

Registration No: 200401027554 (666062 – A)

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS
SHIN YANG SHIPPING
CORPORATION BERHAD)
(Incorporated in Malaysia)

FINANCIAL REPORT
for the financial year ended 30 June 2023

Registration No: 200401027554 (666062 – A)

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
(Incorporated in Malaysia)

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SHIN YANG GROUP BERHAD
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(Incorporated in Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

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

CHANGE OF NAME

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

RESULTS

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

DIVIDENDS

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

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

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

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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 **
Arshad Bin Zainuddin
Datuk Ling Lu Kiong **
Jack Willien @ William Anak Jinep **
Yong Nyet Yun

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

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

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

SHIN YANG GROUP BERHAD
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DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

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

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

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

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

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DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

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

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

DIRECTORS' REMUNERATION

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

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

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

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DIRECTORS' REPORT (CONT'D)

HOLDING COMPANY

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

AUDITORS

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

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

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

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

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 (formerly known as Shin Yang Shipping Corporation Berhad), state that, in the opinion of the directors, the financial statements set out on pages 17 to 121 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial year ended on that date.

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

Yong Nyet Yun
Director

Ling Siu Chuo
Director

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

I, Richard Ling Peng Liing, MIA Membership Number: 9688, being the officer primarily responsible for the financial management of Shin Yang Group Berhad (formerly known as Shin Yang Shipping Corporation Berhad), do solemnly and sincerely declare that the financial statements set out on pages 17 to 121 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above mentioned
Richard Ling Peng Liing
at Miri in the State of Sarawak
on 27 October 2023

Richard Ling Peng Liing

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)**

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Registration No: 200401027554 (666062-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Shin Yang Group Berhad (formerly known as Shin Yang Shipping Corporation Berhad), which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 121.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
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Key Audit Matters

Revenue Recognition Refer to Note 32 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(a) Revenue from freight, lighterage, charterage, hiring charges and transportation charges</p> <p>The Group's revenue from freight, lighterage, charterage, hiring charges and transportation charges is derived from a large volume of transactions. During the financial year, the Group recognised revenue of RM859.2 million from freight, lighterage, charterage, hiring charges and transportation charges, representing 91.4% of the Group's revenue.</p> <p>We identified revenue recognition of freight, lighterage, charterage, hiring charges and transportation charges as a key audit matter because of the significance of revenue in the financial statements in amount.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ 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
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Key Audit Matters (Cont'd)

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
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Key Audit Matters (Cont'd)

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

Purchase Price Allocation ("PPA") Refer to Note 37 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>On 6 July 2022, the Company acquired 100% equity interests in Piasau Gas Sdn. Bhd. for a purchase consideration of RM22.8 million. The Company performed a PPA exercise for the acquisition, where the purchase consideration was allocated to the fair value of the identifiable assets acquired and the liabilities assumed, resulting in a gain on bargain purchase of RM14.8 million on the business combination.</p> <p>In the PPA exercise, management engaged independent valuers to perform the valuation of the assets of Piasau Gas Sdn. Bhd.</p> <p>We focused on this area as the determination of fair value of the identifiable assets acquired and liabilities assumed, including the identification of intangible assets, required significant management judgement in estimating the underlying assumptions applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ 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
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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
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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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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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 7 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Wong Chie Bin
00950/01/2024 J
Chartered Accountant

Miri, Sarawak
27 October 2023

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

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

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONT'D)

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

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

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SHIN YANG GROUP BERHAD
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(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

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

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SHIN YANG GROUP BERHAD
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(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
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	21	-	(8,204,425)	-	-	(8,204,425)	-	(8,204,425)
- Dividends:								
- by the Company	38	-	-	-	(14,315,191)	(14,315,191)	-	(14,315,191)
- by subsidiaries to non-controlling interests		-	-	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners		-	(8,204,425)	-	(14,315,191)	(22,519,616)	(1,500,000)	(24,019,616)
Balance at 30.6.2023		1,216,972,062	(24,775,956)	(297,861,069)	326,592,091	1,220,927,128	4,560,128	1,225,487,256

SHIN YANG GROUP BERHAD
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(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

SHIN YANG GROUP BERHAD
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STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

SHIN YANG GROUP BERHAD
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STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

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SHIN YANG GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

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

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

2. CHANGE OF NAME

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

3. HOLDING COMPANY

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

4. PRINCIPAL ACTIVITIES

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

SHIN YANG GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 3: Reference to the Conceptual Framework

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

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

Annual Improvements to MFRS Standards 2018 - 2020

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

SHIN YANG GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. BASIS OF PREPARATION (CONT'D)

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

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

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

SHIN YANG GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property and Equipment

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

(b) Revenue Recognition for Construction Contracts

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Trade Receivables and Contract Assets

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

(d) Impairment of Non-Trade Receivables

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Purchase Price Allocation

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

Critical Judgements Made in Applying Accounting Policies

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

Lease Terms

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

6.2 BASIS OF CONSOLIDATION

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.2 BASIS OF CONSOLIDATION (CONT'D)

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

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

(a) Business Combinations

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

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

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

(b) Business combinations involving entities under common control

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.2 BASIS OF CONSOLIDATION (CONT'D)

(c) Non-controlling interests

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

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

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

(e) Loss of Control

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.3 GOODWILL

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

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

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

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

6.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

(a) Financial Assets

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

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

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

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

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

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

(i) Ordinary Shares

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

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

(ii) Treasury Shares

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

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

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

(e) Derivative Financial Instruments

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.5 FINANCIAL INSTRUMENTS (CONT'D)

(f) Financial Guarantee Contracts

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

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

6.6 INVESTMENTS IN SUBSIDIARIES

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.7 INVESTMENTS IN ASSOCIATES

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

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

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

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

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

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

6.8 PROPERTY AND EQUIPMENT

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.8 PROPERTY AND EQUIPMENT (CONT'D)

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

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

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

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

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

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.9 LEASES

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

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

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

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

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.10 INVENTORIES

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

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

6.11 CONTRACT COST ASSETS

(a) Incremental Costs of Obtaining Contracts

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

(b) Costs to Fulfil A Contract

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

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

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

6.12 CASH AND CASH EQUIVALENTS

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.13 CONTRACT ASSET AND CONTRACT LIABILITY

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

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

6.14 PROVISIONS

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

6.15 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.15 IMPAIRMENT (CONT'D)

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

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

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

(b) Impairment of Non-financial Assets

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.15 IMPAIRMENT (CONT'D)

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

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

6.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

6.17 INCOME TAXES

(a) Current Tax

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.17 INCOME TAXES (CONT'D)

(b) Deferred Tax

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

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

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

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

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

6.18 BORROWING COSTS

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.19 FAIR VALUE MEASUREMENT

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

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

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.20 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

6.21 CONTINGENT LIABILITIES

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

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

6.22 OPERATING SEGMENTS

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.23 EARNINGS PER ORDINARY SHARE

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

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

6.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Construction Services - Shipbuilding

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

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

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

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

(c) Revenue from freight forwarding services

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

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

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

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6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(e) Sales of goods and services

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

6.25 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Rental Income

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

(c) Hire income and vessel charter fee

The Group enters as a lessor into lease agreements that fall within the scope of MFRS 16. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

7. INVESTMENT IN SUBSIDIARIES

	2023	2022
	RM	RM
Unquoted share, at cost	1,111,647,678	1,088,851,178
Less: Impairment loss	(15,077,596)	(15,077,596)
	<u>1,096,570,082</u>	<u>1,073,773,582</u>

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7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Danum Shipping Sdn. Bhd.	Malaysia	100%	100%	International shipping operations for liquid chemical products
Piasau Slipways Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures
Shinline Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Shin Yang Shipping Sdn. Bhd.	Malaysia	100%	100%	Domestic and regional shipping operations
Shin Yang Shipyard Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures
Thailine Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Hock Leong Shipping Sdn. Bhd.	Malaysia	70%	70%	Shipping and forwarding agency
Dynasys Technology & Engineering Sdn. Bhd.	Malaysia	100%	100%	Engineering consultation, trading
Melinau Transport Sdn. Bhd.	Malaysia	100%	100%	Transportation and hiring services
Melinau Container Services Sdn. Bhd.	Malaysia	50.50%	50.50%	Transportation and hiring services

