



SHIN YANG SHIPPING CORPORATION BERHAD
Registration No: 200401027554 (666062-A)



Annual Report 2022



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SHIN YANG SHIPPING CORPORATION BERHAD GROUP

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 benchmarking in providing Comprehensive, Innovative and efficient Quality services.

Adaptability to changes, and retain 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 the Environment, Health and Safety of employees, neighbouring communities and our valued customers.



Our business is focused on shipping and shipbuilding, which represent our main core revenue streams. Our two core businesses are synergistic as we construct the vessels and also used 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, modifications and maintenance works.

We are one of the few large shipping and shipbuilding operators that construct our own vessels. 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.

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 225 vessels with a total Gross Registered Tonnage (GRT) of approximately 349,000 Tonnage.

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.

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.

CORPORATE INFORMATION

DIRECTORS

Tan Sri Datuk Ling Chiong Ho
Group Executive Chairman
(Redesignated on 28 February 2022)

Ling Chiong Sing
Group Managing Director

Datuk Ling Lu Kiong
Group Executive Vice Chairman
(Appointed on 8 April 2022)

Ling Chiong Pin

Ling Siu Chuo

Vincent Ling Lu Yew

Arshad Bin Zainuddin

Yong Nyet Yun
(Appointed on 31 May 2022)

Jack Willien @ William Anak Jinep
(Appointed on 14 April 2022)

Datuk Lawrence Lai Yew Son
(Resigned on 7 December 2021)

Koh Ek Chong
(Resigned on 30 May 2022)

AUDIT AND RISK MANAGEMENT COMMITTEE

Yong Nyet Yun
(Appointed on 31 May 2022)
Chairman and Independent
Non-Executive

Arshad Bin Zainuddin
Independent Non-Executive

Jack Willien @ William Anak Jinep
(Appointed on 14 April 2022)
Independent Non-Executive

Ling Siu Chuo
Non-Independent Non-Executive

Datuk Lawrence Lai Yew Son
(Resigned on 7 December 2021)
Independent Non-Executive

Koh Ek Chong
(Resigned on 30 May 2022)
Chairman and Independent
Non-Executive

JOINT REMUNERATION AND NOMINATION COMMITTEE

Jack Willien @ William Anak Jinep
(Appointed on 14 April 2022)
Chairman and Independent
Non-Executive

Arshad Bin Zainuddin
Independent Non-Executive

Ling Siu Chuo
Non-Independent Non-Executive

Datuk Lawrence Lai Yew Son
(Resigned on 7 December 2021)
Chairman and Independent
Non-Executive

Koh Ek Chong
(Resigned on 30 May 2022)
Independent Non-Executive

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: syshippingcorp@shinyang.com.my
Website: www.syshippingcorp.com.my

CHIEF EXECUTIVE OFFICER

Captain Ting Hien Liong

COMPANY SECRETARY

Richard Ling Peng Liing

SHARE REGISTRAR

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

PRINCIPAL BANKERS

AmBank (M) Berhad
Affin Bank Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market Bursa
Malaysia Securities Berhad
Stock Name: SYSCORP
Stock Code: 5173
(Transportation and Logistics)
Domicile: Malaysia



FINANCIAL CALENDAR

FINANCIAL YEAR END

30 JUNE 2022

Announcement of results

First Quarter	29 November 2021
Second Quarter	28 February 2022
Third Quarter	30 May 2022
Fourth Quarter	29 August 2022

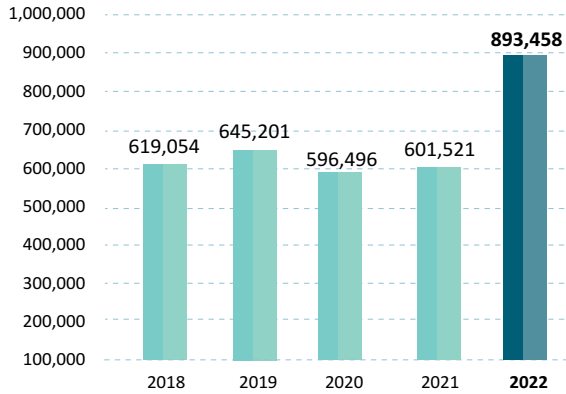
Published Annual Report And Financial Statements

Notice of Annual General Meeting	31 October 2022
17 th Annual General Meeting	6 December 2022

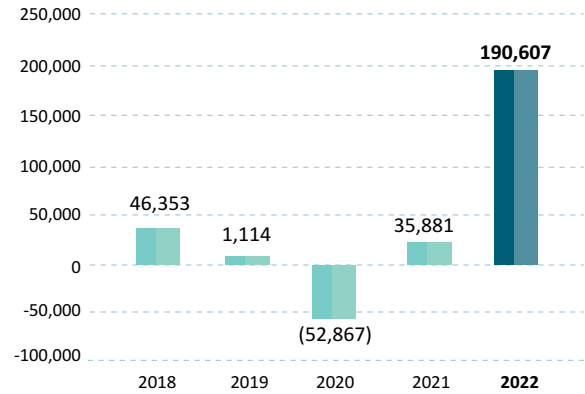


5- YEARS STATISTIC HIGHLIGHTS

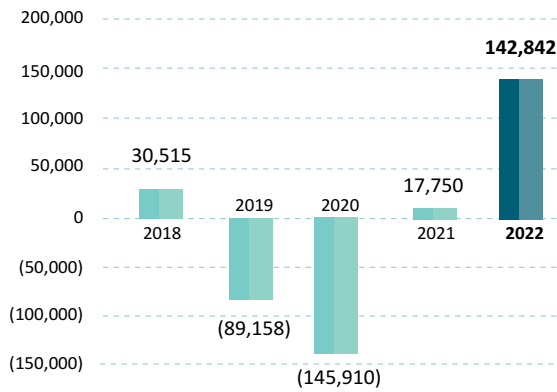
Revenue (RM'000)



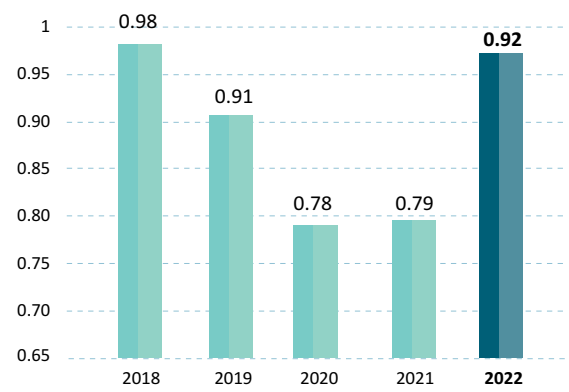
Gross Profit (RM'000)



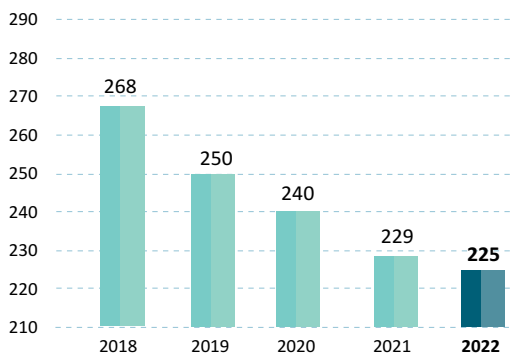
PAT (RM'000)



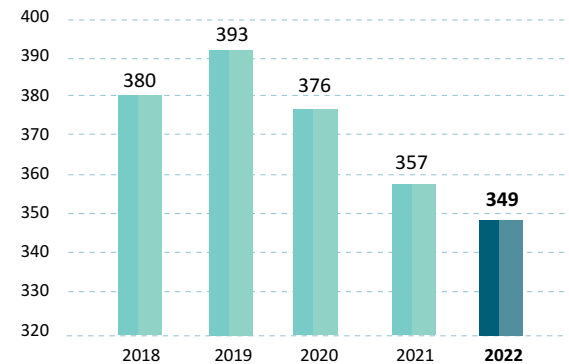
NTA (RM per share)



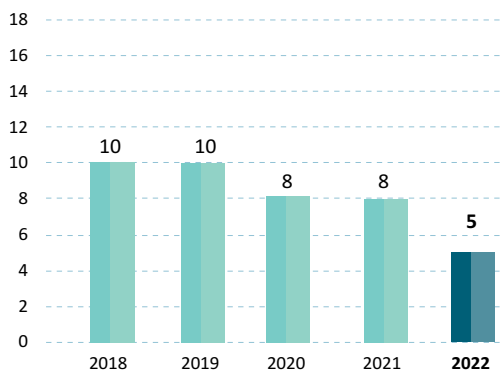
Vessel fleet (no)



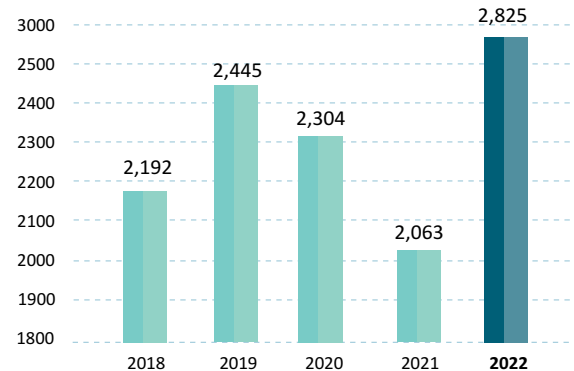
Vessel fleet (GRT'000)



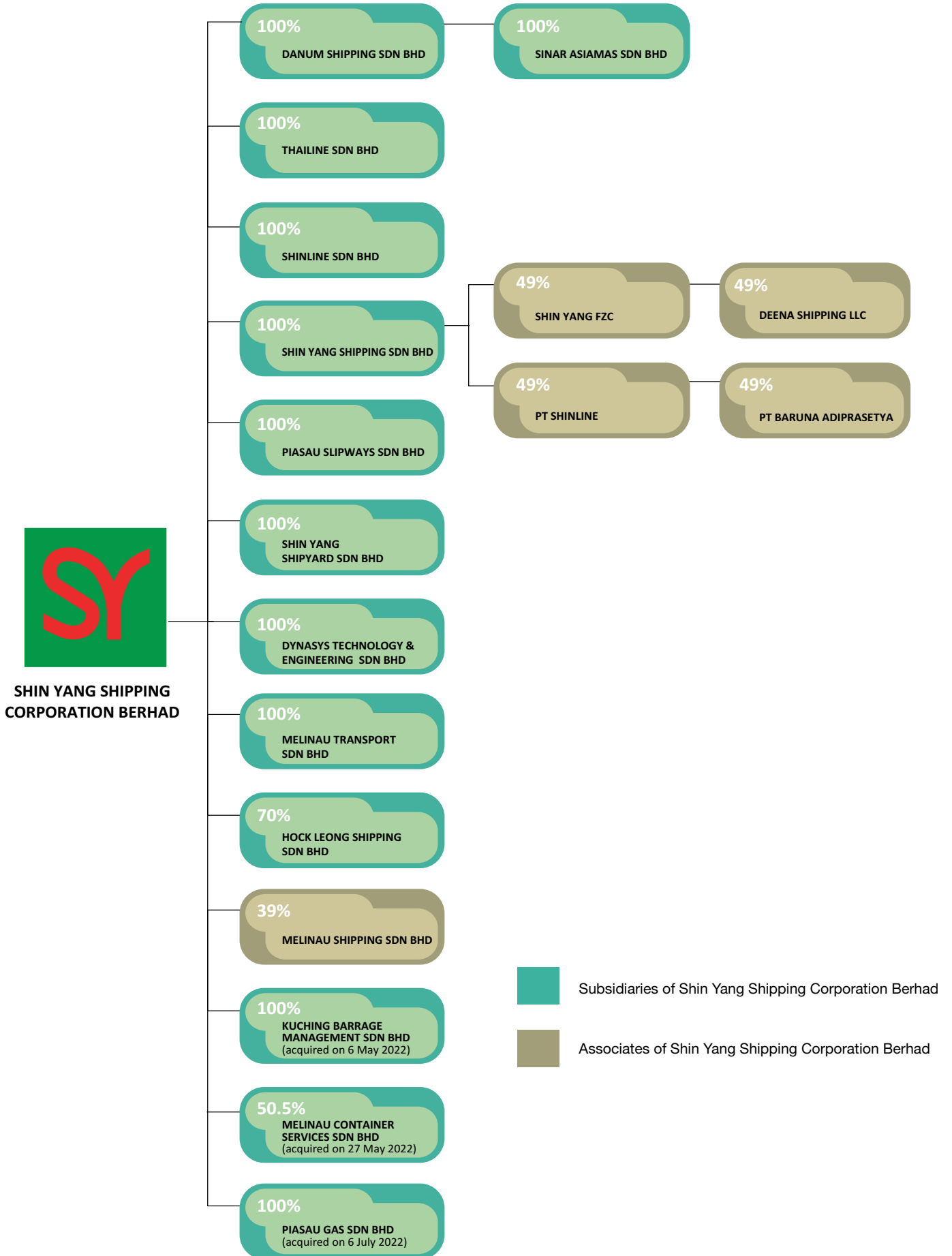
No. of Vessels completed & WIP



No. of Employee



CORPORATE STRUCTURE



PROFILE OF BOARD OF DIRECTORS

TAN SRI DATUK LING CHIONG HO

Group Executive Chairman

DATE OF APPOINTMENT

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

NATIONALITY/AGE

Malaysian, 70 years

Tan Sri Datuk Ling Chiong Ho has been redesignated as the Group Executive Chairman on 28 February 2022. He has extensive experience and technical know-how toward 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 lead 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 Group of Companies involving in reforestation, wood based downstream activities, property development, infrastructure projects and public toll concession, oil palm plantation, public transportation, hypermarkets 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.

In addition to being the current Deputy Chairman of Sarawak Timber Association, he also serves as Chairman/Deputy Chairman of several school boards and charitable organisations in Sarawak.

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 2022. 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 the relevant regulatory bodies during the financial year.

LING CHIONG SING

Group Managing Director

DATE OF APPOINTMENT

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

NATIONALITY/AGE

Malaysian, 66 years

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 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 2021 to 2023 term.

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 2022. 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 the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

DATUK LING LU KIONG

Group Executive Vice Chairman

DATE OF APPOINTMENT

8 APRIL 2022 (Group Executive Vice Chairman)

NATIONALITY/AGE

Malaysian, 42 years

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 Group's timber down stream division in year 2003. He is responsible for the overall corporate strategic planning, management and operation of the well diversified Shin Yang Group. He brings with him nearly twenty (20) years of extensive working experiences and hands-on knowledge on all aspects of Shin Yang Group's business activities, which include timber down stream 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 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 attended two Board Meetings during his tenure as a Director of the Company since his appointment for the financial year ended 30 June 2022. 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 the relevant regulatory bodies during the financial year.

LING CHIONG PIN

Executive Director

DATE OF APPOINTMENT

30 November 2009 (Executive Director)

NATIONALITY/AGE

Malaysian, 68 years

Ling Chiong Pin had served as a Coastal Master of domestic tugboats for over ten (10) years during the 1970s. He is currently the Managing Director of Piasau Slipways Sdn Bhd and is responsible for all aspects of our shipbuilding and ship repair operations and 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 2022. 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 the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

LING SIU CHUO

Non-Independent Non-Executive Director

DATE OF APPOINTMENT

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

NATIONALITY/AGE

Malaysian, 59 years

Ling Siu Chuo started her career with Shin Yang Group of Companies in the 1980s and was later promoted to be the Manager in charge of the administration and human resources of Shin Yang Group in 1990. She has hands-on experience and knowledge of the business activities of the Shin Yang 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 2022. 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 the relevant regulatory bodies during the financial year.

VINCENT LING LU YEW

Non-Independent Executive Director

DATE OF APPOINTMENT

2 September 2016 (Non-Independent Executive Director)

NATIONALITY/AGE

Malaysian, 38 years

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 within the Group and will gradually contribute to the strategic planning and evaluation to 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 2022. 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 the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

ARSHAD BIN ZAINUDDIN

Independent Non-Executive Director

DATE OF APPOINTMENT

2 September 2016 (Independent Non-Executive Director)

NATIONALITY/AGE

Malaysian, 59 years

Arshad Bin Zainuddin has extensive experience in Quality Assurance and Health Safety and Environmental activities. He started work as assistant administrator for Sarawak region with Bintulu Industrial Gas Sdn Bhd in 1989. He was a HSE Manager for 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 the 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 2022. 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 the relevant regulatory bodies during the financial year.

YONG NYET YUN

Independent Non-Executive Director

DATE OF APPOINTMENT

31 May 2022 (Independent Non-Executive Director)

NATIONALITY/AGE

Malaysian, 63 years

Mdm Yong Nyet Yun graduated with a Bachelor of Commerce degree from University of New South Wales, Sydney, Australia in 1983. She is a member of Malaysian Institute of Accountants, a Fellow member of CPA Australia and a member of 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 when 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. 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 not attended any Board Meeting during her tenure as a Director of the Company since her appointment for the financial year ended 30 June 2022. 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 the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)

JACK WILLIEN @ WILLIAM ANAK JINEP

Independent Non-Executive Director

DATE OF APPOINTMENT

14 April 2022 (Independent Non-Executive Director)

NATIONALITY/AGE

Malaysian, 69 years

Jack Willien @ William Anak Jinep graduated with a Degree in Marine Transport Management in Institute of Transport, Portland Place London. He is also the chartered member of the Chartered Institute of Logistics and Transport, Malaysia. He has nearly 50 years intensive experience in marine transport.

Mr. William Jinep held various positions in the Marine Department, Sarawak until he left in year 1990 and join Bintulu Container Services Sdn Bhd, a subsidiary of the Bintulu Development Authority as 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 has served as the 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 Dipertua Negeri Sarawak and The Excellent Service Award from the Sarawak State Government in 2009.

Mr. William Jinep is also the Chairman of Joint Remuneration and Nomination Committees and the 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 two Board Meetings during his tenure as a Director of the Company since his appointment for the financial year ended 30 June 2022. 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 the relevant regulatory bodies during the financial year.

Key Management Profile

CAPTAIN TING HIEN LIONG

Chief Executive Officer

NATIONALITY

Malaysian

Captain Ting is responsible for overall daily operation of our Group. Captain Ting graduated with Bachelor of Science in Marine Navigation and Shipping Management from Keelung, Taiwan, and also holds a Master of International Trade (Captain). Captain Ting joined Shinline Sdn. Bhd. as General Manager in 1997 and has over thirty (30) years of hand-on experience in shipping operations including Class Marine Surveyor for Bureau Veritas, Owner Representative of a shipping company, 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.

Captain Ting is 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 the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

“

On behalf of the Board of Directors of Shin Yang Shipping Corporation Berhad (“The Board”), it is my privilege to present to you the Annual Report and Audited Financial Statements of Shin Yang Shipping Corporation Berhad Group (“the Group”) for the financial year ended 30 June 2022.

”

REVIEW OF RESULT PERFORMANCE

We registered an improved revenue and profit after tax for financial year ended 30 June 2022 (FYE2022). In the FYE2022, the Group's net profit jumped to RM142.8million from RM17.7 million in the preceding year, an increase of 707% with RM125.1million, as revenue climbed to RM893.5million from RM601.5million, up by 49% with RM292.0 million. This 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 sale of newly built vessels.

The shipbuilding sector delivered an 80 metre landing craft with a contract value of USD25 million, to a United Arab Emirates' client in FYE2022.

During the year, the group had maintained its vessel fleet of 225 vessels with Gross Registered Tonnage (GRT) of approximately 349,000 tonnages compared to 229 vessels with approximate GRT of 357,100 tonnages in year 2021.

We analysed that domestic and coastal shipping were the major growth contributors covering the local demand from both the infrastructure and resource-based sectors. Furthermore, shipbuilding sector also showed signs of stable recovery path from the operating expenditures by the oil and gas industry players, coupled with the stable crude oil prices and effects of vaccination from the outbreak of Covid-19 pandemic in the country and globally. The order books for ship repair and docking effect maintenance has shown a gradual

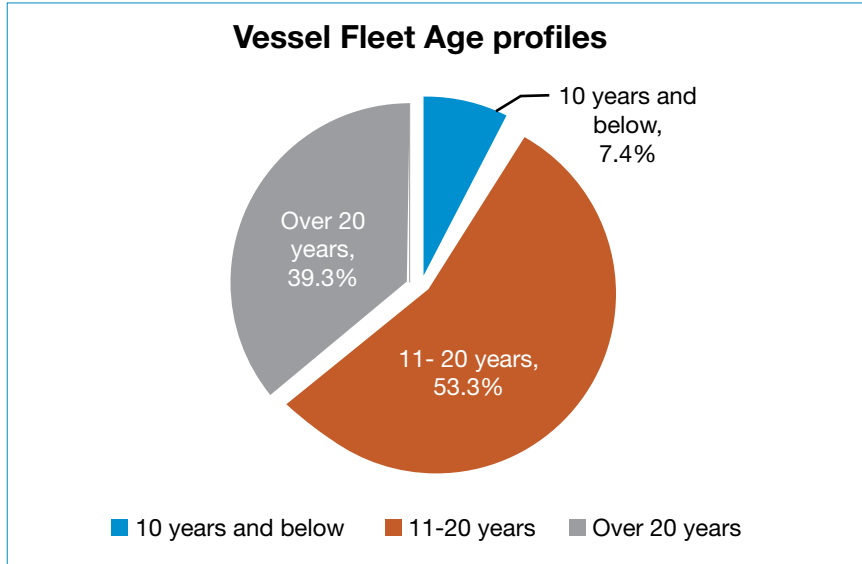
recovery with a few new vessels were being ordered. In order to sustain in the maritime industry, it must be able to stand firm, consolidate its business activities and fulfil its commitments and responsibilities to the stakeholders.

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 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 existing fourteen (14) units of container vessels. The shipment of liquid bulk from the tankers have also shown its earnings stability.

