	(87,499,437)
<i>Deferred Tax Assets</i>				
Unabsorbed capital allowances	41,035,719	654,800	(9,459,246)	32,231,273
Others	1,746,124		858,072	2,604,196
Unused tax losses	46,724	-	2,212,860	2,259,584
Unutilised reinvestment allowances	3,939,144	-	4,465,898	8,405,042
	46,767,711	654,800	(1,922,416)	45,500,095
	(44,839,296)	(656,966)	3,496,920	(41,999,342)

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	RM	RM	RM	RM
Analysed as:-				
Deferred tax assets	836,028	1,021,430	-	-
Deferred tax liabilities	(51,063,897)	(43,020,772)	-	-
	(50,227,869)	(41,999,342)	-	-
Deferred tax assets have not been recognised in respect of the following items:-				
Unabsorbed capital allowances	7,251,084	11,922,005	3,051,301	3,206,612
Unutilised tax losses	60,750,315	48,120,206	1,035,413	1,035,413
Other deductible temporary differences	7,565,451	8,590,061	-	-
	75,566,850	68,632,272	4,086,714	4,242,025

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

At the end of the reporting period, the Group and the Company have unutilised tax losses and unabsorbed capital allowances available for offset against future taxable profits in which the losses arose, as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses	63,660,120	57,535,139	1,035,413	1,035,413
Unabsorbed capital allowances	134,628,207	118,183,245	3,051,301	3,206,612
	<u>198,288,327</u>	<u>175,718,384</u>	<u>4,086,714</u>	<u>4,242,025</u>

Based on the current legislation, the unutilised tax losses are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

**14. INVENTORIES**

	The Group	
	2023 RM	2022 RM
Consumables	28,693,322	28,941,892
Petrol, oil and lubricants on board	5,056,507	5,190,212
Work-in-progress	151,463	-
	<u>33,901,292</u>	<u>34,132,104</u>

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 15. TRADE RECEIVABLES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Third parties	150,307,753	141,140,517	-	-
Related companies	40,799,166	37,187,234	-	-
Associates	1,245,493	27,147,847	-	-
	192,352,412	205,475,598	-	-
Allowance for impairment losses:-				
- third parties	(32,854,346)	(21,114,820)	-	-
- related companies	(1,731,494)	(2,384,758)	-	-
- associates	(412,002)	(412,002)	-	-
	157,354,570	181,564,018	-	-
Allowance for impairment losses:-				
At 1 July	23,911,580	13,912,515	-	-
Additions during the financial year	13,489,084	10,448,952	-	-
Reversal during the financial year	(2,162,964)	(487,447)	-	-
Written off during the financial year	(239,858)	-	-	-
Acquisition of subsidiaries during the financial year	-	37,560	-	-
At 30 June	34,997,842	23,911,580	-	-

Related companies are companies within Shin Yang Holding Sendirian Berhad Group.

- (a) The Group's and the Company's normal trade credit terms range from 7 to 90 (2022 - 7 to 90) days.
- (b) Included in trade receivables of the Group is an amount of RM6,905,019 (2022 – RM33,186,084) owing by companies in which certain directors have substantial financial interests.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**16. OTHER RECEIVABLES AND DEPOSITS**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Current:</u>				
Other receivables:-				
Third parties	13,397,086	13,685,373	514,337	266,083
Related companies	3,919	3,553	-	-
Associates	6,582,187	7,924,673	70,376	1,465,876
	19,983,192	21,613,599	584,713	1,731,959
Allowance for impairment losses:-				
- third parties	(12,433,014)	(10,587,476)	-	-
- associates	(6,458,798)	(6,458,798)	-	-
	1,091,380	4,567,325	584,713	1,731,959
Deposits	11,839,539	2,851,169	97,930	92,530
Prepayments	12,783,501	11,706,857	-	1,011
	25,714,420	19,125,351	682,643	1,825,500
<u>Non-current:</u>				
Deposits	953,820	2,279,650	953,820	2,279,650
	26,668,240	21,405,001	1,636,463	4,105,150
Allowance for impairment losses:-				
At 1 July	17,046,274	17,046,274	-	-
Additions during the financial year	1,845,538	-	-	-
At 30 June	18,891,812	17,046,274	-	-

Related companies are companies within Shin Yang Holding Sendirian Berhad Group.

Included in other receivables of the Group is amount of RM90,231 (2022 – RM86,912) owing by companies in which certain directors have substantial financial interest.

The amounts owing by related companies and associates are unsecured, interest-free and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 17. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023 RM	2022 RM
<b>Contract Assets</b>		
Contract assets relating to service contracts	2,089,683	2,455,328
<b>Contract Liabilities</b>		
Contract liabilities relating to service contracts	(20,349,713)	(8,050,065)

- (a) The contract assets primarily relate to the Group's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.
- (b) The contract liabilities primarily relate to the advance consideration received from customers for freight services and construction contracts, for which revenue is recognised over time.
- (c) The changes to contract asset and contract liability balances during the financial year are summarised below:-

	The Group	
	2023 RM	2022 RM
At 1 July	(5,594,737)	(8,128,266)
Revenue recognised in profit or loss during the financial year	55,207,654	128,137,289
Billings to customers during the financial year	(67,872,947)	(125,603,760)
At 30 June	(18,260,030)	(5,594,737)
Analysed as follows:		
Contract assets	2,089,683	2,455,328
Contract liabilities	(20,349,713)	(8,050,065)
	(18,260,030)	(5,594,737)



**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**17. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

- (d) The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Within one year		
- Freight and lighterage charges	4,462,426	8,050,065
- Shipbuilding	57,740,257	-
- Ship repairs	64,648,501	809,677
	126,851,184	8,859,742

**18. DERIVATIVE LIABILITIES**

	Contract/Notional Amount		<b>The Group</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	USD	USD	RM	RM
<b>Derivative liabilities</b>				
Forward currency contract	2,150,000	5,414,186	372,480	902,138

The Group does not apply hedge accounting.

- (a) Forward currency contracts are used to hedge the Group's sales denominated in United States Dollar (USD) for which firm commitments exists at the end of the reporting period. The settlement dates of the forward currency contracts range between 4 to 6 (2022 - 1 to 4) months after the end of reporting period.
- (b) The fair value of equity investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

**19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

Non-current assets held for sale comprised of vessels which the Group expected to sell within the next 12 months from the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**20. SHARE CAPITAL**

	<b>The Group and The Company</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Number of Shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 July and 30 June	1,200,000,000	1,200,000,000	1,216,972,062	1,216,972,062

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

**21. TREASURY SHARES**

During the financial year, the Company has purchased 12,715,000 (2022 – 19,428,400) of its issued ordinary shares from Bursa Malaysia Securities Berhad at a average price of RM0.65 (2022 - RM0.39) per share. The total consideration paid for the purchase was RM8,204,425 (2022 – RM7,588,104) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 1,200,000,000 (2022 - 1,200,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 64,169,700 (2022 – 51,454,700) ordinary shares are held as treasury shares by the Company. None (2022 - none) of the treasury shares were resold during the financial year.

**22. OTHER RESERVES**

<b>Group</b>	<b>Merger Deficits RM</b>
At 1 July 2022 and 30 June 2023	(297,861,069)
<b>Merger deficits</b>	

The merger deficits reserve represents the difference between the value of the considerations paid and the reserves of the two “acquired” entities, Shin Yang Shipping Sdn. Bhd. and Danum Shipping Sdn. Bhd. as a consequent of applying the pooling of interest method.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**23. LEASE LIABILITIES**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
At 1 July	425,803	463,494
Acquisition of subsidiaries	-	22,810
Additions	132,485	115,739
Interest expense recognised in profit or loss	14,020	19,393
Changes due to reassessment of lease term	81,482	89,153
Derecognition due to lease modification	-	(23,866)
Repayment of principal	(290,213)	(241,527)
Repayment of interest expenses	(14,020)	(19,393)
At 30 June	349,557	425,803
Analysed by:-		
Current liabilities	238,521	286,879
Non-current liabilities	111,036	138,924
	349,557	425,803

The effective interest rates as at reporting date is 6.70% (2022 – 4.06% to 6.70%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 24. BANK BORROWINGS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-current</b>				
<b>Secured:</b>				
Term loans (Note 25)	28,979,897	41,319,917	4,004,137	5,554,141
Hire purchase payables	7,469,851	8,976,586	115,507	-
	36,449,748	50,296,503	4,119,644	5,554,141
<b>Current</b>				
<b>Unsecured:</b>				
Bank overdrafts (Note 26)	4,784,767	9,646,683	-	-
Bankers acceptances (Note 27)	37,535,999	68,857,000	-	-
Revolving credits (Note 28)	16,844,400	24,082,600	-	-
Flexi financing trade loan (Note 27)	6,749,582	-	-	-
	65,914,748	102,586,283	-	-
<b>Secured:</b>				
Bank overdrafts (Note 26)	1,001,659	8,135,765	-	-
Bankers acceptances (Note 27)	6,831,001	1,556,000	-	-
Revolving credits (Note 28)	8,000,000	18,000,000	-	3,000,000
Term loans (Note 25)	12,340,019	16,968,581	1,550,004	1,550,004
Hire purchase payables	8,502,730	8,635,524	94,753	-
	36,675,409	53,295,870	1,644,757	4,550,004
	102,590,157	155,882,153	1,644,757	4,550,004
	139,039,905	206,178,656	5,764,401	10,104,145