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7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Kuching Barrage Management Sdn. Bhd.	Malaysia	100%	100%	Operations and maintenance of a barrage
Piasau Gas Sdn. Bhd.	Malaysia	100%	-	Manufacturing, distribution and marketing of industrial gases, provision of services and maintenance and trading in welding equipment and machinery
Subsidiary of Danum Shipping Sdn. Bhd.				
Sinar Asiamas Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Subsidiary of Shin Yang Shipping Sdn. Bhd.				
Gemilang Raya Maritime Sdn. Bhd.*	Malaysia	-	-	Wound up by the Court under the provisions of Section 465(1)(c) and/or (h) of the Companies Act 2016

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

- (a) During the current financial year, the Company has acquired 100% equity interests in Piasau Gas Sdn. Bhd. The details of the acquisition are disclosed in Note 37 to the financial statements.
- (b) During the previous financial year, the Company has acquired 50.50% equity interests in Melinau Container Services Sdn. Bhd. and 100% equity interests in Kuching Barrage Management Sdn. Bhd. The details of the acquisition are disclosed in Note 37 to the financial statements.
- (c) Non-controlling interests

None of the subsidiaries with non-controlling interests are material to the Group. Accordingly, the disclosure requirements of MFRS 12. Disclosure of Interests in Other Entities, are not presented.

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8. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted share, at cost	3,968,946	3,968,946	682,500	682,500
Share of post acquisition reserves	(567,637)	1,035,886	-	-
	<u>3,401,309</u>	<u>5,004,832</u>	<u>682,500</u>	<u>682,500</u>

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

Name Of Associates	Principal Place of Business/ Country of Incorporation	Percentage of Ownership		Principal Activities
		2023 %	2022 %	
Melinau Shipping Sdn. Bhd.*	Malaysia	39%	39%	Shipping and forwarding agency
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

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

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8. INVESTMENT IN ASSOCIATES (CONT'D)

The Group has not recognised losses relating to PT Shinline where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the reporting date was RM1,229,219 (2022: RM1,191,506) of which RM37,713 (2022: RM35,673) was the share of the current year's loss. The Group has no obligation in respect of these losses.

- (b) Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information represents the amount in the MFRS financial statements of the associates and not the Group's share of those amounts.

	Melinau Shipping Sdn. Bhd.	
	2023	2022
	RM	RM
Non-current assets	476,719	584,408
Current assets	15,015,172	16,187,921
Non-current liabilities	(36,562)	(60,839)
Current liabilities	(1,896,529)	(3,200,753)
	13,558,800	13,510,737
Revenue	4,754,817	4,681,677
Profit for the financial year	72,607	599,993
Group's share of profit for the financial year	28,317	233,997
Dividend received	9,750	68,250
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	2,830,979	2,812,234
Carrying amount of the Group's interests in this associate	2,830,979	2,812,234

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9. PROPERTY AND EQUIPMENT

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 34) 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
Land, buildings, jetty, wharfs and slipways	196,380,536	7,597,267	11,106,708	-	3,919,000	-	-	-	(7,959,127)	211,044,384
Motor vehicles	4,022,389	1,278,381	16	(5)	-	-	-	-	(863,325)	4,437,456
Office equipment, furniture and fittings	3,401,585	1,083,292	108,800	(2,480)	27,500	-	-	-	(1,053,129)	3,565,568
Plant and machinery	73,381,998	11,928,872	9,906,573	(21,051)	11,297	-	-	-	(11,522,791)	83,684,898
Shipping equipment and machinery	39,681,949	14,929,038	-	(13,051)	3,668,927	-	(113,609)	(1,998)	(8,790,278)	49,360,978
Vessels	538,166,810	-	-	(17,875,207)	17,680,687	-	(11,071,667)	(3,180,916)	(60,902,196)	462,817,511

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9. PROPERTY 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 34) 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
	873,932,937	74,301,576	21,386,582	(17,911,794)	1,261,468	-	(11,185,276)	(3,182,914)	(92,707,259)	845,895,320
<u>Right-of-use assets</u>										
Land and buildings	79,749,871	132,485	8,910,470	-	(1,261,468)	81,482	-	-	(2,143,579)	85,469,261
	79,749,871	132,485	8,910,470	-	(1,261,468)	81,482	-	-	(2,143,579)	85,469,261
	953,682,808	74,434,061	30,297,052	(17,911,794)	-	81,482	(11,185,276)	(3,182,914)	(94,850,838)	931,364,581

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9. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At 1.7.2021 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Depreciation Charges (Note 34) RM	At 30.6.2022 RM
2022								
<i>Carrying amount</i>								
<u>Owned assets</u>								
Dry docking expenses	3,789,058	1,388,142	-	-	-	-	(1,362,363)	3,814,837
Land, buildings, jetty, wharfs and slipways	201,614,098	562,947	391,320	(41,739)	963,702	-	(7,109,792)	196,380,536
Motor vehicles	4,515,092	312,000	113,213	(2,627)	-	-	(915,289)	4,022,389
Office equipment, furniture and fittings	3,798,680	440,943	307,143	(17,795)	-	-	(1,127,386)	3,401,585
Plant and machinery	66,079,896	6,048,530	9,409,725	(88,009)	-	-	(8,068,144)	73,381,998
Shipping equipment and machinery	30,637,977	17,055,382	-	(17)	776,079	-	(8,787,472)	39,681,949
Vessels	601,771,948	-	-	(2,057,167)	-	-	(61,547,971)	538,166,810

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9. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At 1.7.2021 RM	Additions RM	Acquisition of Subsidiaries RM	Disposals/ De- recognition RM	Transfer RM	Reassessment of lease liabilities RM	Depreciation Charges (Note 34) RM	At 30.6.2022 RM
2022								
<i>Carrying amount (Cont'd)</i>								
<u>Owned assets</u>								
Capital work-in-progress	7,883,756	10,642,352	38,332	(1,729,126)	(1,752,481)	-	-	15,082,833
	920,090,505	36,450,296	10,259,733	(3,936,480)	(12,700)	-	(88,918,417)	873,932,937
<u>Right-of-use assets</u>								
Land and buildings	80,005,644	1,503,722	21,791	(23,691)	12,700	89,153	(1,859,448)	79,749,871
	80,005,644	1,503,722	21,791	(23,691)	12,700	89,153	(1,859,448)	79,749,871
	1,000,096,149	37,954,018	10,281,524	(3,960,171)	-	89,153	(90,777,865)	953,682,808

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SHIN YANG GROUP BERHAD
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9. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.7.2022 RM	Additions RM	Depreciation Charges (Note 34) RM	At 30.6.2023 RM
The Company				
2023				
<i>Carrying amount</i>				
<u>Owned assets</u>				
Land and buildings	48,284,678	99,882	(837,764)	47,546,796
Office equipment, furniture and fittings	624,141	109,747	(339,935)	393,953
Motor vehicles	42,302	318,000	(90,000)	270,302
	<u>48,951,121</u>	<u>527,629</u>	<u>(1,267,699)</u>	<u>48,211,051</u>

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9. PROPERTY AND EQUIPMENT (CONT'D)

The Company	At 1.7.2021 RM	Additions RM	Disposals RM	Reclassification RM	Depreciation Charges (Note 34) RM	At 30.6.2022 RM
2022						
<i>Carrying amount</i>						
<u>Owned assets</u>						
Land and buildings	48,301,414	-	-	780,144	(796,880)	48,284,678
Office equipment, furniture and fittings	991,300	140,605	(86)	-	(507,678)	624,141
Capital work-in-progress	160,000	620,144	-	(780,144)	-	-
Motor vehicles	98,704	-	-	-	(56,402)	42,302
	<u>49,551,418</u>	<u>760,749</u>	<u>(86)</u>	<u>-</u>	<u>(1,360,960)</u>	<u>48,951,121</u>

