

Registration No: 200401027554 (666062 – A)

SHIN YANG GROUP BERHAD
(Incorporated in Malaysia)

FINANCIAL REPORT
for the financial year ended 30 June 2024

Registration No: 200401027554 (666062 – A)

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

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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 2024.

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	113,390,359	6,393,135
Attributable to:-		
Owners of the Company	110,624,905	6,393,135
Non-controlling interests	2,765,454	-
	<u>113,390,359</u>	<u>6,393,135</u>

DIVIDENDS

The Company paid a final dividend of 3.00 sen per ordinary share amounting to RM33,953,409 for the financial year ended 30 June 2023 on 15 December 2023.

At the forthcoming Annual General Meeting, a final dividend of 3.00 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2025.

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DIRECTORS' REPORT (CONT'D)

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

TREASURY SHARES

During the financial year, the Company purchased 8,085,000 of its issued ordinary shares from the open market at an average price of RM0.64 per share. The total consideration paid for the purchase was RM5,143,125 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

2,000,000 treasury shares were resold during the financial year. The details of the treasury shares are disclosed in Note 20 to the financial statements.

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.

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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.

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DIRECTORS' REPORT (CONT'D)

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

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

Tan Sri Datuk Ling Chiong Ho **

Ling Chiong Sing **

Ling Chiong Pin **

Ling Siu Chuo

Vincent Ling Lu Yew ** (Retired on 22.11.2023)

Arshad Bin Zainuddin *

Datuk Ling Lu Kiong **

Jack Willien @ William Anak Jinep **

Yong Nyet Yun **

Dr. Lai Yew Hock (Appointed on 19.1.2024)

Izan Nadiawati Binti Mohamad Tabib (Appointed on 19.1.2024)

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

* It is noted with great sadness that Mr Arshad Bin Zainuddin passed away on 20 November 2023.

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

Gary Tan Yow Hoo

Ting Hien Liong

Hou Su Ee

(Alternate Director to Hou Siu Kee)

Hong Kwang Meng

Lau Sie Ping

Ngu Chee Sing

Loretta Jane Lau Mei Nah

Lawrence Bin Ara

Azman Bin Sulaiman

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DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

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:- (Cont'd)

Lim Miang Chiang
K Purushothaman A/L Kunjamboo
Lim Fern Yong (Appointed on 10.8.2023)
Richard Ling Peng Liing (Appointed on 10.8.2023)

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 1.7.2023	Bought	Sold	At 30.6.2024
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
Ling Siu Chuo	36,000,009	-	-	36,000,009
Datuk Ling Lu Kiong	100,000	-	-	100,000
Yong Nyet Yun	100,000	-	-	100,000
Jack Willien @ William Anak Jinep	87,000	-	-	87,000
Dr. Lai Yew Hock	128,000	-	-	128,000
Deemed interest through Holding Company				
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

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DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

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 other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

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

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 39(b) to the financial statements.

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

DIRECTORS' REMUNERATION

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

	The Group RM	The Company RM
Fees	160,000	160,000
Salaries, bonuses and other benefits	5,435,760	3,962,838
Defined contribution benefits	277,100	190,800
	<u>5,872,860</u>	<u>4,313,638</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.

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DIRECTORS' REPORT (CONT'D)

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.

HOLDING COMPANY

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

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DIRECTORS' REPORT (CONT'D)

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	<u>336,500</u>	<u>95,000</u>

Signed in accordance with a resolution of the directors dated 30 October 2024

Yong Nyet Yun
Director

Ling Siu Chuo
Director

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SHIN YANG GROUP BERHAD
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**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Yong Nyet Yun and Ling Siu Chuo, being two of the directors of Shin Yang Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 18 to 109 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 2024 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 30 October 2024

Yong Nyet Yun
Director

Ling Siu Chuo
Director

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

I, Richard Ling Peng Liing, MIA Membership Number: 9688, being the officer primarily responsible for the financial management of Shin Yang Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 18 to 109 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 30 October 2024

Richard Ling Peng Liing

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIN YANG GROUP BERHAD

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Shin Yang Group Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 18 to 109.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF SHIN YANG GROUP BERHAD (CONT'D)**

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Key Audit Matters

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, hiring charges and transportation charges</p> <p>The Group's revenue from freight, lighterage, charterage, hiring charges and transportation charges is derived from a large volume of transactions. During the financial year, the Group recognised revenue of RM768.9 million from freight, lighterage, charterage, hiring charges and transportation charges, representing 80.1% of the Group's revenue.</p> <p>We identified revenue recognition of freight, lighterage, charterage, hiring charges and transportation charges as a key audit matter because of the significance of revenue in the financial statements in amount.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF SHIN YANG GROUP BERHAD (CONT'D)**

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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 2024, the Group's trade receivables were recorded at a gross amount of RM231.5 million with an impairment allowance of RM32.3 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF SHIN YANG GROUP BERHAD (CONT'D)**

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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 2024, the carrying amount of the Company's investment in subsidiaries amounted to RM1,018.7 million, being 84.7% 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 GROUP BERHAD (CONT'D)**

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Key Audit Matters (Cont'd)

Purchase Price Allocation ("PPA") Refer to Note 36 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>On 15 September 2023, the Company acquired 60% equity interests in Mewah Exim Sdn. Bhd. for a cash and share consideration of RM8,338,200 and RM1,290,000 respectively. The Company performed a PPA exercise for the acquisition, where the purchase consideration was allocated to the fair value of the identifiable assets acquired and the liabilities assumed, resulting in a goodwill on acquisition of RM6.5 million on the business combination.</p> <p>In the PPA exercise, management engaged independent valuers to perform the valuation of the assets of Mewah Exim Sdn. Bhd. and its subsidiaries.</p> <p>We focused on this area as the determination of fair value of the identifiable assets acquired and liabilities assumed, including the identification of intangible assets, required significant management judgement in estimating the underlying assumptions applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ Assessed the competence, capabilities and objectivity of management's valuation expert. ▪ Obtained and received Share Sale Agreement; and identified critical terms with accounting impact, including the purchase consideration. ▪ Discussed with management and management's valuation experts to obtain an understanding of the PPA exercise. ▪ Assessed the methodology applied in the PPA exercise, the key assumptions used and the appropriateness of the fair value in determining the valuation of intangible assets. ▪ Evaluated the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIN YANG GROUP BERHAD (CONT'D)

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Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIN YANG GROUP BERHAD (CONT'D)

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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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIN YANG GROUP BERHAD (CONT'D)

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 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
00950/01/2026 J
Chartered Accountant

Miri, Sarawak

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	1,018,693,748	1,096,570,082
Investment in associates	7	3,060,266	3,401,309	682,500	682,500
Property, plant and equipment	8	877,086,570	931,364,581	47,181,126	48,211,051
Other receivables	15	-	953,820	-	953,820
Other investments	10	58,800	58,800	-	-
Intangible assets	11	8,765,943	2,063,893	-	-
Deferred tax assets	12	179,704	836,028	-	-
		<u>889,151,283</u>	<u>938,678,431</u>	<u>1,066,557,374</u>	<u>1,146,417,453</u>
CURRENT ASSETS					
Inventories	13	39,760,757	33,901,292	-	-
Amount owing by subsidiaries	9	-	-	975,748	3,582,158
Dividend receivable		-	-	95,000,000	36,155,000
Trade receivables	14	199,248,042	157,354,570	-	-
Other receivables	15	28,313,960	25,714,420	554,438	682,643
Contract assets	16	21,892,639	2,089,683	-	-
Current tax assets		1,808,941	3,565,404	-	-
Cash and bank balances	38	432,221,980	398,904,483	39,001,364	48,458,529
		<u>723,246,319</u>	<u>621,529,852</u>	<u>135,531,550</u>	<u>88,878,330</u>
Non-current assets classified as held for sale	18	-	11,185,276	-	-
		<u>723,246,319</u>	<u>632,715,128</u>	<u>135,531,550</u>	<u>88,878,330</u>
TOTAL ASSETS		<u>1,612,397,602</u>	<u>1,571,393,559</u>	<u>1,202,088,924</u>	<u>1,235,295,783</u>

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

	Note	The Group		The Company	
		2024	2023	2024	2023
		RM	RM	RM	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	(29,131,922)	(24,775,956)	(29,131,922)	(24,775,956)
Retained profits		403,766,428	326,592,091	7,921,761	34,979,194
Other reserves	21	(297,861,069)	(297,861,069)	-	-
Equity attributable to owners of the Company		1,293,745,499	1,220,927,128	1,195,761,901	1,227,175,300
Non-controlling interests		7,880,317	4,560,128	-	-
TOTAL EQUITY		1,301,625,816	1,225,487,256	1,195,761,901	1,227,175,300
NON-CURRENT LIABILITIES					
Lease liabilities	22	824,623	111,036	-	-
Bank borrowings	23	24,678,349	36,449,748	2,470,933	4,119,644
Deferred tax liabilities	12	51,847,674	51,063,897	-	-
		77,350,646	87,624,681	2,470,933	4,119,644
CURRENT LIABILITIES					
Trade payables	28	105,015,274	107,902,587	-	-
Contract liabilities	16	44,176,499	20,349,713	-	-
Other payables	29	31,726,508	24,733,613	1,812,271	1,363,502
Amount owing to a subsidiary	9	-	-	-	53,625
Lease liabilities	22	354,133	238,521	-	-
Bank borrowings	23	48,805,261	102,590,157	1,648,711	1,644,757
Current tax liabilities		3,343,465	2,094,551	395,108	938,955
Derivative liabilities	17	-	372,480	-	-
		233,421,140	258,281,622	3,856,090	4,000,839
TOTAL LIABILITIES		310,771,786	345,906,303	6,327,023	8,120,483
TOTAL EQUITY AND LIABILITIES		1,612,397,602	1,571,393,559	1,202,088,924	1,235,295,783