The ranges of interest rates for bank borrowings are as follow:

	The Group		The Company	
	2023 %	2022 %	2023 %	2022 %
Bank overdrafts	7.43 - 8.18	6.48 - 7.45	-	-
Floating rates - loans	5.34 - 5.76	3.99 - 4.41	5.60	4.41
Revolving credits	5.36 - 7.56	2.53 - 4.17	-	3.64
Bankers acceptances/ Flexi financing trade loan	3.85 - 5.29	2.58 - 3.78	-	-
Hire purchase payables	4.06 - 6.01	4.06 - 5.32	4.06	-

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**25. TERM LOANS (SECURED)**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current liabilities	12,340,019	16,968,581	1,550,004	1,550,004
Non-current liabilities	28,979,897	41,319,917	4,004,137	5,554,141
	<u>41,319,916</u>	<u>58,288,498</u>	<u>5,554,141</u>	<u>7,104,145</u>

- (a) The term loans are secured by a first party legal charge over the Group's and the Company's property and equipment, and jointly and severally guaranteed by certain Directors of the Company.
- (b) The fair values of long-term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

**26. BANK OVERDRAFTS**

Bank overdrafts are secured by charges over leasehold land and buildings of the Group, and joint and several guaranteed by certain Directors of the Company.

**27. BANKERS ACCEPTANCE/FLEXI FINANCING TRADE LOAN**

Bankers' acceptances are secured by charges over leasehold land and buildings of the Group and guaranteed by certain directors of the Company.

The flexi financing trade loan is secured by joint and several guarantee by certain directors of the Group and a third party, and corporate guarantee provided by the Company.

**28. REVOLVING CREDITS**

Revolving credits are secured by charges over leasehold land and buildings of the Group and of the Company and guaranteed by certain Directors of the Company.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**29. TRADE PAYABLES**

	<b>The Group</b>	
	<b>2023</b> RM	<b>2022</b> RM
Third parties	83,388,170	102,893,548
Related companies	12,612,383	12,850,860
Associates	11,902,034	12,579,478
	107,902,587	128,323,886

Related companies are companies within Shin Yang Holding Sendirian Berhad Group.

- (a) The normal trade credit terms granted to the Group range from 30 to 180 (2022 - 30 to 180) days.
- (b) Included in trade payables of the Group is an amount of RM16,302,909 (2022 – RM12,429,651) owing to the companies in which certain directors have substantial financial interests.

**30. OTHER PAYABLES AND ACCRUALS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b> RM	<b>2022</b> RM	<b>2023</b> RM	<b>2022</b> RM
Other payables:-				
Third parties	7,006,501	4,151,360	470,627	412,865
Related companies	610,721	702,601	61,811	98,165
Holding company	244,574	330,258	-	-
Associates	17,137	-	-	-
	7,878,933	5,184,219	532,438	511,030
Accruals	9,486,107	9,857,407	223,224	171,970
Deposits:-				
- Third parties	7,337,573	6,152,409	134,340	134,340
- Subsidiaries	-	-	442,500	442,000
- Associates	31,000	31,000	31,000	31,000
	24,733,613	21,225,035	1,363,502	1,290,340

Included in other payables of the Group is an amount of RM187,600 (2022: RM188,468) owing to companies in which certain Directors of the Company have substantial financial interests. These amounts are non-interest bearing and are repayable on demand.

The amounts owing to related companies, holding company and associates are unsecured, interest-free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**31. PROVISION FOR ONEROUS CONTRACTS**

	<b>The Group</b>	
	<b>2023</b> RM	<b>2022</b> RM
At 1 July	470,996	361,449
Provision made during the year	-	470,996
Provision utilised during the year	(470,996)	(361,449)
	-	470,996
Analysed by:-		
Current liabilities	-	470,996
	-	470,996

**32. REVENUE**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b> RM	<b>2022</b> RM	<b>2023</b> RM	<b>2022</b> RM
<b>Revenue from Contracts with Customers</b>				
<u>Recognised over time</u>				
Freight and lighterage charge	692,674,119	604,811,239	-	-
Land transportation	47,462,415	46,743,016	-	-
Shipbuilding	4,279,820	67,409,897	-	-
Ship repairs and metal fabrication	44,555,201	56,993,493	-	-
Repair services	2,267,429	909,539	-	-
Barrage maintenance fee	-	690,615	-	-
	791,238,984	777,557,799	-	-
<u>Recognised at a point in time</u>				
Freight forwarding charges	7,123,629	6,036,056	-	-
Sales of goods and services	19,551,419	10,331,336	-	-
	26,675,048	16,367,392	-	-
	817,914,032	793,925,191	-	-



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 32. REVENUE (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from Other Sources</b>				
Vessel charter fee	120,826,576	98,378,946	-	-
Dividend income from:				
- subsidiaries	-	-	39,655,000	21,925,000
- associates	-	-	9,750	68,250
Hiring income	-	305,686	-	-
Rental income	863,760	847,760	5,612,780	3,580,960
	<u>121,690,336</u>	<u>99,532,392</u>	<u>45,277,530</u>	<u>25,574,210</u>
	<u>939,604,368</u>	<u>893,457,583</u>	<u>45,277,530</u>	<u>25,574,210</u>

## 33. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Impairment losses:				
- trade receivables	13,489,084	10,448,952	-	-
- other receivables	1,845,538	-	-	-
Reversal of impairment losses:				
- trade receivables	(2,162,964)	(487,447)	-	-
	<u>13,171,658</u>	<u>9,961,505</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**34. PROFIT BEFORE TAXATION**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	254,000	225,500	85,000	75,000
- overprovision in previous financial years	(4,650)	(20,800)	-	(10,000)
Depreciation:				
- property and equipment (Note 9)	92,707,259	88,918,417	1,267,699	1,360,960
- right-of-use assets (Note 9)	2,143,579	1,859,448	-	-
Directors' fees (Note 40(a))	124,000	527,000	124,000	527,000
Directors' non-fee emoluments (Note 40(a))				
- salaries, bonus and allowances	6,729,856	3,229,052	4,187,594	1,162,729
- defined contribution benefits	484,014	330,983	232,200	46,440
Fair value loss on investment securities	-	9,600	-	-
Fair value changes on forward contracts	(529,658)	800,213	-	-
Interest expenses on financial liabilities that are not fair value through profit or loss:				
- bank overdrafts	668,344	1,239,589	2,479	3,374
- bankers acceptances	2,309,979	2,494,475	-	-
- term loans	2,475,211	2,562,015	317,455	333,751
- revolving credits	1,796,217	2,230,189	102,569	160,868
- flexi loans	110,574	19,307	-	-
- hire purchase payables	961,828	518,752	8,650	-
Lease interest (Note 23)	14,020	19,393	-	-
Hiring charges – short term leases	9,021,617	5,123,395	-	-
Impairment loss:				
- property and equipment	3,182,914	-	-	-
(Gain)/loss on foreign exchange:				
- realised	652,599	284,559	-	-
- unrealised	2,237,674	(207,833)	-	-
Property and equipment written off	1,230	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 34. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Net change in provision for onerous contract	(470,996)	109,547	-	-
Staff costs (including other key management personnel): (Note 40(b))				
- short-term employee benefits	129,382,952	99,005,001	2,098,907	1,038,325
- defined contribution benefits	6,933,901	4,884,901	174,898	79,741
Rental expenses	1,289,523	596,392	706	-
Interest income on financial assets that are not fair value through profit or loss:				
- short term deposits	(6,048,788)	(2,700,540)	(1,507,702)	(925,548)
- current account	(1,937,094)	(886,602)	(39,078)	(18,897)
Net gain on disposal of property and equipment	(12,878,121)	(1,465,980)	(20,000)	(364)
Gain on disposal of non-current asset held for sale	-	(471,243)	-	-
Gain on lease modification	-	(176)	-	-
Gain on bargain purchase	(14,819,789)	(61,723)	-	-
Rental income	(495,820)	(167,068)	-	-
Dividend income:				
- associates	-	-	(9,750)	(68,250)
- subsidiaries	-	-	(39,655,000)	(21,925,000)
- investment securities	(1,800)	(1,200)	-	-

## 35. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense:				
- for the financial year	6,707,996	10,415,783	1,146,603	60,536
- (over)/underprovision in previous financial years	(12,037,779)	1,346,872	-	14,505
	(5,329,783)	11,762,655	1,146,603	75,041

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**35. INCOME TAX EXPENSE (CONT'D)**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax (Note 13)				
- origination and reversal of temporary differences	2,942,712	(4,248,704)	-	-
- underprovision in previous financial years	42,348	751,784	-	-
	2,985,060	(3,496,920)	-	-
	(2,344,723)	8,265,735	1,146,603	75,041

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation	180,259,946	151,107,676	37,011,924	20,484,277
Tax at the statutory tax rate of 24% (2022 - 24%)	43,262,387	36,265,842	8,882,862	4,916,226
Tax effects of:				
Non-taxable income	(43,242,965)	(27,766,228)	(9,522,000)	(5,278,467)
Non-deductible expenses	8,342,948	9,690,187	1,769,274	423,105
Deferred tax assets not recognised during the financial year	1,123,860	58,305	16,467	679
Share of results in associates (Over)/underprovision in previous financial years:	382,505	(56,159)	-	-
- current tax expense	(12,037,779)	1,346,872	-	14,505
- deferred taxation	42,348	751,784	-	-
Others	(154,791)	37,232	-	(1,007)
Utilisation of deferred tax assets previously not recognised	(63,236)	(12,062,100)	-	-
Income tax expense for the financial year	(2,344,723)	8,265,735	1,146,603	75,041

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**35. INCOME TAX EXPENSE (CONT'D)**

The corporate tax rate of the Group and of the Company is 24% (2022 - 24%).