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9. PROPERTY 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
Land, buildings, jetty, wharfs and slipways	324,715,910	(113,671,526)	211,044,384
Motor vehicles	18,519,225	(14,081,769)	4,437,456
Office equipment, furniture and fittings	22,353,860	(18,788,292)	3,565,568
Plant and machinery	422,642,726	(338,957,828)	83,684,898
Shipping equipment and machinery	193,826,047	(144,465,069)	49,360,978
Vessels	1,203,537,103	(740,719,592)	462,817,511
Capital work-in-progress	25,918,223	-	25,918,223
	<u>2,227,519,884</u>	<u>(1,381,624,564)</u>	<u>845,895,320</u>
<u>Right-of-use assets</u>			
Land and buildings	101,911,348	(16,442,087)	85,469,261
	<u>2,329,431,232</u>	<u>(1,398,066,651)</u>	<u>931,364,581</u>

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9. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2022			
<u>Owned assets</u>			
Dry docking expenses	13,138,912	(9,324,075)	3,814,837
Land, buildings, jetty, wharfs and slipways	299,464,840	(103,084,304)	196,380,536
Motor vehicles	16,596,879	(12,574,490)	4,022,389
Office equipment, furniture and fittings	20,707,667	(17,306,082)	3,401,585
Plant and machinery	389,865,802	(316,483,804)	73,381,998
Shipping equipment and machinery	176,445,522	(136,763,573)	39,681,949
Vessels	1,274,133,895	(735,967,085)	538,166,810
Capital work-in-progress	15,082,833	-	15,082,833
	<u>2,205,436,350</u>	<u>(1,331,503,413)</u>	<u>873,932,937</u>
<u>Right-of-use assets</u>			
Land and buildings	94,152,026	(14,402,155)	79,749,871
	<u>2,299,588,376</u>	<u>(1,345,905,568)</u>	<u>953,682,808</u>

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9. PROPERTY AND EQUIPMENT (CONT'D)

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2023			
<u>Owned assets</u>			
Land and buildings	54,432,620	(6,885,824)	47,546,796
Office equipment, furniture and fittings	5,885,862	(5,491,909)	393,953
Motor vehicles	600,011	(329,709)	270,302
	60,918,493	(12,707,442)	48,211,051
30.6.2022			
<u>Owned assets</u>			
Land and buildings	54,332,738	(6,048,060)	48,284,678
Office equipment, furniture and fittings	5,806,115	(5,181,974)	624,141
Motor vehicles	282,011	(239,709)	42,302
	60,420,864	(11,469,743)	48,951,121

(a) Included in the property and equipment of the Group and the Company were motor vehicles with a total carrying amount of RM8,206,724 (2022 – RM27,648,170) and RM270,300 (2022 – Nil) held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group and the Company as disclosed in Note 24 to the financial statements.

(b) Titles of the certain leasehold land of the Group with the carrying value of RM14,257,580 (2022 – RM14,440,239) have yet to be issued by the authority.

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9. PROPERTY AND EQUIPMENT (CONT'D)

Asset pledged as security

The net carrying amount of property and equipment pledged for borrowing as referred in Notes 25 to 28 are as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Land and buildings	85,388,436	99,229,182	35,142,498	35,564,824
Plant and machinery	37,734,000	40,650,000	-	-
Vessels	50,870,140	80,813,763	-	-
	<u>173,992,576</u>	<u>220,692,945</u>	<u>35,142,498</u>	<u>35,564,824</u>

Right-of-use assets

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

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

10. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

11. OTHER INVESTMENTS

	The Group	
	2023 RM	2022 RM
Equity instruments (quoted in Malaysia), at fair value	<u>58,800</u>	<u>58,800</u>
Market value of quoted shares in Malaysia	<u>58,800</u>	<u>58,800</u>

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

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12. GOODWILL

	The Group	
	2023	2022
	RM	RM
Cost:		
At 30 June 2023/2022	2,063,893	2,063,893

Carrying amount of goodwill on business acquisition is related to the acquisition of a shipping agency in prior years. The Group performed its annual impairment test in June 2023 and 2022.

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections is 11.18% (2022 – 11.45%).

Management determined budgeted profit margin based on past performance and its expectations of the market conditions. The pre-tax discount rates used reflected specific risks relating to the shipping industry. The forecasted growth rates were based on management's estimate which did not exceed the long term average growth rate for the industry.

13. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	As 1.7.2022 RM	Acquisition of Subsidiaries RM	Recognised in Profit or Loss (Note 35) RM	At 30.6.2023 RM
2023				
<i>Deferred Tax Liabilities</i>				
Property and equipment	(87,499,437)	(5,243,467)	6,989,914	(85,752,990)
<i>Deferred Tax Assets</i>				
Unabsorbed capital allowances	32,231,273	-	(13,505,867)	18,725,406
Others	2,604,196	-	1,001,157	3,605,353
Unused tax losses	2,259,584	-	2,529,736	4,789,320
Unutilised reinvestment allowances	8,405,042	-	-	8,405,042
	45,500,095	-	(9,974,974)	35,525,121
	(41,999,342)	(5,243,467)	(2,985,060)	(50,227,869)

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

The Group	As 1.7.2021 RM	Acquisition of Subsidiaries RM	Recognised in Profit or Loss (Note 35) RM	At 30.6.2022 RM
2022				
<i>Deferred Tax Liabilities</i>				
Property and equipment	(91,607,007)	(1,311,766)	5,419,336	(87,499,437)
<i>Deferred Tax Assets</i>				
Unabsorbed capital allowances	41,035,719	654,800	(9,459,246)	32,231,273
Others	1,746,124		858,072	2,604,196
Unused tax losses	46,724	-	2,212,860	2,259,584
Unutilised reinvestment allowances	3,939,144	-	4,465,898	8,405,042
	46,767,711	654,800	(1,922,416)	45,500,095
	(44,839,296)	(656,966)	3,496,920	(41,999,342)

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Analysed as:-				
Deferred tax assets	836,028	1,021,430	-	-
Deferred tax liabilities	(51,063,897)	(43,020,772)	-	-
	(50,227,869)	(41,999,342)	-	-
Deferred tax assets have not been recognised in respect of the following items:-				
Unabsorbed capital allowances	7,251,084	11,922,005	3,051,301	3,206,612
Unutilised tax losses	60,750,315	48,120,206	1,035,413	1,035,413
Other deductible temporary differences	7,565,451	8,590,061	-	-
	75,566,850	68,632,272	4,086,714	4,242,025

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

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

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unutilised tax losses	63,660,120	57,535,139	1,035,413	1,035,413
Unabsorbed capital allowances	134,628,207	118,183,245	3,051,301	3,206,612
	<u>198,288,327</u>	<u>175,718,384</u>	<u>4,086,714</u>	<u>4,242,025</u>

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

14. INVENTORIES

	The Group	
	2023	2022
	RM	RM
Consumables	28,693,322	28,941,892
Petrol, oil and lubricants on board	5,056,507	5,190,212
Work-in-progress	151,463	-
	<u>33,901,292</u>	<u>34,132,104</u>

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15. TRADE RECEIVABLES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Third parties	150,307,753	141,140,517	-	-
Related companies	40,799,166	37,187,234	-	-
Associates	1,245,493	27,147,847	-	-
	192,352,412	205,475,598	-	-
Allowance for impairment losses:-				
- third parties	(32,854,346)	(21,114,820)	-	-
- related companies	(1,731,494)	(2,384,758)	-	-
- associates	(412,002)	(412,002)	-	-
	157,354,570	181,564,018	-	-
Allowance for impairment losses:-				
At 1 July	23,911,580	13,912,515	-	-
Additions during the financial year	13,489,084	10,448,952	-	-
Reversal during the financial year	(2,162,964)	(487,447)	-	-
Written off during the financial year	(239,858)	-	-	-
Acquisition of subsidiaries during the financial year	-	37,560	-	-
At 30 June	34,997,842	23,911,580	-	-

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

- (a) The Group's and the Company's normal trade credit terms range from 7 to 90 (2022 - 7 to 90) days.
- (b) Included in trade receivables of the Group is an amount of RM6,905,019 (2022 – RM33,186,084) owing by companies in which certain directors have substantial financial interests.