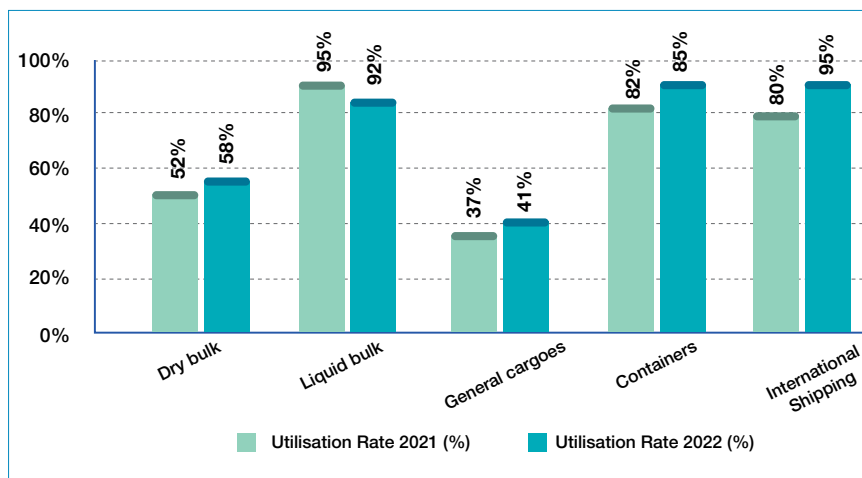
CHAIRMAN'S STATEMENT

(Cont'd)

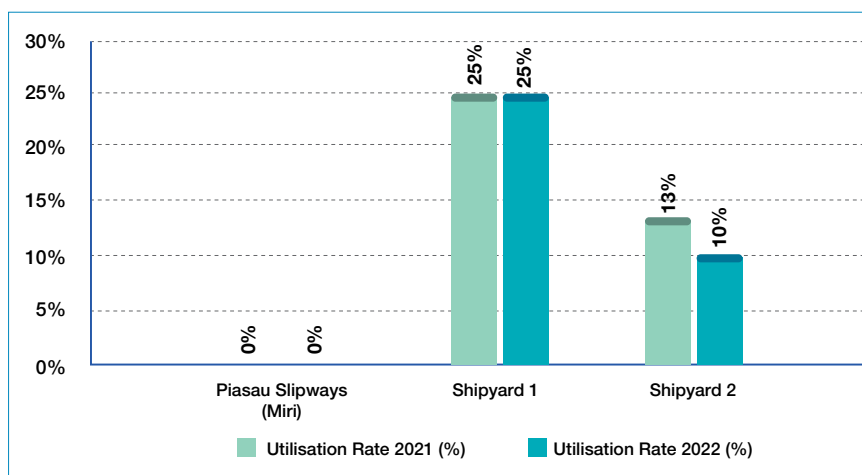
The vessel fleet age profiles of the Group as follows:



Shipping Operation Utilisation Rates (%):



Shipbuilding Operation Utilisation Rates (%):



DIVIDEND

The Board is mindful of the continuous support and loyalty of its shareholders, the Board proposes a final Single-tier tax exempt dividend of 1.25 sen per ordinary share. The said proposed final dividend will be subjected to the shareholders' approval in the forthcoming Annual General Meeting.

REVIEW OF OPERATIONS

For the year under review, we have shipped 0.664 million cubic metres of timber products, an increase of 12.9% from 0.588 million cubic metres in FYE2021 from our six (6) units of Twin Decker cargo vessels to the Far East regions.

Our container vessels had transported 212,500 TEUs lifting capacity for the FYE2022 (FYE2021: 211,570 TEUs). The group currently operates a fleet of 14 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 four (4) vessels to the ship owners with total contract sum of RM136.9 million. The largest vessel among the four delivered in FYE2022 was an 80 metre landing craft built for a contract value of USD25 million to a United Arab Emirates' client in the 4th quarter of FYE2022.

CORPORATE DEVELOPMENT

The Group had acquired the entire equity interest in Kuching Barrage Management Sdn Bhd ("KBMSB") and 50.50% of the equity interest in Melinau Container Services Sdn Bhd ("MCSSB") during the financial year. In July 2022, the Group also acquired another wholly owned subsidiary, Piasau Gas Sdn Bhd ("PGSB"). 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 earning of the Group. Further details of the acquisition are outlined in the Management's Discussion and Analysis on page 15.

CHAIRMAN'S STATEMENT

(Cont'd)

CORPORATE SOCIAL RESPONSIBILITY

The Group has always been mindful of its Corporate Social Responsibility ("CSR") 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 completed the sponsorship of thirty five (35) 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. Out of the total students sponsored, some of the student graduates have been 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 protect and maximize shareholder values and in enhancing the continued business prosperity of the Group. The steps implemented have been reported in the Corporate Governance Overview Statement on page 39 to 51.

PROSPECT

We continue to equip building a greater resilience in our business portfolio to cushion the disruptive impact brought by the COVID-19 pandemic as well as the recovery of shipbuilding and ship repairing orders. Our strength on the balanced consolidation of our business activities would continue to guide us to revenue earning and business achievements.

The continuous infrastructure development which is prioritised by 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 vessel 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 defect 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 the full use of

its resources. Barring any unforeseen developments, the Board remain positive but cautious that the Group will continue to sustain their resilient performances in FYE2023.

APPRECIATIONS

It is my great pleasure, on behalf of the Board, 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 Group's Business and Operations:-

The Group's core businesses are shipping, shipbuilding, ship repair as well as shipping and forwarding agency. 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 225 vessels with Gross Registered Tonnage (GRT) of approximately 349,000 tonnages.

The ship repair sector was taking aggressive steps to move towards high quality repair works such as docking 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 100% equity interest in Kuching Barrage Management Sdn Bhd.

On 22 February 2022, the Company entered into a conditional share sale and purchase agreement to acquire 500,000 ordinary shares in Kuching Barrage Management Sdn Bhd ("KBMSB"), representing the entire issued share capital of KBMSB ("Acquisition").

Upon completion on 6 May 2022, KBMSB has become the wholly owned subsidiary of the Company.

The acquisition enables the Group to:

- (i) raise the Group's profile as the sole operator of the Kuching barrage and shiplock, the first of its kind of barrages and shiplocks in Southeast Asia;
- (ii) to consolidate the marine related businesses under the Group; and
- (iii) strengthen its metal fabrication services as all repair and maintenance of the barrage and shiplock system have been and will continue to be handled by the Group's metal fabrication sector including new installation and replacement of barrage and shiplock systems.

Acquisition of 50.5% equity interest in Melinau Container Services Sdn Bhd.

On 22 February 2022, the Company entered into a conditional share sale and purchase agreement to acquire 252,500 ordinary shares in Melinau Container Services Sdn. Bhd ("MCSSB"), representing 50.50% equity interest in MCSSB and all of the 8,800,000 redeemable preference shares.

Upon completion on 27 May 2022, MCSSB has become the subsidiary of the Company.

The acquisition enables the Group to:

- (i) reduce outsourcing costs on land transport for inbound and outbound cargoes to and from Kota Kinabalu and Kuching, where MCSSB primarily operates in;
- (ii) leverage on MCSSB's network and client base to cross-sell the Group's other shipping services such as transportation, door-to-door services, custom clearing, import and export documentation and port related services under a unified "SYSCORP" brand; and
- (iii) strengthen its shipping offerings by reducing the reliance on external land transport service provider and has better control over delivery routes as well as the reliability, timing and manner of cargoes delivery to hinterland destinations, particularly in the course of servicing and tendering for multinational contracts involving the provision of logistic services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

2. Corporate Development (continued)

Acquisition of 100% equity interest in Piasau Gas Sdn Bhd.

On 25 March 2022, the Company entered into a conditional share sale and purchase agreement to acquire 2,500,000 ordinary shares in Piasau Gas Sdn. Bhd ("PGSB"), representing 100% equity interest in PGSB.

The acquisition was completed on 6 July 2022. PGSB is now the subsidiary of the Company.

The acquisition enables the Group to:

- (i) vertically integrate the production of industrial gases into the Group's existing business in shipbuilding and ship repair. The enlarged Group is expected to benefit from among others, the consolidation of earnings of PGSB, ability to better control its supply of liquified nitrogen and oxygen, as well as reduced cost of purchases of liquified nitrogen and oxygen;
- (ii) leverage on PGSB's networks and clients base to cross-sell the Group's other shipping services such as transportation, door-to-door services, custom clearing, import and export documentation and port related services under a unified "SYSCORP" franchise;
- (iii) expand PGSB's liquefied oxygen & nitrogen and Petronas LPG products the clientele of the Group both locally and globally especially related to shipbuilding business; and
- (iv) reduce the reliance on external source of liquefied oxygen and nitrogen gas service provider in the Group's existing business in shipbuilding and ship repair.

3. Financial Results

The Group recorded a gross revenue of RM893.5million, representing of 49% increase from the results of the previous financial year ended 30 June 2021. The increase was in line with the higher charter activities and utilisation rates from the shipping segments.

The Group achieved a net profit after tax of RM142.8million for financial year ended 30 June 2022 ("FYE2022") as compared to a net profit after tax of RM 17.7million for financial year ended 30 June 2021 ("FYE2021")

(i) Group Income Statement:

	FYE 2022 RM'million	FYE 2021 RM'million
Revenue	893.5	601.5
Gross Profit	190.6	35.9
Profit after tax	142.8	17.7
Profit per share:		
Basic (sen)	12.24	1.46
Diluted (sen)	12.24	1.46



Launching of Danum 178

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

3. Financial Results (continued)

(ii) Group Cash Flow Statement:

	FYE 2022 RM'million	FYE 2021 RM'million
Cash flows from operating activities	218.1	132.1
Cash flows for investing activities	(21.4)	(35.0)
Cash flows for financing activities	(179.5)	(106.7)
Net increase / (decrease) in cash and cash equivalent	17.2	(9.6)
Cash and cash equivalent at beginning of financial year	59.1	68.7
Cash and cash equivalent at end of financial year	76.3	59.1
Fixed and treasury deposits with maturity more than 3 months and bank overdrafts	206.9	96.3
Cash and cash equivalent at end of financial year (inclusive fixed and treasury deposits with maturity more than 3 months and bank overdrafts)	283.2	155.4

(iii) Group Statement of Financial Position:

	As at 30 June 2022 RM'000	As at 30 June 2021 RM'000
Non-current assets	964,111	1,007,131
Current Assets	524,102	372,748
Non- Current assets held for sale	-	4,937
Total Assets	1,488,213	1,384,816
Total equity fund	1,066,902	934,589
Current liabilities	327,855	351,843
Non-current liabilities	93,456	98,384
Total liabilities	421,311	450,227
Total equity and liabilities	1,488,213	1,384,816

(iv) Dividend

In respect of FYE2022, the Board proposes the payment of a final single-tier dividend of 1.25 sen per share. This gives a dividend yield of 3.0% based on the Company's closing share price of RM0.41 as at 30 June 2022. The proposed final single-tier dividend is subject to the Company's shareholders' approval at the upcoming 17th Annual General Meeting. Our goal remains to deliver a long-term sustainable dividend trend to reward our supportive shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

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 have sufficient vessels for voyage and time charter. Our current major charterers are from oil and gas, timber down stream, 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 USD25 to USD40 per metric ton.

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

c) Containers and coastal

The Group is expected to improve its containers shipping 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 existing fourteen (14) 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 planned to convert three 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 Hong Kong and China.

d) International Shipping

Our seven (7) (including one (1) sold during the year) double decker cargo vessels consistently ply routes to the far east regions and have shipped 0.664 million cubic meters of cargo with freight rates of USD40 – USD 62 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 constructed and delivered four (4) vessels. One of the four delivered vessels was an 80-metre landing craft constructed for a United Arab Emirates' client. In the coming year, the Group foresee shipbuilding orders from Far West & Middle East regions and domestic demands.

(iii) Ship Repair and fabrication

The ship repair sector satisfactorily repaired a total of 518 units (FYE 2021: 934) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

5. Outlook and Prospects:

The performance of the Group is largely dependent on the volatility of world fuel market price, standard of skills and experiences 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 improvement 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 after the lifting of movement control order restrictions as Malaysia enters the transition to endemic phase. The continuous improvement in operational costs management, fleet efficiency and routes enhancement would be an important priority in the next few quarters.

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, machineries 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 and also the requirements of other potential markets from the resource-based sectors.

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 expected to be satisfactory.



Headquarter office



SUSTAINABILITY REPORT

About this Sustainability Report

The Board of Directors (“BOD”) of Shin Yang Shipping Corporation Berhad (“SYSCORP”) are pleased to present the Sustainability Report for year 2022.

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

This report forms an integral part of the Group’s Annual Report for the year 2022, which would then jointly provide a more comprehensive description of the Group from economics, environmental and social perspectives.

Scope of the Report

SCOPE OF REPORT	
REPORTING PERIOD	1 st July 2021 to 30 th June 2022, unless otherwise specified
DATE OF RECENT REPORT	This is 4 th Sustainability Report
REPORTING CYCLE	Annually
COVERAGE	This Sustainability Report 2022 covers the entire operational and management activities in Malaysia of Shin Yang Shipping Corporation Berhad Group of Companies (“Group”), which comprises the parent company and her subsidiary companies.
GUIDELINES	<p>Principal Guidelines</p> <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Standards <p>Additional Guidelines</p> <ul style="list-style-type: none"> • Bursa Malaysia Sustainability Reporting Guide (Second Edition) • Glomac is also • United Nations Sustainable Development Goals (“UNSDGs”).
DISTRIBUTION OF AND FEEDBACK ON THE REPORT	This report is available to all stakeholders in hard copy upon request. For further information and comments, please contact:- Shin Yang Shipping Corporation 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 respective business entities or information owners. The Group continually to improve data collection and analysis to provide further comprehensive and transparent perspective of its sustainability performance.

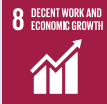

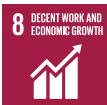





THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UNSDG”)

In 2015, the United Nations General Assembly has set up the Sustainable Development Goals which comprise a set of 17 goals as per below with respective targets to be achieved by the year 2030. These UNSDGs 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 UNSDGs, which are most relevant to its operations.



SUSTAINABILITY REPORT

(Cont'd)

Target	Sustainability Strategies	UNSDGs Contributions
1) Adoption of business expansion and diversification strategies to sustain long term shareholder value 2) All employees in the Group receive minimum wage conforming to National Legislations	1) Acquisition of subsidiaries engaged in logistics, and gas industry to strengthen its existing business operations. 2) All employees were paid at or above Malaysian Minimum Wages Order 2022.	 
1) Green actions to preserve the environment	1) Instituted Low Sulphur Fuel Oil with a sulphur content of 0.1% or less. 2) All our ships engaged in international trade carry a ballast water record book and an International Ballast Water Management Certificate. 3) The Group is committed to the 4Rs principles (Reduce, Reuse, Recycle and Recover) to reduce wastage.	  
1) To create a conducive workplace and nourishing community	1) Conduct internal and external training to increase safety awareness to achieve minimal injuries and zero fatalities. 2) Provide free swab / PCR tests to employees to early detection, treatments and reduce transmission 3) Adheres to the principles of fairness, equality and diversified employment.	  

With 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.

1. Sustainability Governance

(i) 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 Senior management personnel led by Group Executive Chairman formulate strategies and set procedures for implementation. The senior management personnel also deliberate on the current sustainability challenges and manages the Group's sustainability performance and reporting.

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

SUSTAINABILITY REPORT

(Cont'd)

1. Sustainability Governance (continued)

(i) Sustainability governance structure (continued)

BOARD OF DIRECTORS (Oversight Role)

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



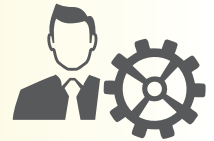
SENIOR MANAGEMENT

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



HEAD OF DEPARTMENT

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



(ii) Sustainability policies

The Group currently has established four key policies as follows:-

[a] Environmental Policy (Established in 2016)

- Aims to prevent and control pollution, use energy, water and other resources efficiently.
- Uses environment technologies to achieve a Clean and Green Production Environment.
- Strengthens environmental education and training to all employees, to improve their 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; reduced medical cost, training and turnover costs; conducive working environment, confident customers and vendors and self-esteemed 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

SUSTAINABILITY REPORT

(Cont'd)

1. Sustainability Governance (continued)

(iii) Corporate 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 stakeholders' confidence and sets the standard of the conducts for the Group.

(iv) 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 business conduct emphasis legal, equitable and unbiased standard 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.

(v) Whistleblowing policy

This Policy was established in September 2013 and revised in May 2021 and aim to provide a structured mechanism for employees and other stakeholders to raise genuine and legitimate concerns on any suspected or wrongful activities or wrongdoings. The Group want to embed a culture across the Group where wrongdoing is not tolerated and when reported, will be quickly and efficaciously addressed. The Group also commit to provide protection for those who make such disclosures.

In FYE2022, no reports of whistleblowing were received.

(vi) 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"), which in 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 comply with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission Act (Amendment) 2018 (collectively referred as the "MACC Act") and other applicable anti-bribery and anti-corruption laws.

In FYE2022, no reports of bribery or corruption were received.

(vii) 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 in July 2022 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.



Agencies meeting and client's visit

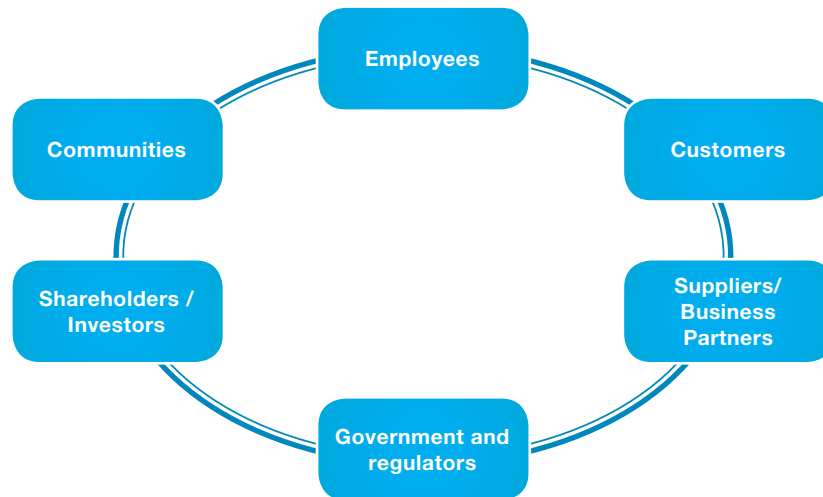
SUSTAINABILITY REPORT



(Cont'd)

2. Stakeholders engagement

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

The stakeholders engagement process involved both formal and informal approaches. The followings provide an overview of the efforts involved in the Group’s focus on stakeholders’ engagement.




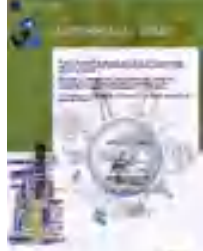


Stakeholder Group	Modes of engagement	Frequency	Key areas of interest	Material matters	Outcomes
Employees 	<ul style="list-style-type: none"> Scheduled Meeting/ Discussion Electronic communication Events and functions Training and Development Performance Review 	<ul style="list-style-type: none"> On-going Ad-hoc Ad-hoc Ad-hoc Annually 	<ul style="list-style-type: none"> Company direction and strategy Health and Safety Career development and Training Talent acquisition and retention 	<ul style="list-style-type: none"> Economic sustainability Occupational Health and Safety Training and Development 	<ul style="list-style-type: none"> Improves employees’ understanding on sustainability policies & practices, vision and direction, culture & values of the Group Enhance employees’ competency
Customers 	<ul style="list-style-type: none"> Meeting/ Discussion Agency Meeting Customer Survey/ Feedback Company website Press release /Announcement Customer visitation 	<ul style="list-style-type: none"> On-going Annually On-going Ad-hoc 	<ul style="list-style-type: none"> Product/service quality, pricing and delivery Business sustainability 	<ul style="list-style-type: none"> Market place Product safety and quality 	<ul style="list-style-type: none"> To better meet customers’ satisfaction To better understand customers’ requirements.

