

**SHIN YANG SHIPPING  
CORPORATION BERHAD**  
(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**FINANCIAL REPORT**  
for the financial year ended 30 June 2022

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## TABLE OF CONTENT

---

Directors' Report .....	1
Statement by Directors .....	8
Statutory Declaration .....	8
Independent Auditors' Report .....	9
Statements of Financial Position .....	16
Statements of Profit or Loss and Other Comprehensive Income .....	18
Statements of Changes in Equity .....	20
Statements of Cash Flows .....	23
Notes to the Financial Statements .....	27

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## DIRECTORS' REPORT

---

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and property holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

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

## DIVIDENDS

At the forthcoming Annual General Meeting, a final dividend of 1.25 sen per ordinary share amounting to RM14,356,816 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2023.

## RESERVES AND PROVISIONS

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

## **SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### **DIRECTORS' REPORT (CONT'D)**

---

#### **ISSUES OF SHARES AND DEBENTURES**

During the financial year:-

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

#### **TREASURY SHARES**

During the financial year, the Company repurchased a total of 19,428,400 of its issued ordinary shares from the open market for a total cost of RM7,588,104. The average cost paid for the shares repurchased during the year was RM0.39 per share.

The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016. Of the total 1,200,000,000 issued and fully paid ordinary shares as at 30 June 2022, 51,454,700 are held as treasury shares by the Company. As at 30 June 2022, the number of outstanding shares in issue after the set-off is therefore 1,148,545,300 ordinary shares.

#### **OPTIONS GRANTED OVER UNISSUED SHARES**

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

#### **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

## **SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### **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.

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### DIRECTORS' REPORT (CONT'D)

---

#### ITEMS OF AN UNUSUAL NATURE

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

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

#### DIRECTORS

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

Tan Sri Datuk Ling Chiong Ho \*\*

Ling Chiong Sing \*\*

Datuk Lawrence Lai Yew Son (Resigned on 7.12.2021)

Ling Chiong Pin \*\*

Koh Ek Chong \*\* (Resigned on 30.5.2022)

Ling Siu Chuo

Vincent Ling Lu Yew \*\*

Arshad Bin Zainuddin

Datuk Ling Lu Kiong \*\* (Appointed on 8.4.2022)

Jack Willien @ William Anak Jinep \*\* (Appointed on 14.4.2022)

Yong Nyet Yun (Appointed on 31.5.2022)

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

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

Dennis Ling Lu Jing

Ling Lu Kuang

Tan Yeow Cheok

Tang Tiong Ing

Hou Siu Kee

Hong King Siang

Gary Tan Yow Hoo

Ting Hien Liong

Hou Su Ee (Alternate Director to Hou Siu Kee)

Hong Kwang Meng (Alternate Director to Hong King Siang)

Lau Sie Ping

Alfred Ling Lu Khiing

Ngu Chee Sing

Loretta Jane Lau Mei Nah

Lawrence Bin Ara

Azman Bin Sulaiman

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### 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 30.6.2022
	At 1.7.2021	Bought	Sold	
<b>Ordinary Shares in the Holding Company, Shin Yang Holding Sendirian Berhad</b>				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	6,250,000	-	-	6,250,000
Ling Chiong Sing	6,250,000	-	-	6,250,000
Ling Chiong Pin	6,250,000	-	-	6,250,000
<b>Ordinary Shares in the Company</b>				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	34,802,669	-	-	34,802,669
Ling Chiong Sing	34,802,669	-	-	34,802,669
Ling Chiong Pin	34,802,668	-	-	34,802,668
Vincent Ling Lu Yew	100,000	-	-	100,000
Ling Siu Chuo	36,000,009	-	-	36,000,009
Datuk Ling Lu Kiong	100,000	-	-	100,000
Yong Nyet Yun	-	100,000	-	100,000
<b>Deemed interest through Holding Company</b>				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	660,412,796	-	-	660,412,796
Ling Chiong Sing	660,412,796	-	-	660,412,796
Ling Chiong Pin	660,412,796	-	-	660,412,796

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### DIRECTORS' REPORT (CONT'D)

---

#### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 40(b) to the financial statements.