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16. OTHER RECEIVABLES AND DEPOSITS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Current:</u>				
Other receivables:-				
Third parties	13,397,086	13,685,373	514,337	266,083
Related companies	3,919	3,553	-	-
Associates	6,582,187	7,924,673	70,376	1,465,876
	19,983,192	21,613,599	584,713	1,731,959
Allowance for impairment losses:-				
- third parties	(12,433,014)	(10,587,476)	-	-
- associates	(6,458,798)	(6,458,798)	-	-
	1,091,380	4,567,325	584,713	1,731,959
Deposits	11,839,539	2,851,169	97,930	92,530
Prepayments	12,783,501	11,706,857	-	1,011
	25,714,420	19,125,351	682,643	1,825,500
<u>Non-current:</u>				
Deposits	953,820	2,279,650	953,820	2,279,650
	26,668,240	21,405,001	1,636,463	4,105,150
Allowance for impairment losses:-				
At 1 July	17,046,274	17,046,274	-	-
Additions during the financial year	1,845,538	-	-	-
At 30 June	18,891,812	17,046,274	-	-

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

Included in other receivables of the Group is amount of RM90,231 (2022 – RM86,912) owing by companies in which certain directors have substantial financial interest.

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

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17. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023	2022
	RM	RM
Contract Assets		
Contract assets relating to service contracts	2,089,683	2,455,328
Contract Liabilities		
Contract liabilities relating to service contracts	(20,349,713)	(8,050,065)

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

	The Group	
	2023	2022
	RM	RM
At 1 July	(5,594,737)	(8,128,266)
Revenue recognised in profit or loss during the financial year	55,207,654	128,137,289
Billings to customers during the financial year	(67,872,947)	(125,603,760)
At 30 June	(18,260,030)	(5,594,737)
Analysed as follows:		
Contract assets	2,089,683	2,455,328
Contract liabilities	(20,349,713)	(8,050,065)
	(18,260,030)	(5,594,737)

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17. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (d) The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

	The Group	
	2023	2022
	RM	RM
Within one year		
- Freight and lighterage charges	4,462,426	8,050,065
- Shipbuilding	57,740,257	-
- Ship repairs	64,648,501	809,677
	126,851,184	8,859,742

18. DERIVATIVE LIABILITIES

	Contract/Notional Amount		The Group	
	2023	2022	2023	2022
	USD	USD	RM	RM
Derivative liabilities				
Forward currency contract	2,150,000	5,414,186	372,480	902,138

The Group does not apply hedge accounting.

- (a) Forward currency contracts are used to hedge the Group's sales denominated in United States Dollar (USD) for which firm commitments exists at the end of the reporting period. The settlement dates of the forward currency contracts range between 4 to 6 (2022 - 1 to 4) months after the end of reporting period.
- (b) The fair value of equity investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets held for sale comprised of vessels which the Group expected to sell within the next 12 months from the reporting date.

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20. SHARE CAPITAL

	The Group and The Company			
	2023	2022	2023	2022
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 July and 30 June	1,200,000,000	1,200,000,000	1,216,972,062	1,216,972,062

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

21. TREASURY SHARES

During the financial year, the Company has purchased 12,715,000 (2022 – 19,428,400) of its issued ordinary shares from Bursa Malaysia Securities Berhad at a average price of RM0.65 (2022 - RM0.39) per share. The total consideration paid for the purchase was RM8,204,425 (2022 – RM7,588,104) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 1,200,000,000 (2022 - 1,200,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 64,169,700 (2022 – 51,454,700) ordinary shares are held as treasury shares by the Company. None (2022 - none) of the treasury shares were resold during the financial year.

22. OTHER RESERVES

Group	Merger Deficits RM
At 1 July 2022 and 30 June 2023	<u>(297,861,069)</u>

Merger deficits

The merger deficits reserve represents the difference between the value of the considerations paid and the reserves of the two “acquired” entities, Shin Yang Shipping Sdn. Bhd. and Danum Shipping Sdn. Bhd. as a consequent of applying the pooling of interest method.

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23. LEASE LIABILITIES

	The Group	
	2023	2022
	RM	RM
At 1 July	425,803	463,494
Acquisition of subsidiaries	-	22,810
Additions	132,485	115,739
Interest expense recognised in profit or loss	14,020	19,393
Changes due to reassessment of lease term	81,482	89,153
Derecognition due to lease modification	-	(23,866)
Repayment of principal	(290,213)	(241,527)
Repayment of interest expenses	(14,020)	(19,393)
At 30 June	349,557	425,803
Analysed by:-		
Current liabilities	238,521	286,879
Non-current liabilities	111,036	138,924
	349,557	425,803

The effective interest rates as at reporting date is 6.70% (2022 – 4.06% to 6.70%) per annum.

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24. BANK BORROWINGS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Non-current</u>				
Secured:				
Term loans (Note 25)	28,979,897	41,319,917	4,004,137	5,554,141
Hire purchase payables	7,469,851	8,976,586	115,507	-
	36,449,748	50,296,503	4,119,644	5,554,141
<u>Current</u>				
Unsecured:				
Bank overdrafts (Note 26)	4,784,767	9,646,683	-	-
Bankers acceptances (Note 27)	37,535,999	68,857,000	-	-
Revolving credits (Note 28)	16,844,400	24,082,600	-	-
Flexi financing trade loan (Note 27)	6,749,582	-	-	-
	65,914,748	102,586,283	-	-
Secured:				
Bank overdrafts (Note 26)	1,001,659	8,135,765	-	-
Bankers acceptances (Note 27)	6,831,001	1,556,000	-	-
Revolving credits (Note 28)	8,000,000	18,000,000	-	3,000,000
Term loans (Note 25)	12,340,019	16,968,581	1,550,004	1,550,004
Hire purchase payables	8,502,730	8,635,524	94,753	-
	36,675,409	53,295,870	1,644,757	4,550,004
	102,590,157	155,882,153	1,644,757	4,550,004
	139,039,905	206,178,656	5,764,401	10,104,145

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

	The Group		The Company	
	2023 %	2022 %	2023 %	2022 %
Bank overdrafts	7.43 - 8.18	6.48 – 7.45	-	-
Floating rates - loans	5.34 - 5.76	3.99 – 4.41	5.60	4.41
Revolving credits	5.36 – 7.56	2.53 – 4.17	-	3.64
Bankers acceptances/ Flexi financing trade loan	3.85 – 5.29	2.58 – 3.78	-	-
Hire purchase payables	4.06 – 6.01	4.06 – 5.32	4.06	-

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25. TERM LOANS (SECURED)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current liabilities	12,340,019	16,968,581	1,550,004	1,550,004
Non-current liabilities	28,979,897	41,319,917	4,004,137	5,554,141
	<u>41,319,916</u>	<u>58,288,498</u>	<u>5,554,141</u>	<u>7,104,145</u>

- (a) The term loans are secured by a first party legal charge over the Group's and the Company's property and equipment, and jointly and severally guaranteed by certain Directors of the Company.
- (b) The fair values of long-term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

26. BANK OVERDRAFTS

Bank overdrafts are secured by charges over leasehold land and buildings of the Group, and joint and several guaranteed by certain Directors of the Company.

27. BANKERS ACCEPTANCE/FLEXI FINANCING TRADE LOAN

Bankers' acceptances are secured by charges over leasehold land and buildings of the Group and guaranteed by certain directors of the Company.