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	31	959,818,782	939,604,368	115,152,280	45,277,530
COST OF SALES		(824,399,711)	(731,191,095)	(1,754,374)	(1,915,723)
GROSS PROFIT		135,419,071	208,413,273	113,397,906	43,361,807
OTHER INCOME		29,879,729	34,524,060	253,578	21,920
FINANCE INCOME		13,712,951	7,985,882	1,634,004	1,546,780
ADMINISTRATIVE EXPENSES		(50,559,079)	(47,561,665)	(8,643,511)	(7,487,430)
OTHER EXPENSES		-	-	(98,504,534)	-
NET IMPAIRMENT GAIN/(LOSS) ON FINANCIAL ASSETS	32	3,953,448	(13,171,658)	-	-
FINANCE COSTS		(5,439,687)	(8,336,173)	(273,050)	(431,153)
SHARE OF RESULTS OF EQUITY ACCOUNTED ASSOCIATES		(441,043)	(1,593,773)	-	-
PROFIT BEFORE TAXATION	33	126,525,390	180,259,946	7,864,393	37,011,924
INCOME TAX EXPENSE	34	(13,135,031)	2,344,723	(1,471,258)	(1,146,603)
PROFIT AFTER TAXATION, RE-PRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		113,390,359	182,604,669	6,393,135	35,865,321

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company:		110,624,905	180,922,574	6,393,135	35,865,321
Non-controlling interests		2,765,454	1,682,095	-	-
		<u>113,390,359</u>	<u>182,604,669</u>	<u>6,393,135</u>	<u>35,865,321</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company:		110,624,905	180,922,574	6,393,135	35,865,321
Non-controlling interests		2,765,454	1,682,095	-	-
		<u>113,390,359</u>	<u>182,604,669</u>	<u>6,393,135</u>	<u>35,865,321</u>
EARNINGS PER SHARE (SEN)					
Basic	35	<u>9.77</u>	<u>15.83</u>		

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	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 1.7.2022		1,216,972,062	(16,571,531)	(297,861,069)	159,984,708	1,062,524,170	4,378,033	1,066,902,203
Profit after taxation for the financial year		-	-	-	180,922,574	180,922,574	1,682,095	182,604,669
		1,216,972,062	(16,571,531)	(297,861,069)	340,907,282	1,243,446,744	6,060,128	1,249,506,872
Contributions by and distributions to owners of the Company:								
- Purchase of treasury shares	20	-	(8,204,425)	-	-	(8,204,425)	-	(8,204,425)
- Dividends:								
- by the Company	37	-	-	-	(14,315,191)	(14,315,191)	-	(14,315,191)
- by subsidiaries to non- controlling interests		-	-	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners		-	(8,204,425)	-	(14,315,191)	(22,519,616)	(1,500,000)	(24,019,616)
Balance at 30.6.2023		1,216,972,062	(24,775,956)	(297,861,069)	326,592,091	1,220,927,128	4,560,128	1,225,487,256

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	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 1.7.2023		1,216,972,062	(24,775,956)	(297,861,069)	326,592,091	1,220,927,128	4,560,128	1,225,487,256
Profit after taxation for the financial year		-	-	-	110,624,905	110,624,905	2,765,454	113,390,359
		1,216,972,062	(24,775,956)	(297,861,069)	437,216,996	1,331,552,033	7,325,582	1,338,877,615
Contributions by and distributions to owners of the Company:								
- Purchase of treasury shares	20	-	(5,143,125)	-	-	(5,143,125)	-	(5,143,125)
- Treasury shares sold	20	-	787,159	-	502,841	1,290,000	-	1,290,000
- Dividends:								
- by the Company	37	-	-	-	(33,953,409)	(33,953,409)	-	(33,953,409)
- by subsidiaries to non- controlling interests		-	-	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners		-	(4,355,966)	-	(33,450,568)	(37,806,534)	(1,500,000)	(39,306,534)
Acquisition of subsidiaries		-	-	-	-	-	2,054,735	2,054,735
Balance at 30.6.2024		1,216,972,062	(29,131,922)	(297,861,069)	403,766,428	1,293,745,499	7,880,317	1,301,625,816

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	Share Capital RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
The Company					
Balance at 1.7.2022		1,216,972,062	(16,571,531)	13,429,064	1,213,829,595
Profit after taxation for the financial year		-	-	35,865,321	35,865,321
Transactions with owners					
Purchase of treasury shares	20	-	(8,204,425)	-	(8,204,425)
Dividend on ordinary shares	37	-	-	(14,315,191)	(14,315,191)
Total transaction with owners		-	(8,204,425)	(14,315,191)	(22,519,616)
Balance at 30.6.2023/ 1.7.2023		1,216,972,062	(24,775,956)	34,979,194	1,227,175,300
Profit after taxation for the financial year		-	-	6,393,135	6,393,135
Transactions with owners					
Purchase of treasury shares	20	-	(5,143,125)	-	(5,143,125)
Treasury shares sold	20	-	787,159	502,841	1,290,000
Dividend on ordinary shares	37	-	-	(33,953,409)	(33,953,409)
Total transaction with owners		-	(4,355,966)	(33,450,568)	(37,806,534)
Balance at 30.6.2024		1,216,972,062	(29,131,922)	7,921,761	1,195,761,901

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		126,525,390	180,259,946	7,864,393	37,011,924
Adjustments for:-					
Bad debt written off		228,398	-	-	-
Depreciation:					
- property, plant and equipment	8	89,829,329	92,707,259	1,053,185	1,267,699
- right-of-use assets	8	2,289,224	2,143,579	-	-
Dividend income		(1,200)	(1,800)	(109,500,000)	(39,664,750)
Fair value changes on forward contracts		(372,480)	(529,658)	-	-
Net gain on disposal of property, plant and equipment		(13,482,675)	(12,878,121)	(2,667)	(20,000)
Gain on disposal of non-current asset held for sale		(3,048,230)	-	-	-
Impairment loss:					
- trade and other receivables		354,263	15,334,622	-	-
- investment in a subsidiary		-	-	98,504,534	-
- property, plant and equipment		-	3,182,914	-	-
Interest expenses		5,439,687	8,336,173	273,050	431,153
Interest income		(13,712,951)	(7,985,882)	(1,634,004)	(1,546,780)
Gain on bargain purchase		-	(14,819,789)	-	-
Net changes in provision for onerous contract		-	(470,996)	-	-
Property, plant and equipment written off		1,325	1,230	-	-
Reversal of impairment loss on trade receivables		(4,307,711)	(2,162,964)	-	-
Profit retained in associates		441,043	1,593,773	-	-
Unrealised (gain)/loss on foreign exchange		(3,180,014)	2,237,674	-	-
Operating profit/(loss) before working capital changes		187,003,398	266,947,960	(3,441,509)	(2,520,754)

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
(Increase)/Decrease in inventories		(5,812,016)	1,826,128	-	-
(Increase)/Decrease in trade and other receivables		(10,291,597)	19,462,303	1,082,025	2,478,437
(Decrease)/increase in trade and other payables		(21,551,461)	(19,305,264)	448,769	73,162
(Increase)/Decrease in contract assets		(19,802,956)	365,645	-	-
Increase in contract liabilities		23,826,786	12,299,648	-	-
Decrease in amount owing by subsidiaries		-	-	2,606,410	34,982,980
Decrease in amount owing to a subsidiary		-	-	(53,625)	(55,743)
Net change in related companies balances		(13,639,766)	(3,942,655)	-	-
Net change in holding company balances		(232,726)	(85,684)	-	-
CASH FROM OPERATIONS		139,499,662	277,568,081	642,070	34,958,082
Interest income received		13,712,951	7,985,882	1,634,004	1,546,780
Interest expenses paid		(5,439,687)	(8,336,173)	(273,050)	(431,153)
Income tax paid		(9,164,588)	(5,038,221)	(2,015,105)	(119,684)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		138,608,338	272,179,569	(12,081)	35,954,025

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of subsidiaries	36	(3,271,034)	(20,031,977)	(8,338,200)	(22,796,500)
Additional investment in an existing subsidiary		-	-	(11,000,000)	-
Dividend received from subsidiaries		-	-	50,655,000	3,500,000
Dividend received from others		1,200	1,800	-	-
Purchase of property, plant and equipment	38	(32,977,731)	(65,653,776)	(24,145)	(241,429)
Proceeds from disposal of property, plant and equipment		24,805,241	30,788,685	3,552	20,000
Proceeds from disposal of non-current assets held for sale		14,233,506	-	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		2,791,182	(54,895,268)	31,296,207	(19,517,929)

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FOR FINANCING ACTIVITIES					
Acquisition of treasury shares		(5,143,125)	(8,204,425)	(5,143,125)	(8,204,425)
Dividend paid on ordinary shares		(33,953,409)	(14,315,191)	(33,953,409)	(14,315,191)
Dividend paid to non-controlling interests in subsidiaries		(1,500,000)	(1,500,000)	-	-
Repayment of principal portion of hire purchase	38	(9,412,133)	(10,763,892)	(94,753)	(75,940)
Repayment of principal portion of lease liabilities	22	(352,584)	(290,213)	-	-
Proceeds from term loan	38	285,000	-	-	-
Repayment of term loans	38	(13,062,246)	(16,968,582)	(1,550,004)	(1,550,004)
Increase in fixed deposit pledged to licensed banks		(13,953)	-	-	-
Net movement in fixed and treasury deposit with maturity dates more than 3 months		1,880,275	(102,148,349)	10,000,000	(4,000,000)
Net movement in trade financing		(56,686,157)	(37,526,418)	-	(3,000,000)
NET CASH FOR FINANCING ACTIVITIES		(117,958,332)	(191,717,070)	(30,741,291)	(31,145,560)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		23,441,188	25,567,231	542,835	(14,709,464)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION					
		767,309	11,500	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		101,869,708	76,290,977	458,529	15,167,993
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	38	126,078,205	101,869,708	1,001,364	458,529

Registration No: 200401027554 (666062 – A)

SHIN YANG GROUP BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 October 2024.

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

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

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.

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, 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 and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

The Amendments to MFRS 101 did not result in any changes to the existing accounting policies of the Group. The amendments require the disclosure of “material” rather than “significant” accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group has made updates to the accounting policies presented in Note 5 to the financial statements in line with the amendments.

SHIN YANG GROUP BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company have 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 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

SHIN YANG GROUP BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION

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, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant 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. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. 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, plant and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 11 to the financial statements.

(c) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction 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.

SHIN YANG GROUP BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) 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.