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

#### DIRECTORS' REMUNERATION

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

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

#### INDEMNITY AND INSURANCE COST

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

#### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

#### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

#### SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 36.2 to the financial statements.



## **SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### **DIRECTORS' REPORT (CONT'D)**

---

#### **HOLDING COMPANY**

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

#### **AUDITORS**

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

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

	<b>The Group RM</b>	<b>The Company RM</b>
Audit fees	<u>225,500</u>	<u>75,000</u>

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

**Yong Nyet Yun**

Director

**Ling Siu Chuo**

Director

## **SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

---

### **STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Yong Nyet Yun and Ling Siu Chuo, being two of the directors of Shin Yang Shipping Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 16 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and cash flows for the financial year ended on that date.

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

**Yong Nyet Yun**  
Director

**Ling Siu Chuo**  
Director

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

I, Richard Ling Peng Liing, MIA Membership Number: 9688, being the officer primarily responsible for the financial management of Shin Yang Shipping Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 16 to 116 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above mentioned  
Richard Ling Peng Liing  
at Miri in the State of Sarawak  
on 31 October 2022

**Richard Ling Peng Liing**

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062-A)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of Shin Yang Shipping Corporation Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

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

#### *Independence and Other Ethical Responsibilities*

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

#### **Key Audit Matters**

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

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

(Incorporated in Malaysia)

Registration No: 200401027554 (666062-A)

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

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

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

(Incorporated in Malaysia)

Registration No: 200401027554 (666062-A)

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

<b>Impairment on Trade Receivables</b> Refer to Note 14 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 30 June 2022, the Group's trade receivables were recorded at a gross amount of RM205.5 million with an impairment allowance of RM23.9 million.</p> <p>The management has assessed the recoverability of trade receivables by reviewing customers' ageing profile, credit history and trends, including status of subsequent settlement, and determine whether an impairment allowance is required.</p> <p>We identified impairment on trade receivables as a key audit matter because of the significance of trade receivables in the financial statements both in amount and nature, and the significant judgement required for assessing the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ Reviewed the ageing analysis of receivables and testing the reliability thereof.</li> <li>▪ Assessed the reasonableness of historical loss rate applied and understand and discussed the forward looking information gathered by the management in relation to the provision matrix and the application thereof.</li> <li>▪ Reviewed subsequent cash collections for major receivables and overdue amounts.</li> <li>▪ Reviewed collections and sales trend during the financial year for major receivables.</li> <li>▪ Evaluated the reasonableness and adequacy of the allowance for impairment recognised.</li> <li>▪ Assessed the completeness, accuracy and relevance of disclosure required by MFRS 7.</li> </ul>

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

(Incorporated in Malaysia)

Registration No: 200401027554 (666062-A)

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

<b>Impairment Assessment on Investment in Subsidiaries (Separate financial statement of the Company)</b>	
Refer to Note 6 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 30 June 2022, the carrying amount of the Company's investment in subsidiaries amounted to RM1,073.8 million, being 87.6% of the Company's total assets. With its significance in value, the management is required to perform impairment assessment of its investment in subsidiaries whenever there is an indication that the investments may be impaired.</p> <p>The management determined the recoverable amounts of investments using the higher of value in use ("VIU") and fair value less costs to sell ("FV") for the relevant investment. The fair value less costs to sell was determined by management based on adjusted net tangible assets of the subsidiary.</p> <p>Given the significant risks and complexity involved in estimating the recoverable amounts of the investments, we have identified the above requiring audit consideration.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ Evaluated the assessment of the indication of impairment loss.</li> <li>▪ Evaluated the appropriateness of the impairment assessment methodology.</li> <li>▪ Evaluated the assumptions applied in the impairment assessment.</li> <li>▪ Assessed the objectivity, independence, reputation, experience and expertise of the internal expert.</li> <li>▪ Checked the mathematical accuracy of management's computation of the fair value less costs of disposal.</li> </ul>

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

(Incorporated in Malaysia)

Registration No: 200401027554 (666062-A)

### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

### **Responsibilities of the Directors for the Financial Statements**

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

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

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

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

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

(Incorporated in Malaysia)

Registration No: 200401027554 (666062-A)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



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

(Incorporated in Malaysia)

Registration No: 200401027554 (666062-A)