SUSTAINABILITY REPORT

(Cont'd)

2. Stakeholders engagement (continued)

Stakeholder Group	Modes of engagement	Frequency	Key areas of interest	Material matters	Outcomes
Suppliers/ Business partners 	<ul style="list-style-type: none"> Business review Vendor registration and credit review Meeting/ Discussion Contract bidding and tendering 	<ul style="list-style-type: none"> Annually Ad-hoc On-going 	<ul style="list-style-type: none"> Procurement practice Anti corruption practice Supply chain management 	<ul style="list-style-type: none"> Economic sustainability Corporate governance and ethics 	<ul style="list-style-type: none"> To achieve transparent procurement process and strengthen supply chain. To achieve constant supply and delivery of products
Government and Regulators 	<ul style="list-style-type: none"> Official visits & dialogue Events and seminars Regular reporting Scheduled Meeting 	<ul style="list-style-type: none"> Ad-hoc Ad-hoc Ad-hoc/ Annually Monthly & quarterly 	<ul style="list-style-type: none"> Compliance of regulatory requirements Updated on government annual budget 	<ul style="list-style-type: none"> Economic Sustainability Environmental management Corporate Governance and Ethics 	<ul style="list-style-type: none"> Continuous compliance with the relevant laws, rules and regulations
Shareholders / Investors 	<ul style="list-style-type: none"> Annual General Meeting Annual report and quarterly announcements of financial results Company website Site visits Briefing and visiting 	<ul style="list-style-type: none"> Annually Annually/ quarterly Ad-hoc Ad-hoc Ad-hoc 	<ul style="list-style-type: none"> Company performance Profitability/Growth Business performance and prospects 	<ul style="list-style-type: none"> Economic Sustainability 	<ul style="list-style-type: none"> Better understanding of the Group's sustainability progress
Communities 	<ul style="list-style-type: none"> Internship opportunities for students and study tours Official launches and corporate events 	<ul style="list-style-type: none"> Ad-hoc Ad-hoc 	<ul style="list-style-type: none"> Job opportunities Communities' engagement Corporate Social Responsibility 	<ul style="list-style-type: none"> Communities Engagement 	<ul style="list-style-type: none"> Create awareness on working life, career development Better understanding of the Group as a responsible corporate citizen amongst local communities at large

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

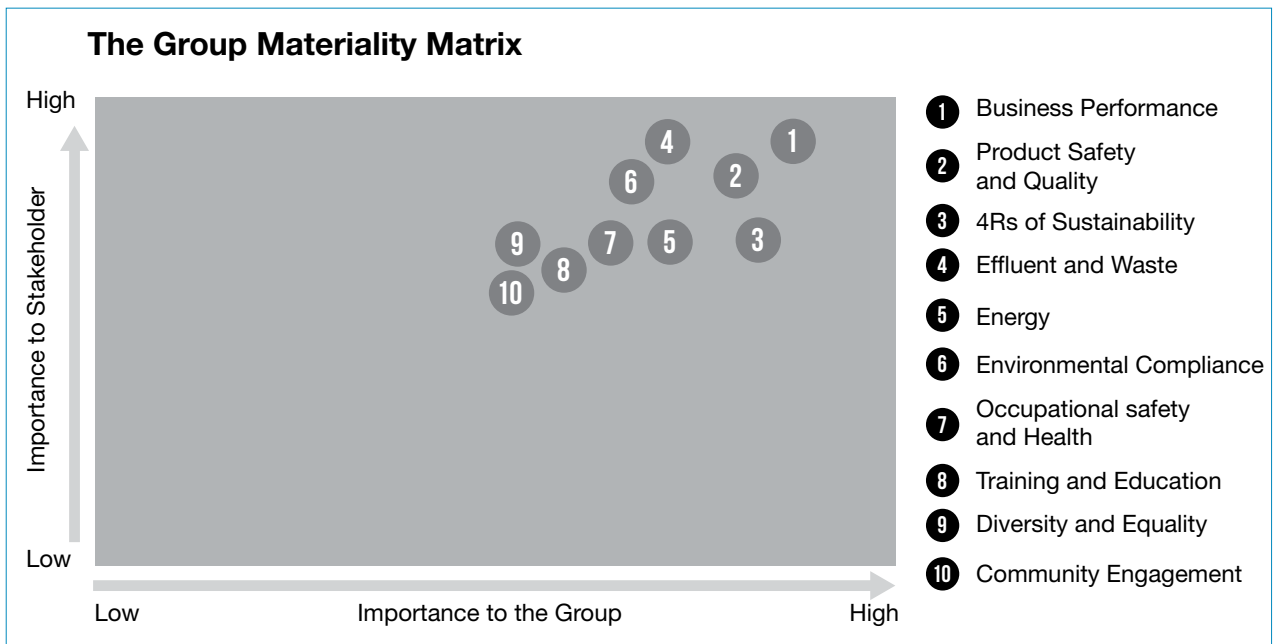
SUSTAINABILITY REPORT

(Cont'd)


3. Materiality

In year 2022, 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.

The feedback from the stakeholders for the above mentioned exercised is analyzed and assessed. Ten (10) key material matters were identified as being of high concern to stakeholders and of high significance for the Group.




These 10 key material matters are categorised into three (3) main capitals as follow:-



Economic

- Business Performance
- Product safety and quality


To achieve long term shareholder value



Environmental

- 4Rs of sustainability
- Effluents and waste
- Energy
- Environmental compliance

To ensure a positive impact on environment and natural resources



Social

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

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

SUSTAINABILITY REPORT

(Cont'd)

4. Material sustainability matters: 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

Despite sporadic disruptions to the global economy resulting from the Covid-19 pandemic and geopolitical uncertainties, we are delighted to announce that we have achieved a financial improvement with a 49% revenue growth in FYE 2022 as compared to FYE 2021. The table below shows the growth of the Group's overall financial performance in comparison to the last financial year:-

	FYE 30 June 2022	FYE 30 June 2021
Revenue (RM'000)	893,458	601,521
Profit before tax (RM'000)	151,108	21,324
Earnings per share (sen)	12.24	1.46

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

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

- A wholly owned subsidiary, Kuching Barrage Management Sdn Bhd ("KBMSB") which operations and maintenance of a barrage and shiplock located in Muara Tebas Land District, Kuching Sarawak, owned by Government of Sarawak and regulated by Lembaga Sungai-Sungai Sarawak (LSSS).
- a 50.50% owned subsidiary, Melinau Container Services Sdn Bhd ("MCSSB") involved in road freight carriage and its core business activity is in cargo container transportation primarily servicing major ports in Sarawak and Sabah, namely Miri, Bintulu, Sibul, Kuching and Kota Kinabalu.

The acquisition is expected to generate the future earnings of the shipping segment 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 the local suppliers. This contributing 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 subjected to the requirements of applicable laws and actions will be taken against any employee for non-compliance. The Group also adopted 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 or 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 promptly to ensure ethical business practices, and to protect the employees.

SUSTAINABILITY REPORT

(Cont'd)

4. Material sustainability matters: 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.



MoU signed between 3 Malaysian companies and a Singapore company to build offshore vessel in Malaysia.

A memorandum of understanding (MoU) was signed in July 2022 between three local shipbuilding and ship repair players — Grade One Marine Shipyard Sdn Bhd, Muhibbah Marine Engineering Sdn Bhd and Shin Yang Shipyard Sdn Bhd, one of the subsidiaries of the Group and the Singaporean company, Evolution Concepts Pte Ltd, to build the first green offshore supply vessel (OSV) locally and supply it to the global market. This green OSV is expected to reduce 25% of fuel consumption, 25% of CO₂ in operation, 100% of CO₂ in harbour mode, 10-20% vessel OPEX per year and 40-50% maintenance cost as low usage of generators, no gearbox, no shaft line and fewer shaft bearings.

The MoU will see the aforementioned parties leveraging on each other's strengths to build the conceptually proposed first green OSV in Malaysia, whereby the abovesaid three (3) local shipbuilding and ship repair companies would provide the shipyard facilities and end-to-end vessel construction while the Singaporean company, Evolution Concepts designs the vessel, incorporating the green technology.

The Association of Marine Industries of Malaysia (AMIM) is facilitating the collaboration for the project which tentatively commences in 2023 and is expected to take around 18 to 24 months to be completed, from the designing to the building phase.

5. Material sustainability matters : 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 awareness of the key environmental issues, the Group is committed in operating in a manner that does not compromise the health of ecosystems in which it operates in the long term. The Group continuously improve on its resource management and environmental management to ensure that the 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.

SUSTAINABILITY REPORT

(Cont'd)

5. Material sustainability matters : Environmental (continued)

5.1 4Rs of sustainability (continued)

For onshore office, staff have been instilled with culture towards 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 rebuild aged vessels. 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, which without packaging or container. This disposal is carried out in compliance with MARPOL (The International Convention for Prevention of Marine Pollution For Ships).

5.2 Effluent and waste

Waste management and pollution implemented on-board vessels are governed by the Marine Pollution ("MARPOL") with the objective to minimise 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 are developed in the context of reduction of greenhouse gases (GHG)/carbon dioxide emissions and with the target to measure and potentially reduce 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 disposal to shore facilities.

All 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.

5.3 Energy

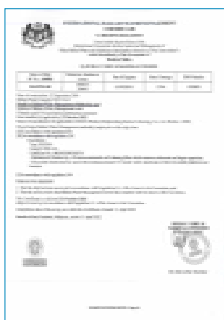
5.3.1 *Water & Electricity*

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

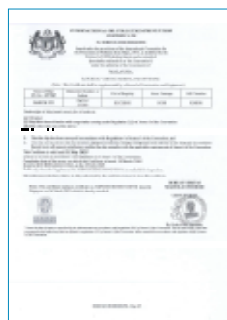
The Group encourage to switch off any equipment or lights that are not in use for energy conservation.

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

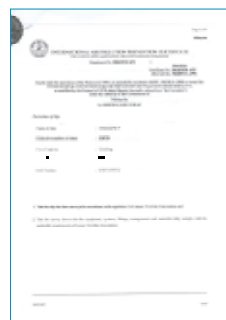
In FYE2022, the Group's water & electricity consumption slightly increased by 0.2%, RM2.348million (FYE2021: RM2.343million).



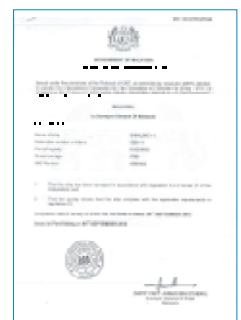
International Ballast Water Management Certificate



International Oil Pollution Prevention Certificate



International Air Pollution Prevention Certificate



International Energy Efficiency Certificate

SUSTAINABILITY REPORT

(Cont'd)

5. Material sustainability matters : Environmental (continued)

5.3 Energy (continued)

5.3.2 Fuel management

Fuel is our prime resource. The Group continuously monitor and control 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 with instituted low sulphur Fuel Oil with a sulphur content of 0.1% or less instead of using the cheaper high sulphur MFO. This subsequently reduce the air pollution created in the shipping industry by reducing the sulphur content of the fuels that ships used. The fuel consumption of the group as follow:-

Fuel consumption (MT)	2022		2021	
	LSFO	MDO/MGO	LSFO	MDO/MGO
	19,377.41	29,173.87	30,037.07	32,984.42

5.4 Environmental Compliance

The Group endeavour 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:-

Labour	<ul style="list-style-type: none"> Employment Act 1955 Minimun Wages Order 2022 Personal Data Protection Act 2010 Workmen Compensation Act 1952 Employees' Social Security Act 1969 Employees Provident Fund Act 1991 Income Tax Act 1967
Safety, Health and Environment	<ul style="list-style-type: none"> Occupational Safety & Health Act, 1994 Fire Service Act, 1988 Environmental Quality Act, 1974 Standard Operating Procedures ("SOP") in relation to Covid-19 by Ministry of International Trade and Industry ("MITI") Guidelines Covid-19 Management in Malaysia No.5/2020 by Ministry of Health ("MOH")
Marine	<ul style="list-style-type: none"> International Safety Management Code ("ISM Code") Ship Management System ("SMS") Marine Transport Regulations Act CLASS marine Custom Act 1967
Transportation	<ul style="list-style-type: none"> Road Transport Act 1987 ("RTA 1987") Weight and Measures Act 1972 Weight Restriction Order (Federal Road) Commercial Vehicles Licensing Board Act 1987

SUSTAINABILITY REPORT

(Cont'd)



Transport and haulage works

6. Material sustainability matters : Social

6.1 Occupational Health & Safety

Safety at work is a 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 developing 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 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 people involved in its activities by means of adequate information and training, in the belief that more knowledge brings more safety and ensures the cultural change necessary to improve results;
- cooperating with stakeholders on policy and continuous improvement, so as to create alignment between the Company's top management and all employees.

We are optimistic of our outlook following the Malaysian Government's announcement for transition from pandemic to endemic phase effective from 1 April 2022. Despite of that, we continue to remain vigilant, socially responsible and maintain good hygiene practices at our workplace in upholding the highest occupational health and safety standard in the Group.

The Group is proud to announce that with the co-operation of all members of the Group, the Group is working toward full vaccinated workforce and 100% (except those with valid reasons) have received the booster dose.

SUSTAINABILITY REPORT

(Cont'd)

6. Material sustainability matters : Social (continued)

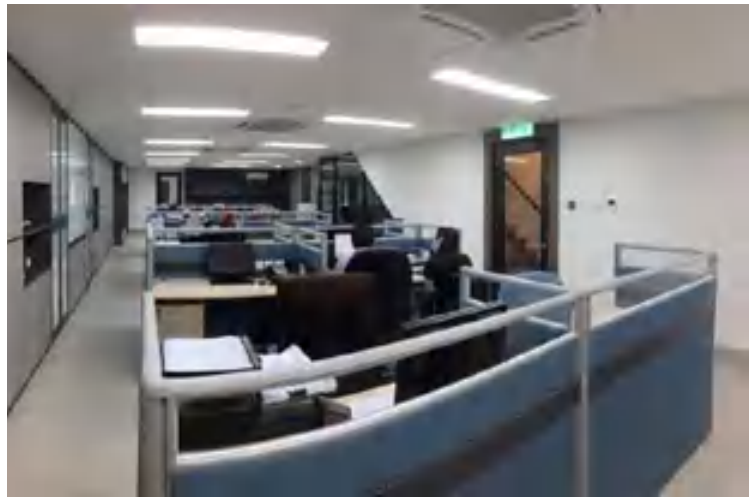
6.1 Occupational Health & Safety (continued)

INCIDENT REPORT

Category	Total Reported / Cases	
	Jul'21 - Jun'22	Jul'20 - Jun'21
Unsafe Act	2	1
Unsafe Conditions	130	61
Environmental Spillage	8	0
Fire Outbreak	2	0
Property Damage	1	0
First Aid	15	0
Medical Treatment	35	186
Restricted Work	0	0
Lost Time Injury (LTI) Frequency rate	3	0
Fatality	1	0



Office sanitizing



Modern office layout

SUSTAINABILITY REPORT

(Cont'd)

6. Material sustainability matters : Social (continued)

6.2 Training and education

We offer 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 the career development of employees.

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

No	Training	Month & Year	No. of Employee
1	Empowerment of Employers in Prevention of Covid-19 in Workplace	Jul-21	3
2	Beyond Face Mask: Solution to Reduce Spread of Disease in the Workplace	Aug-21	2
3	MASA Insurance Talk Series	Oct-21	4
4	Bengkel Latihan Sistem Electronic Domestic Shipping License (eDSL)	Nov-21	1
5	Post Budget 2022	Nov-21	6
6	Basic Training Refresher	Jan-22	1
7	Advanced Fire Fighting Refresher	Jan-22	1
8	Proficiency in Survival Craft & Rescue Boats Refresher	Jan-22	1
9	People Development - Secretarial & Clerical Excellence	Mar-22	1
10	General Operator Certificate (GMDSS) Refresher	Mar-22	1
11	Authorised Entrant & Standby Person for Confined Space Refresher	Mar-22	20
12	FMM Industrial Waste Management Webinar 2022 - Addressing Contamination from Industrial Waste	Apr-22	3
13	Company Security Officer	Apr-22	1
14	Basic Rigging and Slings Training	Apr-22	2
15	Webinar : Cukai Jualan Kawalan Kemudahan	Apr-22	1
16	Authorised Entrant & Standby Person for Confined Space Refresher	May-22	5
17	Shipping Laws & Bills of Lading	May-22	1
18	In House Training - Liquid Penetrant Testing Level II (Refresher)	May-22	5
19	In House Training - Magnetic Particle Testing Level II	May-22	5
20	Rigger Training	Jun-22	1
21	Transfer Pricing in Malaysia	Jun-22	6
22	GMDSS General Operator Certificate	Jun-22	1

The Group has incurred a total training cost of RM 37,419.55 (FY 2021: RM 26,692.50) during the financial year 2022.

Total Training Cost (RM)	
Jul'21 – Jun'22	Jul'20 – Jun'21
37,419.55	26,692.50

SUSTAINABILITY REPORT

(Cont'd)

6. Material sustainability matters : Social (continued)

6.2 Training and education (continued)



In-House Training



Toolbox briefing



Bomba fire outbreak briefing



Study trip to shipyard



AMIM visit



Port Klang office

6.3 Diversity and equality

Employee diversity is of significant importance to the Group, as we believe a diverse workforce promotes a culture that is open-minded, 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 onshore 1,160 employees working for the Group, from over fifteen nationalities across regions. This number encompasses permanent and contract employees. We practice a non-discriminatory hiring policy and all our employees are hired based on capability and expertise.

SUSTAINABILITY REPORT

(Cont'd)

6. Material sustainability matters : Social (continued)

6.3 Diversity and equality (continued)

Below is the Group's Employee Demographic Highlights FYE 2022 and FYE 2021:-

TOTAL NUMBER OF EMPLOYEES		NO	NO
		FYE 2022	FYE 2021
PERMANENT	Female	287	250
	Male	467	553
CONTRACT	Female	27	35
	Male	379	331
		1,160	1,169

TOTAL NUMBER OF EMPLOYEES BY AGE GROUP		NO	NO
		FYE 2022	FYE 2021
30, and under	Female	117	110
	Male	238	241
31-40	Female	136	123
	Male	229	244
41-50	Female	46	39
	Male	208	230
51 and above	Female	14	14
	Male	172	168
		1,160	1,169

TOTAL NUMBER OF EMPLOYEES BY NATIONALITY		NO	NO
		FYE 2022	FYE 2021
Malaysian		841	781
Non-Malaysian		319	388
		1,160	1,169

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT LEVELS		NO	NO
		FYE 2022	FYE 2021
MANAGEMENT	Female	0	3
	Male	29	30
EXECUTIVE	Female	99	79
	Male	126	131
NON- EXECUTIVE	Female	194	184
	Male	104	81
GENERAL WORKER	Female	9	14
	Male	599	647
		1,160	1,169

Across the Group, the male outnumbered female employee considering the business nature and models of logistics and marine working environment. Male employees accounted for 73% (2021: 76%), while remaining 27% (2021: 24%) for female.

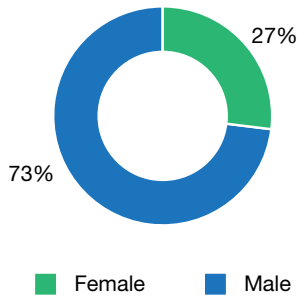
SUSTAINABILITY REPORT

(Cont'd)

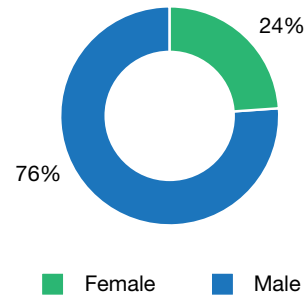
6. Material sustainability matters : Social (continued)

6.3 Diversity and equality (continued)

2022: Gender Diversity

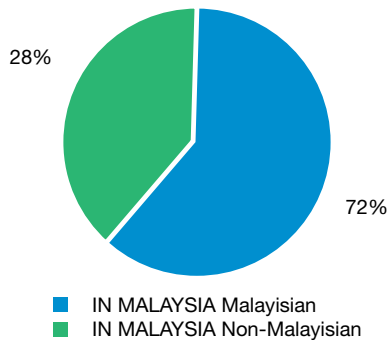


2021: Gender Diversity

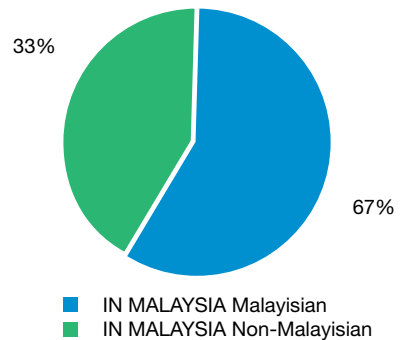


The Group encourages diversity, approximately 72% (2021: 67%) of our employee are Malaysian, and the remaining 28% (2021: 33%) were from other ethnic group and foreigners. Whenever possible, the Group hire local employees at our operations.

2022: Malaysian vs Foreign Employees

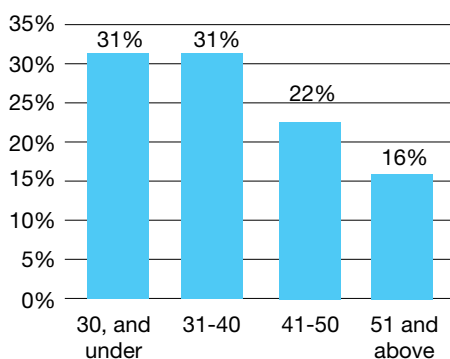


2021: Malaysian vs Foreign Employees

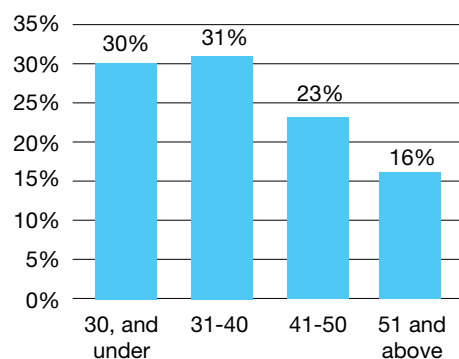


The Group has a young employee profile where almost 31% (2021: 30%) of the employees are under 30 years old, while 31% (2021: 31%) of the employees are between the age band of 31-40 years old, 22% (2021: 23%) of the employees are between the age band of 41 -50. The remaining 16% (2021: 16%) of employees aged above 50, which comprise of the senior employees who share their experience focusing their roles in providing guidance and mentorship to our young employees. The Group continues to engage effectively with our employees and employing more graduates and trainees to be part of our workforce through nurturing career development prospects.

2022: Age Diversity



2021: Age Diversity



SUSTAINABILITY REPORT

(Cont'd)

6. Material sustainability matters : Social (continued)

6.4 Employee welfare

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

The Group complies with the local statutory requirements on wages and benefits such as minimum wages order, employees' provident fund, social security protection, bonus payment in line with performance indicators and annual leave provision.