(e) 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.

(f) Impairment of Property, Plant and Equipment and Investment in Subsidiaries

The Group and the Company determine whether an item of its property, plant and equipment and investment in subsidiaries are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and investment in subsidiaries as at the reporting date are disclosed in Notes 8 and 6 to the financial statements respectively.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 13 to the financial statements.

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(i) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair value of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 36 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

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5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

5.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehend the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

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5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 BASIS OF CONSOLIDATION (CONT'D)

The difference between the cost of the merger and the share capital and capital reserves of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

5.4 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

5.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

5.6 INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for using the equity method in the consolidated financial statements.

5.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Dry docking expenses	5 years
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 represent production machinery under installation and building under construction. They are not depreciated until such time when the asset is available for use.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

5.9 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.

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6. INVESTMENT IN SUBSIDIARIES

	2024 RM	2023 RM
Unquoted share, at cost	1,132,275,878	1,111,647,678
Less: Impairment loss	(113,582,130)	(15,077,596)
	<u>1,018,693,748</u>	<u>1,096,570,082</u>

The details of the subsidiaries are as follows:-

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Proportion of Ownership Interest		Principal Activities
		2024 %	2023 %	
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

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Proportion of Ownership Interest		Principal Activities
		2024 %	2023 %	
Thailine Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Hock Leong Shipping Sdn. Bhd.	Malaysia	70%	70%	Shipping and forwarding agency
Dynasys Technology & Engineering Sdn. Bhd.	Malaysia	100%	100%	Engineering consultation, trading
Melinau Transport Sdn. Bhd.	Malaysia	100%	100%	Transportation and hiring services
Melinau Container Services Sdn. Bhd.	Malaysia	50.50%	50.50%	Transportation and hiring services
Kuching Barrage Management Sdn. Bhd.	Malaysia	100%	100%	Operations and maintenance of a barrage
Piasau Gas Sdn. Bhd.	Malaysia	100%	100%	Manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in welding equipment and machinery

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Proportion of Ownership Interest		Principal Activities
		2024 %	2023 %	
Mewah Exim Sdn. Bhd.	Malaysia	60%	-	Freight and forwarding agent
Subsidiary of Danum Shipping Sdn. Bhd.				
Sinar Asiamas Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Subsidiary of Shin Yang Shipping Sdn. Bhd.				
Melinau Armada Logistics Sdn. Bhd.*	Malaysia	51%	-	Provision of freight forwarding and freight transportation and management
Subsidiaries of Mewah Exim Sdn. Bhd.				
Mewahtrans Logistic Sdn. Bhd.	Malaysia	100%	-	Transportation and related services
Seatrade Agency Services Sdn. Bhd.	Malaysia	100%	-	Shipping and forwarding
Mewah Autoworks Sdn. Bhd.	Malaysia	100%	-	Maintenance and repair of motor vehicles, Wholesale retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) During the current financial year, the Company has acquired 60% equity interests in Mewah Exim Sdn. Bhd. The details of the acquisition are disclosed in Note 36 to the financial statements.
- (b) During the current financial year, the Company has subscribed an additional 11,000,000 shares in Shin Yang Shipyard Sdn. Bhd. for a cash consideration of RM11,000,000.
- (c) During the current financial year, a subsidiary of the Company, Shin Yang Shipping Sdn. Bhd. subscribed 51% equity interests in Melinau Armada Logistics Sdn. Bhd. The acquisition has no significant effect on the financial results of the Group for the current financial year and the financial position of the Group as at the end of the current reporting period.
- (d) In the previous financial year, the Company had acquired 100% equity interests in Piasau Gas Sdn. Bhd. The details of the acquisition are disclosed in Note 36 to the financial statements.
- (e) Non-controlling interests
Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.
- (f) During the financial year, the Company has carried out a review of the recoverable amount of its investment in one of the subsidiaries, following its distribution of dividend to the Company. A total impairment losses of RM98,504,534 (2023 - Nil), representing the write-down of the investment to its recoverable amount, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income. The recoverable amount was determined based on the Company's share of net assets in the subsidiary, which represents the directors' estimation of fair value less costs to sell of the subsidiary.

7. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted share, at cost	4,068,946	3,968,946	682,500	682,500
Share of post acquisition reserves	(1,008,680)	(567,637)	-	-
	<u>3,060,266</u>	<u>3,401,309</u>	<u>682,500</u>	<u>682,500</u>

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7. INVESTMENT IN ASSOCIATES (CON’T)

(a) The details of the associates are as follows:-

Name Of Associates	Principal Place of Business/ Country of Incorporation	Proportion of Ownership Interest		Principal Activities
		2024 %	2023 %	
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%	Inactive
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
Associate of Mewah Exim Sdn. Bhd.				
Mewah Logistik Sdn. Bhd.	Malaysia	49%	-	Freight and Forwarding agent

* These associates were audited by other firms of chartered accountants.

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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 RM1,229,219 (2023: RM1,229,219) of which NIL (2023: RM37,713) 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.	
	2024	2023
	RM	RM
Non-current assets	398,743	476,719
Current assets	14,646,370	15,015,172
Non-current liabilities	(50,435)	(36,562)
Current liabilities	(1,416,242)	(1,896,529)
	13,578,436	13,558,800
Revenue	5,053,128	4,754,817
Profit for the financial year	19,636	72,607
Group's share of profit for the financial year	7,658	28,317
Dividend received	-	9,750
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	2,838,637	2,830,979
Carrying amount of the Group's interests in this associate	2,838,637	2,830,979

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8. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2023 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Classified as held for sale RM	Impairment RM	Depreciation Charges (Note 33) RM	At 30.6.2024 RM
2024										
<i>Carrying amount</i>										
<u>Owned assets</u>										
Dry docking expenses	5,066,302	1,539,616	-	-	-	-	-	-	(1,755,377)	4,850,541
Buildings, jetty, wharfs and slipways	208,880,075	1,208,173	1,400,000	-	-	-	-	-	(8,276,444)	203,211,804
Motor vehicles	4,437,456	913,078	329,635	(33,040)	-	-	-	-	(1,015,233)	4,631,896
Office equipment, furniture and fittings	3,565,568	874,692	289,604	(7,297)	1,915	-	-	-	(980,071)	3,744,411
Plant and machinery	83,684,898	4,728,218	1,934,480	(177,082)	-	-	-	-	(11,373,762)	78,796,752
Shipping equipment and machinery	49,360,978	2,211,827	-	(114,287)	4,785,946	-	-	-	(7,623,239)	48,621,225
Vessels	462,817,511	110,000	-	(10,992,185)	21,016,486	-	-	-	(58,805,203)	414,146,609

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.7.2023 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Classified as held for sale RM	Impairment RM	Depreciation Charges (Note 33) RM	At 30.6.2024 RM
2024										
<i>Carrying amount (Cont'd)</i>										
<u>Owned assets</u>										
Capital work-in-progress	25,918,223	22,855,168	1,425,000	-	(25,804,347)	-	-	-	-	24,394,044
	843,731,011	34,440,772	5,378,719	(11,323,891)	-	-	-	-	(89,829,329)	782,397,282
<u>Right-of-use assets</u>										
Land and buildings	87,633,570	2,153,666	7,050,000	-	-	141,276	-	-	(2,289,224)	94,689,288
	87,633,570	2,153,666	7,050,000	-	-	141,276	-	-	(2,289,224)	94,689,288
	931,364,581	36,594,438	12,428,719	(11,323,891)	-	141,276	-	-	(92,118,553)	877,086,570

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.7.2022 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Classified as held for sale RM	Impairment RM	Depreciation Charges (Note 33) RM	At 30.6.2023 RM
2023										
<i>Carrying amount</i>										
<u>Owned assets</u>										
Dry docking expenses	3,814,837	2,867,878	-	-	-	-	-	-	(1,616,413)	5,066,302
Buildings, jetty, wharfs and slipways	194,216,227	7,597,267	11,106,708	-	3,919,000	-	-	-	(7,959,127)	208,880,075
Motor vehicles	4,022,389	1,278,381	16	(5)	-	-	-	-	(863,325)	4,437,456
Office equipment, furniture and fittings	3,401,585	1,083,292	108,800	(2,480)	27,500	-	-	-	(1,053,129)	3,565,568
Plant and machinery	73,381,998	11,928,872	9,906,573	(21,051)	11,297	-	-	-	(11,522,791)	83,684,898
Shipping equipment and machinery	39,681,949	14,929,038	-	(13,051)	3,668,927	-	(113,609)	(1,998)	(8,790,278)	49,360,978
Vessels	538,166,810	-	-	(17,875,207)	17,680,687	-	(11,071,667)	(3,180,916)	(60,902,196)	462,817,511

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.7.2022 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Classified as held for sale RM	Impairment RM	Depreciation Charges (Note 33) RM	At 30.6.2023 RM
2023										
<i>Carrying amount (Cont'd)</i>										
<u>Owned assets</u>										
Capital work-in-progress	15,082,833	34,616,848	264,485	-	(24,045,943)	-	-	-	-	25,918,223
	871,768,628	74,301,576	21,386,582	(17,911,794)	1,261,468	-	(11,185,276)	(3,182,914)	(92,707,259)	843,731,011
<u>Right-of-use assets</u>										
Land and buildings	81,914,180	132,485	8,910,470	-	(1,261,468)	81,482	-	-	(2,143,579)	87,633,570
	81,914,180	132,485	8,910,470	-	(1,261,468)	81,482	-	-	(2,143,579)	87,633,570
	953,682,808	74,434,061	30,297,052	(17,911,794)	-	81,482	(11,185,276)	(3,182,914)	(94,850,838)	931,364,581

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.7.2023 RM	Additions RM	Disposals RM	Depreciation Charges (Note 33) RM	At 30.6.2024 RM
2024					
<i>Carrying amount</i>					
<u>Owned assets</u>					
Buildings	45,382,487	-	-	(846,045)	44,536,442
Office equipment, furniture and fittings	393,953	24,145	(885)	(143,540)	273,673
Motor vehicles	270,302	-	-	(63,600)	206,702
	46,046,742	24,145	(885)	(1,053,185)	45,016,817
<u>Right-of-use assets</u>					
Land	2,164,309	-	-	-	2,164,309
	2,164,309	-	-	-	2,164,309
	48,211,051	24,145	(885)	(1,053,185)	47,181,126