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

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

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

**OTHER MATTERS**

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

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

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

Miri, Sarawak  
31 October 2022

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

---

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Note	Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
<b>The Group</b>								
Balance at 1.7.2020		1,216,972,062	(8,852,688)	(297,861,069)	1,010,213	911,268,518	5,821,772	917,090,290
Profit after taxation for the financial year		-	-	-	17,052,020	17,052,020	697,567	17,749,587
		1,216,972,062	(8,852,688)	(297,861,069)	18,062,233	928,320,538	6,519,339	934,839,877
Contributions by and distributions to owners of the Company:								
- Purchase of treasury shares	20	-	(130,739)	-	-	(130,739)	-	(130,739)
- Dividends:								
- by subsidiaries to non- controlling interests		-	-	-	-	-	(120,000)	(120,000)
Total transactions with owners		-	(130,739)	-	-	(130,739)	(120,000)	(250,739)
Balance at 30.6.2021		1,216,972,062	(8,983,427)	(297,861,069)	18,062,233	928,189,799	6,399,339	934,589,138

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

Page 20

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Note	Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
<b>The Group</b>								
Balance at 1.7.2021		1,216,972,062	(8,983,427)	(297,861,069)	18,062,233	928,189,799	6,399,339	934,589,138
Profit after taxation for the financial year		-	-	-	141,922,475	141,922,475	919,466	142,841,941
		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	20	-	(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.

Page 21

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

---

	Note	Share Capital RM	Treasury Shares RM	Retained Profits/ (Accumulated Losses) RM	Total Equity RM
<b>The Company</b>					
Balance at 1.7.2020		1,216,972,062	(8,852,688)	(6,855,270)	1,201,264,104
Loss after taxation for the financial year		-	-	(124,902)	(124,902)
<b>Transactions with owners</b>					
Purchase of treasury shares	20	-	(130,739)	-	(130,739)
Balance at 30.6.2021/ 1.7.2021		1,216,972,062	(8,983,427)	(6,980,172)	1,201,008,463
Profit after taxation for the financial year		-	-	20,409,236	20,409,236
<b>Transactions with owners</b>					
Purchase of treasury shares	20	-	(7,588,104)	-	(7,588,104)
Balance at 30.6.2022		1,216,972,062	(16,571,531)	13,429,064	1,213,829,595

---



**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF CASH FLOWS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF CASH FLOWS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

---

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

---

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**STATEMENTS OF CASH FLOWS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

### 1. GENERAL INFORMATION

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 October 2022.

### 2. HOLDING COMPANY

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

### 3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and property holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 4. BASIS OF PREPARATION

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

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

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 5. SIGNIFICANT ACCOUNTING POLICIES

##### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

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

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work completed to date. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 16 to the financial statements.

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

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

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 14 and 16 to the financial statements respectively.

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

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 15 and 9 to the financial statements respectively.

##### **(e) Impairment of Property and Equipment**

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



## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

###### **(f) Impairment of Investments in Subsidiaries**

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

*Critical Judgements Made in Applying Accounting Policies*

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

###### **Lease Terms**

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

##### 5.2 BASIS OF CONSOLIDATION

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

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

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

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

##### (a) Business Combinations

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

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

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

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

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

###### (e) Loss of Control

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

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

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

##### 5.3 GOODWILL

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

##### 5.3 GOODWILL (CONT'D)

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

##### 5.4 FUNCTIONAL AND FOREIGN CURRENCIES

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

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

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

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

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

##### 5.5 FINANCIAL INSTRUMENTS

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

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

#### (a) Financial Assets

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

##### *Debt Instruments*

#### (i) Amortised Cost

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

###### *Debt Instruments (Cont'd)*

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

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

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

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

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

###### *Equity Instruments*

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

###### (b) Financial Liabilities

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

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

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

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

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

###### (c) Equity Instruments

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

###### (i) Ordinary Shares

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

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

###### (ii) Treasury Shares

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

###### (c) Equity Instruments (Cont'd)

###### (ii) Treasury Shares (Cont'd)

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

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

###### (d) Derecognition

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

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

###### (e) Derivative Financial Instruments

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

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



## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

###### (e) Derivative Financial Instruments (Cont'd)

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

###### (f) Financial Guarantee Contracts

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

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

##### 5.6 INVESTMENTS IN SUBSIDIARIES

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

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

## **SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

---

#### **5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **5.7 INVESTMENTS IN ASSOCIATES**

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

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 June 2022. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