Certain subsidiaries enjoy tax exempt profits arising from its operations of seagoing vessels, under Section 54A of the Income Tax Act, 1967.

**36. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 30 June:

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Profit attributable to ordinary equity holders of the Company	180,922,574	141,922,475
Weighted average number of ordinary shares in issue	1,142,874,883	1,159,790,392
Basic earnings per share (sen)	15.83	12.24

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

**37. ACQUISITION OF SUBSIDIARIES****37.1 ACQUISITION OF SUBSIDIARIES**

On 6 July 2022, the Company acquired 100% equity interests in Piasau Gas Sdn. Bhd. from its holding company, Shin Yang Corporation Sdn. Bhd. and third parties for a cash consideration of RM22,796,500.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**37. ACQUISITION OF SUBSIDIARIES (CONT'D)****37.1 ACQUISITION OF SUBSIDIARIES (CONT'D)**

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	<b>The Group 2023 RM</b>
Property and equipment	30,297,052
Trade and other receivables	11,323,078
Inventories	1,595,316
Cash and cash equivalents	2,764,523
Trade and other payables	(2,808,584)
Current tax assets	164,934
Hire purchase payable	(476,563)
Deferred tax liabilities	(5,243,467)
Fair value of net identifiable assets acquired	37,616,289
Less: Gain on bargain purchase	(14,819,789)
Total purchase consideration	22,796,500
Less: Cash and bank balances of subsidiary acquired	(2,764,523)
Net cash outflow from the acquisition of subsidiaries	20,031,977

**Impact of Acquisition on the Group's Results**

The acquired subsidiaries have contributed the following results to the Group:-

	<b>The Group 2023 RM</b>
Revenue	12,370,701
Profit after taxation	1,900,700

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation from continuing operations would have been RM939,604,368 and RM182,604,669 respectively.

On 27 May 2022, the Company acquired 50.50% equity interests in Melinau Container Services Sdn. Bhd. from its holding company, Shin Yang Holding Sendirian Berhad and a third party for a cash consideration of RM2 and 8,800,000 of 5% redeemable preference shares for a cash consideration of RM8,800,002 from its holding company, Shin Yang Holding Sendirian Berhad. On 6 May 2022, the Company also acquired 100% equity interests in Kuching Barrage Management Sdn. Bhd. for a cash consideration of RM600,000.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**37. ACQUISITION OF SUBSIDIARIES (CONT'D)**

## 37.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

	<b>The Group 2022 RM</b>
Property and equipment	10,281,524
Trade and other receivables	6,569,290
Cash and cash equivalents	2,281,000
Trade and other payables	(6,645,124)
Current tax assets	46,951
Hire purchase payables	(2,332,741)
Lease liabilities	(22,810)
Current tax liabilities	(171)
Deferred tax liabilities	(656,966)
Redeemable preference shares	(8,800,000)
	<hr/>
Fair value of net identifiable assets acquired	720,953
Less: Non-controlling interests	(59,228)
Less: Gain on bargain purchase	(61,723)
Add: Redeemable preference shares	8,800,000
	<hr/>
Total purchase consideration	9,400,002
Less: Cash and bank balances of subsidiary acquired	(2,281,000)
	<hr/>
Net cash outflow from the acquisition of subsidiaries	7,119,002
	<hr/>

**Impact of Acquisition on the Group's Results**

The acquired subsidiaries have contributed the following results to the Group:-

	<b>The Group 2022 RM</b>
Revenue	2,041,263
Loss after taxation	(84,742)
	<hr/>

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation from continuing operations would have been RM901,653,887 and RM142,991,332 respectively.

## 37.2 ACQUISITION OF A SUBSIDIARY SUBSEQUENT TO THE FINANCIAL YEAR END

During next financial year, the Company acquired 60% equity interests in Mewah Exim Sdn. Bhd. from third parties for a cash consideration of RM9,538,200.



**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**38. DIVIDENDS**

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
<b>Ordinary Shares</b>		
Final dividend of 1.25 (2022 – Nil) sen per ordinary share in respect of the previous financial year	14,315,191	-

At the forthcoming Annual General Meeting, an interim dividend of 3.00 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2024.

**39. CASH FLOW INFORMATION**

- (a) The cash disbursed for the purchase of property and equipment and the addition of right-of-use assets is as follows:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
<b>Property and equipment and right-of-use assets</b>		
Cost of property and equipment purchased and right-of-use assets acquired (Note 9)	74,434,061	37,954,018
Less: Acquired through hire purchase arrangements	(8,647,800)	(12,656,985)
Less: Additions of new lease liabilities - right-of-use assets	(132,485)	(115,739)
	65,653,776	25,181,294

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
<b>Property and equipment</b>		
Cost of property and equipment purchased	527,629	760,749
Less: Acquired through hire purchase arrangements	(286,200)	-
	241,429	760,749

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2023								
At 1 July	58,288,498	42,082,600	70,413,000	-	17,782,448	17,612,110	425,803	206,604,459
<u>Changes in Financial Cash Flows</u>								
New hire purchase	-	-	-	-	-	8,647,800	-	8,647,800
New leases (Note 23)	-	-	-	-	-	-	132,485	132,485
Proceeds from drawdown	-	-	-	6,749,582	-	-	-	6,749,582
Repayment of principals	(16,968,582)	(18,230,000)	(26,046,000)	-	(11,996,022)	(10,763,892)	(290,213)	(84,294,709)
Repayment of interests	(2,475,211)	(1,796,217)	(2,309,979)	(110,574)	(668,344)	(961,828)	(14,020)	(8,336,173)
	(19,443,793)	(20,026,217)	(28,355,979)	6,639,008	(12,664,366)	(3,077,920)	(171,748)	(77,101,015)

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**39. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
<b>2023</b>								
<u>Non-cash Changes</u>								
Acquisition of new subsidiaries	-	-	-	-	-	476,563	-	476,563
Reassessment/ modification of leases (Note 23)	-	-	-	-	-	-	81,482	81,482
Interest expense recognised in profit or loss	2,475,211	1,796,217	2,309,979	110,574	668,344	961,828	14,020	8,336,173
Unrealised gain on foreign exchange	-	991,800	-	-	-	-	-	991,800
	2,475,211	2,788,017	2,309,979	110,574	668,344	1,438,391	95,502	9,886,018
At 30 June	41,319,916	24,844,400	44,367,000	6,749,582	5,786,426	15,972,581	349,557	139,389,462

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
<b>2022</b>								
At 1 July	65,925,499	74,743,200	79,350,000	895,891	19,768,680	7,712,420	463,494	248,859,184
<u>Changes in Financial Cash Flows</u>								
New hire purchase	-	-	-	-	-	12,656,985	-	12,656,985
Proceeds from drawdown	10,000,000	-	-	-	-	-	-	10,000,000
Repayment of principals	(17,637,001)	(33,566,000)	(8,937,000)	(895,891)	(1,986,232)	(5,090,036)	(241,527)	(68,353,687)
Repayment of interests	(2,562,015)	(2,230,189)	(2,494,475)	(19,307)	(1,239,589)	(518,752)	(19,393)	(9,083,720)
	(10,199,016)	(35,796,189)	(11,431,475)	(915,198)	(3,225,821)	7,048,197	(260,920)	(54,780,422)