West Port visiting Shipyard 2



AGM meeting

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board believes that good corporate governance adds value to the business of the Group and will ensure that this practice continues. The Board of Directors believe in playing an active role in guiding the Management through its oversight review while at the same time steer 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:-

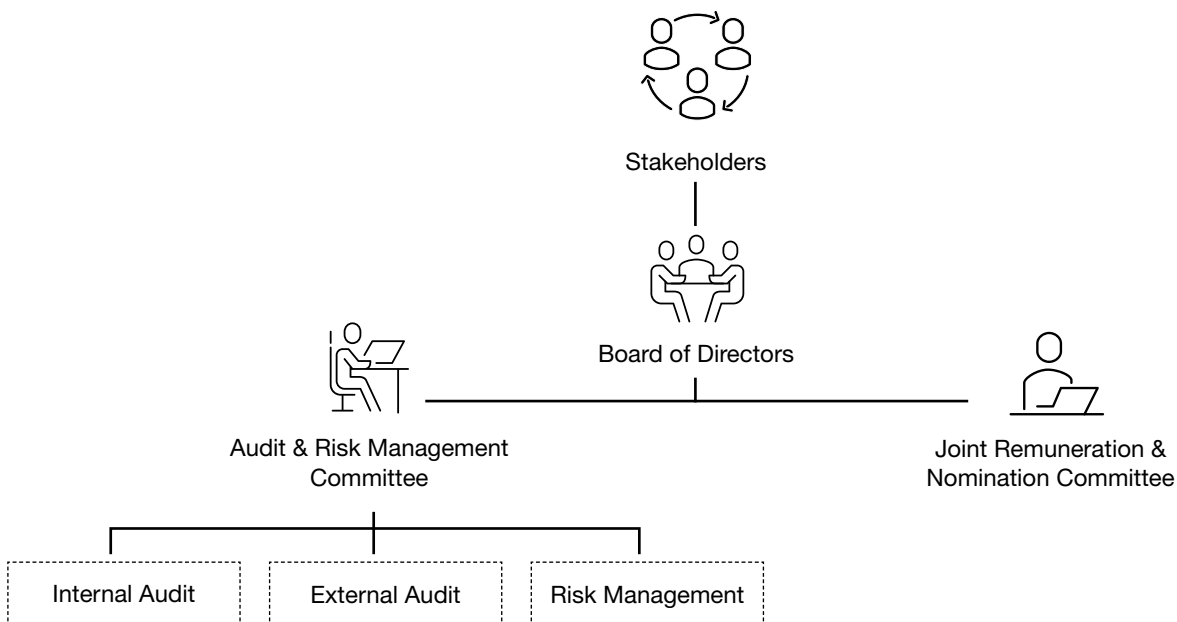
Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

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 in discharging its fiduciary duties and responsibilities.

The Board delegates the day-to-day management of the Company's business to the management team but reserves for its consideration 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Board composition and balance

The Group is led and managed by a competent Board which set the policies to enable them to lead and guide the Group to achieve its goals. The Board currently has Nine (9) board members and 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 requires nearest of one third (1/3) of the Board to be Independent Directors.

The profile of each director is presented on page 7 to page 11 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 vital to the success of the Group.

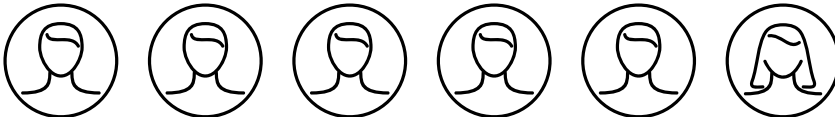
The Board believe that appointment of board members, regardless of gender, should be based on experience, character, integrity and competence as these are the essential criteria for an effective Board.

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

Directorship

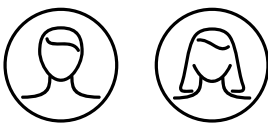


33% Independent Directors



67% Non-Independent Directors

Tenure of Independent Directors



Less than 3 years
2 Directors

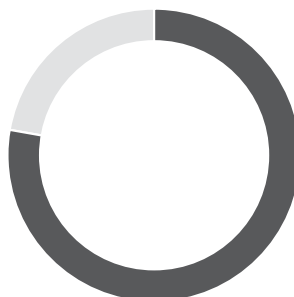


More than 3 years but less than 9 years
1 Director

Gender



Female
22%



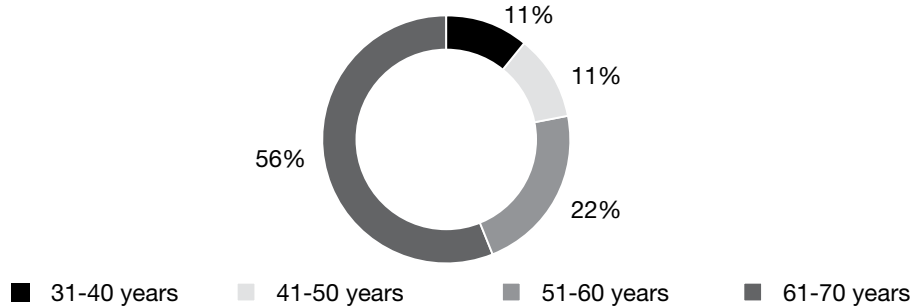
Male
78%



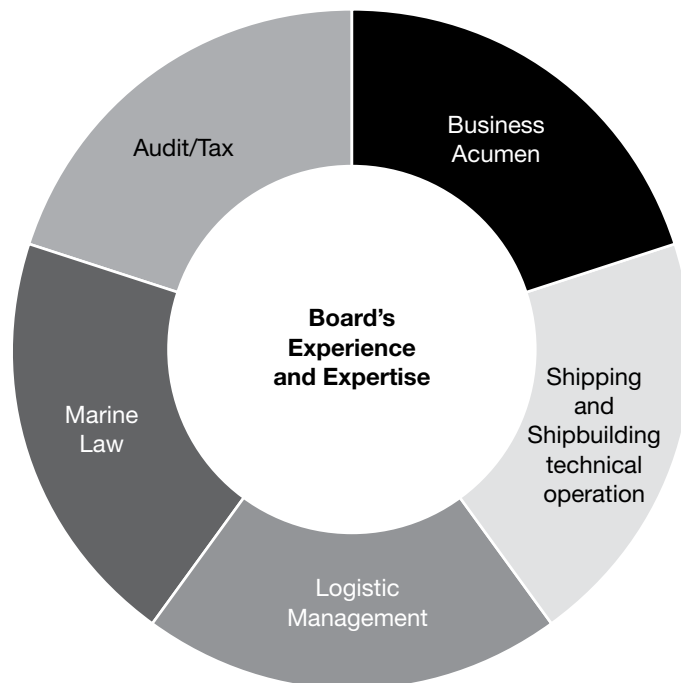
CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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 they devote sufficient time to carry out their responsibilities.

Roles of 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 working of the Board, whereas the Chief Executive Officer is responsible for the day-to-day management 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. The Company Secretary has attended the Board and Committee meetings and ensured that all procedures are adhered. He also facilitates the communication of key decisions and policies between the Board, Board Committees and Senior Management and to update 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 Company's website.

The charter shall be 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 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 56 to 59 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 in 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 2022, the Committee held four (4) meeting.

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 Board 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, 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 2022, 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	Ling Chiong Pin	Executive Director	4/4
4	Vincent Ling Lu Yew	Executive Director	4/4
5	Ling Siu Chuo	Non-Independent Non-Executive Director	4/4
6	Arshad Bin Zainuddin	Independent Non-Executive Director	4/4
7	Koh Ek Chong (Resigned on 30 May 2022)	Independent Non-Executive Director	4/4
8	Datuk Lawrence Lai Yew Son (Resigned on 7 December 2021)	Independent Non-Executive Director	2/2 (*)
9	Datuk Ling Lu Kiong (Appointed on 8 April 2022)	Group Executive Vice Chairman	2/2 (*)
10	Jack Willien @ William Anak Jinep (Appointed on 14 April 2022)	Independent Non-Executive Director	2/2 (*)
11	Yong Nyet Yun (Appointed on 31 May 2022)	Independent Non-Executive Director	N/A (*)

(*) Note: Reflects the number of meetings held during the time the Director held office

The Board meetings may conduct 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 Board's decision. The Director who is unable to present physically at the meetings is encouraged to participate through electronic means of communication.

At the Board Meeting, the Board deliberated and considered matters relating to the Group's financial performance, major capital expenditure, budgets, investment, corporate development, strategic issues and business plan. Although all the Directors have an equal responsibility for the Group's operation and performance, the role played by the Independent Non-Executive Directors are vital to ensure that strategies formulated or transactions proposed by the management are amply discussed in an unbiased and independent manner, taking into account the interest not only of 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 maintain 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 intended to serve 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 corporate values. All the employees and third parties employed or engaged given the mechanism to report wrongdoing or improper conduct without fear of retaliation or being victimised.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Anti-Bribery and Corruption Policy

The Board is committed to conduct business in compliance with the laws of the jurisdictions in which the Group operates. The Group adopts a zero-tolerance policy against all forms of bribery and corruption. Anti-Bribery and Corruption policy has been developed to provide information and guidance to group on standards of behaviour and to uphold their responsibilities to which must be adhered to, recognised, as well as dealing with bribery and corruption

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

The Board and the Senior Management integrate Environmental, Social and Governance (ESG) 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 directors 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 by the Board is dependent upon recommendation from the Joint Remuneration and Nomination Committee. Any proposal to appoint new directors 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 to 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. These provide an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately.

Tenure of Independent Directors

The Board complied with the recommendation of the MCCG 2021 that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. However, if an independent director whose service is required beyond nine (9) years but less than twelve (12) years, shareholders' approval through a two-tier voting process would be sought in the Annual General Meeting. 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 involvement in any significant transaction with the Company.

The evaluation was conducted internally via written questionnaires and the Board viewed 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 competencies of the existing Directors, the Board and respective Board Committees are able to discharge their duties effectively. The Board also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Gender Diversity

The Board has not adopted a gender diversity policy for the Board and Key Senior Management. The Board believes the Company's existing selection criteria of a director based on effective mix of experiences, skills, competencies and knowledge in areas identified by the Board are suffice.

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 biases that might discriminate against female candidates.

Directors' Training

All 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 2022, attended the trainings covered a range of topics which provided the Directors with updates on business trends and management, risk management, corporate governance, financial and audit. These trainings are regarded as appropriate in providing the Directors with continuous education and enhancement of their knowledge and skill in discharging of their responsibilities as directors of the Company

Training programmes	Duration of training per programme, day(s)
Compliance with Guidelines for the Reporting Framework for Beneficial Ownership of Legal Persons	1
Companies Act 2016: Dealing with Common Issues	1
Payroll Administration in Compliance with Malaysian Employment Laws	1
Withholding Tax Principle & Practice & Transfer Pricing Concept	1
Applications of Employment Act in New Norm HR	1
Contract basic for Non-Lawyers	1
Risk Management	1
Fundamentals in Secretarial Practice 1: Loan to/by Directors & Shareholders	1
Empowerment of Employers in Prevention of Covid-19 in Workplace	1
Briefing on Proposed New Treaty in Relation to the International Convention for Safety of Life (SOLAS), 1974 Merchant Shipping (Safety at Sea)	1
Bursa Malaysia Mandatory Accreditation Programme (MAP)	3

Directors' Remuneration

The Joint Remuneration and Nomination Committee reviews the annual salaries, incentive programmes, service arrangements and other employment conditions for 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 attract and retain Directors to run the Company and Group successfully. Where applicable, the Board who takes into consideration of information sourced by independent consultant 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 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 2022 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
EXECUTIVE							
Tan Sri Datuk Ling Chiong Ho (Redesignated on 28 February 2022)	441	316	13	770	85	4	859
Ling Chiong Sing	-	650	27	677	115	5	797
Ling Chiong Pin	-	195	8	203	65	4	272
Vincent Ling Lu Yew	-	-	-	-	415	68	483
Datuk Ling Lu Kiong (Appointed on 8 April 2022)	-	-	-	-	-	-	-
NON-EXECUTIVE							
Ling Siu Chuo	24	-	-	24	-	-	24
Arshad Bin Zainuddin	24	-	-	24	-	-	24
Koh Ek Chong (Resigned on 30 May 2022)	22	-	-	22	-	-	22
Datuk Lawrence Lai Yew Son (Resigned on 7 December 2021)	12	-	-	12	-	-	12
Jack William @ William Anak Jinep (Appointed on 14 April 2022)	-	-	-	-	-	-	-
Yong Nyet Yun (Appointed on 31 May 2022)	4	-	-	4	-	-	4
Total	527	1,161	48	1,736	680	81	2,497

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 practices and internal control system to safeguard Shareholders' investments and 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 56 to 59 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 assumed by different persons allows the Board to objectively review the Audit and Risk Management Committee's findings and recommendations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Risk Management and Internal Control

The Statement on Risk Management and Internal Control is set out on page 52 to 55 of the annual report.

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 Board revised the Term of Reference of the Audit and Risk Management Committee to include 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 Company's website at www.syshippingcorp.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 maintained 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 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 on page 56 to 59 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, 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 Statement by Directors pursuant to the Companies Act 2016 is set out on page 69 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. In addition, shareholders and investors may also access other information about the Group via the Company's corporate website at www.syshippingcorp.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Communication with Shareholders and Investors

The Group recognized 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 Chief Financial Officer 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 shareholders' interest.

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 necessary 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 12 to 14. Resolutions tabled and passed at the AGM are released to Bursa Malaysia on the same day to enable the public to be informed of the outcome.

The Group's website, www.syshippingcorp.com.my allows all the shareholders and investors to gain access to the information about the Group.

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

ADDITIONAL COMPLIANCE INFORMATION

i) Shares Buy-back

During the financial year ended 30 June 2022, the Company bought back 19,428,400 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)
November 2021	1,322,400	473,249.55	0.380	0.335	0.358
December 2021	746,000	247,430.00	0.340	0.320	0.332
January 2022	5,418,500	2,025,984.72	0.391	0.335	0.374
February 2022	7,391,500	3,120,884.30	0.440	0.398	0.422
March 2022	1,730,000	634,780.00	0.390	0.350	0.367
April 2022	1,170,000	447,675.00	0.400	0.370	0.383
May 2022	850,000	321,600.00	0.410	0.365	0.378
June 2022	800,000	316,500.00	0.440	0.370	0.396
TOTAL	19,428,400	7,588,103.57	0.440	0.320	0.391

All 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 2022, a total of 51,454,700 shares were held as treasury shares.

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 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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 2022 amounted to RM62,700 for the professional services rendered as follows:

Company	Tax Fee (RM)	Total (RM)
Shin Yang Shipping Corporation Berhad	4,000	4,000
Its subsidiaries	58,700	58,700
Total (RM)	62,700	62,700

iv) Variation of Results

There were no material variances between the audited results of the financial year ended 30 June 2022 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 2022.

viii) Utilisation of Rights Issue Proceeds

There were no rights issue proceeds during the financial year ended 30 June 2022.

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 2022 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 2022 Actual (RM'000)	
			Director	Major Shareholder		
Shin Yang Holding Sdn Bhd and Companies related to Shin Yang Holding Sdn Bhd						
1.	Shin Yang Holding Group ⁽¹⁾	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, industrial gas manufacturing, sales of marine equipment and electrical engineering	Yes	Yes	144,629

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 2022 Actual (RM'000)
				Director	Major Shareholder	
2.	Shin Yang Holding Group ⁽¹⁾	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	1,482
3.	Shin Yang Holding Group ⁽¹⁾	Purchase of marine hardware supplies and spare parts by the Group	Trading house, construction and engineering, and transportation and haulage service	Yes	Yes	20,397
4.	Shin Yang Holding Group ⁽¹⁾	Rental of properties by the Group	Investment and properties holding, wood based products manufacturing, quarry operation and construction & engineering	Yes	Yes	447
5.	Shin Yang Holding Group ⁽¹⁾	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	9,758
6.	Shin Yang Holding Group ⁽¹⁾ and Shin Yang Services Sdn Bhd ⁽²⁾	Purchase of industrial gas, diesel and bunker by the Group	Industrial gas manufacturing and trading house	Yes	Yes	10,181
Companies connected to the Directors or Person Connected to the Directors						
7.	Ling Family Group (3)	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, hydraulic hose supplies and barrage management	Yes	Yes	6,778
8.	Ling Family Group ⁽³⁾	Provision of fabrication services by the Group	Equipment and machinery supplies, tyre retreading, trading of scrap metal and barrage management	Yes	Yes	6,235
9.	Ling Family Group ⁽³⁾	Purchase of marine hardware supplies and spare parts by the Group	Ration supplier, trading house, workshop operation and trading of scrap metal.	Yes	Yes	4,048
10.	Ling Family Group ⁽³⁾	Rental of property by the Group	Provision of berthing facilities and letting of properties	Yes	Yes	42

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 2022 Actual (RM'000)
				Director	Major Shareholder	
11	Ling Family Group (3)	Purchase of transportation services and accommodation services by the Group	Public transportation and provision of hotel accommodation.	Yes	Yes	5

Notes:-

- (1) *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 Shipping Corporation Berhad.*
- (2) *Associated companies of Shin Yang Holding Group*
- (3) *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.*

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 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 MCGG2021, 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 2022.

BOARD RESPONSIBILITY AND ACCOUNTABILITY

The Board acknowledges its responsibilities are fully committed to maintaining a sound risk management practices and internal control environment to safeguard Shareholders' investments and 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 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 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.

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 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 internal auditors ("IA") during the financial year. Audit issues and actions taken by 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 assist 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 risks. The Management has further assured the Board that the Group's risk management and internal control system are operating adequately and effectively in all material aspects.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

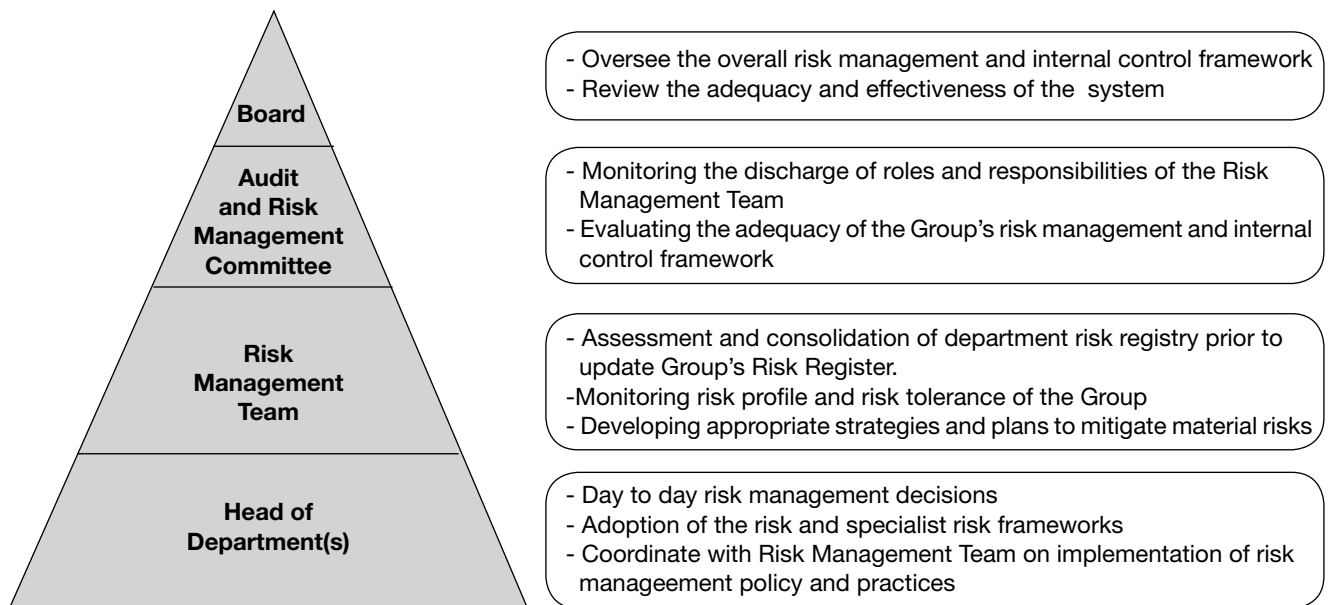
KEY COMPONENTS OF INTERNAL CONTROL ENVIRONMENT

Risk Management Framework

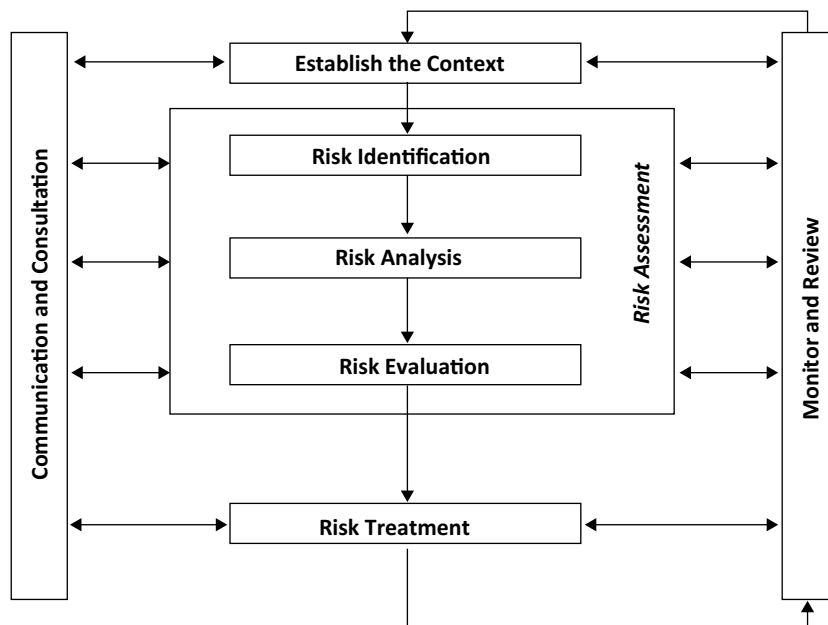
The Board has made risk assessment an on-going exercise to effectively identify, evaluate, manage and review any changes in the risks faced by the businesses in the Group. The significant risks encountered by the Company are managed in accordance to the Guidance for Directors of Public Listed Companies 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 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 are 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 2022, 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 a decision.

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.

Operational Policies and Procedures

The documented policies and procedures form an integral control system to safeguard the Group's assets against material losses and 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.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

Internal Audit

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 management.