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.7.2022 RM	Additions RM	Depreciation Charges (Note 33) RM	At 30.6.2023 RM
2023				
<i>Carrying amount</i>				
<u>Owned assets</u>				
Buildings	46,120,369	99,882	(837,764)	45,382,487
Office equipment, furniture and fittings	624,141	109,747	(339,935)	393,953
Motor vehicles	42,302	318,000	(90,000)	270,302
	46,786,812	527,629	(1,267,699)	46,046,742
<u>Right-of-use assets</u>				
Land	2,164,309	-	-	2,164,309
	2,164,309	-	-	2,164,309
	48,951,121	527,629	(1,267,699)	48,211,051

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2024			
<u>Owned assets</u>			
Dry docking expenses	17,546,406	(12,695,865)	4,850,541
Buildings, jetty, wharfs and slipways	325,159,776	(121,947,972)	203,211,804
Motor vehicles	19,670,245	(15,038,349)	4,631,896
Office equipment, furniture and fittings	24,296,970	(20,552,559)	3,744,411
Plant and machinery	421,856,908	(343,060,156)	78,796,752
Shipping equipment and machinery	198,151,013	(149,529,788)	48,621,225
Vessels	1,184,493,068	(770,346,459)	414,146,609
Capital work-in-progress	24,394,044	-	24,394,044
	<u>2,215,568,430</u>	<u>(1,433,171,148)</u>	<u>782,397,282</u>
<u>Right-of-use assets</u>			
Land and buildings	113,778,530	(19,089,242)	94,689,288
	<u>2,329,346,960</u>	<u>(1,452,260,390)</u>	<u>877,086,570</u>

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2023			
<u>Owned assets</u>			
Dry docking expenses	16,006,790	(10,940,488)	5,066,302
Buildings, jetty, wharfs and slipways	322,551,601	(113,671,526)	208,880,075
Motor vehicles	18,519,225	(14,081,769)	4,437,456
Office equipment, furniture and fittings	22,353,860	(18,788,292)	3,565,568
Plant and machinery	422,642,726	(338,957,828)	83,684,898
Shipping equipment and machinery	193,826,047	(144,465,069)	49,360,978
Vessels	1,203,537,103	(740,719,592)	462,817,511
Capital work-in-progress	25,918,223	-	25,918,223
	<u>2,225,355,575</u>	<u>(1,381,624,564)</u>	<u>843,731,011</u>
<u>Right-of-use assets</u>			
Land and buildings	104,075,657	(16,442,087)	87,633,570
	<u>2,329,431,232</u>	<u>(1,398,066,651)</u>	<u>931,364,581</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2024			
<u>Owned assets</u>			
Buildings	52,268,311	(7,731,869)	44,536,442
Office equipment, furniture and fittings	5,903,067	(5,629,394)	273,673
Motor vehicles	600,011	(393,309)	206,702
	58,771,389	(13,754,572)	45,016,817
<u>Right-of-use assets</u>			
Leasehold land	2,164,309	-	2,164,309
	60,935,698	(13,754,572)	47,181,126
30.6.2023			
<u>Owned assets</u>			
Buildings	52,268,311	(6,885,824)	45,382,487
Office equipment, furniture and fittings	5,885,862	(5,491,909)	393,953
Motor vehicles	600,011	(329,709)	270,302
	58,754,184	(12,707,442)	46,046,742
<u>Right-of-use assets</u>			
Leasehold land	2,164,309	-	2,164,309
	60,918,493	(12,707,442)	48,211,051

(a) Included in the property, plant and equipment of the Group and the Company were plant and machinery with a total carrying amount of RM11,090,032 (2023 – RM8,206,724) and RM206,700 (2023 – RM270,300) held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group and the Company as disclosed in Note 23 to the financial statements.

(b) Titles of the certain leasehold land of the Group with the carrying value of RM10,512,874 (2023 – RM14,257,580) have yet to be issued by the authority.

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Asset pledged as security

The net carrying amount of property, plant and equipment pledged for borrowing as referred in Notes 24 to 27 are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Land and buildings	84,552,622	85,388,436	34,612,009	35,142,498
Plant and machinery	34,818,000	37,734,000	-	-
Vessels	50,870,140	50,870,140	-	-
	<u>170,240,762</u>	<u>173,992,576</u>	<u>34,612,009</u>	<u>35,142,498</u>

Right-of-use assets

The Group has lease contracts for land and buildings used in its operations.

There are several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extensions and termination options are reasonably certain to be exercised.

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	
	2024	2023
	RM	RM
Equity instruments (quoted in Malaysia), at fair value	<u>58,800</u>	<u>58,800</u>
Market value of quoted shares in Malaysia	<u>58,800</u>	<u>58,800</u>

The fair value of equity investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

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11. INTANGIBLE ASSETS

	Goodwill RM	Customer Relationships RM	Total RM
The Group			
Cost/Carrying amount:			
At 1 July 2022/2023	2,063,893	-	2,063,893
Acquisition of subsidiaries (Note 36.1)	6,546,100	155,950	6,702,050
At 30 June 2024	8,609,993	155,950	8,765,943

Goodwill

Carrying amount of goodwill on business acquisition is related to the acquisitions of shipping agency during the year and in prior years. The Group performed its annual impairment test in June 2024 and 2023.

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 10.79% (2023 – 11.18%).

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.

Customer relationships

The cost of customer relationships acquired in a business combination is measured at their fair value at the date of acquisition. Following the initial recognition, the customer relationships are carried at cost less accumulated amortisation and any accumulated impairment losses. The customer relationships with finite lives are amortised on a straight-line basis over their useful economic lives and assessed for impairment whenever there is an indication that the customer relationships may be impaired.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****12. DEFERRED TAX ASSETS/(LIABILITIES)**

The Group	As 1.7.2023 RM	Acquisition of Subsidiaries RM	Recognised in Profit or Loss (Note 34) RM	At 30.6.2024 RM
2024				
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	(85,752,990)	(192,732)	9,139,360	(76,806,362)
<i>Deferred Tax Assets</i>				
Unabsorbed capital allowances	18,725,406	-	(9,432,079)	9,293,327
Others	3,605,353	-	551,695	4,157,048
Unused tax losses	4,789,320	-	(1,506,345)	3,282,975
Unutilised reinvestment allowances	8,405,042	-	-	8,405,042
	35,525,121	-	(10,386,729)	25,138,392
	(50,227,869)	(192,732)	(1,247,369)	(51,667,970)
2023				
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	(87,499,437)	(5,243,467)	6,989,914	(85,752,990)
<i>Deferred Tax Assets</i>				
Unabsorbed capital allowances	32,231,273	-	(13,505,867)	18,725,406
Others	2,604,196	-	1,001,157	3,605,353
Unused tax losses	2,259,584	-	2,529,736	4,789,320
Unutilised reinvestment allowances	8,405,042	-	-	8,405,042
	45,500,095	-	(9,974,974)	35,525,121
	(41,999,342)	(5,243,467)	(2,985,060)	(50,227,869)

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Analysed as:-				
Deferred tax assets	179,704	836,028	-	-
Deferred tax liabilities	(51,847,674)	(51,063,897)	-	-
	<u>(51,667,970)</u>	<u>(50,227,869)</u>	<u>-</u>	<u>-</u>
Deferred tax assets have not been recognised in respect of the following items:-				
Unabsorbed capital allowances	7,498,388	7,251,084	3,201,856	3,051,301
Unutilised tax losses	60,728,164	60,750,315	1,035,413	1,035,413
Other deductible temporary differences	7,484,411	7,565,451	-	-
	<u>75,710,963</u>	<u>75,566,850</u>	<u>4,237,269</u>	<u>4,086,714</u>

At the end of the reporting period, the Group and the Company have unutilised tax losses and unabsorbed capital allowances available for offset against future taxable profits in which the losses arose, as follows:

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unutilised tax losses	63,586,881	63,660,120	1,035,413	1,035,413
Unabsorbed capital allowances	134,603,406	134,628,207	3,201,856	3,051,301
	<u>198,190,287</u>	<u>198,288,327</u>	<u>4,237,269</u>	<u>4,086,714</u>

Based on the current legislation, the unutilised tax losses are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13. INVENTORIES

	The Group	
	2024 RM	2023 RM
Consumables	33,927,087	28,693,322
Petrol, oil and lubricants on board	5,063,255	5,056,507
Motor vehicle accessories and parts	87,671	-
Motor vehicles	503,000	-
Work-in-progress	179,744	151,463
	39,760,757	33,901,292

14. TRADE RECEIVABLES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Third parties	181,049,177	150,307,753	-	-
Related companies	50,468,457	40,799,166	-	-
Associates	1,000	1,245,493	-	-
	231,518,634	192,352,412	-	-
Allowance for impairment losses:-				
- third parties	(29,004,926)	(32,854,346)	-	-
- related companies	(2,853,664)	(1,731,494)	-	-
- associates	(412,002)	(412,002)	-	-
	199,248,042	157,354,570	-	-
Allowance for impairment losses:-				
At 1 July	34,997,842	23,911,580	-	-
Additions during the financial year	354,263	13,489,084	-	-
Reversal during the financial year	(2,790,418)	(2,162,964)	-	-
Written off during the financial year	(291,095)	(239,858)	-	-
At 30 June	32,270,592	34,997,842	-	-

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

- (a) The Group's and the Company's normal trade credit terms range from 7 to 90 (2023 - 7 to 90) days.
- (b) Included in trade receivables of the Group is an amount of RM5,635,040 (2023 – RM6,905,019) owing by companies in which certain directors have substantial financial interests.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****15. OTHER RECEIVABLES**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Current:</u>				
Other receivables:-				
Third parties	13,312,763	13,397,086	363,994	514,337
Related companies	13,086	3,919	3,206	-
Associates	5,083,826	6,582,187	89,308	70,376
	18,409,675	19,983,192	456,508	584,713
Allowance for impairment losses:-				
- third parties	(10,587,477)	(12,433,014)	-	-
- associates	(4,941,504)	(6,458,798)	-	-
	2,880,694	1,091,380	456,508	584,713
Deposits	12,180,019	11,839,539	97,930	97,930
Prepayments	13,253,247	12,783,501	-	-
	28,313,960	25,714,420	554,438	682,643
<u>Non-current:</u>				
Deposits	-	953,820	-	953,820
	28,313,960	26,668,240	554,438	1,636,463
Allowance for impairment losses:-				
At 1 July	18,891,812	17,046,274	-	-
Additions during the financial year	-	1,845,538	-	-
Reversal during the financial year	(1,517,293)	-	-	-
Written off during the financial year	(1,845,538)	-	-	-
At 30 June	15,528,981	18,891,812	-	-