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**39. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
<b>2022</b>								
<u>Non-cash Changes</u>								
Acquisition of subsidiaries (Note 37)	-	-	-	-	-	2,332,741	22,810	2,355,551
Acquisition of new leases (Note 23)	-	-	-	-	-	-	115,739	115,739
Reassessment/ modification of leases (Note 23)	-	-	-	-	-	-	65,287	65,287
Interest expense recognised in profit or loss	2,562,015	2,230,189	2,494,475	19,307	1,239,589	518,752	19,393	9,083,720
Unrealised gain on foreign exchange	-	905,400	-	-	-	-	-	905,400
	2,562,015	3,135,589	2,494,475	19,307	1,239,589	2,851,493	223,229	12,525,697
At 30 June	58,288,498	42,082,600	70,413,000	-	17,782,448	17,612,110	425,803	206,604,459

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Company	Term Loans RM	Revolving Credits RM	Hire Purchase Payables RM	Total RM
<b>2023</b>				
At 1 July	7,104,145	3,000,000	-	10,104,145
Addition	-	-	286,200	286,200
	7,104,145	3,000,000	286,200	10,390,345
<u>Changes in Financial Cash Flows</u>				
Repayment of principal	(1,550,004)	(3,000,000)	(75,940)	(4,625,944)
Repayment of interests	(317,455)	(102,569)	(8,650)	(428,674)
	(1,867,459)	(3,102,569)	(84,590)	(5,054,618)
<u>Non-cash Changes</u>				
Repayment of interests	317,455	102,569	8,650	428,674
At 30 June	5,554,141	-	210,260	5,764,401
<b>2022</b>				
<u>Changes in Financial Cash Flows</u>				
Repayment of principal	(1,550,004)	(1,000,000)	-	(2,550,004)
Repayment of interests	(333,751)	(160,868)	-	(494,619)
	(1,883,755)	(1,160,868)	-	(3,044,623)
<u>Non-cash Changes</u>				
Repayment of interests	333,751	160,868	-	494,619
At 30 June	7,104,145	3,000,000	-	10,104,145

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**39. CASH FLOW INFORMATION (CONT'D)**

- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the followings:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed and treasury deposits with licensed banks	291,248,349	189,450,000	48,000,000	44,000,000
Cash and bank balances	107,656,134	93,723,425	458,529	15,167,993
	398,904,483	283,173,425	48,458,529	59,167,993
Bank overdrafts (Note 24)	(5,786,426)	(17,782,448)	-	-
	393,118,057	265,390,977	48,458,529	59,167,993
Less: Fixed and treasury deposits with maturity more than 3 months	(291,248,349)	(189,100,000)	(48,000,000)	(44,000,000)
	101,869,708	76,290,977	458,529	15,167,993

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.22% to 4.11% (2022 – 2.05% to 2.63%) per annum and 3.85% to 4.07% (2022 – 2.22% to 2.63%) per annum respectively. The fixed deposits have maturity periods ranging from 180 to 190 (2022 - 29 to 194) days and 180 (2022 – 180) days for the Group and the Company respectively.



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 40. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:-				
- fees	124,000	527,000	124,000	527,000
- salaries, bonus and other benefits	5,403,560	1,863,104	4,187,594	1,162,729
	5,527,560	2,390,104	4,311,594	1,689,729
Defined contribution benefits	286,035	106,780	232,200	46,440
	5,813,595	2,496,884	4,543,794	1,736,169
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:-				
- salaries, bonus and other benefits	1,326,296	1,365,948	-	-
	1,326,296	1,365,948	-	-
Defined contribution benefits	197,979	224,203	-	-
	1,524,275	1,590,151	-	-
Total directors' remuneration (Note 34)	7,337,870	4,087,035	4,543,794	1,736,169

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>(b) Other Key Management Personnel</b>				
Short-term employee benefits:-	1,496,837	759,516	1,496,837	759,516
Defined contribution benefits	116,600	31,600	116,600	31,600
	<u>1,613,437</u>	<u>791,116</u>	<u>1,613,437</u>	<u>791,116</u>

**41. RELATED PARTY DISCLOSURES****(a) Identities of Related Parties**

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Company has related party relationships with holding company, entities within the same group of companies and companies in which Directors of the Company have substantial financial interests.

**(b) Significant Related Party Transactions and Balances**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: -

	The Group	
	2023 RM	2022 RM
Sales of goods and services to		
- Related companies	(149,190,930)	(147,233,866)
- Holding company	(4,520.00)	(20,575)
- Associates	(1,431,206)	(40,823,611)
Purchase of goods and services from		
- Related companies	22,199,832	15,880,620
- Holding company	1,447	4,961
- Associates	3,202,673	2,886,559

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**41. RELATED PARTY DISCLOSURES (CONT'D)****(b) Significant Related Party Transactions and Balances (Cont'd)**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: - (cont'd)

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Sales of property and equipment		
- Related companies	(1,510,400)	(329,421)
Purchase of property and equipment		
- Related companies	3,912,547	2,627,641
- Associates	2,014,225	1,288
Rental income from		
- Related companies	(30,176)	(195,976)
- Associates	(324,000)	(300,000)
Rental expenses charged by		
- Related companies	1,073,582	523,407
- Associates	-	580
- Holding company	38,500	46,000
	<hr/>	<hr/>

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests:		
Sales of goods and services	(15,395,409)	(22,270,213)
Purchase of goods and services	10,780,139	25,889,145
Sales of property and equipment	(1,597,836)	(95,000)
Purchase of property and equipment	5,519,080	93,877
Rental income	-	(19,800)
Rental expenses	48,000	69,874
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**41. RELATED PARTY DISCLOSURES (CONT'D)****(b) Significant Related Party Transactions and Balances (Cont'd)**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: - (cont'd)

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Sales of property and equipment to		
- Subsidiaries	(20,000)	(450)
Other income		
- Related companies	(1,920)	-
Purchase of goods and services from		
- Subsidiaries	49,970	179,713
- Associate	-	19
- Related companies	144,946	126,623
Purchase of property and equipment		
- Subsidiaries	870	484,229
- Related companies	65,740	77,661
Rental income from		
- Associates	(324,000)	(300,000)
- Subsidiaries	(4,749,020)	(2,733,200)

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests:		
Purchase of goods and services	38,006	-
Purchase of property and equipment	318,000	-

Related companies

Related companies are companies within Shin Yang Holding Sendirian Berhad Group.

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

### 42. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 4 main reportable segments as follows:-

- (i) Shipbuilding, ship repair and fabrication of metal structures.
- (ii) Domestic and regional shipping segment which carries out shipping business in coastal and regional routes within Malaysia and ASEAN region.
- (iii) International shipping segment which carries out international routes to Japan, Korea, China, Philippines and ASEAN region.
- (iv) Land transportation and hiring services.
- (v) Manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in welding equipment and machinery.
- (vi) Others consist of the business of shipping agency and operations and maintenance of barrage.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

- (a) The Group Managing Director assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets (including goodwill) is measured based on all assets of the segment other than investment in an associate and tax-related assets.
- (c) Assets and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.
- (d) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
<b>30 June 2023</b>									
<b>Revenue:</b>									
External customers	55,967,622	688,284,621	120,886,495	49,729,844	12,370,701	12,365,085	-		939,604,368
Inter-segment	55,885,384	6,491,358	1,992,047	23,897,527	3,768,203	50,251,750	(142,286,269)	A	-
Total revenue	111,853,006	694,775,979	122,878,542	73,627,371	16,138,904	62,616,835	(142,286,269)		939,604,368
<b>Results:</b>									
Finance income	(31,323)	(3,583,460)	(2,300,330)	(54,600)	(108,603)	(1,907,566)	-		(7,985,882)
Finance costs	4,986,865	2,471,057	-	470,521	13,531	431,153	(36,954)		8,336,173
Dividend income	-	-	(1,800)	-	-	(39,664,750)	39,664,750		(1,800)
Depreciation and amortisation	10,424,267	53,782,779	19,816,400	6,075,366	1,201,412	1,597,070	1,953,544		94,850,838
Share of results of associates	-	-	-	-	-	-	(1,593,773)		(1,593,773)
Other non-cash expenses/ (income)	775,091	17,352,680	(226,511)	-	-	(74,683)	(14,583,778)	B	3,242,799
Segment (loss)/ profits	(3,715,844)	141,164,767	19,723,297	5,859,152	2,562,311	45,494,458	(30,828,195)	C	180,259,946

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 42. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
<b>30 June 2023 (Cont'd)</b>									
<b>Assets:</b>									
Investment in associates	-	2,629,642	-	-	-	682,500	89,167		3,401,309
Additions to non- current assets	1,748,560	39,348,075	7,021,616	24,875,518	224,410	627,359	588,523	D	74,434,061
Segment assets	338,874,341	745,368,191	391,769,550	93,852,936	46,548,466	188,602,993	(233,622,918)	E	1,571,393,559
<b>Liabilities:</b>									
Segment liabilities	149,958,586	198,649,580	124,891,566	29,019,525	4,302,554	41,790,047	(202,705,555)	F	345,906,303



## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 42. OPERATING SEGMENTS (CONT'D)