The IA focused 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 their 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 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 Chief Executive Officer and Executive Director 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 reviewing issues identified by the internal auditors. The ARMC also ensures that there is a continuous effort by 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

For the financial year under review and up to the date of approval of this statement, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring additional disclosure in this Annual Report. The Board is of the view that the Group's system of internal control and risk management is adequate to safeguard shareholders' investments and the Group's assets. However, 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. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management framework.

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 21 October 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERS

Yong Nyet Yun (Appointed on 31 May 2022)
Chairman and Independent Non –Executive Director

Jack Willien @ William Anak Jinep (Appointed on 14 April 2022)
Independent Non –Executive Director

Arshad Bin Zainuddin
Independent Non –Executive Director

Ling Siu Chuo
Non-Independent Non-Executive Director

Datuk Lawrence Lai Yew Son (Resigned on 7 December 2021)
Independent Non –Executive Director

Koh Ek Chong (Resigned on 30 May 2022)
Chairman and 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 not less than three (3) members.
- All members of the Committee must be Non-Executive Directors, with majority are independent.
- 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
- 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 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	<ul style="list-style-type: none"> 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 expenses of the Group, outside legal or other independent professional advice 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.
PROCEEDINGS	<ul style="list-style-type: none"> The Secretary of the Company shall be the Secretary of the Audit and Risk Management Committee; Audit and Risk Management Committee shall meet not less than four times a year. The Committee meeting shall not combine with 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	<p>Review the quarterly results and the year end financial statements, prior to the approval of the Board, focusing particularly on:-</p> <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

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
- 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.
- 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 plan.
- Review the 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.

MEETING

During the financial year ended 30 June 2022, five (5) committee meetings were held. A record of the attendance to these meetings is as follows:

	No of Meeting attended
Ling Siu Chuo	5/5
Arshad Bin Zainuddin	5/5
Koh Ek Chong	5/5*
Datuk Lawrence Lai Yew Son	3/3*
Jack Willien @ William Anak Jinep	2/2*
Yong Nyet Yun	N/A*

The Committee also met with the external auditors twice in the financial year.

(* Note: Reflects the number of meetings held during the time the Director held office

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

INTERNAL AUDIT FUNCTION The Group has appointed an established external professional Internal Audit firm (IAF) namely, Smart Focus Group Sdn Bhd in 2021.

In April 2022, 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 field with exposure to various industries and Corporate Risk Management. She is supported by two (2) 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.

During the year, The Internal Audit carried out a total four (4) audits and reviews covering the Group’s operations.

1. Risk Rating of each operating business
2. Review Effectiveness of Internal Audit Function based on the latest circular to public limited companies by Bursa Malaysia.
3. Sustainability Disclosure and Malaysian Anti-Corruption Commission (MACC) Disclosure.
4. Control and monitoring of class certificates, permits & licenses of shipping sector

The Group incurred a total cost of RM 40,401.42 for its internal audit function for financial year ended 30 June 2022.

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.

CONCLUSION

The Audit and Risk Management Committee and the Board are satisfied with the performance of the internal auditors and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the outsource of the internal audit function.

This Audit and Risk Management Report is made in accordance with the resolution of the Board on 21 October 2022.

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 21 October 2022

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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 2022.

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 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	142,841,941	20,409,236
Attributable to:-		
Owners of the Company	141,922,475	20,409,236
Non-controlling interests	919,466	-
	<u>142,841,941</u>	<u>20,409,236</u>

DIVIDENDS

At the forthcoming Annual General Meeting, a final dividend of 1.25 sen per ordinary share amounting to RM14,356,816 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 2023.

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.

DIRECTORS' REPORT

(Cont'd)

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 19,428,400 of its issued ordinary shares from the open market for a total cost of RM7,588,104. The average cost paid for the shares repurchased during the year was RM0.39 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 2022, 51,454,700 are held as treasury shares by the Company. As at 30 June 2022, the number of outstanding shares in issue after the set-off is therefore 1,148,545,300 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 all known bad debts had been written off 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 further 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 **	
Datuk Lawrence Lai Yew Son	(Resigned on 7.12.2021)
Ling Chiong Pin **	
Koh Ek Chong **	(Resigned on 30.5.2022)
Ling Siu Chuo	
Vincent Ling Lu Yew **	
Arshad Bin Zainuddin	
Datuk Ling Lu Kiong **	(Appointed on 8.4.2022)
Jack Willien @ William Anak Jinep **	(Appointed on 14.4.2022)
Yong Nyet Yun	(Appointed on 31.5.2022)

** 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
 Gary Tan Yow Hoo
 Ting Hien Liong
 Hou Su Ee (Alternate Director to Hou Siu Kee)
 Hong Kwang Meng (Alternate Director to Hong King Siang)
 Lau Sie Ping
 Alfred Ling Lu Khiing
 Ngu Chee Sing
 Loretta Jane Lau Mei Nah
 Lawrence Bin Ara
 Azman Bin Sulaiman

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 1.7.2021	Bought	Sold	At 30.6.2022
Ordinary Shares in the Holding Company, Shin Yang Holding Sendirian Berhad				
<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
Ordinary Shares in the Company				
<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
Deemed interest through Holding Company				
<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 Shipping Corporation Berhad and its subsidiaries.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

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 40(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 Group and of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	527,000	527,000
Salaries, bonuses and other benefits	3,229,052	1,162,729
Defined contribution benefits	330,983	46,440
	<u>4,087,035</u>	<u>1,736,169</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 6 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 36.1 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 36.2 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 :-

	The Group RM	The Company RM
Audit fees	225,500	75,000

Signed in accordance with a resolution of the directors dated 31 October 2022.

Yong Nyet Yun
Director

Ling Siu Chuo
Director

STATEMENT BY DIRECTORS

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

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 Shipping Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 77 to 177 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 2022 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 31 October 2022.

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 Shipping Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 77 to 177 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 31 October 2022

Richard Ling Peng Liing

Before me
Yong Swee Lien
Commissioner For Oaths (No. Q0149)
938, 2nd Floor, Jalan Pos
98000 Miri, Sarawak

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 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 Shipping Corporation Berhad, which comprise the statements of financial position as at 30 June 2022 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 77 to 177.

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 2022, 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 SHIPPING CORPORATION BERHAD – 200401027554 (666062-A)
(INCORPORATED IN MALAYSIA) (Cont'd)

Key Audit Matters (Cont'd)

Revenue Recognition Refer to Note 31 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(a) Revenue from freight, lighterage, charterage and hiring charges</p> <p>The Group's revenue from freight, lighterage, charterage and hiring charges is derived from a large volume of transactions. During the financial year, the Group recognised revenue of RM749.9 million from freight, lighterage, charterage and hiring charges, representing 83.9% of the Group's revenue.</p> <p>We identified revenue recognition of freight, lighterage, charterage and hiring 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"> ▪ Checked the effectiveness of internal control by performing walkthrough tests and test of controls on revenue cycle with samples documented on identified key controls. ▪ Tested samples of revenue and verified them to underlying supporting documents to ascertain whether revenue has been appropriately recognised. ▪ Assessed whether revenue transactions either side of the balance sheet date are recognised in the correct period. ▪ Assessed to material credit notes issued to the customers subsequent to reporting date.
<p>(b) Revenue from shipbuilding, ship repair and metal fabrication</p> <p>The Group's revenue from shipbuilding, ship repair and metal fabrication amounted to approximately RM124.4 million, representing 13.9% of the total revenue as per financial year ended 30 June 2022.</p> <p>Revenue from shipbuilding, ship repair and metal fabrication is recognised on a percentage of completion basis which is calculated by reference to the contract cost incurred up to the reporting date over the total estimated contract costs.</p> <p>We identified revenue recognition of shipbuilding, ship repair and metal fabrication as a key audit matter because of the significant judgment involved in determining stage of completion as inherent uncertainties exist over the estimation of total contract costs.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ Assessed the management's bases and assumptions of the estimated total contract costs in determining the percentage of completion. ▪ Agreed contract revenue to the original signed customer contracts and/or approved change orders. ▪ Considered the adequacy of the disclosure.

INDEPENDENT AUDITORS' REPORT

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

Key Audit Matters (Cont'd)

Impairment on Trade Receivables Refer to Note 14 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 30 June 2022, the Group's trade receivables were recorded at a gross amount of RM205.5 million with an impairment allowance of RM23.9 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"> ▪ Reviewed the ageing analysis of receivables and testing the reliability thereof. ▪ 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. ▪ Reviewed subsequent cash collections for major receivables and overdue amounts. ▪ Reviewed collections and sales trend during the financial year for major receivables. ▪ Evaluated the reasonableness and adequacy of the allowance for impairment recognised. ▪ Assessed the completeness, accuracy and relevance of disclosure required by MFRS 7.

INDEPENDENT AUDITORS' REPORT

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

Key Audit Matters (Cont'd)

Impairment Assessment on Investment in Subsidiaries (Separate financial statement of the Company) Refer to Note 6 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 30 June 2022, the carrying amount of the Company's investment in subsidiaries amounted to RM1,073.8 million, being 87.6% 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"> ▪ Evaluated the assessment of the indication of impairment loss. ▪ Evaluated the appropriateness of the impairment assessment methodology. ▪ Evaluated the assumptions applied in the impairment assessment. ▪ Assessed the objectivity, independence, reputation, experience and expertise of the internal expert. ▪ Checked the mathematical accuracy of management's computation of the fair value less costs of disposal.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 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 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 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, related safeguards.

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 6 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
31 October 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	1,073,773,582	1,064,373,580
Investment in associates	7	5,004,832	4,851,937	682,500	682,500
Property and equipment	8	953,682,808	1,000,096,149	48,951,121	49,551,418
Amount owing by subsidiaries	9	-	-	38,565,138	56,018,423
Other receivables	15	2,279,650	-	2,279,650	-
Other investments	10	58,800	68,400	-	-
Goodwill	11	2,063,893	2,063,893	-	-
Deferred tax assets	12	1,021,430	50,908	-	-
		<u>964,111,413</u>	<u>1,007,131,287</u>	<u>1,164,251,991</u>	<u>1,170,625,921</u>
CURRENT ASSETS					
Inventories	13	34,132,104	40,885,729	-	-
Trade receivables	14	181,564,018	151,285,084	-	558,179
Other receivables and deposits	15	19,125,351	18,935,319	1,825,500	1,163,612
Contract assets	16	2,455,328	3,506,459	-	-
Current tax assets		3,651,202	2,695,175	87,964	-
Cash and bank balances	38	283,173,425	155,440,576	59,167,993	42,433,613
		<u>524,101,428</u>	<u>372,748,342</u>	<u>61,081,457</u>	<u>44,155,404</u>
		<u>1,488,212,841</u>	<u>1,379,879,629</u>	<u>1,225,333,448</u>	<u>1,214,781,325</u>
Non-current assets classified as held for sale	18	-	4,936,757	-	-
TOTAL ASSETS		<u>1,488,212,841</u>	<u>1,384,816,386</u>	<u>1,225,333,448</u>	<u>1,214,781,325</u>

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022 (Cont'd)

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	1,216,972,062	1,216,972,062	1,216,972,062	1,216,972,062
Treasury shares	20	(16,571,531)	(8,983,427)	(16,571,531)	(8,983,427)
Retained profits/ (Accumulated losses)	21	159,984,708	18,062,233	13,429,064	(6,980,172)
Other reserves	21	(297,861,069)	(297,861,069)	-	-
Equity attributable to owners of the Company		1,062,524,170	928,189,799	1,213,829,595	1,201,008,463
Non-controlling interests		4,378,033	6,399,339	-	-
TOTAL EQUITY		1,066,902,203	934,589,138	1,213,829,595	1,201,008,463
NON-CURRENT LIABILITIES					
Lease liabilities	22	9,115,510	4,038,986	-	-
Bank borrowings	23	41,319,917	49,455,167	5,554,141	7,104,145
Deferred tax liabilities	12	43,020,772	44,890,204	-	-
		93,456,199	98,384,357	5,554,141	7,104,145
CURRENT LIABILITIES					
Trade payables	28	128,323,886	118,922,713	-	-
Contract liabilities	16	8,050,065	11,634,725	-	-
Other payables and accruals	29	21,225,035	21,711,483	1,290,340	1,043,305
Amount owing to a subsidiary	9	-	-	109,368	-
Provision for onerous contract	30	470,996	361,449	-	-
Lease liabilities	22	8,922,403	4,136,928	-	-
Bank borrowings	23	147,246,629	191,228,103	4,550,004	5,550,004
Current tax liabilities		12,713,287	3,745,565	-	75,408
Derivative liabilities	17	902,138	101,925	-	-
		327,854,439	351,842,891	5,949,712	6,668,717
TOTAL LIABILITIES		421,310,638	450,227,248	11,503,853	13,772,862
TOTAL EQUITY AND LIABILITIES		1,488,212,841	1,384,816,386	1,225,333,448	1,214,781,325

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 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
REVENUE	31	893,457,583	601,521,000	25,574,210	4,154,760
COST OF SALES		(702,850,995)	(565,639,883)	(1,921,990)	(1,834,184)
GROSS PROFIT		190,606,588	35,881,117	23,652,220	2,320,576
OTHER INCOME		9,355,595	20,303,206	364	-
FINANCE INCOME		3,587,142	2,328,502	944,445	962,225
ADMINISTRATIVE EXPENSES		(33,617,568)	(25,062,733)	(3,614,759)	(2,586,784)
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS	32	(9,961,505)	(1,036,789)	-	-
FINANCE COSTS		(9,083,720)	(11,330,579)	(497,993)	(590,376)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		221,144	241,386	-	-
PROFIT BEFORE TAXATION	33	151,107,676	21,324,110	20,484,277	105,641
INCOME TAX EXPENSE	34	(8,265,735)	(3,574,523)	(75,041)	(230,543)
PROFIT AFTER TAXATION, RE-PRESENTING TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		142,841,941	17,749,587	20,409,236	(124,902)

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 2022 (Cont'd)

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company:		141,922,475	17,052,020	20,409,236	(124,902)
Non-controlling interests		919,466	697,567	-	-
		<u>142,841,941</u>	<u>17,749,587</u>	<u>20,409,236</u>	<u>(124,902)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES)					
ATTRIBUTABLE TO:-					
Owners of the Company:		141,922,475	17,052,020	20,409,236	(124,902)
Non-controlling interests		919,466	697,567	-	-
		<u>142,841,941</u>	<u>17,749,587</u>	<u>20,409,236</u>	<u>(124,902)</u>
EARNINGS PER SHARE (SEN)					
Basic	35	<u>12.24</u>	<u>1.46</u>		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	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
The Group								
Balance at 1.7.2020		1,216,972,062	(8,852,688)	(297,861,069)	1,010,213	911,268,518	5,821,772	917,090,290
Profit after taxation for the financial year		-	-	-	17,052,020	17,052,020	697,567	17,749,587
Contributions by and distributions to owners of the Company:								
- Purchase of treasury shares	20		(130,739)			(130,739)		(130,739)
- Dividends:								
- by subsidiaries to non-controlling interests							(120,000)	(120,000)
Total transactions with owners			(130,739)			(130,739)	(120,000)	(250,739)
Balance at 30.6.2021		1,216,972,062	(8,983,427)	(297,861,069)	18,062,233	928,189,799	6,399,339	934,589,138

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (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
The Group								
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		-	-	-	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	20	-	(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 2022 (Cont'd)

	Note	Share Capital RM	Treasury Shares RM	Retained Profits/ (Accumulated Losses) RM	Total Equity RM
The Company					
Balance at 1.7.2020		1,216,972,062	(8,852,688)	(6,855,270)	1,201,264,104
Loss after taxation for the financial year		-	-	(124,902)	(124,902)
Transactions with owners					
Purchase of treasury shares	20	-	(130,739)	-	(130,739)
Balance at 30.6.2021/ 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
Transactions with owners					
Purchase of treasury shares	20	-	(7,588,104)	-	(7,588,104)
Balance at 30.6.2022		1,216,972,062	(16,571,531)	13,429,064	1,213,829,595

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before taxation		151,107,676	21,324,110	20,484,277	105,641
Adjustments for:-					
Depreciation:					
- property and equipment	8	86,243,123	84,642,340	1,360,960	1,252,258
- right-of-use assets	8	4,534,742	3,638,559	-	56,402
Dividend income		(1,200)	(3,000)	(21,993,250)	(579,000)
Fair value changes on forward contracts		800,213	232,125	-	-
Fair value loss on investment securities		9,600	25,200	-	-
Net (gain)/loss on disposal of property and equipment		(1,465,980)	(10,787,506)	(364)	4
Gain on lease modification		(176)	(30,397)	-	-
Gain on disposal of non-current asset held for sale		(471,243)	(36,076)	-	-
Impairment loss:					
- trade and other receivables		10,448,952	4,286,897	-	-
- non-current asset held for sale		-	1,126,604	-	-
Interest expenses		9,083,720	11,330,579	497,993	590,376
Interest income		(3,587,142)	(2,328,502)	(944,445)	(962,225)
Gain on bargain purchase		(61,723)	(5,221,935)	-	-
Net changes in provision for onerous contract		109,547	(7,254,235)	-	-
Property and equipment written off		-	1	-	-
Reversal of impairment loss on trade receivables		(487,447)	(3,250,108)	-	-
Reversal of inventories written off		-	(276,970)	-	-
Profit retained in associates		(221,144)	(241,386)	-	-
Unrealised (gain)/ loss on foreign exchange		(207,833)	201,489	-	-
Operating profit/(loss) before working capital changes		255,833,685	97,377,789	(594,829)	463,456

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (Cont'd)

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Decrease in inventories		6,753,625	13,997,423	-	-
(Increase)/decrease in trade and other receivables		(26,132,891)	(15,358,293)	(2,383,359)	427,681
(Decrease)/Increase in trade and other payables		(742,431)	3,593,768	247,035	(141,590)
Decrease in contract assets		1,051,131	13,179,516	-	-
(Decrease)/Increase in contract liabilities		(3,584,660)	10,115,821	-	-
Decrease in amount owing by subsidiaries		-	-	17,453,285	45,035,252
Increase in amount owing to a subsidiary		-	-	109,368	-
Net change in related companies balances		(6,202,290)	18,596,367	-	(45,250)
Net change in holding company balances		319,615	(8,477)	-	-
CASH FROM OPERATIONS		227,295,784	141,493,914	14,831,500	45,739,549
Interest income received		3,587,142	2,328,502	944,445	962,225
Interest expenses paid		(9,083,720)	(11,330,579)	(497,993)	(590,376)
Income tax paid		(3,704,180)	(1,740,248)	(238,413)	(315,747)
Income tax refunded		-	1,377,380	-	-
NET CASH FROM OPERATING ACTIVITIES		218,095,026	132,128,969	15,039,539	45,795,651

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (Cont'd)

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries	36	(7,119,002)	(36,498,900)	(9,400,002)	(43,000,000)
Dividend received from associates		68,250	39,000	68,250	39,000
Dividend received from subsidiaries		-	-	21,925,000	540,000
Dividend received from others		1,200	3,000	-	-
Purchase of property and equipment	38	(25,181,294)	(38,075,934)	(760,749)	(246,145)
Proceeds from disposal of property and equipment		5,402,460	32,645,604	450	2,290
Proceeds from disposal of non-current assets held for sale		5,408,000	6,847,500	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(21,420,386)	(35,039,730)	11,832,949	(42,664,855)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (Cont'd)

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOW FOR FINANCING ACTIVITIES					
Acquisition of treasury shares		(7,588,104)	(130,739)	(7,588,104)	(130,739)
Dividend paid to non-controlling interests		(3,000,000)	(120,000)	-	-
Proceeds from lease liabilities		-	46,400	-	-
Repayment of principal portion of lease liabilities	22	(5,331,563)	(5,101,024)	-	(80,583)
Proceeds from term loan		10,000,000	-	-	-
Repayment of term loans		(17,637,001)	(21,601,757)	(1,550,004)	(1,550,004)
Net movement in fixed and treasury deposit with maturity dates more than 3 months		(112,500,000)	(49,500,000)	(16,900,000)	(27,100,000)
Net movement in trade financing		(43,398,891)	(30,278,000)	(1,000,000)	(1,000,000)
NET CASH FOR FINANCING ACTIVITIES		(179,455,559)	(106,685,120)	(27,038,108)	(29,861,326)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		17,219,081	(9,595,881)	(165,620)	(26,730,530)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		59,071,896	68,667,777	15,333,613	42,064,143
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	38	76,290,977	59,071,896	15,167,993	15,333,613

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022

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 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

2. HOLDING COMPANY

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

3. 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 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

4. 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.

4.1 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)

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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 2022 (Cont'd)

4. BASIS OF PREPARATION (CONT'D)

- 4.2 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
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 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 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 8 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 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 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 14 and 16 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 15 and 9 to the financial statements respectively.

(e) Impairment of Property and Equipment

The Group determines whether an item of its property and equipment is 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 amount of property and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Impairment of Investments in Subsidiaries

The carrying amounts of the investments in subsidiaries of the Company as at 30 June 2022 was RM1,073,773,582 (2021: RM1,064,373,580). The Company assesses whether there are any indicators of impairment for its investments in subsidiaries at each reporting date. In assessing whether there is any indication that its investments in subsidiaries may be impaired, the Company considers the external and internal sources of information. The Company estimated the recoverable amount of the investments in the subsidiaries based on the higher of the fair value less costs to sell and the value in use.

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).

5.2 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

5.3 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 GOODWILL (CONT'D)

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.

5.4 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.

5.5 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

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.

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).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(ii) Treasury Shares (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Derivative Financial Instruments (Cont'd)

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.

(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.

5.6 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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 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.

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 2022. 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.

5.8 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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**5.9 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
Plant and machinery	6.7 – 10 years
Shipping equipment and machinery	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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10 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.

5.11 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.