The flexi financing trade loan is secured by joint and several guarantee by certain directors of the Group and a third party, and corporate guarantee provided by the Company.

28. REVOLVING CREDITS

Revolving credits are secured by charges over leasehold land and buildings of the Group and of the Company and guaranteed by certain Directors of the Company.

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29. TRADE PAYABLES

	The Group	
	2023	2022
	RM	RM
Third parties	83,388,170	102,893,548
Related companies	12,612,383	12,850,860
Associates	11,902,034	12,579,478
	107,902,587	128,323,886

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

- (a) The normal trade credit terms granted to the Group range from 30 to 180 (2022 - 30 to 180) days.
- (b) Included in trade payables of the Group is an amount of RM16,302,909 (2022 – RM12,429,651) owing to the companies in which certain directors have substantial financial interests.

30. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables:-				
Third parties	7,006,501	4,151,360	470,627	412,865
Related companies	610,721	702,601	61,811	98,165
Holding company	244,574	330,258	-	-
Associates	17,137	-	-	-
	7,878,933	5,184,219	532,438	511,030
Accruals	9,486,107	9,857,407	223,224	171,970
Deposits:-				
- Third parties	7,337,573	6,152,409	134,340	134,340
- Subsidiaries	-	-	442,500	442,000
- Associates	31,000	31,000	31,000	31,000
	24,733,613	21,225,035	1,363,502	1,290,340

Included in other payables of the Group is an amount of RM187,600 (2022: RM188,468) owing to companies in which certain Directors of the Company have substantial financial interests. These amounts are non-interest bearing and are repayable on demand.

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

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31. PROVISION FOR ONEROUS CONTRACTS

	The Group	
	2023	2022
	RM	RM
At 1 July	470,996	361,449
Provision made during the year	-	470,996
Provision utilised during the year	(470,996)	(361,449)
	-	470,996
Analysed by:-		
Current liabilities	-	470,996

32. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Freight and lighterage charge	692,674,119	604,811,239	-	-
Land transportation	47,462,415	46,743,016	-	-
Shipbuilding	4,279,820	67,409,897	-	-
Ship repairs and metal fabrication	44,555,201	56,993,493	-	-
Repair services	2,267,429	909,539	-	-
Barrage maintenance fee	-	690,615	-	-
	791,238,984	777,557,799	-	-
<u>Recognised at a point in time</u>				
Freight forwarding charges	7,123,629	6,036,056	-	-
Sales of goods and services	19,551,419	10,331,336	-	-
	26,675,048	16,367,392	-	-
	817,914,032	793,925,191	-	-

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32. REVENUE (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from Other Sources				
Vessel charter fee	120,826,576	98,378,946	-	-
Dividend income from:				
- subsidiaries	-	-	39,655,000	21,925,000
- associates	-	-	9,750	68,250
Hiring income	-	305,686	-	-
Rental income	863,760	847,760	5,612,780	3,580,960
	<u>121,690,336</u>	<u>99,532,392</u>	<u>45,277,530</u>	<u>25,574,210</u>
	<u>939,604,368</u>	<u>893,457,583</u>	<u>45,277,530</u>	<u>25,574,210</u>

33. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Impairment losses:				
- trade receivables	13,489,084	10,448,952	-	-
- other receivables	1,845,538	-	-	-
Reversal of impairment losses:				
- trade receivables	(2,162,964)	(487,447)	-	-
	<u>13,171,658</u>	<u>9,961,505</u>	<u>-</u>	<u>-</u>

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34. PROFIT BEFORE TAXATION

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	254,000	225,500	85,000	75,000
- overprovision in previous financial years	(4,650)	(20,800)	-	(10,000)
Depreciation:				
- property and equipment (Note 9)	92,707,259	88,918,417	1,267,699	1,360,960
- right-of-use assets (Note 9)	2,143,579	1,859,448	-	-
Directors' fees (Note 40(a))	124,000	527,000	124,000	527,000
Directors' non-fee emoluments (Note 40(a))				
- salaries, bonus and allowances	6,729,856	3,229,052	4,187,594	1,162,729
- defined contribution benefits	484,014	330,983	232,200	46,440
Fair value loss on investment securities	-	9,600	-	-
Fair value changes on forward contracts	(529,658)	800,213	-	-
Interest expenses on financial liabilities that are not fair value through profit or loss:				
- bank overdrafts	668,344	1,239,589	2,479	3,374
- bankers acceptances	2,309,979	2,494,475	-	-
- term loans	2,475,211	2,562,015	317,455	333,751
- revolving credits	1,796,217	2,230,189	102,569	160,868
- flexi loans	110,574	19,307	-	-
- hire purchase payables	961,828	518,752	8,650	-
Lease interest (Note 23)	14,020	19,393	-	-
Hiring charges – short term leases	9,021,617	5,123,395	-	-
Impairment loss:				
- property and equipment (Gain)/loss on foreign exchange:				
- realised	652,599	284,559	-	-
- unrealised	2,237,674	(207,833)	-	-
Property and equipment written off	1,230	-	-	-

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34. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Net change in provision for onerous contract	(470,996)	109,547	-	-
Staff costs (including other key management personnel): (Note 40(b))				
- short-term employee benefits	129,382,952	99,005,001	2,098,907	1,038,325
- defined contribution benefits	6,933,901	4,884,901	174,898	79,741
Rental expenses	1,289,523	596,392	706	-
Interest income on financial assets that are not fair value through profit or loss:				
- short term deposits	(6,048,788)	(2,700,540)	(1,507,702)	(925,548)
- current account	(1,937,094)	(886,602)	(39,078)	(18,897)
Net gain on disposal of property and equipment	(12,878,121)	(1,465,980)	(20,000)	(364)
Gain on disposal of non-current asset held for sale	-	(471,243)	-	-
Gain on lease modification	-	(176)	-	-
Gain on bargain purchase	(14,819,789)	(61,723)	-	-
Rental income	(495,820)	(167,068)	-	-
Dividend income:				
- associates	-	-	(9,750)	(68,250)
- subsidiaries	-	-	(39,655,000)	(21,925,000)
- investment securities	(1,800)	(1,200)	-	-

35. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense:				
- for the financial year	6,707,996	10,415,783	1,146,603	60,536
- (over)/underprovision in previous financial years	(12,037,779)	1,346,872	-	14,505
	(5,329,783)	11,762,655	1,146,603	75,041

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35. INCOME TAX EXPENSE (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax (Note 13)				
- origination and reversal of temporary differences	2,942,712	(4,248,704)	-	-
- underprovision in previous financial years	42,348	751,784	-	-
	2,985,060	(3,496,920)	-	-
	(2,344,723)	8,265,735	1,146,603	75,041

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation	180,259,946	151,107,676	37,011,924	20,484,277
Tax at the statutory tax rate of 24% (2022 - 24%)	43,262,387	36,265,842	8,882,862	4,916,226
Tax effects of:				
Non-taxable income	(43,242,965)	(27,766,228)	(9,522,000)	(5,278,467)
Non-deductible expenses	8,342,948	9,690,187	1,769,274	423,105
Deferred tax assets not recognised during the financial year	1,123,860	58,305	16,467	679
Share of results in associates	382,505	(56,159)	-	-
(Over)/underprovision in previous financial years:				
- current tax expense	(12,037,779)	1,346,872	-	14,505
- deferred taxation	42,348	751,784	-	-
Others	(154,791)	37,232	-	(1,007)
Utilisation of deferred tax assets previously not recognised	(63,236)	(12,062,100)	-	-
Income tax expense for the financial year	(2,344,723)	8,265,735	1,146,603	75,041

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35. INCOME TAX EXPENSE (CONT'D)

The corporate tax rate of the Group and of the Company is 24% (2022 - 24%).