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

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

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

##### **5.8 PROPERTY AND EQUIPMENT**

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

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

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

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

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

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

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

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

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

#### 5.9 LEASES

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

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

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

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

Land and buildings	2 – 94 years
Motor vehicles	5 – 10 years
Plant and machinery	6.7 – 10 years
Shipping equipment and machinery	10 years

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

##### 5.10 INVENTORIES

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

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

##### 5.11 CONTRACT COST ASSETS

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

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

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

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

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

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

##### 5.12 CASH AND CASH EQUIVALENTS

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

##### 5.13 CONTRACT ASSET AND CONTRACT LIABILITY

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

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

##### 5.14 PROVISIONS

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

##### 5.15 IMPAIRMENT

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

##### 5.15 IMPAIRMENT (CONT'D)

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

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

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

##### 5.15 IMPAIRMENT (CONT'D)

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

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

##### 5.16 EMPLOYEE BENEFITS

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

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

###### **(b) Defined Contribution Plans**

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

##### 5.17 INCOME TAXES

###### **(a) Current Tax**

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

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

###### **(b) Deferred Tax**

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



## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

###### (b) Deferred Tax (Cont'd)

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

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

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

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

##### 5.18 BORROWING COSTS

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

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

## **SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

---

#### **5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **5.19 FAIR VALUE MEASUREMENT**

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

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

##### **5.20 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

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

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

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

#### 5.21 CONTINGENT LIABILITIES

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

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

#### 5.22 OPERATING SEGMENTS

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

#### 5.23 EARNINGS PER ORDINARY SHARE

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

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

#### 5.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

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

#### (a) Construction Services - Shipbuilding

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

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

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

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

###### (e) Sales of goods and services

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

##### 5.25 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

###### (a) Dividend Income

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

###### (b) Rental Income

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 6. INVESTMENT IN SUBSIDIARIES

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

The details of the subsidiaries are as follows:-

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
Danum Shipping Sdn. Bhd.	Malaysia	100%	100%	International shipping operations for liquid chemical products
Piasau Slipways Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures
Shinline Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Shin Yang Shipping Sdn. Bhd.	Malaysia	100%	100%	Domestic and regional shipping operations
Shin Yang Shipyard Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures and technology services
Thailine Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Hock Leong Shipping Sdn. Bhd.	Malaysia	70%	70%	Shipping agency

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
Dynasys Technology & Engineering Sdn. Bhd.	Malaysia	100%	100%	Engineering consultation, trading
Melinau Transport Sdn. Bhd.	Malaysia	100%	100%	Transportation and hiring services
Melinau Container Services Sdn. Bhd.	Malaysia	50.50%	-	Transportation and hiring services
Kuching Barrage Management Sdn. Bhd.	Malaysia	100%	-	Operations and maintenance of a barrage
<b>Subsidiary of Danum Shipping Sdn. Bhd.</b>				
Sinar Asiamas Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
<b>Subsidiary of Shin Yang Shipping Sdn. Bhd.</b>				
Gemilang Raya Maritime Sdn. Bhd.*^	Malaysia	-	60%	Investment holding

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

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

(a) During the current financial year, the Company has acquired 50.50% equity interests in Melinau Container Services Sdn. Bhd. and 100% equity interests in Kuching Barrage Management Sdn. Bhd. The details of the acquisition are disclosed in Note 36 to the financial statements.

(b) Non-controlling interests

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 7. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unquoted share, at cost	3,968,946	3,968,946	682,500	682,500
Share of post acquisition reserves	1,035,886	882,991	-	-
	<u>5,004,832</u>	<u>4,851,937</u>	<u>682,500</u>	<u>682,500</u>

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

Name Of Associates	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
Melinau Shipping Sdn. Bhd.*	Malaysia	39%	39%	Shipping and forwarding agency
<b>Associate of Shin Yang Shipping Sdn. Bhd.</b>				
PT Shinline*	Indonesia	49%	49%	Investment holding
Shin Yang FZC*	United Arab Emirates	49%	49%	Investment holding
<b>Associate of PT Shinline</b>				
PT Baruna Adiprasetya*	Indonesia	49%	49%	International shipping and shipping agency
<b>Associate of Shin Yang FZC</b>				
Deena Shipping L.L.C.*	United Arab Emirates	49%	49%	Offshore and marine related shipping business, cargo services and chartering

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



## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 7. INVESTMENT IN ASSOCIATES (CONT'D)

The Group has not recognised losses relating to PT Shinline where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the reporting date was RM1,191,506 (2021: RM1,155,833) of which RM35,673 (2021: RM15,168) was the share of the current year's loss. The Group has no obligation in respect of these losses.