	Shipbuilding and Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
<b>30 June 2022</b>								
<b>Revenue:</b>								
External customers	135,026,722	570,620,169	132,535,667	47,652,555	7,622,470	-		893,457,583
Inter-segment	29,035,040	6,406,493	44,619	28,938,179	6,291,357	(70,715,688)	A	-
Total revenue	164,061,762	577,026,662	132,580,286	76,590,734	13,913,827	(70,715,688)		893,457,583
<b>Results:</b>								
Finance income	(28,671)	(1,324,663)	(1,027,994)	(38,944)	(1,166,870)	-		(3,587,142)
Finance costs	6,473,532	1,993,769	-	153,012	497,993	(34,586)		9,083,720
Dividend income	-	-	(1,200)	-	(21,993,250)	21,993,250		(1,200)
Depreciation and amortisation	10,300,845	54,817,099	19,271,242	3,970,085	1,710,236	708,358		90,777,865
Share of results of associates	-	-	-	-	-	221,144		221,144
Other non-cash expenses/ (income)	2,044,029	8,410,649	224,611	99,207	-	(276,734)	B	10,501,762
Segment profits	34,338,490	73,339,394	43,850,735	3,777,713	24,546,644	(28,745,300)	C	151,107,676

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 42. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
<b>30 June 2022 (Cont'd)</b>								
<b>Assets:</b>								
Investment in associates	-	2,629,641	-	-	682,500	1,692,691		5,004,832
Additions to non-current assets	3,633,902	24,309,708	2,636,682	6,662,428	808,341	(97,043)	D	37,954,018
Segment assets	393,211,062	670,190,591	412,354,649	82,219,711	218,404,866	(288,168,038)	E	1,488,212,841
<b>Liabilities:</b>								
Segment liabilities	197,785,807	241,066,891	161,793,280	21,013,684	63,628,300	(263,977,324)	F	421,310,638

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**42. OPERATING SEGMENTS (CONT'D)**

- A Inter-segment revenues are eliminated on consolidated.
- B Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	<b>2023</b>	<b>2022</b>
	RM	RM
Fair value loss on other investments	-	9,600
Fair value changes on forward contracts	(529,658)	800,213
Unrealised loss/(gain) on foreign exchange	2,237,674	(207,833)
Impairment loss on trade and other receivables	15,334,622	10,448,952
Gain on bargain purchase	(14,819,789)	(61,723)
Impairment loss on property and equipment	3,182,914	-
Reversal of impairment loss on trade and other receivables	(2,162,964)	(487,447)
	<u>3,242,799</u>	<u>10,501,762</u>

- C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated statement of profit or loss and other comprehensive income:

	<b>2023</b>	<b>2022</b>
	RM	RM
Share of result of associates	(1,593,773)	221,144
Dividend from subsidiaries	(39,655,000)	(21,925,000)
Dividend from associates	(9,750)	(68,250)
Profit from inter-segment sales	(2,435,917)	(6,326,559)
Depreciation	(1,953,544)	(708,358)
Gain on bargain purchase	14,819,789	61,723
	<u>(30,828,195)</u>	<u>(28,745,300)</u>

- D Additions to non-current assets consists of:

	<b>2023</b>	<b>2022</b>
	RM	RM
Property and equipment	<u>74,434,061</u>	<u>37,954,018</u>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**42. OPERATING SEGMENTS (CONT'D)**

- E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	<b>2023</b>	<b>2022</b>
	RM	RM
Property and equipment	(1,807,824)	(4,972,081)
Investment in associates	89,167	1,692,691
Inter-segment assets	(233,968,154)	(286,952,541)
Intangible assets	2,063,893	2,063,893
	<u>(233,622,918)</u>	<u>(288,168,038)</u>

- F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	<b>2023</b>	<b>2022</b>
	RM	RM
Cumulative preference shares	(100,000)	(100,000)
Inter-segment liabilities	(202,605,555)	(263,877,324)
	<u>(202,705,555)</u>	<u>(263,977,324)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**42. OPERATING SEGMENTS (CONT'D)**

- F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position (Cont'd):

Geographical information

Revenue is based on the country in which the customers are located.

	Revenue	
	2023 RM	2022 RM
Malaysia	783,520,033	747,906,557
China	73,623,122	50,993,859
Singapore	28,400,950	50,955,375
United Arab Emirates	-	43,574,880
Japan	11,106,450	26,912
Brunei	11,717,351	-
India	2,102,260	-
Philippines	23,336,271	-
Korea	908,432	-
Australia	8,886	-
Solomon Islands	9,431	-
Denmark	452,597	-
Papua New Guinea	2,636,585	-
Indonesia	1,782,000	-
	<u>939,604,368</u>	<u>893,457,583</u>

**43. CAPITAL COMMITMENTS**

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Approved and not contracted for:</b>				
Purchase of property and equipment	7,500,000	9,738,000	-	-
Construction of workshop	-	6,603,464	-	-
	<u>7,500,000</u>	<u>16,341,464</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**44. CONTINGENT LIABILITIES**

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement: -

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
Performance guarantee extended by subsidiaries to third parties	8,976,014	16,971,765

**45. FINANCIAL INSTRUMENTS**

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**45.1 FINANCIAL RISK MANAGEMENT POLICIES**

Financial risk management policies are periodically reviewed and approved by the Board of Directors and executed by the management. The audit committee of Shin Yang Shipping Corporation Berhad provides independent oversight to the effectiveness of the risk management process.

The Group's policies in respect of the major areas of treasury activity are as follows: -

**(a) Market Risk****(i) Foreign currency risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), United Arab Emirates Dirham (AED), Renminbi Yuan (RMB), Japanese Yen (JPY), Brunei Dollar (BND) and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign currency risk (Cont'd)***Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
<b>Effects on Profit/(Loss) After Taxation</b>		
USD/RM - strengthen by 5%	(463,557)	(99,654)
USD/RM - weaken by 5%	463,557	99,654
	-----	-----
SGD/RM - strengthen by 5%	(33,273)	(16,797)
SGD/RM - weaken by 5%	33,273	16,797
	-----	-----
AED/RM - strengthen by 5%	-	2,315
AED/RM - weaken by 5%	-	(2,315)
	-----	-----
JPY/RM - strengthen by 5%	(26,588)	(16,773)
JPY/RM - weaken by 5%	26,588	16,773
	-----	-----
RMB/RM - strengthen by 5%	(250,312)	(257,457)
RMB/RM - weaken by 5%	250,312	257,457
	-----	-----
BND/RM - strengthen by 5%	134,684	-
BND/RM - weaken by 5%	(134,684)	-
	-----	-----



**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

## (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 24 to the financial statements.

*Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
<b>Effects on Profit/(Loss) After Taxation</b>		
Increase of 10 basis points	(54,683)	(89,797)
Decrease of 10 basis points	54,683	89,797

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

## (ii) Interest Rate Risk (Cont'd)

*Interest Rate Risk Sensitivity Analysis (Cont'd)*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	RM	RM
<b>Effects on Profit/(Loss) After Taxation</b>		
Increase of 10 basis points	(4,221)	(7,679)
Decrease of 10 basis points	4,221	7,679
	<hr/>	<hr/>

**(b) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (i) Credit Risk Concentration profile

The Group determines concentration of credit risk by monitoring the trade and other receivables on an ongoing basis.

## (ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

## (iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

**Trade Receivables and Contract Assets**

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables including related parties and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

	Gross carrying Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>The Group</b>				
<b>2023</b>				
Current (not past due)	65,177,972	-	(1,155,179)	64,022,793
Past due				
1-30 days	37,962,070	-	(951,058)	37,011,012
31-60 days	20,467,287	-	(904,030)	19,563,257
61-90 days	11,915,252	-	(1,201,740)	10,713,512
91-120 days	13,913,693	-	(1,250,232)	12,663,461
More than 121 days	33,191,488	-	(19,810,953)	13,380,535
Credit impaired	9,724,650	(9,724,650)	-	-
Trade receivables	192,352,412	(9,724,650)	(25,273,192)	157,354,570
Contract assets	2,089,683	-	-	2,089,683
	<u>194,442,095</u>	<u>(9,724,650)</u>	<u>(25,273,192)</u>	<u>159,444,253</u>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

	Gross carrying Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>The Group</b>				
<b>2022</b>				
Current (not past due)	62,605,006	-	(1,034,751)	61,570,255
Past due				
1-30 days	46,997,022	-	(809,474)	46,187,548
31-60 days	23,144,725	-	(639,112)	22,505,613
61-90 days	9,256,284	-	(399,974)	8,856,310
91-120 days	5,355,785	-	(542,693)	4,813,092
More than 121 days	46,881,444	-	(10,493,760)	36,387,684
Credit impaired	11,235,332	(9,991,816)	-	1,243,516
Trade receivables	205,475,598	(9,991,816)	(13,919,764)	181,564,018
Contract assets	2,455,328	-	-	2,455,328
	<u>207,930,926</u>	<u>(9,991,816)</u>	<u>(13,919,764)</u>	<u>184,019,346</u>

**Other Receivables and Related Parties**

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for other receivables and related parties is summarised below:-