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

36. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 30 June:

	The Group	
	2023	2022
	RM	RM
Profit attributable to ordinary equity holders of the Company	180,922,574	141,922,475
Weighted average number of ordinary shares in issue	1,142,874,883	1,159,790,392
Basic earnings per share (sen)	15.83	12.24

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

37. ACQUISITION OF SUBSIDIARIES

37.1 ACQUISITION OF SUBSIDIARIES

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

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37. ACQUISITION OF SUBSIDIARIES (CONT'D)

37.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

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

	The Group 2023 RM
Property and equipment	30,297,052
Trade and other receivables	11,323,078
Inventories	1,595,316
Cash and cash equivalents	2,764,523
Trade and other payables	(2,808,584)
Current tax assets	164,934
Hire purchase payable	(476,563)
Deferred tax liabilities	(5,243,467)
	<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

Impact of Acquisition on the Group's Results

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

	The Group 2023 RM
Revenue	12,370,701
Profit after taxation	1,900,700

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

On 27 May 2022, the Company acquired 50.50% equity interests in Melinau Container Services Sdn. Bhd. from its holding company, Shin Yang Holding Sendirian Berhad and a third party for a cash consideration of RM2 and 8,800,000 of 5% redeemable preference shares for a cash consideration of RM8,800,002 from its holding company, Shin Yang Holding Sendirian Berhad. On 6 May 2022, the Company also acquired 100% equity interests in Kuching Barrage Management Sdn. Bhd. for a cash consideration of RM600,000.

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37. ACQUISITION OF SUBSIDIARIES (CONT'D)

37.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

	The Group 2022 RM
Property and equipment	10,281,524
Trade and other receivables	6,569,290
Cash and cash equivalents	2,281,000
Trade and other payables	(6,645,124)
Current tax assets	46,951
Hire purchase payables	(2,332,741)
Lease liabilities	(22,810)
Current tax liabilities	(171)
Deferred tax liabilities	(656,966)
Redeemable preference shares	(8,800,000)
Fair value of net identifiable assets acquired	720,953
Less: Non-controlling interests	(59,228)
Less: Gain on bargain purchase	(61,723)
Add: Redeemable preference shares	8,800,000
Total purchase consideration	9,400,002
Less: Cash and bank balances of subsidiary acquired	(2,281,000)
Net cash outflow from the acquisition of subsidiaries	7,119,002

Impact of Acquisition on the Group's Results

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

	The Group 2022 RM
Revenue	2,041,263
Loss after taxation	(84,742)

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation from continuing operations would have been RM901,653,887 and RM142,991,332 respectively.

37.2 ACQUISITION OF A SUBSIDIARY SUBSEQUENT TO THE FINANCIAL YEAR END

During next financial year, the Company acquired 60% equity interests in Mewah Exim Sdn. Bhd. from third parties for a cash consideration of RM9,538,200.

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38. DIVIDENDS

	The Company	
	2023	2022
	RM	RM
Ordinary Shares		
Final dividend of 1.25 (2022 – Nil) sen per ordinary share in respect of the previous financial year	14,315,191	-

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

39. CASH FLOW INFORMATION

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

	The Group	
	2023	2022
	RM	RM
Property and equipment and right-of-use assets		
Cost of property and equipment purchased and right-of-use assets acquired (Note 9)	74,434,061	37,954,018
Less: Acquired through hire purchase arrangements	(8,647,800)	(12,656,985)
Less: Additions of new lease liabilities - right-of-use assets	(132,485)	(115,739)
	65,653,776	25,181,294

	The Company	
	2023	2022
	RM	RM
Property and equipment		
Cost of property and equipment purchased	527,629	760,749
Less: Acquired through hire purchase arrangements	(286,200)	-
	241,429	760,749

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39. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2023								
At 1 July	58,288,498	42,082,600	70,413,000	-	17,782,448	17,612,110	425,803	206,604,459
<u>Changes in Financial Cash Flows</u>								
New hire purchase	-	-	-	-	-	8,647,800	-	8,647,800
New leases (Note 23)	-	-	-	-	-	-	132,485	132,485
Proceeds from drawdown	-	-	-	6,749,582	-	-	-	6,749,582
Repayment of principals	(16,968,582)	(18,230,000)	(26,046,000)	-	(11,996,022)	(10,763,892)	(290,213)	(84,294,709)
Repayment of interests	(2,475,211)	(1,796,217)	(2,309,979)	(110,574)	(668,344)	(961,828)	(14,020)	(8,336,173)
	(19,443,793)	(20,026,217)	(28,355,979)	6,639,008	(12,664,366)	(3,077,920)	(171,748)	(77,101,015)

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39. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term Loans	Revolving	Bankers'	Flexi	Bank	Hire Purchase	Lease	Total
	RM	Credits	Acceptance	Financing	Overdrafts	Payables	Liabilities	RM
		RM	RM	RM	RM	RM	RM	
2023								
<u>Non-cash Changes</u>								
Acquisition of new subsidiaries	-	-	-	-	-	476,563	-	476,563
Reassessment/ modification of leases (Note 23)	-	-	-	-	-	-	81,482	81,482
Interest expense recognised in profit or loss	2,475,211	1,796,217	2,309,979	110,574	668,344	961,828	14,020	8,336,173
Unrealised gain on foreign exchange	-	991,800	-	-	-	-	-	991,800
	2,475,211	2,788,017	2,309,979	110,574	668,344	1,438,391	95,502	9,886,018
At 30 June	41,319,916	24,844,400	44,367,000	6,749,582	5,786,426	15,972,581	349,557	139,389,462

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39. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2022								
At 1 July	65,925,499	74,743,200	79,350,000	895,891	19,768,680	7,712,420	463,494	248,859,184
<u>Changes in Financial Cash Flows</u>								
New hire purchase	-	-	-	-	-	12,656,985	-	12,656,985
Proceeds from drawdown	10,000,000	-	-	-	-	-	-	10,000,000
Repayment of principals	(17,637,001)	(33,566,000)	(8,937,000)	(895,891)	(1,986,232)	(5,090,036)	(241,527)	(68,353,687)
Repayment of interests	(2,562,015)	(2,230,189)	(2,494,475)	(19,307)	(1,239,589)	(518,752)	(19,393)	(9,083,720)
	(10,199,016)	(35,796,189)	(11,431,475)	(915,198)	(3,225,821)	7,048,197	(260,920)	(54,780,422)

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39. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
2022								
<u>Non-cash Changes</u>								
Acquisition of subsidiaries (Note 37)	-	-	-	-	-	2,332,741	22,810	2,355,551
Acquisition of new leases (Note 23)	-	-	-	-	-	-	115,739	115,739
Reassessment/ modification of leases (Note 23)	-	-	-	-	-	-	65,287	65,287
Interest expense recognised in profit or loss	2,562,015	2,230,189	2,494,475	19,307	1,239,589	518,752	19,393	9,083,720
Unrealised gain on foreign exchange	-	905,400	-	-	-	-	-	905,400
	2,562,015	3,135,589	2,494,475	19,307	1,239,589	2,851,493	223,229	12,525,697
At 30 June	58,288,498	42,082,600	70,413,000	-	17,782,448	17,612,110	425,803	206,604,459

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39. CASH FLOW INFORMATION (CONT'D)

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

The Company	Term Loans RM	Revolving Credits RM	Hire Purchase Payables RM	Total RM
2023				
At 1 July	7,104,145	3,000,000	-	10,104,145
Addition	-	-	286,200	286,200
	7,104,145	3,000,000	286,200	10,390,345
<u>Changes in Financial Cash Flows</u>				
Repayment of principal	(1,550,004)	(3,000,000)	(75,940)	(4,625,944)
Repayment of interests	(317,455)	(102,569)	(8,650)	(428,674)
	(1,867,459)	(3,102,569)	(84,590)	(5,054,618)
<u>Non-cash Changes</u>				
Repayment of interests	317,455	102,569	8,650	428,674
At 30 June	5,554,141	-	210,260	5,764,401
2022				
At 1 July		8,654,149	4,000,000	12,654,149
<u>Changes in Financial Cash Flows</u>				
Repayment of principal		(1,550,004)	(1,000,000)	(2,550,004)
Repayment of interests		(333,751)	(160,868)	(494,619)
		(1,883,755)	(1,160,868)	(3,044,623)
<u>Non-cash Changes</u>				
Repayment of interests		333,751	160,868	494,619
At 30 June		7,104,145	3,000,000	10,104,145