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

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

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16. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2024	2023
	RM	RM
Contract Assets		
Contract assets relating to service contracts	21,892,639	2,089,683
Contract Liabilities		
Contract liabilities relating to service contracts	(44,176,499)	(20,349,713)

- (a) The contract assets primarily relate to the Group's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.
- (b) The contract liabilities primarily relate to the advance consideration received from customers for freight services and construction contracts, for which revenue is recognised over time.
- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2024	2023
	RM	RM
At 1 July	(18,260,030)	(5,594,737)
Revenue recognised in profit or loss during the financial year	110,360,774	17,797,583
Billings to customers during the financial year	(114,384,604)	(30,462,876)
At 30 June	(22,283,860)	(18,260,030)
Analysed as follows:		
Contract assets	21,892,639	2,089,683
Contract liabilities	(44,176,499)	(20,349,713)
	(22,283,860)	(18,260,030)

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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	
	2024	2023
	RM	RM
Within one year		
- Freight and lighterage charges	4,280,464	4,462,426
- Shipbuilding	102,414,148	57,740,257
- Ship repairs	34,497,312	64,648,501
	141,191,924	126,851,184

17. DERIVATIVE LIABILITIES

	Contract/Notional Amount		The Group	
	2024	2023	2024	2023
	USD	USD	RM	RM
Derivative liabilities				
Forward currency contract	-	2,150,000	-	372,480

The Group does not apply hedge accounting.

- (a) Forward currency contracts were used to hedge the Group's sales denominated in United States Dollar (USD) for which firm commitments exists at the end of the previous reporting period. The settlement dates of the forward currency contracts range between 4 to 6 months after the end of previous reporting period.
- (b) The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds). (i.e. Level 2).

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets held for sale comprised of vessels which the Group expected to sell within the next 12 months from the previous reporting date, were completed during the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

19. SHARE CAPITAL

	The Group and The Company			
	2024	2023	2024	2023
	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 (except treasury 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 8,085,000 (2023 – 12,715,000) of its issued ordinary shares from the market at an average price of RM0.64 (2023 - RM0.65) per share. The total consideration paid for the purchase was RM5,143,125 (2023 – RM8,204,425) 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 (2023 - 1,200,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 70,254,700 (2023 – 64,169,700) ordinary shares are held as treasury shares by the Company. 2,000,000 (2023 - none) treasury shares were resold during the financial year.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

21. OTHER RESERVES

Group	Merger Deficits RM
At 1 July 2023 and 30 June 2024	(297,861,069)
Merger deficits	

The merger deficits reserve represents the difference between cost of acquisition and the share capital and 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. LEASE LIABILITIES

	The Group	
	2024	2023
	RM	RM
At 1 July	349,557	425,803
Additions	1,040,507	132,485
Interest expense recognised in profit or loss	57,936	14,020
Changes due to reassessment of lease term	141,276	81,482
Repayment of principal	(352,584)	(290,213)
Repayment of interest expenses	(57,936)	(14,020)
At 30 June	1,178,756	349,557
Analysed by:-		
Current liabilities	354,133	238,521
Non-current liabilities	824,623	111,036
	1,178,756	349,557

The effective interest rates as at reporting date range from 4.15% to 6.70% (2023 – 6.70%) per annum.

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23. BANK BORROWINGS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Non-current</u>				
Secured:				
Term loans (Note 24)	22,317,058	28,979,897	2,454,133	4,004,137
Hire purchase payables	2,361,291	7,469,851	16,800	115,507
	24,678,349	36,449,748	2,470,933	4,119,644
<u>Current</u>				
Unsecured:				
Bank overdrafts (Note 25)	10,057,515	4,784,767	-	-
Bankers acceptances (Note 26)	547,000	37,535,999	-	-
Revolving credits (Note 27)	-	16,844,400	-	-
Flexi financing trade loan (Note 26)	10,965,625	6,749,582	-	-
	21,570,140	65,914,748	-	-
Secured:				
Bank overdrafts (Note 25)	3,326,604	1,001,659	-	-
Bankers acceptances (Note 26)	-	6,831,001	-	-
Revolving credits (Note 27)	6,000,000	8,000,000	-	-
Term loans (Note 24)	11,126,254	12,340,019	1,550,004	1,550,004
Hire purchase payables	6,782,263	8,502,730	98,707	94,753
	27,235,121	36,675,409	1,648,711	1,644,757
	48,805,261	102,590,157	1,648,711	1,644,757
	73,483,610	139,039,905	4,119,644	5,764,401

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

	The Group		The Company	
	2024 %	2023 %	2024 %	2023 %
Bank overdrafts	7.43 – 8.18	7.43 – 8.18	-	-
Floating rates - loans	5.45 – 5.97	5.34 – 5.76	5.67	5.60
Revolving credits	5.60	5.36 – 7.56	-	-
Bankers acceptances/ Flexi financing trade loan	3.94 – 4.14	3.85 – 5.29	-	-
Hire purchase payables	4.06 – 6.03	4.06 – 6.01	4.06	4.06

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

24. TERM LOANS (SECURED)

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current liabilities	11,126,254	12,340,019	1,550,004	1,550,004
Non-current liabilities	22,317,058	28,979,897	2,454,133	4,004,137
	<u>33,443,312</u>	<u>41,319,916</u>	<u>4,004,137</u>	<u>5,554,141</u>

- (a) The term loans are secured by a first party legal charge over the Group's and the Company's property, plant 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.

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28. TRADE PAYABLES

	The Group	
	2024 RM	2023 RM
Third parties	96,818,059	83,388,170
Related companies	7,895,205	12,612,383
Holding company	1,792	-
Associates	300,218	11,902,034
	105,015,274	107,902,587

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

- (a) The normal trade credit terms granted to the Group range from 30 to 180 (2023 - 30 to 180) days.
- (b) Included in trade payables of the Group is an amount of RM8,818,159 (2023 – RM16,302,909) owing to the companies in which certain directors have substantial financial interests.

29. OTHER PAYABLES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables:-				
Third parties	7,143,649	7,006,501	493,006	470,627
SST payable	1,686,336	-	-	-
Related companies	1,338,043	610,721	451,239	61,811
Holding company	8,264	244,574	-	-
Associates	4	17,137	4	-
	10,176,296	7,878,933	944,249	532,438
Accruals	11,532,818	9,486,107	260,682	223,224
Deposits:-				
- Third parties	9,957,846	7,337,573	134,340	134,340
- Related companies	28,548	-	-	-
- Subsidiaries	-	-	442,000	442,500
- Associates	31,000	31,000	31,000	31,000
	31,726,508	24,733,613	1,812,271	1,363,502

The amounts owing to related companies, holding company and associates are unsecured, interest-free and repayable on demand.

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30. PROVISION FOR ONEROUS CONTRACTS

	The Group	
	2024 RM	2023 RM
At 1 July	-	470,996
Provision utilised during the year	-	(470,996)
At 30 June	-	-

31. REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Freight and lighterage charge	644,277,144	692,674,119	-	-
Land transportation	48,776,199	47,462,415	-	-
Shipbuilding	54,109,134	4,279,820	-	-
Ship repairs and metal fabrication	110,670,777	44,555,201	-	-
Repair services	4,342,799	2,267,429	-	-
	862,176,053	791,238,984	-	-
<u>Recognised at a point in time</u>				
Freight forwarding charges	10,572,661	7,123,629	-	-
Sales of goods and services	20,948,130	19,551,419	-	-
	31,520,791	26,675,048	-	-
	893,696,844	817,914,032	-	-

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31. REVENUE (CONT'D)

REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from Other Sources				
Vessel charter fee	65,260,878	120,826,576	-	-
Dividend income from:				
- subsidiaries	-	-	109,500,000	39,655,000
- associates	-	-	-	9,750
Rental income	861,060	863,760	5,652,280	5,612,780
	<u>66,121,938</u>	<u>121,690,336</u>	<u>115,152,280</u>	<u>45,277,530</u>
	<u>959,818,782</u>	<u>939,604,368</u>	<u>115,152,280</u>	<u>45,277,530</u>

The information on the disaggregation of revenue by geographical market is disclosed in Note 41 to the financial statements.

REVENUE FROM CONTRACTS WITH CUSTOMERS

(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

31. REVENUE (CONT'D)

REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

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

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

(c) Revenue from freight forwarding services

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

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

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

(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.

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) Vessel charter fee

The Group enters as a lessor into lease agreements that fall within the scope of MFRS 16. Vessel charter fee 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.