5.12 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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 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.

5.14 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.

5.15 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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.15 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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.15 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.

5.16 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.

5.17 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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17 INCOME TAXES (CONT'D)

(b) Deferred Tax (Cont'd)

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.

5.18 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 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.19 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. 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.

5.20 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.21 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.

5.22 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.

5.23 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.

5.24 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(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.

(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.

5.25 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES

	2022 RM	2021 RM
Unquoted share, at cost	1,088,851,178	1,079,451,176
Less: Impairment loss	(15,077,596)	(15,077,596)
	<u>1,073,773,582</u>	<u>1,064,373,580</u>

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
		2022 %	2021 %	
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 and technology services
Thailine Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Hock Leong Shipping Sdn. Bhd.	Malaysia	70%	70%	Shipping agency

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

6. 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
		2022 %	2021 %	
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%	-	Transportation and hiring services
Kuching Barrage Management Sdn. Bhd.	Malaysia	100%	-	Operations and maintenance of a barrage
Subsidiary of Danum Shipping Sdn. Bhd.				
Sinar Asiamas Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Subsidiary of Shin Yang Shipping Sdn. Bhd.				
Gemilang Raya Maritime Sdn. Bhd.*^	Malaysia	-	60%	Investment holding

*The subsidiary was audited by other firms of chartered accountants.

^ This subsidiary is under court order winding up under the provisions of Section 465(1)(c) and/or (h) of the Company Act 2016.

(a) During the current 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 36 to the financial statements.

(b) 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 2022 (Cont'd)

7. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unquoted share, at cost	3,968,946	3,968,946	682,500	682,500
Share of post acquisition reserves	1,035,886	882,991	-	-
	<u>5,004,832</u>	<u>4,851,937</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 Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
Melinau Shipping Sdn. Bhd.*	Malaysia	39%	39%	Shipping and forwarding agency
Associate of Shin Yang Shipping Sdn. Bhd.				
PT Shinline*	Indonesia	49%	49%	Investment holding
Shin Yang FZC*	United Arab Emirates	49%	49%	Investment holding
Associate of PT Shinline				
PT Baruna Adiprasetya*	Indonesia	49%	49%	International shipping and shipping agency
Associate of Shin Yang FZC				
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 2022 (Cont'd)

7. 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 RM1,191,506 (2021: RM1,155,833) of which RM35,673 (2021: RM15,168) 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.

	Melinau Shipping Sdn. Bhd.	
	2022	2021
	RM	RM
Non-current assets	584,408	643,962
Current assets	16,187,921	15,203,945
Non-current liabilities	(60,839)	(176,331)
Current liabilities	(3,200,753)	(2,585,832)
	13,510,737	13,085,744
Revenue	4,681,677	4,432,122
Profit for the financial year	599,993	639,501
Group's share of profit for the financial year	233,997	249,405
Dividend received	68,250	39,000
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	2,812,234	2,646,886
Carrying amount of the Group's interests in this associate	2,812,234	2,646,886

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT

The Group	At 1.7.2021 RM	Additions RM	Acquisition of Subsidiaries RM	Transfer RM	Disposals/ De- recognition RM	Re- classification RM	Reassessment of lease liabilities RM	Depreciation Charges RM	At 30.6.2022 RM
2022									
<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	963,702	(41,739)	-	-	(7,109,792)	196,380,536
Motor vehicles	3,091,144	312,000	113,213	744,754	(2,627)	-	-	(822,675)	3,435,809
Office equipment, furniture and fittings	3,798,680	440,943	307,143	-	(17,795)	-	-	(1,127,386)	3,401,585
Plant and machinery	63,517,419	3,688,530	5,084,784	-	(88,009)	-	-	(7,540,791)	64,661,933
Shipping equipment and machinery	18,948,747	2,759,062	-	2,025,579	(17)	-	-	(6,732,145)	17,001,226
Vessels	601,771,948	-	-	-	(2,057,167)	-	-	(61,547,971)	538,166,810
Capital work-in- progress	7,883,756	10,642,352	38,332	(1,739,781)	(1,729,126)	(12,700)	-	-	15,082,833
	904,414,850	19,793,976	5,934,792	1,994,254	(3,936,480)	(12,700)	-	(86,243,123)	841,945,569

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At	Additions	Acquisition	Transfer	Disposals/ De- recognition	Re- classification	Reassessment	Depreciation	At
	1.7.2021								RM
	RM	RM	Subsidiaries	RM	RM	RM	liabilities	RM	RM
			RM				RM		
2022									
<i>Carrying amount (Cont'd)</i>									
<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
Motor vehicles	1,423,948	-	-	(744,754)	-	-	-	(92,614)	586,580
Plant and machinery	2,562,477	2,360,000	4,324,941	-	-	-	-	(527,353)	8,720,065
Shipping equipment and machinery	11,689,230	14,296,320	-	(1,249,500)	-	-	-	(2,055,327)	22,680,723
	95,681,299	18,160,042	4,346,732	(1,994,254)	(23,691)	12,700	89,153	(4,534,742)	111,737,239
	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 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)	The Group	At 1.7.2020 RM	Additions RM	Acquisition of A Subsidiary RM	Transfer RM	Disposals/ De- recognition RM	Written Off RM	Reassessment of lease liabilities RM	Depreciation Charges RM	At 30.6.2021 RM
	2021									
	<i>Carrying amount</i>									
	<u>Owned assets</u>									
	Dry docking expenses	3,068,317	1,953,995	-	-	-	-	-	(1,233,254)	3,789,058
	Land, buildings, jetty, wharfs and slipways	243,601,282	10,200	528,583	(35,551,839)	-	-	-	(6,974,128)	201,614,098
	Motor vehicles	1,640,626	231,000	1,759,092	132,818	(173,026)	-	-	(499,366)	3,091,144
	Office equipment, furniture and fittings	4,019,460	454,467	465,794	(48,746)	(28,737)	-	-	(1,063,558)	3,798,680
	Plant and machinery	61,830,232	79,850	7,058,731	83,937	(67,500)	(1)	-	(5,467,830)	63,517,419
	Shipping equipment and machinery	20,639,707	6,572,063	-	386,541	(908,999)	-	-	(7,740,565)	18,948,747
	Vessels	658,404,944	2,449,698	-	23,189,531	(20,608,586)	-	-	(61,663,639)	601,771,948
	Capital work-in- progress	4,732,546	26,308,162	32,579	(23,189,531)	-	-	-	-	7,883,756
		997,937,114	38,059,435	9,844,779	(34,997,289)	(21,786,848)	(1)	-	(84,642,340)	904,414,850

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At	Additions	Acquisition of A Subsidiary	Transfer	Disposals/ De-recognition	Written Off	Reassessment of lease liabilities	Depreciation Charges	At
	1.7.2020								RM
2021									
<i>Carrying amount (Cont'd)</i>									
<u>Right-of-use assets</u>									
Land and buildings	21,996,676	251,428	22,986,323	35,551,839	-	-	94,541	(875,163)	80,005,644
Motor vehicles	1,717,538	165,000	-	(84,072)	(71,250)	-	-	(303,268)	1,423,948
Plant and machinery	83,937	-	2,633,779	(83,937)	-	-	-	(71,302)	2,562,477
Shipping equipment and machinery	13,832,654	-	-	(386,541)	-	-	-	(1,756,883)	11,689,230
Vessels	961,719	-	-	-	(329,776)	-	-	(631,943)	-
	38,592,524	416,428	25,620,102	34,997,289	(401,026)	-	94,541	(3,638,559)	95,681,299
	1,036,529,638	38,475,863	35,464,881	-	(22,187,874)	(1)	94,541	(88,280,899)	1,000,096,149

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)		At 1.7.2021 RM	Additions RM	Disposals RM	Transfer RM	Depreciation Charges RM	At 30.6.2022 RM
The Company							
2022							
<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
		49,452,714	760,749	(86)	98,704	(1,360,960)	48,951,121
<u>Right-of-use assets</u>							
	Motor vehicles	98,704	-	-	(98,704)	-	-
		98,704	-	-	(98,704)	-	-
		49,551,418	760,749	(86)	-	(1,360,960)	48,951,121

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.7.2020 RM	Additions RM	Disposals RM	Depreciation Charges RM	At 30.6.2021 RM
The Company					
2021					
<i>Carrying amount</i>					
<u>Owned assets</u>					
Land and buildings	49,049,257	10,200	-	(758,043)	48,301,414
Office equipment, furniture and fittings	1,411,864	75,945	(2,294)	(494,215)	991,300
Capital work-in-progress	-	160,000	-	-	160,000
	50,461,121	246,145	(2,294)	(1,252,258)	49,452,714
<u>Right-of-use assets</u>					
Motor vehicles	155,106	-	-	(56,402)	98,704
	155,106	-	-	(56,402)	98,704
	50,616,227	246,145	(2,294)	(1,308,660)	49,551,418

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2022			
<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	15,790,954	(12,355,145)	3,435,809
Office equipment, furniture and fittings	20,707,667	(17,306,082)	3,401,585
Plant and machinery	379,151,701	(314,489,768)	64,661,933
Shipping equipment and machinery	146,960,375	(129,959,149)	17,001,226
Vessels	1,274,133,895	(735,967,085)	538,166,810
Capital work-in-progress	15,082,833	-	15,082,833
	<u>2,164,431,177</u>	<u>(1,322,485,608)</u>	<u>841,945,569</u>
<u>Right-of-use assets</u>			
Land and buildings	94,152,026	(14,402,155)	79,749,871
Motor vehicles	805,925	(219,345)	586,580
Plant and machinery	10,714,101	(1,994,036)	8,720,065
Shipping equipment and machinery	29,485,147	(6,804,424)	22,680,723
	<u>135,157,199</u>	<u>(23,419,960)</u>	<u>111,737,239</u>
	<u>2,299,588,376</u>	<u>(1,345,905,568)</u>	<u>953,682,808</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2021			
<u>Owned assets</u>			
Dry docking expenses	11,750,770	(7,961,712)	3,789,058
Land, buildings, jetty, wharfs and slipways	294,172,620	(92,558,522)	201,614,098
Motor vehicles	10,297,491	(7,206,347)	3,091,144
Office equipment, furniture and fittings	17,711,221	(13,912,541)	3,798,680
Plant and machinery	149,267,307	(85,749,888)	63,517,419
Shipping equipment and machinery	141,146,584	(122,197,837)	18,948,747
Vessels	1,277,085,241	(675,313,293)	601,771,948
Capital work-in-progress	7,883,756	-	7,883,756
	1,909,314,990	(1,004,900,140)	904,414,850
<u>Right-of-use assets</u>			
Land and buildings	90,164,643	(10,158,999)	80,005,644
Motor vehicles	2,238,359	(814,411)	1,423,948
Plant and machinery	2,633,779	(71,302)	2,562,477
Shipping equipment and machinery	17,568,827	(5,879,597)	11,689,230
	112,605,608	(16,924,309)	95,681,299
	2,021,920,598	(1,021,824,449)	1,000,096,149

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2022			
<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
Capital work-in-progress	-	-	-
Motor vehicles	282,011	(239,709)	42,302
	60,420,864	(11,469,743)	48,951,121
30.6.2021			
<u>Owned assets</u>			
Land and buildings	53,552,594	(5,251,180)	48,301,414
Office equipment, furniture and fittings	5,665,960	(4,674,660)	991,300
Capital work-in-progress	160,000	-	160,000
	59,378,554	(9,925,840)	49,452,714
<u>Right-of-use assets</u>			
Motor vehicles	282,011	(183,307)	98,704
	59,660,565	(10,109,147)	49,551,418

Titles of the certain leasehold land of the Group and of the Company with the carrying value of RM22,868,692 (2021 - RM23,257,737) and RM8,428,453 (2021 - RM8,634,840) respectively have yet to be issued by the authority.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

8. PROPERTY AND EQUIPMENT (CONT'D)

Asset pledged as security

In addition to assets held under finance leases, the net carrying amount of property and equipment pledged for borrowing as referred in Notes 24 to 27 are as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Land and buildings	99,229,182	101,404,884	35,564,824	35,920,312
Plant and machinery	40,650,000	43,566,000	-	-
Vessels	80,813,763	79,814,721	-	-
	<u>220,692,945</u>	<u>224,785,605</u>	<u>35,564,824</u>	<u>35,920,312</u>

Right-of-use assets

The Group has lease contracts for land, buildings, vessels, plant and machineries and motor vehicles 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.

9. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries represent non-trade transactions which are unsecured, interest-free and repayable on demand.

10. OTHER INVESTMENTS

	The Group	
	2022 RM	2021 RM
Equity instruments (quoted in Malaysia), at fair value	58,800	68,400
Market value of quoted shares in Malaysia	<u>58,800</u>	<u>68,400</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 2022 (Cont'd)

11. GOODWILL

	The Group	
	2022	2021
	RM	RM
Cost:		
At 30 June 2022/2021	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 2022 and 2021.

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 11.45% (2021 - 10%).

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.

12. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	As 1.7.2021 RM	Acquisition of Subsidiaries RM	Recognised in Profit or Loss (Note 34) RM	At 30.6.2022 RM
2022				
<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)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The Group	As 1.7.2020 RM	Acquisition of A Subsidiary RM	Recognised in Profit or Loss (Note 34) RM	At 30.6.2021 RM
2021				
<i>Deferred Tax Liabilities</i>				
Property and equipment	(93,286,201)	(1,412,784)	3,091,978	(91,607,007)
<i>Deferred Tax Assets</i>				
Unabsorbed capital allowances	41,118,275	-	(82,556)	41,035,719
Others	2,096,141	-	(350,017)	1,746,124
Unused tax losses	46,724	-	-	46,724
Unutilised reinvestment allowances	4,809,892	-	(870,748)	3,939,144
	48,071,032	-	(1,303,321)	46,767,711
	(45,215,169)	(1,412,784)	1,788,657	(44,839,296)

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Analysed as:-				
Deferred tax assets	1,021,430	50,908	-	-
Deferred tax liabilities	(43,020,772)	(44,890,204)	-	-
	(41,999,342)	(44,839,296)	-	-

Deferred tax assets have not been recognised in respect of the following items:-

Unabsorbed capital allowances	11,922,005	5,215,187	3,206,612	3,205,783
Unrecognised reinvestment allowances	-	18,606,540	-	-
Unutilised tax losses	48,120,206	81,207,730	1,035,413	1,035,413
Other deductible temporary differences	8,590,061	7,130,066	-	-
	68,632,272	112,159,523	4,242,025	4,241,196

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses can only be carried forward until the following years of assessment:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses to be carried forward until:				
Year of assessment 2028	10,106,709	31,595,227	1,035,413	1,035,413
Year of assessment 2029	22,454,268	26,363,317	-	-
Year of assessment 2030	23,266,473	23,443,869	-	-
Year of assessment 2031	1,707,689	-	-	-
	<u>57,535,139</u>	<u>81,402,413</u>	<u>1,035,413</u>	<u>1,035,413</u>

13. INVENTORIES

	The Group	
	2022 RM	2021 RM
Consumables	28,941,892	36,152,013
Petrol, oil and lubricants on board	5,190,212	3,653,032
Work-in-progress	-	1,080,684
	<u>34,132,104</u>	<u>40,885,729</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

14. TRADE RECEIVABLES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Third parties	141,140,517	124,804,034	-	7,200
Related parties	37,187,234	26,603,113	-	-
Associates	27,147,847	13,790,452	-	550,979
	<u>205,475,598</u>	<u>165,197,599</u>	<u>-</u>	<u>558,179</u>
Allowance for impairment losses:-				
- third parties	(21,114,820)	(12,383,635)	-	-
- related parties	(2,384,758)	(715,058)	-	-
- associates	(412,002)	(813,822)	-	-
	<u>181,564,018</u>	<u>151,285,084</u>	<u>-</u>	<u>558,179</u>
Allowance for impairment losses:-				
At 1 July	13,912,515	14,857,574	-	-
Additions during the financial year	10,448,952	2,522,378	-	-
Reversal during the financial year	(487,447)	(3,250,108)	-	-
Written off during the financial year	-	(681,450)	-	-
Acquisition of subsidiaries during the financial year	37,560	464,121	-	-
At 30 June	<u>23,911,580</u>	<u>13,912,515</u>	<u>-</u>	<u>-</u>

Related parties 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 (2021 - 7 to 90) days.
- (b) Included in trade receivables of the Group is an amount of RM33,186,084 (2021 - RM16,722,844) owing by companies in which certain directors have substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

15. OTHER RECEIVABLES AND DEPOSITS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Current:</u>				
Other receivables:-				
Other receivables	13,685,373	13,293,322	266,083	143,371
Related parties	3,553	23,267	-	-
Associates	7,924,673	8,021,799	1,465,876	925,711
	21,613,599	21,338,388	1,731,959	1,069,082
Allowance for impairment losses:-				
- third parties	(10,587,476)	(10,587,476)	-	-
- associates	(6,458,798)	(6,458,798)	-	-
	4,567,325	4,292,114	1,731,959	1,069,082
Deposits	2,851,169	3,635,317	92,530	94,530
Prepayments	11,706,857	11,007,888	1,011	-
	19,125,351	18,935,319	1,825,500	1,163,612
<u>Non-current:</u>				
Deposits	2,279,650	-	2,279,650	-
	21,405,001	18,935,319	4,105,150	1,163,612
Allowance for impairment losses:-				
At 1 July	17,046,274	20,897,345	-	-
Additions during the financial year	-	1,764,519	-	-
Written off during the financial year	-	(5,615,590)	-	-
At 30 June	17,046,274	17,046,274	-	-

Related parties are companies within Shin Yang Holding Sendirian Berhad Group.

Included in other receivables of the Group is an amount of RM86,912 (2021 - Nil) owing by companies in which certain directors have substantial financial interests.

The amounts owing by related parties and associates are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

16. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2022	2021
	RM	RM
Contract Assets		
Contract assets relating to service contracts	2,455,328	3,506,459
Contract Liabilities		
Contract liabilities relating to service contracts	(8,050,065)	(11,634,725)

- (a) The contract assets primarily relate to the Group's rights to consideration for work completed 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	
	2022	2021
	RM	RM
At 1 July	(8,128,266)	15,167,071
Revenue recognised in profit or loss during the financial year	128,137,289	50,203,611
Billings to customers during the financial year	(125,603,760)	(73,498,948)
At 30 June	(5,594,737)	(8,128,266)
Analysed as follows:		
Contract assets	2,455,328	3,506,459
Contract liabilities	(8,050,065)	(11,634,725)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

16. 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.

	The Group	
	2022 RM	2021 RM
Within one year		
- Freight and lighterage charges	8,050,065	1,560,650
- Shipbuilding	-	58,491,117
- Ship repairs	809,677	842,817
	8,859,742	60,894,584

17. DERIVATIVE LIABILITIES

	Contract/Notional Amount		The Group	
	2022 USD	2021 USD	2022 RM	2021 RM
Derivative liabilities				
Forward currency contract	5,414,186	6,150,000	(902,138)	(101,925)

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 1 to 4 (2021 - 10 to 12) 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).

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In the previous financial year, 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 2022 (Cont'd)

19. SHARE CAPITAL

	The Group and The Company			
	2022	2021	2022	2021
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
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. The ordinary shares have no par value.

20. TREASURY SHARES

During the financial year, the Company has purchased 19,428,400 (2021 - 604,900) of its issued ordinary shares from Bursa Malaysia Securities Berhad at a price of RM0.39 (2021 - RM0.22) per share. The total consideration paid for the purchase was RM7,588,104 (2021 - RM130,739) 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 (2021 - 1,200,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 51,454,700 (2021 - 32,026,300) ordinary shares are held as treasury shares by the Company. None (2021 - none) of the treasury shares were resold during the financial year.

21. OTHER RESERVES

Group	Merger Deficits RM
At 1 July and 30 June	(297,861,069)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

21. OTHER RESERVES (CONT'D)**Merger deficits**

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.

22. LEASE LIABILITIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 July	8,175,914	10,856,643	-	80,583
Acquisition of subsidiaries	2,355,551	2,239,598	-	-
Additions	12,772,724	446,329	-	-
Interest expense recognised in profit or loss	538,145	466,524	-	1,731
Changes due to reassessment of lease term	89,153	94,541	-	-
Derecognition due to lease modification	(23,866)	(360,173)	-	-
Repayment of principal	(5,331,563)	(5,101,024)	-	(80,583)
Repayment of interest expenses	(538,145)	(466,524)	-	(1,731)
At 30 June	18,037,913	8,175,914	-	-
Analysed by:-				
Current liabilities	8,922,403	4,136,928	-	-
Non-current liabilities	9,115,510	4,038,986	-	-
	18,037,913	8,175,914	-	-

The effective interest rates as at reporting date ranged from 4.06% to 6.70% (2021 - 3.47% to 6.70%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

23. BANK BORROWINGS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Non-current</u>				
Secured:				
Term loans (Note 24)	41,319,917	49,455,167	5,554,141	7,104,145
<u>Current</u>				
Unsecured:				
Bank overdrafts (Note 25)	9,646,683	9,726,681	-	-
Bankers acceptances (Note 26)	68,857,000	71,414,000	-	-
Revolving credits (Note 27)	24,082,600	55,743,200	-	-
Flexi financing trade loan (Note 26)	-	895,891	-	-
	102,586,283	137,779,772	-	-
Secured:				
Bank overdrafts (Note 25)	8,135,765	10,041,999	-	-
Bankers acceptances (Note 26)	1,556,000	7,936,000	-	-
Revolving credits (Note 27)	18,000,000	19,000,000	3,000,000	4,000,000
Term loans (Note 24)	16,968,581	16,470,332	1,550,004	1,550,004
	44,660,346	53,448,331	4,550,004	5,550,004
	147,246,629	191,228,103	4,550,004	5,550,004
	188,566,546	240,683,270	10,104,145	12,654,149

The ranges of interest rates for bank borrowings are as follow:

	The Group		The Company	
	2022 %	2021 %	2022 %	2021 %
Bank overdrafts	6.48 - 7.45	6.24 - 7.14	-	-
Floating rates - loans	3.99 - 4.41	2.69 - 5.45	4.41	4.65 - 5.42
Revolving credits	2.53 - 4.17	2.58 - 3.94	3.64	3.58
Bankers acceptances/ Flexi financing trade loan	2.58 - 3.78	2.75 - 3.51	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

24. TERM LOANS (SECURED)

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current liabilities	16,968,581	16,470,332	1,550,004	1,550,004
Non-current liabilities	41,319,917	49,455,167	5,554,141	7,104,145
	<u>58,288,498</u>	<u>65,925,499</u>	<u>7,104,145</u>	<u>8,654,149</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.