	Gross Amount RM	Lifetime Loss Allowances RM	Carrying Amount RM
<b>The Group</b>			
<b>2023</b>			
Low credit risk	1,091,380	-	1,091,380
Credit impaired	18,891,812	(18,891,812)	-
	<u>19,983,192</u>	<u>(18,891,812)</u>	<u>1,091,380</u>
<b>2022</b>			
Low credit risk	4,567,325	-	4,567,325
Credit impaired	17,046,274	(17,046,274)	-
	<u>21,613,599</u>	<u>(17,046,274)</u>	<u>4,567,325</u>

*Fixed and Treasury Deposits with Licensed Banks, Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

*Financial Guarantee Contracts*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
<b>The Group</b>					
<b>2023</b>					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	132,636,200	132,636,200	132,636,200	-	-
Lease liabilities	349,557	352,654	287,238	65,416	-
Loans and borrowings	139,039,905	145,292,493	105,962,718	38,320,771	1,009,004
	<u>272,025,662</u>	<u>278,281,347</u>	<u>238,886,156</u>	<u>38,386,187</u>	<u>1,009,004</u>
<u>Derivative Financial liabilities:</u>					
Forward currency contract	372,480	372,480	372,480	-	-



**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)***Maturity Analysis (Cont'd)*

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
<b>The Group</b>					
<b>2022</b>					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	149,548,921	149,548,921	149,548,921	-	-
Lease liabilities	425,803	432,113	292,610	139,503	-
Loans and borrowings	206,178,656	214,432,391	160,295,864	49,003,601	5,132,926
	<u>356,153,380</u>	<u>364,413,425</u>	<u>310,137,395</u>	<u>49,143,104</u>	<u>5,132,926</u>
<u>Derivative Financial liabilities:</u>					
Forward currency contract	902,138	902,138	902,138	-	-
	<u>902,138</u>	<u>902,138</u>	<u>902,138</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023 (Cont'd)

## 45. FINANCIAL INSTRUMENTS (CONT'D)

## 45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM
<b>The Company</b>				
<b>2023</b>				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,363,502	1,363,502	1,363,502	-
Loans and borrowings	5,764,401	6,209,561	1,865,004	4,344,557
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	91,659,770	91,659,770	91,659,770	-
	<u>98,787,673</u>	<u>99,232,833</u>	<u>94,888,276</u>	<u>4,344,557</u>
<b>2022</b>				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,290,340	1,290,340	1,290,340	-
Loans and borrowings	10,104,145	10,848,970	4,859,307	5,989,663
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	118,844,660	118,844,660	118,844,660	-
	<u>130,239,145</u>	<u>130,983,970</u>	<u>124,994,307</u>	<u>5,989,663</u>

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)****45.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

**45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	<b>2023</b>	<b>2022</b>
	RM	RM
<b>The Group</b>		
<b>Financial Assets</b>		
<u>Fair Value Through Profit or Loss</u>		
Other investments	58,800	58,800
<u>Amortised Cost</u>		
Trade receivables (Note 15)	157,354,570	181,564,018
Other receivables (Note 16)	12,930,919	7,418,494
Fixed and treasury deposits with licensed banks (Note 39)	291,248,349	189,450,000
Cash and bank balances (Note 39)	107,656,134	93,723,425
	569,189,972	472,155,937
<b>Financial Liabilities</b>		
<u>Fair Value Through Profit or Loss</u>		
Derivative liabilities	372,480	902,138
<u>Amortised Cost</u>		
Trade payables (Note 29)	107,902,587	128,323,886
Other payables and accruals (Note 30)	24,733,613	21,225,035
Lease liabilities (Note 23)	349,557	425,803
Bank borrowings (Note 24)	139,039,905	206,178,656
	272,025,662	356,153,380

**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2023 (Cont'd)

**45. FINANCIAL INSTRUMENTS (CONT'D)**

## 45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2023 RM	2022 RM
<b>The Company</b>		
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Other receivables (Note 16)	682,643	1,824,489
Amount owing by subsidiaries (Note 10)	3,582,158	38,565,138
Dividend receivable	36,155,000	-
Fixed and treasury deposits with licensed banks (Note 39)	48,000,000	44,000,000
Cash and bank balances (Note 39)	458,529	15,167,993
	88,878,330	99,557,620
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Other payables and accruals (Note 30)	1,363,502	1,290,340
Bank borrowings (Note 24)	5,764,401	10,104,145
	7,127,903	11,394,485

## 45.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The quantitative disclosures fair value measurement hierarchy for assets and liabilities are disclosed in Notes 11, 18 and 25 to the financial statements respectively.

## ANALYSIS OF SHAREHOLDINGS

As at 19 October 2023

### Analysis by Size Shareholdings As at 19 October 2023

Size of Shareholdings	No. of Holders	%	No. of Securities	%
1 - 99	8	0.257	251	0.000
100 - 1,000	374	11.995	227,982	0.020
1,001 - 10,000	1,491	47.819	8,733,508	0.771
10,001 - 100,000	1,015	32.553	35,788,200	3.159
100,001 - 56,650,764 (*)	229	7.344	427,852,563	37.762
56,650,765 and above (**)	1	0.032	660,412,796	58.288
<b>TOTAL :</b>	<b>3,118</b>	<b>100</b>	<b>1,133,015,300</b>	<b>100</b>

Remark : \* less than 5% of issued shares  
\*\* 5% and above of issued shares

### Directors' Shareholdings As at 19 October 2023

No	Name of Director	No. of Shares held through Nominees	No. of Shares held through own name	Total Shareholdings	%
1	TAN SRI DATUK LING CHIONG HO	-	34,802,669	34,802,669	3.07
2	LING CHIONG SING	-	34,802,669	34,802,669	3.07
3	DATUK LING LU KIONG	-	100,000	100,000	0.01
4	LING CHIONG PIN	-	34,802,668	34,802,668	3.07
5	LING SIU CHUO	-	36,000,009	36,000,009	3.18
6	VINCENT LING LU YEW	-	100,000	100,000	0.01
7	ARSHAD BIN ZAINUDDIN	-	5,000	5,000	0.00
8	YONG NYET YUN	-	100,000	100,000	0.01
9	JACK WILLIEN @ WILLIAM ANAK JINEP	-	87,000	87,000	0.01
<b>TOTAL</b>		<b>-</b>	<b>140,800,015</b>	<b>140,800,015</b>	<b>12.43</b>

- Total Paid-Up Capital as at 19 October 2023 1,133,015,300
- All information of shareholdings disclosed excludes 66,984,700 treasury shares held by the Company

### Information on Substantial Shareholders As at 19 October 2023

Names	NRIC / Registration No.	Total Shareholdings	%
1 SHIN YANG HOLDING SENDIRIAN BERHAD	184468H	660,412,796	58.288
<b>TOTAL</b>		<b>660,412,796</b>	<b>58.288</b>

- Total Paid-Up Capital as at 19 October 2023 1,133,015,300
- All information of shareholdings disclosed excludes 66,984,700 treasury shares held by the Company

**ANALYSIS OF SHAREHOLDINGS**

as at 19 October 2023 (Cont'd)

**Distribution Table According To Category of Shareholders Held In Respect of Ordinary Shares  
As at 19 October 2023**

Category of Holders	No. of Holders			No. of Securities			%		
	Malaysian Bumi	Non- Bumi	Foreign	Malaysian Bumi	Non- Bumi	Foreign	Malaysian Bumi	Non- Bumi	Foreign
1 Individual	383	1,971	18	5,255,800	248,150,422	7,512,600	0.464	21.902	0.663
2. Body Corporate									
a. Banks/Finance Companies	4	1	0	87,808	6,000	0	0.008	0.001	0.000
b. Investment Trusts / Foundation / Charities	0	0	0	0	0	0	0.000	0.000	0.000
c. Industrial And Commercial Companies	9	16	2	1,212,100	737,337,311	189,700	0.107	65.077	0.017
3. Government Agencies / Institutions	0	0	0	0	0	0	0.000	0.000	0.000
4. Nominees	458	223	33	59,267,200	14,986,100	59,010,259	5.231	1.323	5.208
5 Others	0	0	0	0	0	0	0.000	0.000	0.000
<b>TOTAL</b>	<b>854</b>	<b>2,211</b>	<b>53</b>	<b>65,822,908</b>	<b>1,000,479,833</b>	<b>66,712,559</b>	<b>5.810</b>	<b>88.303</b>	<b>5.888</b>

All information of shareholdings disclosed excludes 1,133,015,300 treasury shares held by the Company