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32. NET IMPAIRMENT (GAIN)/LOSS ON FINANCIAL ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Impairment losses:				
- trade receivables	354,263	13,489,084	-	-
- other receivables	-	1,845,538	-	-
Reversal of impairment losses:				
- trade receivables	(2,790,418)	(2,162,964)	-	-
- other receivables	(1,517,293)	-	-	-
	(3,953,448)	13,171,658	-	-

33. PROFIT BEFORE TAXATION

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	336,500	254,000	95,000	85,000
- under/(over)provision in previous financial years	19,150	(4,650)	-	-
Bad debt written off	228,398	-	-	-
Depreciation:				
- property, plant and equipment (Note 8)	89,829,329	92,707,259	1,053,185	1,267,699
- right-of-use assets (Note 8)	2,289,224	2,143,579	-	-
Directors' fees (Note 39(a))	160,000	124,000	160,000	124,000
Directors' non-fee emoluments (Note 39(a))				
- salaries, bonus and allowances	8,343,747	6,729,856	3,962,838	4,187,594
- defined contribution benefits	726,308	484,014	190,800	232,200
Fair value changes on forward contracts	(372,480)	(529,658)	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024****33. PROFIT BEFORE TAXATION (CONT'D)**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Interest expenses on financial liabilities that are not fair value through profit or loss:				
- bank overdrafts	650,363	668,344	2,508	2,479
- bankers acceptances	611,173	2,309,979	-	-
- term loans	2,113,579	2,475,211	263,787	317,455
- revolving credits	1,005,556	1,796,217	-	102,569
- flexi loans	326,170	110,574	-	-
- hire purchase payables	674,910	961,828	6,755	8,650
Lease interest (Note 22)	57,936	14,020	-	-
Lease expenses:				
- short-term leases	133,757	123,222	26,400	-
- low-value assets	72,365	19,113	-	-
Impairment loss:				
- property, plant and equipment	-	3,182,914	-	-
- investment in subsidiary	-	-	98,504,534	-
(Gain)/loss on foreign exchange:				
- realised	1,455,074	652,599	-	-
- unrealised	(3,180,014)	2,237,674	-	-
Property, plant and equipment written off	1,325	1,230	-	-
Net change in provision for onerous contract	-	(470,996)	-	-
Staff costs (including other key management personnel): (Note 39(b))				
- short-term employee benefits	139,356,741	129,382,952	2,536,267	2,098,907
- defined contribution benefits	8,250,980	6,933,901	230,244	174,898
Interest income on financial assets that are not fair value through profit or loss:				
- short term deposits	(10,301,119)	(6,048,788)	(1,586,279)	(1,507,702)
- current account	(3,411,832)	(1,937,094)	(47,725)	(39,078)
Net gain on disposal of property, plant and equipment	(13,482,675)	(12,878,121)	(2,667)	(20,000)
Gain on disposal of non-current asset held for sale	(3,048,230)	-	-	-
Gain on bargain purchase	-	(14,819,789)	-	-
Rental income	(603,370)	(495,820)	-	-
Dividend income:				
- investment securities	(1,200)	(1,800)	-	-

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34. INCOME TAX EXPENSE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense:				
- for the financial year	11,555,971	6,707,996	1,408,572	1,146,603
- under/(over)provision in previous financial years	329,237	(12,037,779)	62,686	-
- Withholding tax deducted at sources	2,454	-	-	-
	<u>11,887,662</u>	<u>(5,329,783)</u>	<u>1,471,258</u>	<u>1,146,603</u>
Deferred tax (Note 12)				
- origination and reversal of temporary differences	928,231	2,942,712	-	-
- underprovision in previous financial years	317,273	42,348	-	-
- effect of reduction in tax rate	1,865	-	-	-
	<u>1,247,369</u>	<u>2,985,060</u>	<u>-</u>	<u>-</u>
	<u>13,135,031</u>	<u>(2,344,723)</u>	<u>1,471,258</u>	<u>1,146,603</u>

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34. INCOME TAX EXPENSE (CONT'D)

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	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit before taxation	126,525,389	180,259,946	7,864,393	37,011,924
Tax at the statutory tax rate of 24% (2023 - 24%)	30,366,093	43,262,387	1,887,454	8,882,862
Tax effects of:				
Effect of income subject to a lower tax rate	(84,593)	-	-	-
Non-taxable income	(22,575,209)	(43,242,965)	(26,280,640)	(9,522,000)
Non-deductible expenses	6,880,703	8,342,948	25,801,758	1,785,741
Deferred tax assets not recognised during the financial year	401,425	1,123,860	-	-
Share of results in associates	105,850	382,505	-	-
Under/(over)provision in previous financial years:				
- current tax expense	329,237	(12,037,779)	62,686	-
- deferred taxation	317,273	42,348	-	-
Others	93,882	(154,791)	-	-
Utilisation of deferred tax assets previously not recognised	(2,702,084)	(63,236)	-	-
Withholding tax	2,454	-	-	-
Income tax expense for the financial year	13,135,031	(2,344,723)	1,471,258	1,146,603

The corporate tax rate of the Group and of the Company is 24% (2023 - 24%).

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

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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	
	2024	2023
	RM	RM
Profit attributable to ordinary equity holders of the Company	110,624,905	180,922,574
Weighted average number of ordinary shares in issue	1,132,023,217	1,142,874,883
Basic earnings per share (sen)	9.77	15.83

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.

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36. ACQUISITION OF SUBSIDIARIES

36.1 ACQUISITION OF SUBSIDIARIES

2024

On 15 September 2023, the Company acquired 60% equity interests in Mewah Exim Sdn. Bhd. from third parties for a cash and share consideration of RM8,338,200 and RM1,290,000 respectively.

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 2024 RM
Property, plant and equipment	12,428,719
Investment in associate	100,000
Deferred tax assets	77,140
Intangible assets – customer relationships	155,950
Trade and other receivables	19,193,583
Inventories	47,449
Fixed deposits with licensed banks	4,377,628
Cash and bank balances	4,067,166
Trade and other payables	(29,851,077)
Current tax assets	105,187
Term loans	(4,900,642)
Lease liabilities	(6,906)
Current tax liabilities	(387,490)
Deferred tax liabilities	(269,872)
Fair value of net identifiable assets acquired	5,136,835
Less: Non-controlling interest	(2,054,735)
	3,082,100
Add: Goodwill from acquisition of subsidiaries	6,546,100
Total purchase consideration	9,628,200
Less: Cash and bank balances of subsidiary acquired	(5,067,166)
Less: Treasury shares sold	(1,290,000)
Net cash outflow from the acquisition of subsidiaries	3,271,034

Impact of Acquisition on the Group's Results

The acquired subsidiaries have contributed the following results to the Group:-

	The Group 2024 RM
Revenue	17,201,578
Profit after taxation	3,446,412

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36. ACQUISITION OF SUBSIDIARIES (CONT'D)

36.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

Impact of Acquisition on the Group's Results (Cont'd)

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 RM28,376,722 and RM5,092,798 respectively.

2023

On 6 July 2022, the Company acquired 100% equity interests in Piasau Gas Sdn. Bhd. from its holding company, Shin Yang Corporation Sdn. Bhd. and third parties for a cash consideration of RM22,796,500.

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 2023 RM
Property, plant and equipment	30,297,052
Trade and other receivables	11,323,078
Inventories	1,595,316
Cash and cash equivalents	2,764,523
Trade and other payables	(2,808,584)
Current tax assets	164,934
Hire purchase payable	(476,563)
Deferred tax liabilities	(5,243,467)
	<hr/>
Fair value of net identifiable assets acquired	37,616,289
Less: Gain on bargain purchase	(14,819,789)
	<hr/>
Total purchase consideration	22,796,500
Less: Cash and bank balances of subsidiary acquired	(2,764,523)
	<hr/>
Net cash outflow from the acquisition of subsidiaries	20,031,977

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

36.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

Impact of Acquisition on the Group's Results (Cont'd)

The acquired subsidiaries have contributed the following results to the Group:-

	The Group 2023 RM
Revenue	12,370,701
Profit after taxation	<u>1,900,700</u>

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation from continuing operations would have been RM939,604,368 and RM182,604,669 respectively.

36.2 ACQUISITION OF SUBSIDIARIES SUBSEQUENT TO THE FINANCIAL YEAR END

Subsequent to the financial year end, the Company acquired 100% equity interests in Boulevard Jaya Sdn. Bhd. from the holding company, a director of the Company and an external company for a cash consideration of RM27,500,000. The Company also acquired 60% equity interests each in Boulevard Motor Sdn. Bhd., Boulevard Motor (Sabah) Sdn. Bhd. and Boulevard Motor (Labuan) Sdn. Bhd. for a total consideration of RM117,000,000.

37. DIVIDENDS

	The Company	
	2024	2023
	RM	RM
Ordinary Shares		
Final dividend of 3.00 (2023 – 1.25) sen per ordinary share in respect of the previous financial years	<u>33,953,409</u>	<u>14,315,191</u>

At the forthcoming Annual General Meeting, a final dividend of 3.00 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2025.

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38. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2024	2023
	RM	RM
Property, plant and equipment and right-of-use assets		
Cost of property, plant and equipment purchased and right-of-use assets acquired (Note 8)	36,594,438	74,434,061
Less: Acquired through hire purchase arrangements	(2,576,200)	(8,647,800)
Less: Additions of new lease liabilities - right-of-use assets	(1,040,507)	(132,485)
	32,977,731	65,653,776

	The Company	
	2024	2023
	RM	RM
Property, plant and equipment		
Cost of property, plant and equipment purchased	24,145	527,629
Less: Acquired through hire purchase arrangements	-	(286,200)
	24,145	241,429

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38. CASH FLOWS 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	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2024							
At 1 July	41,319,916	24,844,400	44,367,000	6,749,582	15,972,581	349,557	133,603,036
<u>Changes in Financial Cash Flows</u>							
Proceeds from drawdown	285,000	-	-	15,959,773	-	-	16,244,773
Repayment of principals	(13,062,246)	(17,082,200)	(43,820,000)	(11,743,730)	(9,412,133)	(352,584)	(95,472,893)
Repayment of interests	(2,113,579)	(1,005,556)	(611,173)	(326,170)	(674,910)	(57,936)	(4,789,324)
	(14,890,825)	(18,087,756)	(44,431,173)	3,889,873	(10,087,043)	(410,520)	(84,017,444)

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38. CASH FLOWS 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	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2024							
<u>Non-cash Changes</u>							
Acquisition of subsidiaries	4,900,642	-	-	-	6,906	-	4,907,548
Acquisition of new leases (Note 22)	-	-	-	-	-	1,040,507	1,040,507
New hire purchase	-	-	-	-	2,576,200	-	2,576,200
Reassessment of leases (Note 22)	-	-	-	-	-	141,276	141,276
Interest expense recognised in profit or loss	2,113,579	1,005,556	611,173	326,170	674,910	57,936	4,789,324
Unrealised gain on foreign exchange	-	(1,762,200)	-	-	-	-	(1,762,200)
	7,014,221	(756,644)	611,173	326,170	3,258,016	1,239,719	11,692,655
At 30 June	33,443,312	6,000,000	547,000	10,965,625	9,143,554	1,178,756	61,278,247