25. 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.

26. 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.

27. 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 2022 (Cont'd)

28. TRADE PAYABLES

	The Group	
	2022 RM	2021 RM
Third parties	102,893,548	98,158,543
Related parties	12,850,860	9,935,778
Associates	12,579,478	10,828,392
	<u>128,323,886</u>	<u>118,922,713</u>

- (a) The normal trade credit terms granted to the Group ranges from 30 to 180 (2021 - 30 to 180) days.
- (b) Included in trade payables of the Group is an amount of RM12,429,651 (2021 - RM9,908,743) owing to the companies in which certain directors have substantial financial interests.

29. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables:-				
Third parties	4,151,360	4,481,600	412,865	296,709
Related parties	702,601	529,960	98,165	10,579
Holding company	330,258	10,643	-	-
	<u>5,184,219</u>	<u>5,022,203</u>	<u>511,030</u>	<u>307,288</u>
Accruals	9,857,407	9,886,360	171,970	137,077
Deposits:-				
- Third parties	6,152,409	6,376,614	134,340	136,440
- Related parties	-	395,306	-	-
- Subsidiaries	-	-	442,000	431,500
- Associates	31,000	31,000	31,000	31,000
	<u>21,225,035</u>	<u>21,711,483</u>	<u>1,290,340</u>	<u>1,043,305</u>

Included in other payables of the Group is an amount of RM188,468 (2021: RM38,318) 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 parties, holding company and associates are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

30. PROVISION FOR ONEROUS CONTRACTS

	The Group	
	2022 RM	2021 RM
At 1 July	361,449	7,615,684
Provision made during the year	470,996	-
Provision utilised during the year	(361,449)	(1,923,299)
Provision reversed during the year	-	(5,330,936)
	470,996	361,449
Analysed by:-		
Current liabilities	470,996	361,449

31. REVENUE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Freight and lighterage charge	604,811,239	483,462,640	-	-
Land transportation	46,743,016	-	-	-
Shipbuilding	67,409,897	27,465,120	-	-
Ship repairs and metal fabrication	56,993,493	29,284,314	-	-
Repair services	909,539	137,803	-	-
Barrage maintenance fee	690,615	-	-	-
	777,557,799	540,349,877	-	-
<u>Recognised at a point in time</u>				
Freight forwarding charges	6,036,056	5,931,104	-	-
Sales of goods and services	10,331,336	8,968,304	-	-
	16,367,392	14,899,408	-	-
	793,925,191	555,249,285	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

31. REVENUE (CONT'D)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from Other Sources				
Vessel charter fee	98,378,946	44,868,532	-	-
Dividend income from:				
- subsidiaries	-	-	21,925,000	540,000
- associates	-	-	68,250	39,000
Hiring income	305,686	552,623	-	-
Rental income	847,760	850,560	3,580,960	3,575,760
	<u>99,532,392</u>	<u>46,271,715</u>	<u>25,574,210</u>	<u>4,154,760</u>
	<u>893,457,583</u>	<u>601,521,000</u>	<u>25,574,210</u>	<u>4,154,760</u>

32. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Impairment losses:				
- trade receivables	10,448,952	2,522,378	-	-
- other receivables	-	1,764,519	-	-
Reversal of impairment losses:				
- trade receivables	(487,447)	(3,250,108)	-	-
	<u>9,961,505</u>	<u>1,036,789</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

33. PROFIT BEFORE TAXATION

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	225,500	216,000	75,000	85,000
- (over)/under provision in previous financial year	(20,800)	17,815	(10,000)	(3,325)
Depreciation:				
- property and equipment (Note 8)	86,243,123	84,642,340	1,360,960	1,252,258
- right-of-use assets (Note 8)	4,534,742	3,638,559	-	56,402
Directors' fees (Note 39(a))	527,000	106,000	527,000	106,000
Directors' non-fee emoluments (Note 39(a))				
- salaries, bonus and allowances	3,229,052	2,577,075	1,162,729	937,741
- defined contribution benefits	330,983	283,301	46,440	37,440
Fair value loss on investment securities	9,600	25,200	-	-
Fair value changes on forward contracts	800,213	232,125	-	-
Interest expenses on financial liabilities that are not fair value through profit or loss:				
- bank overdrafts	1,239,589	1,596,350	3,374	13,048
- bankers acceptances	2,494,475	3,396,502	-	-
- term loans	2,562,015	3,164,267	333,751	394,362
- revolving credits	2,230,189	2,706,936	160,868	181,235
- flexi loans	19,307	-	-	-
Lease interest (Note 22)	538,145	466,524	-	1,731
Hiring charges – short term leases	5,123,395	1,942,832	-	-
Impairment loss:				
- non-current asset held for sale	-	1,126,604	-	-
(Gain)/loss on foreign exchange:				
- realised	284,559	(676,673)	-	-
- unrealised	(207,833)	201,489	-	-
Property and equipment written off (Note 8)	-	1	-	-
Net change in provision for onerous contract	109,547	(7,254,235)	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

33. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Reversal of inventory written off	-	(276,970)	-	-
Staff costs (including other key management personnel): (Note 39(b))				
- short-term employee benefits	99,005,001	91,425,897	1,038,325	859,451
- defined contribution benefits	4,884,901	3,710,845	79,741	71,880
Rental expenses	596,392	396,268	-	300
Interest income on financial assets that are not fair value through profit or loss:				
- short term deposits	(2,700,540)	(1,918,171)	(925,548)	(932,706)
- current account	(886,602)	(404,331)	(18,897)	(23,519)
- others	-	(6,000)	-	(6,000)
Net (gain)/loss on disposal of property and equipment	(1,465,980)	(10,787,506)	(364)	4
Gain on disposal of non-current asset held for sale	(471,243)	(36,076)	-	-
Gain on lease modification	(176)	(30,397)	-	-
Gain on bargain purchase	(61,723)	(5,221,935)	-	-
Rental income	(167,068)	(73,424)	-	-
Dividend income:				
- associates	(68,250)	(39,000)	(68,250)	(39,000)
- subsidiaries	-	-	(21,925,000)	(540,000)
- investment securities	(1,200)	(3,000)	-	-

34. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense:				
- for the financial year	10,415,783	5,456,836	60,536	214,988
- under/(over)provision in previous financial years	1,346,872	(93,656)	14,505	15,555
	11,762,655	5,363,180	75,041	230,543

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

34. INCOME TAX EXPENSE (CONT'D)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax (Note 12)				
- origination and reversal of temporary differences	(4,248,704)	(1,248,642)	-	-
- under/(over)provision in previous financial years	751,784	(540,015)	-	-
	(3,496,920)	(1,788,657)	-	-
	8,265,735	3,574,523	75,041	230,543

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation	151,107,676	21,324,110	20,484,277	105,641
Tax at the statutory tax rate of 24% (2021 - 24%)	36,265,842	5,117,786	4,916,226	25,354
Tax effects of:				
Non-taxable income	(27,766,228)	(13,559,839)	(5,278,467)	(138,960)
Non-deductible expenses	9,690,187	12,326,852	423,105	263,448
Deferred tax assets not recognised during the financial year	58,305	864,646	679	65,146
Share of results in associates	(56,159)	(59,857)	-	-
Under/(Over)provision in previous financial years:				
- current tax expense	1,346,872	(93,656)	14,505	15,555
- deferred taxation	751,784	(540,015)	-	-
Others	37,232	(26,522)	(1,007)	-
Utilisation of deferred tax assets previously not recognised	(12,062,100)	(454,872)	-	-
Income tax expense for the financial year	8,265,735	3,574,523	75,041	230,543

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

34. INCOME TAX EXPENSE (CONT'D)

The corporate tax rate of the Group and of the Company is 24% (2021 - 24%).

Certain subsidiaries enjoy tax exempt profits arising from its operations of seagoing vessels, under Section 54A of the Income Tax Act, 1967.

35. 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:

	The Group	
	2022	2021
	RM	RM
Profit attributable to ordinary equity holders of the Company	141,922,475	17,052,020
Weighted average number of ordinary shares in issue	1,159,790,392	1,168,200,775
Basic earnings per share (sen)	12.24	1.46

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.

36. ACQUISITION OF SUBSIDIARIES

36.1 ACQUISITION OF SUBSIDIARIES

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 RM8,800,000 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 2022 (Cont'd)

36. ACQUISITION OF SUBSIDIARIES (CONT'D)**36.1 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.

	The Group 2022 RM
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
Lease liabilities	(2,355,551)
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:-

	The Group 2022 RM
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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

36.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

On 7 May 2021, the Company acquired 100% equity interests in Melinau Transport Sdn. Bhd. from Shin Yang Holding Sendirian Berhad.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	The Group 2021 RM
Property and equipment	35,464,881
Trade and other receivables	21,466,110
Cash and cash equivalents	6,501,100
Current tax assets	691,866
Trade and other payables	(11,353,749)
Lease liabilities	(2,239,598)
Flexi financing trade loan	(895,891)
Deferred tax liabilities	(1,412,784)
Fair value of net identifiable assets acquired	48,221,935
Less: Gain on bargain purchase	(5,221,935)
Total purchase consideration	43,000,000
Less: Cash and bank balances of subsidiary acquired	(6,501,100)
Net cash outflow from the acquisition of subsidiaries	36,498,900

Impact of Acquisition on the Group's Results

The acquired subsidiary has contributed the following results to the Group:-

	The Group 2021 RM
Revenue	9,622,615
Profit after taxation	997,756

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 RM613,729,887 and RM21,927,964 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

36. ACQUISITION OF SUBSIDIARIES (CONT'D)**36.2 ACQUISITION OF A SUBSIDIARY SUBSEQUENT TO THE FINANCIAL YEAR END**

During next financial year, the Company acquired 100% equity interests in Piasau Gas Sdn. Bhd. from its holding company, Shin Yang Holding Sendirian Berhad and third parties for a cash consideration of RM22,796,500.

37. DIVIDENDS

There were no dividend paid in respect of the financial year ended 30 June 2021.

At the forthcoming Annual General Meeting, a final dividend of 1.25 sen per ordinary share amounting to RM14,356,816 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 2023.

38. 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:-

	The Group	
	2022	2021
	RM	RM
Property and equipment and right-of-use assets		
Cost of property and equipment purchased and right-of-use assets acquired (Note 8)	37,954,018	38,475,863
Less: Acquired through hire purchase agreements	(12,656,985)	-
Less: Additions of new lease liabilities - right-of-use assets	(115,739)	(399,929)
	25,181,294	38,075,934
	The Company	
	2022	2021
	RM	RM
Property and equipment		
Cost of property and equipment purchased	760,749	246,145

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

38. 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	Lease Liabilities RM	Total RM
2022							
At 1 July	65,925,499	74,743,200	79,350,000	895,891	19,768,680	8,175,914	248,859,184
<u>Changes in Financial Cash Flows</u>							
New leases (Note 22)	-	-	-	-	-	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)	(5,331,563)	(68,353,687)
Repayment of interests	(2,562,015)	(2,230,189)	(2,494,475)	(19,307)	(1,239,589)	(538,145)	(9,083,720)
	(10,199,016)	(35,796,189)	(11,431,475)	(915,198)	(3,225,821)	6,787,277	(54,780,422)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

38. 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	Lease Liabilities RM	Total RM
2022							
<u>Non-cash Changes</u>							
Acquisition of subsidiaries (Note 36)	-	-	-	-	-	2,355,551	2,355,551
Acquisition of new leases (Note 22)	-	-	-	-	-	115,739	115,739
Reassessment/ modification of leases (Note 22)	-	-	-	-	-	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	538,145	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	3,074,722	12,525,697
At 30 June	58,288,498	42,082,600	70,413,000	-	17,782,448	18,037,913	206,604,459

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

38. 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	Lease Liabilities RM	Total RM
2021							
At 1 July	87,527,256	73,985,200	110,521,000	-	25,730,006	10,856,643	308,620,105
<u>Changes in Financial Cash Flows</u>							
New leases	-	-	-	-	-	46,400	46,400
Repayment of principal	(21,601,757)	893,000	(31,171,000)	-	(5,961,326)	(5,101,024)	(62,942,107)
Repayment of interests	(3,164,267)	(2,706,936)	(3,396,502)	-	(1,596,350)	(466,524)	(11,330,579)
	(24,766,024)	(1,813,936)	(34,567,502)	-	(7,557,676)	(5,521,148)	(74,226,286)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

38. 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	Lease Liabilities RM	Total RM
2021							
<u>Non-cash Changes</u>							
Acquisition of a subsidiary (Note 36)	-	-	-	895,891	-	2,239,598	3,135,489
Acquisition of new leases (Note 22)	-	-	-	-	-	399,929	399,929
Reassessment/ modification of leases (Note 22)	-	-	-	-	-	(265,632)	(265,632)
Repayment of interests	3,164,267	2,706,936	3,396,502	-	1,596,350	466,524	11,330,579
Unrealised gain on foreign Exchange	-	(135,000)	-	-	-	-	(135,000)
	3,164,267	2,571,936	3,396,502	895,891	1,596,350	2,840,419	14,465,365
At 30 June	65,925,499	74,743,200	79,350,000	895,891	19,768,680	8,175,914	248,859,184

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

38. 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	Lease Liabilities RM	Total RM
2022				
At 1 July	8,654,149	4,000,000	-	12,654,149
<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
2021				
<u>Changes in Financial Cash Flows</u>				
Repayment of principal	(1,550,004)	(1,000,000)	(80,583)	(2,630,587)
Repayment of interests	(394,362)	(181,235)	(1,731)	(577,328)
	(1,944,366)	(1,181,235)	(82,314)	(3,207,915)
<u>Non-cash Changes</u>				
Repayment of interests	394,362	181,235	1,731	577,328
At 30 June	8,654,149	4,000,000	-	12,654,149

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

38. 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed and treasury deposits with licensed banks	189,450,000	108,500,000	44,000,000	40,500,000
Cash and bank balances	93,723,425	46,940,576	15,167,993	1,933,613
	283,173,425	155,440,576	59,167,993	42,433,613
Bank overdrafts (Note 23)	(17,782,448)	(19,768,680)	-	-
	265,390,977	135,671,896	59,167,993	42,433,613
Less: Fixed and treasury deposits with maturity more than 3 months	(189,100,000)	(76,600,000)	(44,000,000)	(27,100,000)
	76,290,977	59,071,896	15,167,993	15,333,613

39. 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	
	2022 RM	2021 RM	2022 RM	2021 RM
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:-				
- fees	527,000	106,000	527,000	106,000
- salaries, bonus and other benefits	1,863,104	1,474,286	1,162,729	937,741
	2,390,104	1,580,286	1,689,729	1,043,741
Defined contribution benefits	106,780	84,950	46,440	37,440
	2,496,884	1,665,236	1,736,169	1,081,181

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

39. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows: - (Cont'd)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(a) Directors (cont'd)				
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:-				
- salaries, bonus and other benefits	1,365,948	1,102,789	-	-
	1,365,948	1,102,789	-	-
Defined contribution benefits	224,203	198,351	-	-
	1,590,151	1,301,140	-	-
Total directors' remuneration (Note 33)	4,087,035	2,966,376	1,736,169	1,081,181
(b) Other Key Management Personnel				
Short-term employee benefits:-	759,516	648,000	759,516	648,000
Defined contribution benefits	31,600	47,040	31,600	47,040
	791,116	695,040	791,116	695,040

40. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

40. RELATED PARTY DISCLOSURES (CONT'D)**(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	
	2022	2021
	RM	RM
Sales of goods and services to		
- Related companies	(147,233,866)	(87,143,263)
- Holding company	(20,575)	
- Associates	(40,823,611)	(552,051)
Purchase of goods and services from		
- Related companies	15,880,620	12,640,563
- Holding company	4,961	3,200
- Associates	2,886,559	1,101,442
Sales of property and equipment		
- Related companies	(329,421)	(158,700)
- Associates	-	(1,244)
Purchase of property and equipment		
- Related companies	2,627,641	512,381
- Associates	1,288	2,620,000
Rental income from		
- Related companies	(195,976)	(188,376)
- Associates	(300,000)	(324,000)
Rental expenses charged by		
- Related companies	523,407	136,024
- Associates	580	603,830
- Holding company	46,000	35,000

	The Company	
	2022	2021
	RM	RM
Sales of goods and services to		
- Subsidiaries	(450)	(2,290)
Purchase of goods and services from		
- Subsidiaries	179,713	18,533
- Associate	19	-
- Related companies	126,623	77,875
Purchase of property and equipment		
- Subsidiaries	484,229	176,452
- Related companies	77,661	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

40. RELATED PARTY DISCLOSURES (CONT'D)

(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:- (cont'd)

	The Company	
	2022	2021
	RM	RM
Rental income from		
- Associates	(300,000)	(324,000)
- Subsidiaries	(2,733,200)	(2,725,200)
	(3,033,200)	(3,049,200)

	The Group	
	2022	2021
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests:		
Sales of goods and services	(22,270,213)	(9,785,329)
Purchase of goods and services	25,889,145	3,829,160
Sales of property and equipment	(95,000)	(129,200)
Purchase of property and equipment	93,877	228,528
Rental income	(19,800)	(19,350)
Rental expenses	69,874	42,300
	(1,327,317)	(6,054,091)

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 2022 (Cont'd)

41. 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) 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) Segment liabilities information is not regularly provided to the Group Managing Directors. Hence, no disclosure is made on segment liabilities
- (d) 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.
- (e) 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 2022 (Cont'd)

41. 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
30 June 2022								
Revenue:								
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	6,291,357	28,938,179	(70,715,688)	A	-
Total revenue	164,061,762	577,026,662	132,580,286	53,943,912	36,560,649	(70,715,688)		893,457,583
Results:								
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 Other non-cash expenses/ (income)	2,044,029	8,410,649	224,611	99,207	-	221,144		221,144
Segment profits	34,338,490	73,339,394	43,850,735	3,777,713	24,546,644	(276,734)	B	10,501,762
						(28,745,300)	C	151,107,676

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

41. 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
30 June 2022 (Cont'd)								
Assets:								
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
Liabilities:								
Segment liabilities	197,785,807	241,066,891	161,793,280	21,013,684	63,628,300	(263,977,325)	F	421,310,637

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

41. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2021							
Revenue:							
External customers	67,045,058	419,310,745	108,371,668	6,793,529	-		601,521,000
Inter-segment	37,779,928	3,993,261	4,607,879	6,424,329	(52,805,397)	A	-
Total revenue	104,824,986	423,304,006	112,979,547	13,217,858	(52,805,397)		601,521,000
Results:							
Finance income	2,760	903,891	343,669	1,078,182	-		2,328,502
Finance costs	8,368,326	2,408,098	51,470	596,899	(94,214)		11,330,579
Dividend income	-	-	3,000	579,000	(579,000)		3,000
Depreciation and amortisation	9,982,743	56,152,955	19,757,582	1,660,959	726,660		88,280,899
Share of results of associates	-	-	-	-	241,386		241,386
Other non-cash expenses/(income)	596,011	(1,884,662)	2,916,324	2,508	(4,506,878)	B	(2,876,697)
Segment profits	4,592,745	7,216,321	4,008,088	3,418,916	2,088,040	C	21,324,110

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

41. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2021 (Cont'd)							
Assets:							
Investment in associates	-	2,629,641	-	682,500	1,539,796		4,851,937
Additions to non-current assets	356,617	35,100,824	2,450,170	568,252	-	D	38,475,863
Segment assets	429,889,342	670,782,395	393,342,895	199,681,427	(308,879,673)	E	1,384,816,386
Liabilities:							
Segment liabilities	264,973,963	253,586,108	174,109,414	41,974,996	(284,417,233)	F	450,227,248

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

41. 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:

	2022	2021
	RM	RM
Fair value loss on other investments	9,600	25,200
Fair value changes on forward contracts	800,213	232,125
Unrealised loss/(gain) on foreign exchange	(207,833)	201,489
Property and equipment written off	-	1
Impairment loss on trade and other receivables	10,448,952	4,286,897
Impairment on non-current asset held for sale	-	1,126,604
Gain on bargain purchase	(61,723)	(5,221,935)
Reversal of inventory	-	(276,970)
Reversal of impairment loss on trade and other receivables	(487,447)	(3,250,108)
	<u>10,501,762</u>	<u>(2,876,697)</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:

	2022	2021
	RM	RM
Share of result of associates	221,144	241,386
Dividend from subsidiaries	(21,925,000)	(540,000)
Dividend from associates	(68,250)	(39,000)
Profit from inter-segment sales	(6,326,559)	(2,069,621)
Depreciation	(708,358)	(726,660)
Gain on bargain purchase	61,723	5,221,935
	<u>(28,745,300)</u>	<u>2,088,040</u>

D Additions to non-current assets consists of:

	2022	2021
	RM	RM
Property and equipment	<u>37,954,018</u>	<u>38,475,863</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

41. 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:

	2022	2021
	RM	RM
Property and equipment	(4,972,081)	(4,740,219)
Investment in associates	1,692,691	1,539,796
Inter-segment assets	(286,952,541)	(307,743,143)
Intangible assets	2,063,893	2,063,893
	<u>(288,168,038)</u>	<u>(308,879,673)</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:

	2022	2021
	RM	RM
Cumulative preference shares	(100,000)	(100,000)
Inter-segment liabilities	(263,877,325)	(284,317,233)
	<u>(263,977,325)</u>	<u>(284,417,233)</u>

Geographical information

Revenue is based on the country in which the customers are located.