**List of Thirty (30) Largest Shareholders  
As at 19 October 2023**

Names	Shareholding	%
1 SHIN YANG HOLDING SENDIRIAN BERHAD	660,412,796	58.288
2 CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	46,284,000	4.085
3 LING SIU CHUO	36,000,009	3.177
4 LING CHIONG HO	34,802,669	3.072
5 LING CHIONG SING	34,802,669	3.072
6 LING CHIONG PIN	34,802,668	3.072
7 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BUMIMAS WANGI SDN. BHD.	30,311,500	2.675
8 LING SIEW TING	24,000,006	2.118
9 S.K. UNIMAS SDN. BHD.	20,520,200	1.811
10 MAJU BUMIRAYA SDN BHD	19,813,500	1.749
11 CAHAYA SURIAMAJU SDN. BHD.	18,665,600	1.647
12 KONG EIK MING	12,461,800	1.100
13 CAHAYA SURIAMAJU SDN. BHD.	7,500,000	0.662
14 ADINAMAJU SDN BHD	6,461,400	0.570
15 WONG TIING SONG	4,496,800	0.397
16 LING CHIONG SIENG	3,765,168	0.332

**ANALYSIS OF SHAREHOLDINGS**

as at 19 October 2023 (Cont'd)

**List of Thirty (30) Largest Shareholders (Cont'd)**  
**As at 19 October 2023**

Names	Shareholding	%
17 JUMA KHALIFA OBAID ABUSHIBS	3,554,000	0.314
18 SHINLINE CORPORATION SDN. BHD.	3,290,515	0.290
19 UOBM NOMINEES (ASING) SDN BHD UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR PERRA GROUP LIMITED	2,800,000	0.247
20 CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND, LLC	2,596,800	0.229
21 HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GARY TAN YOW HOO	2,487,300	0.220
22 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HONG KEN CHOON (KUCHING-CL)	2,297,000	0.203
23 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI CHIN BOON	2,008,000	0.177
24 TIE TEK TIONG @ TIE TECK TIONG	1,727,000	0.152
25 TAN LYE BENG	1,608,000	0.142
26 JULIAN JAMES ARMSTRONG	1,601,000	0.141
27 PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (B)	1,400,000	0.124
28 YU HUNG WEN	1,380,900	0.122
29 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WONG TIING SONG (PB)	1,350,000	0.119
30 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. HOU SIU KEE	1,300,000	0.115
<b>TOTAL</b>	<b>1,024,501,300</b>	<b>90.423</b>

*Paid-up Capital as at 19 October 2023*

1,133,015,300

## PROPERTIES OF THE GROUP

A summary of the land and buildings owned by our Group is as follows:-

No.	Name of Registered Owner and Postal Address/Title Identification	Description and existing Use	Date of Expiry of Lease / Tenure / Approximate Age of Building/	Date of Valuation	Approximate land area	NBV as at 30 June 2023 (RM'000)
1.	<b>Piasau Slipways Sdn Bhd</b> Lot 1528 -1530, Block 12, Buan Land District, Tanjung Manis, Sarawak	Vacant sand filled industrial land.	Leasehold of 60 years expiring 02.06.2081 / Aged 14- 16 years	5 <sup>th</sup> October 2009	25.2542 Ha	6,920
2.	<b>Shin Yang Shipyard Sdn Bhd</b> Lot 1531 -1536, and Plot 100 <sup>(1)</sup> under Lot 659, Block 12, Buan Land District, Tanjung Manis, Sarawak	Industrial land erected with warehouse and workshop, road and jetty.	Leasehold of 60 years expiring 02.06.2081 / Aged 4- 16 years	5 <sup>th</sup> October 2009	61.9774 Ha	27,920
3.	<b>Piasau Slipways Sdn Bhd</b> Lot No. 1098, Block 37, Kemena Land District, Sarawak	Industrial land erected with the warehouses, winch & slipways used as shipping fabrication yard and dockyard.	Leasehold of 60 years expiring 15.08.2070 / Aged 13-19 years	16 <sup>th</sup> November 2009	7.006 Ha	8,237
4.	<b>Shin Yang Shipyard Sdn Bhd</b> Lot 263, Block 1, Kuala Baram Land District, Miri, Sarawak  <i>(formerly known as Lot 211, Block 1, Kuala Baram Land District, Miri, Sarawak)</i>	Industrial land erected with the workshops cum office buildings, winch house, warehouse, slipways, jetty, wharf and launching ways buildings used as shipping fabrication yard & dockyard.	Leasehold of 60 years expiring 14.07.2055 / Aged 10-23 years	2 <sup>nd</sup> November 2009	13.02 Ha	9,006
5.	<b>Piasau Slipways Sdn Bhd</b> Lot 208, Block 1 and Lot 523, Kuala Baram Land District, Miri, Sarawak	Two contiguous parcels of industrial lands erected with the double storey office cum stores, workshops, winch house, 4-rail slipways, shipyard buildings used as shipping fabrication yard, dockyard and office.	Lot 208 - leasehold of 60 years expiring 17.09.2055 / Aged 10-15 years  Lot 523 - leasehold of 60 years expiring 07.01.2048 / Aged 0-22 years	11 <sup>th</sup> May 2023	Lot 208 2.273 Ha  Lot 523 5.119 Ha	7,567
6.	<b>Shin Yang Shipyard Sdn Bhd</b> Lot 80, Block 3, Kuala Baram Land District, Miri, Sarawak	A collective parcel of thirteen industrial land erected with the double storey offices, 4 shipyard buildings, workshops, & launching ways buildings used as shipping fabrication yard, dockyard and office	Leasehold for 99 years expiring on 20.02.2102 / Aged 6-16 years	21 <sup>st</sup> August 2009	72.3 Ha	39,372
7.	<b>Shin Yang Shipyard Sdn Bhd</b> Sublot 153 under Lot 83, Block 3, Kuala Baram Land District, Miri, Sarawak	Industrial land erected with the office building.	Parent lot title under leasehold for 99 years expiring on 20.02.2102 <sup>(1)</sup> / Aged 2-15 years	11 <sup>th</sup> May 2023	1.81 Ha	14,384
8.	<b>Shin Yang Group Berhad</b> Lot No.25, Kota Kinabalu Industrial Park, Off Jalan Sepangar Bay, Kota Kinabalu , Sabah	Industrial land erected with the office building & factory, warehouse and container yards.	Leasehold of 99 years expiring 31.12.2098 / Aged 7-10 years	N/A	1.648 Ha	8,222
9.	<b>Shin Yang Group Berhad</b> KM10.9, Jalan Batu Sapi-Lintas Sibuga Sandakan , Sabah	Residential Zoned land erected with the front office with open sided store.	Leasehold of 999 years expiring on 12.01.2901 / Aged 10 years	N/A	1.607 Ha	2,164
10.	<b>Shin Yang Group Berhad</b> Lot 31, Lebuh Sultan Mohamed 1, Kawasan Perusahaan Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan	Industrial land erected with 2-storey office building & factory, warehouses and container yards.	Leasehold of 99 years expiring on 30.06.2105 / Aged 4-7 years	N/A	2.947 Ha	21,517
11.	<b>Melinau Transport Sdn Bhd</b> Lot 3354, Block 20, Kemena Land District, Sarawak.	Vacant sand filled industrial land	Leasehold of 60 years expiring on 09.01.2079 / Aged 5-9 years	N/A	25.69Ha	21,418



## PROPERTIES OF THE GROUP

(Cont'd)

A summary of the land and buildings owned by our Group is as follows:- (Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Description and existing Use	Date of Expiry of Lease / Tenure / Approximate Age of Building/	Date of Valuation	Approximate land area	NBV as at 30 June 2023 (RM'000)
12.	<b>Melinau Transport Sdn Bhd</b> Lot 576, Block 1, Kuala Baram Land District, Miri, Sarawak.	Industrial land erected with workshop	Leasehold of 99 years expiring on 20.02.2102 / Aged 2-13 years	N/A	5.506Ha	761
13.	<b>Piasau Gas Sdn Bhd</b> Lot 314, Block 1 Kuala Baram Land District, Miri, Sarawak.	Industrial land erected with 1 unit of 3 storey office building, 3 units of single storey open shed warehouses, 2 production plants and 2 refilling gas industrial facility	Leasehold of 60 years expiring on 02.01.2060 / Aged 4-23 years	3 <sup>rd</sup> May 2023	4.502 Ha	7,640

Notes:- (1) Titles awaiting for subdivision and amalgamation.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 18<sup>th</sup> Annual General Meeting of the Company will be held at Conference Room, Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Friday, 24<sup>th</sup> November 2023 at 11:00 a.m. for the following purposes:-

### AGENDA

#### As Ordinary Businesses:

1. To table the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note A)**
2. To approve the declaration of a single-tier final dividend of 3.00 sen per ordinary share for the financial year ended 30 June 2023. **(Resolution 1)**
3. To approve the payment of Directors' fees and benefits for the financial year ended 30 June 2024. **(Resolution 2)**
4. To re-elect the following Directors who are retiring in accordance with clause 90 of the Company's Constitution, and being eligible, have offered themselves for re-election:-
  - i) Tan Sri Datuk Ling Chiong Ho **(Resolution 3)**
  - ii) Mr. Vincent Ling Lu Yew **(Resolution 4)**
  - iii) En. Arshad Bin Zainuddin **(Resolution 5)**
5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

#### As Special Businesses

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

6. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")** **(Resolution 7)**

"**THAT** subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), other applicable laws, guidelines, rules and regulations, and the approval of the relevant governmental/regulator authorities (where applicable), approval be and is hereby given to the Company and/or its subsidiary companies ("**Group**") to enter into recurrent related party transactions of a revenue or trading nature with those related parties as stated in Section 2.2 of the Circular to Shareholders dated 31st October 2023 ("**Circular**"), which are necessary for the day-to-day operations of the Group ("**RRPT**") subject further to the following:

- a. That the RRPT are in the ordinary course of business and are made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those available to the public and not to the detriment of the minority shareholders;
- b. That disclosure will be made in the annual report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed RRPT Mandate during the financial year based on information such as the types of the RRPT made and names of the related parties involved in each type of the RRPT made and their relationship with the Company; and

## NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

- c. That such approval shall continue to be in force until: -
- o the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
  - o the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340 (2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act; or
  - o revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier;

**AND THAT** the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed RRPT Mandate.

**AND THAT** the estimated value given on the RRPT as outlined in Section 2.2 of the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review methods or procedures outlined in Section 2.5 of the Circular.”