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38. CASH FLOWS 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	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2023							
At 1 July	58,288,498	42,082,600	70,413,000	-	17,612,110	425,803	188,822,011
<u>Changes in Financial Cash Flows</u>							
Proceeds from drawdown	-	-	-	6,749,582	-	-	6,749,582
Repayment of principals	(16,968,582)	(18,230,000)	(26,046,000)	-	(10,763,892)	(290,213)	(72,298,687)
Repayment of interests	(2,475,211)	(1,796,217)	(2,309,979)	(110,574)	(961,828)	(14,020)	(7,667,829)
	(19,443,793)	(20,026,217)	(28,355,979)	6,639,008	(11,725,720)	(304,233)	(73,216,934)

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38. CASH FLOWS 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	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2023							
<u>Non-cash Changes</u>							
Acquisition of new subsidiaries	-	-	-	-	476,563	-	476,563
Acquisition of new leases (Note 22)	-	-	-	-	-	132,485	132,485
New hire purchase	-	-	-	-	8,647,800	-	8,647,800
Reassessment/ modification of leases (Note 22)	-	-	-	-	-	81,482	81,482
Interest expense recognised in profit or loss	2,475,211	1,796,217	2,309,979	110,574	961,828	14,020	7,667,829
Unrealised gain on foreign exchange	-	991,800	-	-	-	-	991,800
	2,475,211	2,788,017	2,309,979	110,574	10,086,191	227,987	17,997,959
At 30 June	41,319,916	24,844,400	44,367,000	6,749,582	15,972,581	349,557	133,603,036

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38. CASH FLOWS INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Company	Term Loans RM	Revolving Credits RM	Hire Purchase Payables RM	Total RM
2024				
At 1 July	5,554,141	-	210,260	5,764,401
<u>Changes in Financial Cash Flows</u>				
Repayment of principal	(1,550,004)	-	(94,753)	(1,644,757)
Repayment of interests	(263,787)	-	(6,755)	(270,542)
	(1,813,791)	-	(101,508)	(1,915,299)
<u>Non-cash Changes</u>				
Repayment of interests	263,787	-	6,755	270,542
At 30 June	4,004,137	-	115,507	4,119,644
2023				
At 1 July	7,104,145	3,000,000	-	10,104,145
<u>Changes in Financial Cash Flows</u>				
Repayment of principal	(1,550,004)	(3,000,000)	(75,940)	(4,625,944)
Repayment of interests	(317,455)	(102,569)	(8,650)	(428,674)
	(1,867,459)	(3,102,569)	(84,590)	(5,054,618)
<u>Non-cash Changes</u>				
New hire purchase	-	-	286,200	286,200
Repayment of interests	317,455	102,569	8,650	428,674
	317,455	102,569	294,850	714,874
At 30 June	5,554,141	-	210,260	5,764,401

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38. CASH FLOWS INFORMATION (CONT'D)

- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the followings:-

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fixed and treasury deposits with licensed banks	306,759,656	291,248,349	38,000,000	48,000,000
Cash and bank balances	125,462,324	107,656,134	1,001,364	458,529
	432,221,980	398,904,483	39,001,364	48,458,529
Bank overdrafts (Note 23)	(13,384,119)	(5,786,426)	-	-
	418,837,861	393,118,057	39,001,364	48,458,529
Less: Fixed and treasury deposits with maturity more than 3 months	(292,298,076)	(291,248,349)	(38,000,000)	(48,000,000)
Less: Fixed deposits pledged	(461,580)	-	-	-
	126,078,205	101,869,708	1,001,364	458,529

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 3.70% to 4.07% (2023 – 2.22% to 4.11%) per annum and 3.85% (2023 – 3.85% to 4.07%) per annum respectively. The fixed deposits have maturity periods ranging from 90 to 180 (2023 – 180 to 190) days and 180 (2023 – 180) days for the Group and the Company respectively.

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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	
	2024	2023	2024	2023
	RM	RM	RM	RM
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:-				
- fees	160,000	124,000	160,000	124,000
- salaries, bonus and other benefits	5,435,760	5,403,560	3,962,838	4,187,594
	5,595,760	5,527,560	4,122,838	4,311,594
Defined contribution benefits	277,100	286,035	190,800	232,200
	5,872,860	5,813,595	4,313,638	4,534,794
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:-				
- salaries, bonus and other benefits	2,907,987	1,326,296	-	-
	2,907,987	1,326,296	-	-
Defined contribution benefits	449,208	197,979	-	-
	3,357,195	1,524,275	-	-
Total directors' remuneration (Note 33)	9,230,055	7,337,870	4,313,638	4,543,794

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39. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(b) Other Key Management Personnel				
Short-term employee benefits:-	1,866,346	1,496,837	1,866,346	1,496,837
Defined contribution benefits	152,820	116,600	152,820	116,600
	<u>2,019,166</u>	<u>1,613,437</u>	<u>2,019,166</u>	<u>1,613,437</u>

40. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

The holding company is disclosed in Note 2 to the financial statements.

The subsidiaries as disclosed in Note 6 to the financial statements.

The associates are disclosed in Note 7 to the financial statements.

(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	
	2024 RM	2023 RM
Sales of goods and services to		
- Related companies	(126,740,660)	(149,190,930)
- Associates	(3,464,616)	(1,431,206)
Purchase of goods and services from		
- Related companies	19,592,838	22,199,832
- Associates	2,682,257	3,202,673

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40. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:- (cont'd)

	The Group	
	2024	2023
	RM	RM
Sales of property and equipment		
- Related companies	(321,834)	(1,510,400)
Purchase of property and equipment		
- Related companies	1,096,988	3,912,547
- Associates	1,707	2,014,225
Rental income from		
- Related companies	(91,800)	(30,176)
- Associates	(328,500)	(324,000)
Rental expenses charged by		
- Related companies	1,954,944	1,073,582
- Holding company	261,000	38,500

	The Group	
	2024	2023
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests:		
Sales of goods and services	(16,624,784)	(15,395,409)
Purchase of goods and services	12,639,110	10,780,139
Sales of property and equipment	(45,732)	(1,597,836)
Purchase of property and equipment	1,352,645	5,519,080

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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 5 main reportable segments as follows:-

- (i) Shipbuilding, ship repair and fabrication of metal structures.
- (ii) Domestic and regional shipping segment which carries out shipping business in coastal and regional routes within Malaysia and ASEAN region.
- (iii) International shipping segment which carries out international routes to Japan, Korea, China, Philippines and ASEAN region.
- (iv) Land transportation and hiring services.
- (v) Manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in welding equipment and machinery.
- (vi) Others consist of the business of shipping agency and operations and maintenance of barrage and maintenance and repair of motor vehicles.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

- (a) The Group Managing Director assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets (including goodwill) is measured based on all assets of the segment other than investment in an associate and tax-related assets.
- (c) Assets and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.
- (d) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

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41. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Logistic RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2024									
Revenue:									
External customers	170,685,132	586,791,211	106,333,180	52,797,468	14,961,137	28,250,654	-		959,818,782
Inter-segment	33,752,845	9,293,641	3,294,000	41,723,157	4,399,825	123,427,405	(215,890,873)	A	-
Total revenue	204,437,977	596,084,852	109,627,180	94,520,625	19,360,962	151,678,059	(215,890,873)		959,818,782
Results:									
Finance income	(284,962)	(7,105,911)	(3,915,525)	(67,748)	(198,510)	(2,140,295)	-		(13,712,951)
Finance costs	2,977,762	1,623,740	-	493,448	7,285	379,830	(42,378)		5,439,687
Dividend income	-	-	(1,200)	-	-	(109,500,000)	109,500,000		(1,200)
Depreciation and amortisation	10,224,544	50,802,704	19,802,489	7,581,513	857,721	862,205	1,987,377		92,118,553
Share of results of associates	-	-	-	-	-	121,407	(562,450)		(441,043)
Other non-cash expenses/ (income)	(1,861,809)	(4,468,944)	(1,527,224)	79,549	-	272,486	-	B	(7,505,942)
Segment (loss)/ profits	22,434,519	71,959,164	16,782,107	6,489,867	4,159,945	18,066,244	(13,366,456)	C	126,525,390

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41. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Logistic RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2024 (Cont'd)									
Assets:									
Investment in associates	-	2,629,642	-	-	-	782,500	(351,876)		3,060,266
Additions to non-current assets	4,759,397	20,619,753	1,871,767	12,612,194	604,647	3,708,523	(7,581,843)	D	36,594,438
Segment assets	359,142,213	728,045,483	387,044,713	101,732,352	47,951,972	272,789,526	(284,308,657)	E	1,612,397,602
Liabilities:									
Segment liabilities	151,089,359	112,921,557	200,449,121	31,423,570	3,706,165	72,839,561	(261,657,547)	F	310,771,786

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41. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Logistic RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2023									
Revenue:									
External customers	55,967,622	688,284,621	120,886,495	49,729,844	12,370,701	12,365,085	-		939,604,368
Inter-segment	55,885,384	6,491,358	1,992,047	23,897,527	3,768,203	50,251,750	(142,286,269)	A	-
Total revenue	111,853,006	694,775,979	122,878,542	73,627,371	16,138,904	62,616,835	(142,286,269)		939,604,368
Results:									
Finance income	(31,323)	(3,583,460)	(2,300,330)	(54,600)	(108,603)	(1,907,566)	-		(7,985,882)
Finance costs	4,986,865	2,471,057	-	470,521	13,531	431,153	(36,954)		8,336,173
Dividend income	-	-	(1,800)	-	-	(39,664,750)	39,664,750		(1,800)
Depreciation and amortisation	10,424,267	53,782,779	19,816,400	6,075,366	1,201,412	1,597,070	1,953,544		94,850,838
Share of results of associates	-	-	-	-	-	-	(1,593,773)		(1,593,773)
Other non-cash expenses/ (income)	775,091	17,352,680	(226,511)	-	-	(74,683)	(14,583,778)	B	3,242,799
Segment (loss)/ profits	(3,715,844)	141,164,767	19,723,297	5,859,152	2,562,311	45,494,458	(30,828,195)	C	180,259,946