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39. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fixed and treasury deposits with licensed banks	291,248,349	189,450,000	48,000,000	44,000,000
Cash and bank balances	107,656,134	93,723,425	458,529	15,167,993
	<u>398,904,483</u>	<u>283,173,425</u>	<u>48,458,529</u>	<u>59,167,993</u>
Bank overdrafts (Note 24)	(5,786,426)	(17,782,448)	-	-
	<u>393,118,057</u>	<u>265,390,977</u>	<u>48,458,529</u>	<u>59,167,993</u>
Less: Fixed and treasury deposits with maturity more than 3 months	(291,248,349)	(189,100,000)	(48,000,000)	(44,000,000)
	<u>101,869,708</u>	<u>76,290,977</u>	<u>458,529</u>	<u>15,167,993</u>

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.22% to 4.11% (2022 – 2.05% to 2.63%) per annum and 3.85% to 4.07% (2022 – 2.22% to 2.63%) per annum respectively. The fixed deposits have maturity periods ranging from 180 to 190 (2022 - 29 to 194) days and 180 (2022 – 180) days for the Group and the Company respectively.

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40. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:-				
- fees	124,000	527,000	124,000	527,000
- salaries, bonus and other benefits	5,403,560	1,863,104	4,187,594	1,162,729
	5,527,560	2,390,104	4,311,594	1,689,729
Defined contribution benefits	286,035	106,780	232,200	46,440
	5,813,595	2,496,884	4,543,794	1,736,169
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:-				
- salaries, bonus and other benefits	1,326,296	1,365,948	-	-
	1,326,296	1,365,948	-	-
Defined contribution benefits	197,979	224,203	-	-
	1,524,275	1,590,151	-	-
Total directors' remuneration (Note 34)	7,337,870	4,087,035	4,543,794	1,736,169

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40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(b) Other Key Management Personnel				
Short-term employee benefits:-	1,496,837	759,516	1,496,837	759,516
Defined contribution benefits	116,600	31,600	116,600	31,600
	<u>1,613,437</u>	<u>791,116</u>	<u>1,613,437</u>	<u>791,116</u>

41. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Company has related party relationships with holding company, entities within the same group of companies and companies in which Directors of the Company have substantial financial interests.

(b) Significant Related Party Transactions and Balances

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

	The Group	
	2023 RM	2022 RM
Sales of goods and services to		
- Related companies	(149,190,930)	(147,233,866)
- Holding company	(4,520.00)	(20,575)
- Associates	(1,431,206)	(40,823,611)
Purchase of goods and services from		
- Related companies	22,199,832	15,880,620
- Holding company	1,447	4,961
- Associates	3,202,673	2,886,559

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41. RELATED PARTY DISCLOSURES (CONT'D)

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

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

	The Group	
	2023	2022
	RM	RM
Sales of property and equipment		
- Related companies	(1,510,400)	(329,421)
Purchase of property and equipment		
- Related companies	3,912,547	2,627,641
- Associates	2,014,225	1,288
Rental income from		
- Related companies	(30,176)	(195,976)
- Associates	(324,000)	(300,000)
Rental expenses charged by		
- Related companies	1,073,582	523,407
- Associates	-	580
- Holding company	38,500	46,000

	The Group	
	2023	2022
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests:		
Sales of goods and services	(15,395,409)	(22,270,213)
Purchase of goods and services	10,780,139	25,889,145
Sales of property and equipment	(1,597,836)	(95,000)
Purchase of property and equipment	5,519,080	93,877
Rental income	-	(19,800)
Rental expenses	48,000	69,874

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41. RELATED PARTY DISCLOSURES (CONT'D)

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

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

	The Company	
	2023	2022
	RM	RM
Sales of property and equipment to		
- Subsidiaries	(20,000)	(450)
Other income		
- Related companies	(1,920)	-
Purchase of goods and services from		
- Subsidiaries	49,970	179,713
- Associate	-	19
- Related companies	144,946	126,623
Purchase of property and equipment		
- Subsidiaries	870	484,229
- Related companies	65,740	77,661
Rental income from		
- Associates	(324,000)	(300,000)
- Subsidiaries	(4,749,020)	(2,733,200)

	The Company	
	2023	2022
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests:		
Purchase of goods and services	38,006	-
Purchase of property and equipment	318,000	-

Related companies

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

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

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42. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 4 main reportable segments as follows:-

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

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

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

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42. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
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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42. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Gas RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
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	338,874,341	745,368,191	391,769,550	93,852,936	46,548,466	188,602,993	(233,622,918)	E	1,571,393,559
Liabilities:									
Segment liabilities	149,958,586	198,649,580	124,891,566	29,019,525	4,302,554	41,790,047	(202,705,555)	F	345,906,303

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42. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2022								
Revenue:								
External customers	135,026,722	570,620,169	132,535,667	47,652,555	7,622,470	-		893,457,583
Inter-segment	29,035,040	6,406,493	44,619	28,938,179	6,291,357	(70,715,688)	A	-
Total revenue	164,061,762	577,026,662	132,580,286	76,590,734	13,913,827	(70,715,688)		893,457,583
Results:								
Finance income	(28,671)	(1,324,663)	(1,027,994)	(38,944)	(1,166,870)	-		(3,587,142)
Finance costs	6,473,532	1,993,769	-	153,012	497,993	(34,586)		9,083,720
Dividend income	-	-	(1,200)	-	(21,993,250)	21,993,250		(1,200)
Depreciation and amortisation	10,300,845	54,817,099	19,271,242	3,970,085	1,710,236	708,358		90,777,865
Share of results of associates	-	-	-	-	-	221,144		221,144
Other non-cash expenses/ (income)	2,044,029	8,410,649	224,611	99,207	-	(276,734)	B	10,501,762
Segment profits	34,338,490	73,339,394	43,850,735	3,777,713	24,546,644	(28,745,300)	C	151,107,676

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42. OPERATING SEGMENTS (CONT'D)

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
30 June 2022 (Cont'd)								
Assets:								
Investment in associates	-	2,629,641	-	-	682,500	1,692,691		5,004,832
Additions to non-current assets	3,633,902	24,309,708	2,636,682	6,662,428	808,341	(97,043)	D	37,954,018
Segment assets	393,211,062	670,190,591	412,354,649	82,219,711	218,404,866	(288,168,038)	E	1,488,212,841
Liabilities:								
Segment liabilities	197,785,807	241,066,891	161,793,280	21,013,684	63,628,300	(263,977,324)	F	421,310,638

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42. OPERATING SEGMENTS (CONT'D)

- A Inter-segment revenues are eliminated on consolidated.
- B Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	2023	2022
	RM	RM
Fair value loss on other investments	-	9,600
Fair value changes on forward contracts	(529,658)	800,213
Unrealised loss/(gain) on foreign exchange	2,237,674	(207,833)
Impairment loss on trade and other receivables	15,334,622	10,448,952
Gain on bargain purchase	(14,819,789)	(61,723)
Impairment loss on property and equipment	3,182,914	-
Reversal of impairment loss on trade and other receivables	(2,162,964)	(487,447)
	<u>3,242,799</u>	<u>10,501,762</u>

- C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated statement of profit or loss and other comprehensive income:

	2023	2022
	RM	RM
Share of result of associates	(1,593,773)	221,144
Dividend from subsidiaries	(39,655,000)	(21,925,000)
Dividend from associates	(9,750)	(68,250)
Profit from inter-segment sales	(2,435,917)	(6,326,559)
Depreciation	(1,953,544)	(708,358)
Gain on bargain purchase	14,819,789	61,723
	<u>(30,828,195)</u>	<u>(28,745,300)</u>