### 7. Proposed Renewal of Authority On Shares Buy-Back.

(Resolution 8)

“**THAT** subject to the Company’s compliance with all the applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016 (“**the Act**”), the Company’s Constitution and Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) Main Market Listing Requirements (“**Listing Requirements**”), the Directors of the Company be and are hereby authorized to purchase shares at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors in their absolute discretion deem and expedient in the interest of the Company provided that:

- a. the aggregate number of ordinary shares which may be purchased and retained by the Company at any point of time pursuant to this resolution shall not exceed approximately seven point two five per centum (7.25%) of the total issued and paid up share capital of the Company;
- b. the amount of funds to be allocated by the Company pursuant to this resolution not exceed the retained earnings and/or share premium of the Company as at 30 June 2023; and
- c. the shares so purchased by the Company pursuant to this resolution may at the discretion of the Directors be: -
  - o retained as treasury shares; and/or cancelled; and/or
  - o resold on the market of Bursa Securities in accordance to the Listing Requirements; and/or
  - o distributed as dividends to the shareholders; and/or
  - o dealt in any other manners prescribed by the applicable rules, regulations and orders made pursuant to the Act, the Listing Requirements and any other relevant authority for the time being in force;

**AND THAT** such authority conferred by the shareholders of the Company upon passing of the resolution will continue to be in force until the conclusion of the next Annual General Meeting of the Company, unless by a resolution passed at that meeting, the authority is renewed; or the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Act but must not extended to such extensions as may be allowed pursuant to Section 340(4) of the Act; or until the authority is revoked or varied by a resolution passed by the shareholders in a general meeting, whichever occurs first;

**AND THAT** the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the resolution.

## NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

### NOTICE OF ENTITLEMENT AND PAYMENT OF SINGLE-TIER FINAL DIVIDEND

**NOTICE IS HEREBY GIVEN THAT** the Single-Tier Final Dividend of 3.00 sen per ordinary share for the financial year ended 30 June 2023, if approved at 18<sup>th</sup> Annual General Meeting will be paid on 15<sup>th</sup> December 2023 to Shareholders whose name appear in the Records of Depositors and Register of Members at the close of business on 1<sup>st</sup> December 2023.

Depositor shall qualify for entitlement only respect of:

- (a) Shares deposited into Depositor's Securities Account before 12.30pm on 29<sup>th</sup> November 2023. (in respect of shares which are exempted from mandatory deposit)
- (b) Shares transferred into the Depositor's Securities Account before 4.30pm on 1<sup>st</sup> December 2023 in respect of transfers; and
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board of Directors

**RICHARD LING PENG LIING**  
**SSM Practising Certificate No. 201908000676**  
Company Secretary  
Miri, Sarawak

27<sup>th</sup> October 2023

### Explanatory Notes:

#### 1. Item 1 of the Agenda

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of Shareholders of the Company and hence, is not put forward for voting.

#### 2. Ordinary Resolutions 3 to 5 – Re-election of Directors

Pursuant to Clause 90 of the Company's Constitution, one third (1/3) of the Directors shall retire from office at least once in every three (3) years at each AGM of the Company and the retiring Directors can offer themselves for re-election.

Accordingly, Tan Sri Datuk Ling Chiong Ho, Mr. Vincent Ling Lu Yew and En. Arshad Bin Zainuddin shall retire by rotation at the 18<sup>th</sup> AGM pursuant to Clause 90 of the Company's Constitution. Tan Sri Datuk Ling Chiong Ho, Mr. Vincent Ling Lu Yew and En. Arshad Bin Zainuddin, being eligible, have offered themselves for re-election.

#### 3. Ordinary Resolution 7 – Proposed Renewal of Shareholders' Mandate on Recurrent Related Party Transactions

The proposed Ordinary Resolution 7, if passed, will authorize the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company at the general meeting, will expire at the conclusion of the next AGM of the Company.

*Please refer to the Circular to Shareholders dated 31 October 2023 for further information.*

#### 4. Ordinary Resolution 8 – Proposed Renewal of Authority on Share Buy-Back

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase the Company's shares up to approximately seven point two five per centum (7.25%) of the issued and paid up share capital of the Company. This authority, unless revoked or varied by the Company at the general meeting, will expire at the conclusion of the next AGM of the Company.

*Please refer to the Statement on Shares Buy-Back dated 31 October 2023 for further information.*

## NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

### Notes:-

- (1) Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- (2) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
- (3) Where a Member of the Company is an Exempt authorised nominee as defined under the Securities Industry [Central Depositories] Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ["omnibus account"], there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (4) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (5) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- (6) To be valid, this form, duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the General Meeting.  
The Registered office of the Company at Sublot 153 (Parent Lot 70), Jalan Kuala Baram, Kuala Baram, 98100 Miri, Sarawak, Malaysia.
- (7) Pursuant to Paragraph 8.29(a)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to by poll.
- (8) In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2023, shall be eligible to attend the General Meeting or appoint proxy(ies) to attend and/or vote on his behalf.

### Personal Data Privacy

By submitting the proxy form, the shareholder accepts and agrees to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or services providers) for the purpose of preparation and compilation of documents relating to AGM (including adjournment thereof)



**SHIN YANG GROUP BERHAD**  
 (Formerly known as Shin Yang Shipping Corporation Berhad)  
 Registration No: 200401027554 (666062-A)  
 (Incorporated in Malaysia)

No of ordinary shares held	CDS Account No

I/We \_\_\_\_\_, \_\_\_\_\_  
 FULL NAME NRIC NO/ PASSPORT NO/ COMPANY NO

of \_\_\_\_\_  
 FULL ADDRESS

being a member/members of Shin Yang Group Berhad, hereby appoint:

Name of Proxy	NRIC / Passport No.	Proportion of Shareholdings (%)
and/or failing him/her		

or \*\*Chairman of the Meeting as \*my/our proxy to vote for\* me/us and on\* my/our behalf at the Eighteenth (18<sup>th</sup>) Annual General Meeting of the Company to be held at the Conference Room, Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Friday, 24<sup>th</sup> November 2023 at 11.00 am and, at any adjournment thereof.

A	To table the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon.		
RESOLUTIONS	DESCRIPTION	FOR	AGAINST
	<b>Ordinary Business</b>		
1	Declaration of Single-Tier Final Dividend of 3.00 sen per ordinary share		
2	Approval of Directors' fees and benefits for financial year ended 30 June 2024		
3	Re-election of retiring director: Tan Sri Datuk Ling Chiong Ho pursuant to Clause 90 of the Company's Constitution.		
4	Re-election of retiring director: Mr. Vincent Ling Lu Yew pursuant to Clause 90 of the Company's Constitution.		
5	Re-election of retiring director: En. Arshad Bin Zainuddin pursuant to Clause 90 of the Company's Constitution.		
6	To re-appoint Crowe Malaysia PLT as the auditor of the Company and to authorise the Directors to determine their remuneration.		
	<b>Special Business</b>		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
8	Proposed Renewal of Authority on Shares Buy-Back		

(Please indicate with an "X" in the space provided above on how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his/her discretion)

Dated this .....day of ..... 2023

.....  
 Signature and/or Common Seal of Shareholders

**Notes:**

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**SHIN YANG GROUP BERHAD**  
(Formerly known as Shin Yang Shipping Corporation Berhad)  
Registration No: 200401027554 (666062-A)  
Sublot 153 (Parent Lot 70),  
Jalan Kuala Baram, Kuala Baram,  
98100 Miri, Sarawak,  
Malaysia.

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## **Step by Step To Excellence**

**SHIN YANG GROUP BERHAD**

(Formerly known as Shin Yang Shipping Corporation Berhad)

Registration No: 200401027554 (666062-A)

Sub Lot 153 (Parent Lot 70),

Jalan Kuala Baram,

Kuala Baram, 98100 Miri,

Sarawak, Malaysia