	Revenue	
	2022	2021
	RM	RM
Malaysia	747,906,557	558,751,543
China	50,993,859	-
Singapore	50,955,375	41,998,010
United Arab Emirates	43,574,880	-
Netherlands	-	236,456
Japan	26,912	534,991
	<u>893,457,583</u>	<u>601,521,000</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

42. CAPITAL COMMITMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Approved and not contracted for:				
Purchase of property and equipment	9,738,000	6,448,501	-	148,501
Construction of workshop	6,603,464	-	-	-
	<u>16,341,464</u>	<u>6,448,501</u>	<u>-</u>	<u>148,501</u>

43. 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:-

	The Group	
	2022 RM	2021 RM
Performance guarantee extended by subsidiaries to third parties	<u>16,971,765</u>	<u>14,413,726</u>

44. 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.

44.1 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)**44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

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.

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:-

	The Group	
	2022	2021
	RM	RM
Effects on Profit/(Loss) After Taxation		
USD/RM - strengthen by 5%	(99,654)	1,252,177
USD/RM - weaken by 5%	99,654	(1,252,177)
<hr/>		
SGD/RM - strengthen by 5%	(16,797)	(41,072)
SGD/RM - weaken by 5%	16,797	41,072
<hr/>		
AED/RM - strengthen by 5%	2,315	2,315
AED/RM - weaken by 5%	(2,315)	(2,315)
<hr/>		
JPY/RM - strengthen by 5%	(16,773)	(18,013)
JPY/RM - weaken by 5%	16,773	18,013
<hr/>		

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis (Cont'd)

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:- (Cont'd)

	The Group	
	2022	2021
	RM	RM
Effects on Profit/(Loss) After Taxation (Cont'd)		
RMB/RM - strengthen by 5%	(257,457)	(189,068)
RMB/RM - weaken by 5%	257,457	189,068
	<hr/>	<hr/>
BND/RM - strengthen by 5%	-	281,022
BND/RM - weaken by 5%	-	(281,022)
	<hr/>	<hr/>

(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 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

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:-

	The Group	
	2022	2021
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 10 basis points	(89,797)	(120,506)
Decrease of 10 basis points	89,797	120,506

	The Company	
	2022	2021
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 10 basis points	(7,679)	(9,617)
Decrease of 10 basis points	7,679	9,617

(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 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
The Group				
2022				
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
	207,930,926	(9,991,816)	(13,919,764)	184,019,346

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
The Group				
2021				
Current (not past due)	52,383,813	-	(421,786)	51,962,027
Past due				
1-30 days	31,732,085	-	(364,047)	31,368,038
31-60 days	37,172,632	-	(457,097)	36,715,535
61-90 days	9,042,115	-	(268,800)	8,773,315
91-120 days	3,764,737	-	(268,466)	3,496,271
More than 121 days	18,531,871	-	(4,634,094)	13,897,777
Credit impaired	12,570,346	(7,498,225)	-	5,072,121
Trade receivables	165,197,599	(7,498,225)	(6,414,290)	151,285,084
Contract assets	3,506,459	-	-	3,506,459
	168,704,058	(7,498,225)	(6,414,290)	154,791,543

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 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
The Group			
2022			
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>
2021			
Low credit risk	4,292,114	-	4,292,114
Credit impaired	17,046,274	(17,046,274)	-
	<u>21,338,388</u>	<u>(17,046,274)</u>	<u>4,292,114</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 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 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
The Group					
2022					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	149,548,921	149,548,921	149,548,921	-	-
Lease liabilities	18,037,913	19,127,818	9,628,235	9,499,583	-
Loans and borrowings	188,566,546	195,736,686	150,960,239	39,643,521	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	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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
The Group					
2021					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	140,634,196	140,634,196	140,634,196	-	-
Lease liabilities	8,175,914	9,612,022	5,336,750	4,275,272	-
Loans and borrowings	240,683,270	253,435,235	191,108,331	51,786,676	10,540,228
	<u>389,493,380</u>	<u>403,681,453</u>	<u>337,079,277</u>	<u>56,061,948</u>	<u>10,540,228</u>
<u>Derivative Financial liabilities:</u>					
Forward currency contract	101,925	101,925	101,925	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Maturity Analysis (Cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM
The Company				
2022				
<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>
2021				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,043,305	1,043,305	1,043,305	-
Loans and borrowings	12,654,149	14,733,226	5,922,376	8,810,850
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	189,294,270	189,294,270	189,294,270	-
	<u>202,991,724</u>	<u>205,070,801</u>	<u>196,259,951</u>	<u>8,810,850</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)**44.2 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.

Management monitors capital based on the Group's and the Company's gearing ratio. The Group's and the Company's strategies are to maintain gearing ratio of not exceeding 100%.

The gearing ratio is calculated as net debt divided by equity capital plus net debt. Net debt is calculated as total borrowings less cash and bank balances. Capital is equivalent to capital and reserves attributable to owners of the Company.

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Lease liabilities	18,037,913	8,175,914	-	-
Loans and borrowings	188,566,546	240,683,270	10,104,145	12,654,149
Less: Fixed and treasury deposits with licensed banks	(189,450,000)	(108,500,000)	(44,000,000)	(40,500,000)
Less: Cash and bank balances	(93,723,425)	(46,940,576)	(15,167,993)	(1,933,613)
	<u>(76,568,966)</u>	<u>93,418,608</u>	<u>(49,063,848)</u>	<u>(29,779,464)</u>
Equity attributable to the owners of the Company	<u>1,062,524,170</u>	<u>928,189,799</u>	<u>1,213,829,523</u>	<u>1,201,008,463</u>
Capital and net debt	<u>985,955,204</u>	<u>1,021,608,407</u>	<u>1,164,765,675</u>	<u>1,171,228,999</u>
Gearing ratio	<u>N/A</u>	<u>9.14%</u>	<u>N/A</u>	<u>N/A</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022 RM	2021 RM
The Group		
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Other investments	58,800	68,400
<u>Amortised Cost</u>		
Trade receivables (Note 14)	181,564,018	151,285,084
Other receivables (Note 15)	7,418,494	7,927,431
Fixed and treasury deposits with licensed banks	189,450,000	108,500,000
Cash and bank balances	93,723,425	46,940,576
	472,155,937	314,653,091
Financial Liabilities		
<u>Fair Value Through Profit or Loss</u>		
Derivative liabilities	902,138	101,925
<u>Amortised Cost</u>		
Trade payables (Note 28)	128,323,886	118,922,713
Other payables and accruals (Note 29)	21,225,035	21,711,483
Lease liabilities (Note 22)	18,037,913	8,175,914
Bank borrowings (Note 23)	188,566,546	240,683,270
	356,153,380	389,493,380

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2022 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2022 RM	2021 RM
The Company		
Financial Assets		
<u>Amortised Cost</u>		
Trade receivables (Note 14)	-	558,179
Other receivables (Note 15)	1,824,489	1,163,612
Amount owing by subsidiaries (Note 9)	38,455,770	56,018,423
Fixed and treasury deposits with licensed banks	44,000,000	40,500,000
Cash and bank balances	15,167,993	1,933,613
	99,448,252	100,173,827
Financial Liabilities		
<u>Amortised Cost</u>		
Other payables and accruals (Note 29)	1,290,340	1,043,305
Bank borrowings (Note 23)	10,104,145	12,654,149
	11,394,485	13,697,454

44.4 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 10, 17 and 24 to the financial statements respectively.

ANALYSIS OF SHAREHOLDINGS

As at 20 October 2022

Analysis by Size Shareholdings As at 20 October 2022

Size of Shareholdings	No. of Holders	%	No. of Securities	%
Less than 100	7	0.21	233	0.00
100 - 1,000	419	12.57	268,800	0.02
1,001 - 10,000	1,759	52.76	9,892,108	0.86
10,001 - 100,000	941	28.22	32,332,559	2.82
100,001 - 59,999,999 (*)	207	6.21	443,518,804	38.69
60,000,000 and above (**)	1	0.03	660,412,796	57.61
Total	3,334	100.00	1,146,425,300	100.00

All information of shareholdings disclosed excludes 53,574,700 treasury shares held by the Company

Total Holders	3,334
Total Paid Up	1,146,425,300

Notes:

* Less than 5% of issued holdings

** 5% and above of issued holdings

Directors' Shareholdings As at 20 October 2022

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	3.04
2	LING CHIONG SING	-	34,802,669	34,802,669	3.04
3	LING CHIONG PIN	-	34,802,668	34,802,668	3.04
4	LING SIU CHUO	-	36,000,009	36,000,009	3.14
5	VINCENT LING LU YEW	-	100,000	100,000	0.01
6	JACK WILLIEN @ WILLIAM ANAK JINEP	-	32,000	32,000	0.00
7	DATUK LING LU KIONG	-	100,000	100,000	0.01
8	YONG NYET YUN	-	100,000	100,000	0.01
9	ARSHAD BIN ZAINUDDIN	-	2,000	2,000	0.00
	TOTAL	-	140,742,015	140,742,015	12.29

- Total Paid-Up Capital as at 20 October 2022 1,146,425,300
- All information of shareholdings disclosed excludes 53,574,700 treasury shares held by the Company

Information on Substantial Shareholders As at 20 October 2022

Names	NRIC / Registration No.	Total Shareholdings	%
1 SHIN YANG HOLDING SENDIRIAN BERHAD	184468H	660,412,796	57.61
TOTAL		660,412,796	57.61

- Total Paid-Up Capital as at 20 October 2022 1,146,425,300
- All information of shareholdings disclosed excludes 53,574,700 treasury shares held by the Company

ANALYSIS OF SHAREHOLDINGS

as at 20 October 2022 (Cont'd)

**Distribution Table According To Category of Shareholders Held In Respect of Ordinary Shares
As at 20 October 2022**

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. Individuals	805	1,809	21	7,320,700	249,712,222	6,738,100	0.64	21.78	0.59
2. Body Corporate									
a. Banks/Finance Companies	13	8	0	5,406,808	230,600	0	0.47	0.02	0.00
b. Industrial and Commercial Comps.	8	13	2	1,441,000	732,848,311	189,700	0.13	63.92	0.02
3. Nominees	435	181	39	60,446,700	14,084,300	68,006,859	5.27	1.23	5.93
Total	1,261	2,011	62	74,615,208	996,875,433	74,934,659	6.51	86.95	6.54

All information of shareholdings disclosed excludes 53,574,700 treasury shares held by the Company

Notes

1	No. of Holders	3,334
2	No. of Shares	1,146,425,300
3	Percentage (%)	100.00

**List of Thirty (30) Largest Shareholders
As at 20 October 2022**

Names	Shareholding	%
1 SHIN YANG HOLDING SENDIRIAN BERHAD	660,412,796	57.61
2 CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	46,284,000	4.04
3 LING SIU CHUO	36,000,009	3.14
4 LING CHIONG HO	34,802,669	3.04
5 LING CHIONG SING	34,802,669	3.04
6 LING CHIONG PIN	34,802,668	3.04
7 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR BUMIMAS WANGI SDN. BHD.	33,591,500	2.93
8 LING SIEW TING	24,000,006	2.09
9 S.K. UNIMAS SDN. BHD.	18,867,200	1.65
10 CAHAYA SURIAMAJU SDN. BHD.	18,665,600	1.63
11 MAJU BUMIRAYA SDN BHD	17,038,500	1.49
12 KONG EIK MING	12,461,800	1.09
13 CAHAYA SURIAMAJU SDN. BHD.	7,500,000	0.65
14 ADINAMAJU SDN BHD	6,461,400	0.56
15 MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	5,228,000	0.46
16 CITIGROUP NOMINEES (ASING) SDN BHD	4,718,600	0.41

ANALYSIS OF SHAREHOLDINGS

as at 20 October 2022 (Cont'd)

List of Thirty (30) Largest Shareholders (Cont'd) As at 20 October 2022

Names	Shareholding	%
17 AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH AGGRESSIVE FUND	4,700,000	0.41
18 WONG TIING SONG	4,496,800	0.39
19 LING CHIONG SIENG	3,765,168	0.33
20 SHINLINE CORPORATION SDN. BHD.	3,290,515	0.29
21 JUMA KHALIFA OBAID ABUSHIBS	3,231,700	0.28
22 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	3,100,000	0.27
23 UOBM NOMINEES (ASING) SDN BHD UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR PERRA GROUP LIMITED	2,800,000	0.24
24 DB (MALAYSIA) NOMINEE (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND, LLC	2,781,700	0.24
25 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WONG TIING SONG (PB)	2,200,000	0.19
26 TAN LYE BENG	2,084,300	0.18
27 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI CHIN BOON	2,008,000	0.18
28 HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GARY TAN YOW HOO	1,989,000	0.17
29 KOAY WAN FING @ KOAY GIAN PENG	1,900,000	0.17
30 ONG KEK BING	1,850,000	0.16
TOTAL	1,035,834,600	90.37

Paid-up Capital as at 20 October 2022

1,146,425,300

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	Adjusted NBV as at 30 June 2022 (RM'000)
1.	Piasau Slipways Sdn Bhd 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 13- 15 years	5 th October 2009	25.2542 Ha	7,079
2.	Shin Yang Shipyard Sdn Bhd Lot 1531 -1536, and Plot 100 ⁽¹⁾ under Lot 659, Block 12, Buan Land District, Tanjung Manis, Sarawak	Industrial land erected with warehouse and workshop	Leasehold of 60 years expiring 02.06.2081 / Aged 3- 15 years	5 th October 2009	61.9774 Ha	28,434
3.	Piasau Slipways Sdn Bhd Lot No. 1098, Block 37, Kemena Land District, Sarawak	Industrial land erected with the warehouses, winch & slipways used as shipping fabrication yard and dockyard.	Parent lot title under perpetuity ⁽¹⁾ / Aged 12-18 years	16 th November 2009	7.006 Ha	9,202
4.	Shin Yang Shipyard Sdn Bhd 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 and launching ways buildings used as shipping fabrication yard & dockyard.	Leasehold of 60 years expiring 14.07.2055 / Aged 9-22 years	2 nd November 2009	13.02 Ha	9,470
5.	Piasau Slipways Sdn Bhd 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 9-14 years Lot 523 - leasehold of 60 years expiring 07.01.2048 / Aged 1-21 years	11 th May 2019	Lot 208 2.273 Ha Lot 523 5.119 Ha	7,522
6.	Shin Yang Shipyard Sdn Bhd Plot 1 to Plot 13 all under Lot 70, 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.	Parent lot title under leasehold for 99 years expiring on 20.02.2102 ⁽¹⁾ / Aged 5-15 years	21 st August 2009	78.217 Ha	40,957
7.	Shin Yang Shipyard Sdn Bhd Sublot 153 under Lot 70, 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 ⁽¹⁾ / Aged 1-14 years	15 th September 2009 11 th May 2019 (Building only)	1.81 Ha	14,549
8.	Shin Yang Shipping Corporation Berhad 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 6-9 years	N/A	4.076 Ha	8,428
9.	Shin Yang Shipping Corporation Berhad 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 9 years	N/A	1.607 Ha	2,164
10.	Shin Yang Shipping Corporation Berhad Lot 31, Lebu 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 3-6 years	N/A	2.947 Ha	21,783
11.	Melinau Transport Sdn Bhd Lot 3354, Block 20, Kemena Land District, Sarawak.	Vacant sand filled industrial land	Leasehold of 60 years expiring on 09.01.2079 / Aged 4-8 years	N/A	25.69Ha	21,845
12.	Melinau Transport Sdn Bhd 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 1-12 years	N/A	5.506Ha	814

Notes:- (1) Titles awaiting for subdivision and amalgamation.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of the Company will be held at Conference Room, Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Tuesday, 6 December 2022 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 2022 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 1.25 Sen for the financial year ended 30 June 2022. **(Resolution 1)**
3. To approve the payment of Directors' fees and benefits for the financial year ended 30 June 2023. **(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) Mr. Ling Chiong Pin **(Resolution 3)**
 - ii) Mr. Ling Chiong Sing **(Resolution 4)**
 - iii) Mdm. Ling Siu Chuo **(Resolution 5)**
5. To re-elect the following Directors who are retiring in accordance with clause 97 of the Company's Constitution, and being eligible, have offered themselves for re-election:-
 - i) Datuk Ling Lu Kiong **(Resolution 6)**
 - ii) Mr. Jack Willien @ William Anak Jinep **(Resolution 7)**
 - iii) Mdm. Yong Nyet Yun **(Resolution 8)**
6. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

As Special Businesses

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

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")** **(Resolution 10)**

"**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 31 October 2022 ("**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."

8. Proposed Renewal of Authority On Shares Buy-Back.

(Resolution 11)

“**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 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 2022; 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.

9. 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 ANNUAL GENERAL MEETING

(Cont'd)

NOTICE OF ENTITLEMENT AND PAYMENT OF SINGLE-TIER FINAL DIVIDEND

NOTICE IS HEREBY GIVEN THAT the Single-Tier Final Dividend of 1.25sen per ordinary share for the financial year ended 30 June 2022, if approved at 17th Annual General Meeting will be paid on 15 December 2022 to Shareholders whose name appear in the Records of Depositors and Register of Members at the close of business on 8 December 2022.

Depositor shall qualify for entitlement only respect of:

- (a) Shares deposited into Depositor's Securities Account before 12.30pm on 6 December 2022. (in respect of shares which are exempted from mandatory deposit)
- (b) Shares transferred into the Depositor's Securities Account before 4.30pm on 8 December 2022 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, Malaysia

31 October 2022

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 8 – 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. The Constitution also provide that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment pursuant to Clause 97 of the Company's Constitution.

Accordingly, Mr. Ling Chiong Pin, Mr. Ling Chiong Sing and Mdm. Ling Siu Chuo shall retire by rotation at this 17th AGM pursuant to Clause 90 of the Company's Constitution while Datuk Ling Lu Kiong, Mr. Jack Willien @ William Anak Jinep and Mdm Yong Nyet Yun who were appointed on 8 April 2022, 14 April 2022 and 31 May 2022 respectively, shall retire at this 17th AGM pursuant to Clause 97 of the Company's Constitution. Mr. Ling Chiong Pin, Mr. Ling Chiong Sing, Mdm. Ling Siu Chuo, Datuk Ling Lu Kiong, Mr. Jack Willien @ William Anak Jinep and Mdm. Yong Nyet Yun being eligible, have offered themselves for re-election.

3. Ordinary Resolution 10 – Proposed Renewal of Shareholders' Mandate on Recurrent Related Party Transactions and Proposed New Shareholders' Mandate on New Recurrent Related Party Transactions

The proposed Ordinary Resolution 10, 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 2022 for further information.

4. Ordinary Resolution 11 – Proposed Renewal of Authority on Share Buy-Back

The proposed Ordinary Resolution 11, if passed, will empower the Company to purchase the Company's shares up to 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 2022 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 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 28 November 2022, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

SAFETY MEASURES IN LIGHT OF CONONAVIRUS DISEASE 2019 (COVID-19) OUTBREAK

As a precautionary measure,

- (1) Attendees are NOT ALLOWED to attend the meeting if:-
 - a) They are unwell with sore throat, flu, cough, fever, diarrhea and/or shortness of breath; or
 - b) They have travel history to high-risk countries affected by Covid-19 in the past 14 days; or
 - c) They have been in contact with a person who is confirmed with Covid-19 infection in the past 14 days.
- (2) Every attendee is required to wear a face mask at any time within the AGM venue.

The Company may at its discretion deny entry to any abovementioned persons. It seeks the understanding and cooperation of the Attendees with the Precautionary measures put in place.

As the Covid-19 situation continues to evolve, the Company will closely monitor the situation and reserve the right to take any precautionary measures as may be required or recommended by relevant authorities from time to time. The Company may be required to change its AGM arrangements at a short notice. Members are advised to regularly check the Company's Website for any updates.

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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 Shipping Corporation 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 Seventeenth (17th) Annual General Meeting of the Company to be held at the Conference Room, Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Tuesday, 6 December 2022 at 11.00 am and, at any adjournment thereof.

A	To table the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon.		
RESOLUTIONS	DESCRIPTION	FOR	AGAINST
	Ordinary Business		
1	Declaration of Single-Tier Final Dividend		
2	Approval of Directors' fees and benefits for financial year ended 30 June 2023		
3	Re-election of retiring director: Mr. Ling Chiong Pin pursuant to Clause 90 of the Company's Constitution.		
4	Re-election of retiring director: Mr. Ling Chiong Sing pursuant to Clause 90 of the Company's Constitution.		
5	Re-election of retiring director: Mdm. Ling Siu Chuo pursuant to Clause 90 of the Company's Constitution.		
6	Re-election of retiring director: Datuk Ling Lu Kiong pursuant to Clause 97 of the Company's Constitution.		
7	To re-election of retiring director: Mr. Jack Willien @ William Anak Jinep pursuant to Clause 97 of the Company's Constitution.		
8	To re-election of retiring director: Mdm. Yong Nyet Yun pursuant to Clause 97 of the Company's Constitution.		
9	To re-appoint Crowe Malaysia PLT as the auditor of the Company and to authorise the Directors to determine their remuneration.		
	Special Business		
10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature		
11	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 thisday of 2022

.....
 Signature and/or Common Seal of Shareholders

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 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 28 November 2022, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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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 SHIPPING CORPORATION BERHAD Registration No: 200401027554 (666062-A)
Sub Lot 153 (Parent Lot 70),
Jalan Kuala Baram,
Kuala Baram, 98100 Miri,
Sarawak, Malaysia