- D Additions to non-current assets consists of:

	2023	2022
	RM	RM
Property and equipment	<u>74,434,061</u>	<u>37,954,018</u>

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42. OPERATING SEGMENTS (CONT'D)

- E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023	2022
	RM	RM
Property and equipment	(1,807,824)	(4,972,081)
Investment in associates	89,167	1,692,691
Inter-segment assets	(233,968,154)	(286,952,541)
Intangible assets	2,063,893	2,063,893
	<u>(233,622,918)</u>	<u>(288,168,038)</u>

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

	2023	2022
	RM	RM
Cumulative preference shares	(100,000)	(100,000)
Inter-segment liabilities	(202,605,555)	(263,877,324)
	<u>(202,705,555)</u>	<u>(263,977,324)</u>

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42. OPERATING SEGMENTS (CONT'D)

- F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position (Cont'd):

Geographical information

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

	Revenue	
	2023 RM	2022 RM
Malaysia	783,520,033	747,906,557
China	73,623,122	50,993,859
Singapore	28,400,950	50,955,375
United Arab Emirates	-	43,574,880
Japan	11,106,450	26,912
Brunei	11,717,351	-
India	2,102,260	-
Philippines	23,336,271	-
Korea	908,432	-
Australia	8,886	-
Solomon Islands	9,431	-
Denmark	452,597	-
Papua New Guinea	2,636,585	-
Indonesia	1,782,000	-
	939,604,368	893,457,583

43. CAPITAL COMMITMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Approved and not contracted for:				
Purchase of property and equipment	7,500,000	9,738,000	-	-
Construction of workshop	-	6,603,464	-	-
	7,500,000	16,341,464	-	-

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44. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2023	2022
	RM	RM
Performance guarantee extended by subsidiaries to third parties	8,976,014	16,971,765

45. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

45.1 FINANCIAL RISK MANAGEMENT POLICIES

Financial risk management policies are periodically reviewed and approved by the Board of Directors and executed by the management. The audit committee of Shin Yang Shipping Corporation Berhad provides independent oversight to the effectiveness of the risk management process.

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

(a) Market Risk

(i) Foreign currency risk

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

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2023	2022
	RM	RM
Effects on Profit/(Loss) After Taxation		
USD/RM - strengthen by 5%	(463,557)	(99,654)
USD/RM - weaken by 5%	463,557	99,654
	-----	-----
SGD/RM - strengthen by 5%	(33,273)	(16,797)
SGD/RM - weaken by 5%	33,273	16,797
	-----	-----
AED/RM - strengthen by 5%	-	2,315
AED/RM - weaken by 5%	-	(2,315)
	-----	-----
JPY/RM - strengthen by 5%	(26,588)	(16,773)
JPY/RM - weaken by 5%	26,588	16,773
	-----	-----
RMB/RM - strengthen by 5%	(250,312)	(257,457)
RMB/RM - weaken by 5%	250,312	257,457
	-----	-----
BND/RM - strengthen by 5%	134,684	-
BND/RM - weaken by 5%	(134,684)	-
	-----	-----

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 24 to the financial statements.

Interest Rate Risk Sensitivity Analysis

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

	The Group	
	2023	2022
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 10 basis points	(54,683)	(89,797)
Decrease of 10 basis points	54,683	89,797

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis (Cont'd)

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

	The Company	
	2023	2022
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 10 basis points	(4,221)	(7,679)
Decrease of 10 basis points	4,221	7,679

(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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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration profile

The Group determines concentration of credit risk by monitoring the trade and other receivables on an ongoing basis.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables including related parties and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

	Gross carrying Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
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

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

	Gross carrying Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
The Group				
2022				
Current (not past due)	62,605,006	-	(1,034,751)	61,570,255
Past due				
1-30 days	46,997,022	-	(809,474)	46,187,548
31-60 days	23,144,725	-	(639,112)	22,505,613
61-90 days	9,256,284	-	(399,974)	8,856,310
91-120 days	5,355,785	-	(542,693)	4,813,092
More than 121 days	46,881,444	-	(10,493,760)	36,387,684
Credit impaired	11,235,332	(9,991,816)	-	1,243,516
Trade receivables	205,475,598	(9,991,816)	(13,919,764)	181,564,018
Contract assets	2,455,328	-	-	2,455,328
	207,930,926	(9,991,816)	(13,919,764)	184,019,346

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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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for other receivables and related parties is summarised below:-

	Gross Amount RM	Lifetime Loss Allowances RM	Carrying Amount RM
The Group			
2023			
Low credit risk	1,091,380	-	1,091,380
Credit impaired	18,891,812	(18,891,812)	-
	<u>19,983,192</u>	<u>(18,891,812)</u>	<u>1,091,380</u>
2022			
Low credit risk	4,567,325	-	4,567,325
Credit impaired	17,046,274	(17,046,274)	-
	<u>21,613,599</u>	<u>(17,046,274)</u>	<u>4,567,325</u>

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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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
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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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
The Group					
2022					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	149,548,921	149,548,921	149,548,921	-	-
Lease liabilities	425,803	432,113	292,610	139,503	-
Loans and borrowings	206,178,656	214,432,391	160,295,864	49,003,601	5,132,926
	<u>356,153,380</u>	<u>364,413,425</u>	<u>310,137,395</u>	<u>49,143,104</u>	<u>5,132,926</u>
<u>Derivative Financial liabilities:</u>					
Forward currency contract	902,138	902,138	902,138	-	-
	<u>902,138</u>	<u>902,138</u>	<u>902,138</u>	<u>-</u>	<u>-</u>

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM
The Company				
2023				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,363,502	1,363,502	1,363,502	-
Loans and borrowings	5,764,401	6,209,561	1,865,004	4,344,557
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	91,659,770	91,659,770	91,659,770	-
	<u>98,787,673</u>	<u>99,232,833</u>	<u>94,888,276</u>	<u>4,344,557</u>
2022				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,290,340	1,290,340	1,290,340	-
Loans and borrowings	10,104,145	10,848,970	4,859,307	5,989,663
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	118,844,660	118,844,660	118,844,660	-
	<u>130,239,145</u>	<u>130,983,970</u>	<u>124,994,307</u>	<u>5,989,663</u>

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

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

45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023	2022
	RM	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 15)	157,354,570	181,564,018
Other receivables (Note 16)	12,930,919	7,418,494
Fixed and treasury deposits with licensed banks (Note 39)	291,248,349	189,450,000
Cash and bank balances (Note 39)	107,656,134	93,723,425
	569,189,972	472,155,937
Financial Liabilities		
<u>Fair Value Through Profit or Loss</u>		
Derivative liabilities	372,480	902,138
<u>Amortised Cost</u>		
Trade payables (Note 29)	107,902,587	128,323,886
Other payables and accruals (Note 30)	24,733,613	21,225,035
Lease liabilities (Note 23)	349,557	425,803
Bank borrowings (Note 24)	139,039,905	206,178,656
	272,025,662	356,153,380

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45. FINANCIAL INSTRUMENTS (CONT'D)

45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2023	2022
	RM	RM
The Company		
Financial Assets		
<u>Amortised Cost</u>		
Other receivables (Note 16)	682,643	1,824,489
Amount owing by subsidiaries (Note 10)	3,582,158	38,565,138
Dividend receivable	36,155,000	-
Fixed and treasury deposits with licensed banks (Note 39)	48,000,000	44,000,000
Cash and bank balances (Note 39)	458,529	15,167,993
	88,878,330	99,557,620
Financial Liabilities		
<u>Amortised Cost</u>		
Other payables and accruals (Note 30)	1,363,502	1,290,340
Bank borrowings (Note 24)	5,764,401	10,104,145
	7,127,903	11,394,485

45.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The quantitative disclosures fair value measurement hierarchy for assets and liabilities are disclosed in Notes 11, 18 and 25 to the financial statements respectively.