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41. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Logistic RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2023 (Cont'd)									
Assets:									
Investment in associates	-	2,629,642	-	-	-	682,500	89,167		3,401,309
Additions to non-current assets	1,748,560	39,348,075	7,021,616	24,875,518	224,410	627,359	588,523	D	74,434,061
Segment assets	<u>338,874,341</u>	<u>745,368,191</u>	<u>391,769,550</u>	<u>93,852,936</u>	<u>46,548,466</u>	<u>188,602,993</u>	<u>(233,622,918)</u>	E	<u>1,571,393,559</u>
Liabilities:									
Segment liabilities	<u>149,958,586</u>	<u>198,649,580</u>	<u>124,891,566</u>	<u>29,019,525</u>	<u>4,302,554</u>	<u>41,790,047</u>	<u>(202,705,555)</u>	F	<u>345,906,303</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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:

	2024	2023
	RM	RM
Fair value changes on forward contracts	(372,480)	(529,658)
Unrealised (gain)/loss on foreign exchange	(3,180,014)	2,237,674
Impairment loss on trade and other receivables	354,263	15,334,622
Gain on bargain purchase	-	(14,819,789)
Impairment loss on property, plant and equipment	-	3,182,914
Reversal of impairment loss on trade and other receivables	(4,307,711)	(2,162,964)
	<u>(7,505,942)</u>	<u>3,242,799</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:

	2024	2023
	RM	RM
Share of result of associates	(562,450)	(1,593,773)
Dividend from subsidiaries	(109,500,000)	(39,655,000)
Dividend from associates	-	(9,750)
Profit from inter-segment sales	98,683,371	(2,435,917)
Depreciation	(1,987,377)	(1,953,544)
Gain on bargain purchase	-	14,819,789
	<u>(13,366,456)</u>	<u>(30,828,195)</u>

- D Additions to non-current assets consists of:

	2024	2023
	RM	RM
Property, plant and equipment	<u>36,594,438</u>	<u>74,434,061</u>

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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:

	2024	2023
	RM	RM
Property, plant and equipment	(5,989,055)	(1,807,824)
Investment in associates	(351,876)	89,167
Inter-segment assets	(286,733,669)	(233,968,154)
Intangible assets	8,765,943	2,063,893
	<u>(284,308,657)</u>	<u>(233,622,918)</u>

- F The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2024	2023
	RM	RM
Cumulative preference shares	(100,000)	(100,000)
Inter-segment liabilities	(261,557,547)	(202,605,555)
	<u>(261,657,547)</u>	<u>(202,705,555)</u>

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41. OPERATING SEGMENTS (CONT'D)

G Geographical information

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

	Revenue	
	2024	2023
	RM	RM
Malaysia	836,932,765	783,520,033
China	20,728,637	73,623,122
Singapore	44,557,112	28,400,950
Japan	10,519,370	11,106,450
Brunei	16,939,362	11,717,351
India	422,813	2,102,260
Philippines	19,328,824	23,336,271
Korea	4,601,440	908,432
Australia, Solomon Islands, Fiji Islands	885,596	18,317
Denmark, Germany	1,867,819	452,597
Papua New Guinea	2,161,500	2,636,585
Indonesia	-	1,782,000
Thailand	299,364	-
Mexico	574,180	-
	959,818,782	939,604,368

42. CAPITAL COMMITMENTS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Approved and not contracted for:				
Purchase of property, plant and equipment	1,622,596	7,500,000	-	-
	1,622,596	7,500,000	-	-

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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	
	2024	2023
	RM	RM
Performance guarantee extended by subsidiaries to third parties	9,080,628	8,976,014

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 Group Berhad provides independent oversight to the effectiveness of the risk management process.

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), United Arab Emirates Dirham (AED), Renminbi Yuan (RMB), Japanese Yen (JPY), Brunei Dollar (BND) and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

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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

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	
	2024	2023
	RM	RM
Effects on Profit/(Loss) After Taxation		
USD/RM - strengthen by 5%	167,860	(463,557)
USD/RM - weaken by 5%	(167,860)	463,557
<hr/>		
SGD/RM - strengthen by 5%	125,285	(33,273)
SGD/RM - weaken by 5%	(125,285)	33,273
<hr/>		
JPY/RM - strengthen by 5%	(20,950)	(26,588)
JPY/RM - weaken by 5%	20,950	26,588
<hr/>		
RMB/RM - strengthen by 5%	(7,346)	(250,312)
RMB/RM - weaken by 5%	7,346	250,312
<hr/>		
BND/RM - strengthen by 5%	99,893	134,684
BND/RM - weaken by 5%	(99,893)	(134,684)
<hr/>		
AED/RM - strengthen by 5%	(64,852)	-
AED/RM - weaken by 5%	64,852	-
<hr/>		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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 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.

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	
	2024	2023
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 10 basis points	(40,149)	(54,683)
Decrease of 10 basis points	40,149	54,683

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44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis (Cont'd)

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant (Cont'd):-

	The Company	
	2024	2023
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 10 basis points	(3,043)	(4,221)
Decrease of 10 basis points	3,043	4,221

(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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.

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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				
2024				
Current (not past due)	97,951,584	-	(969,010)	96,982,574
Past due				
1-30 days	50,413,745	-	(1,147,662)	49,266,083
31-60 days	18,482,165	(212,919)	(689,134)	17,580,112
61-90 days	10,586,111	-	(999,703)	9,586,408
91-120 days	11,455,603	-	(377,970)	11,077,633
More than 121 days	35,080,311	(1,413,743)	(18,911,336)	14,755,232
Credit impaired	7,549,115	(7,549,115)	-	-
Trade receivables	231,518,634	(9,175,777)	(23,094,815)	199,248,042
Contract assets	21,892,639	-	-	21,892,639
	<u>253,411,273</u>	<u>(9,175,777)</u>	<u>(23,094,815)</u>	<u>221,140,681</u>

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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				
2023				
Current (not past due)	65,177,972	-	(1,155,179)	64,022,793
Past due				
1-30 days	37,962,070	-	(951,058)	37,011,012
31-60 days	20,467,287	-	(904,030)	19,563,257
61-90 days	11,915,252	-	(1,201,740)	10,713,512
91-120 days	13,913,693	-	(1,250,232)	12,663,461
More than 121 days	33,191,488	-	(19,810,953)	13,380,535
Credit impaired	9,724,650	(9,724,650)	-	-
Trade receivables	192,352,412	(9,724,650)	(25,273,192)	157,354,570
Contract assets	2,089,683	-	-	2,089,683
	194,442,095	(9,724,650)	(25,273,192)	159,444,253

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.

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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			
2024			
Low credit risk	2,880,694	-	2,880,694
Credit impaired	15,528,981	(15,528,981)	-
	18,409,675	(15,528,981)	2,880,694
2023			
Low credit risk	1,091,380	-	1,091,380
Credit impaired	18,891,812	(18,891,812)	-
	19,983,192	(18,891,812)	1,091,380

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.

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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					
2024					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	136,741,782	136,741,782	136,741,782	-	-
Lease liabilities	1,178,756	1,207,301	423,107	784,194	-
Loans and borrowings	73,483,610	77,372,008	50,697,957	22,516,177	4,157,874
	<u>211,404,148</u>	<u>215,321,091</u>	<u>187,862,846</u>	<u>23,300,371</u>	<u>4,157,874</u>

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44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
The Group					
2023					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	132,636,200	132,636,200	132,636,200	-	-
Lease liabilities	349,557	352,654	287,238	65,416	-
Loans and borrowings	139,039,905	145,292,493	105,962,718	38,320,771	1,009,004
	<u>272,025,662</u>	<u>278,281,347</u>	<u>238,886,156</u>	<u>38,386,187</u>	<u>1,009,004</u>
<u>Derivative Financial liabilities:</u>					
Forward currency contract	372,480	372,480	372,480	-	-

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44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM
The Company				
2024				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,812,271	1,812,271	1,812,271	-
Loans and borrowings	4,119,644	4,421,305	1,835,840	2,585,465
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	47,015,290	47,015,290	-
	<u>5,931,915</u>	<u>53,248,866</u>	<u>50,663,401</u>	<u>2,585,465</u>
2023				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,363,502	1,363,502	1,363,502	-
Amount owing to a subsidiary	53,625	53,625	53,625	-
Loans and borrowings	5,764,401	6,209,561	1,865,004	4,344,557
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	91,659,770	91,659,770	-
	<u>7,181,528</u>	<u>99,286,458</u>	<u>94,941,901</u>	<u>4,344,557</u>

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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.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and bank balances exceeded the total external borrowings.

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2024 RM	2023 RM
The Group		
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Other investments	58,800	58,800
<u>Amortised Cost</u>		
Trade receivables (Note 14)	199,248,042	157,354,570
Other receivables (Note 15)	2,880,694	1,091,380
Fixed and treasury deposits with licensed banks (Note 38)	306,759,656	291,248,349
Cash and bank balances (Note 38)	125,462,324	107,656,134
	634,350,716	557,350,433
Financial Liabilities		
<u>Fair Value Through Profit or Loss</u>		
Derivative liabilities	-	372,480
<u>Amortised Cost</u>		
Trade payables (Note 28)	105,015,274	107,902,587
Other payables (Note 29)	30,040,172	24,733,613
Lease liabilities (Note 22)	1,178,756	349,557
Bank borrowings (Note 23)	73,483,610	139,039,905
	209,717,812	272,025,662

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44. FINANCIAL INSTRUMENTS (CONT'D)

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2024	2023
	RM	RM
The Company		
Financial Assets		
<u>Amortised Cost</u>		
Other receivables (Note 15)	456,508	584,713
Amount owing by subsidiaries (Note 9)	975,748	3,582,158
Dividend receivable	95,000,000	36,155,000
Fixed and treasury deposits with licensed banks (Note 38)	38,000,000	48,000,000
Cash and bank balances (Note 38)	1,001,364	458,529
	135,433,620	88,780,400
Financial Liabilities		
<u>Amortised Cost</u>		
Other payables (Note 29)	1,812,271	1,363,502
Amount owing to a subsidiary (Note 9)	-	53,625
Bank borrowings (Note 23)	4,119,644	5,764,401
	5,931,915	7,181,528

44.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and 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.