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

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT**

<b>The Group</b>	At 1.7.2021 RM	Additions RM	Acquisition of Subsidiaries RM	Transfer RM	Disposals/ De- recognition RM	Re- classification RM	Reassessment of lease liabilities RM	Depreciation Charges RM	At 30.6.2022 RM
<b>2022</b>									
<i>Carrying amount</i>									
<u>Owned assets</u>									
Dry docking expenses	3,789,058	1,388,142	-	-	-	-	-	(1,362,363)	3,814,837
Land, buildings, jetty, wharfs and slipways	201,614,098	562,947	391,320	963,702	(41,739)	-	-	(7,109,792)	196,380,536
Motor vehicles	3,091,144	312,000	113,213	744,754	(2,627)	-	-	(822,675)	3,435,809
Office equipment, furniture and fittings	3,798,680	440,943	307,143	-	(17,795)	-	-	(1,127,386)	3,401,585
Plant and machinery	63,517,419	3,688,530	5,084,784	-	(88,009)	-	-	(7,540,791)	64,661,933
Shipping equipment and machinery	18,948,747	2,759,062	-	2,025,579	(17)	-	-	(6,732,145)	17,001,226
Vessels	601,771,948	-	-	-	(2,057,167)	-	-	(61,547,971)	538,166,810
Capital work-in- progress	7,883,756	10,642,352	38,332	(1,739,781)	(1,729,126)	(12,700)	-	-	15,082,833
	904,414,850	19,793,976	5,934,792	1,994,254	(3,936,480)	(12,700)	-	(86,243,123)	841,945,569

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

<b>The Group</b>	At 1.7.2021 RM	Additions RM	Acquisition of Subsidiaries RM	Transfer RM	Disposals/ De- recognition RM	Re- classification RM	Reassessment of lease liabilities RM	Depreciation Charges RM	At 30.6.2022 RM
<b>2022</b>									
<i>Carrying amount (Cont'd)</i>									
<u>Right-of-use assets</u>									
Land and buildings	80,005,644	1,503,722	21,791	-	(23,691)	12,700	89,153	(1,859,448)	79,749,871
Motor vehicles	1,423,948	-	-	(744,754)	-	-	-	(92,614)	586,580
Plant and machinery	2,562,477	2,360,000	4,324,941	-	-	-	-	(527,353)	8,720,065
Shipping equipment and machinery	11,689,230	14,296,320	-	(1,249,500)	-	-	-	(2,055,327)	22,680,723
	95,681,299	18,160,042	4,346,732	(1,994,254)	(23,691)	12,700	89,153	(4,534,742)	111,737,239
	1,000,096,149	37,954,018	10,281,524	-	(3,960,171)	-	89,153	(90,777,865)	953,682,808

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

<b>The Group</b>	At 1.7.2020 RM	Additions RM	Acquisition of A Subsidiary RM	Transfer RM	Disposals/ De- recognition RM	Written Off RM	Reassessment of lease liabilities RM	Depreciation Charges RM	At 30.6.2021 RM
<b>2021</b>									
<i>Carrying amount (Cont'd)</i>									
<u>Right-of-use assets</u>									
Land and buildings	21,996,676	251,428	22,986,323	35,551,839	-	-	94,541	(875,163)	80,005,644
Motor vehicles	1,717,538	165,000	-	(84,072)	(71,250)	-	-	(303,268)	1,423,948
Plant and machinery	83,937	-	2,633,779	(83,937)	-	-	-	(71,302)	2,562,477
Shipping equipment and machinery	13,832,654	-	-	(386,541)	-	-	-	(1,756,883)	11,689,230
Vessels	961,719	-	-	-	(329,776)	-	-	(631,943)	-
	38,592,524	416,428	25,620,102	34,997,289	(401,026)	-	94,541	(3,638,559)	95,681,299
	1,036,529,638	38,475,863	35,464,881	-	(22,187,874)	(1)	94,541	(88,280,899)	1,000,096,149

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

<b>The Company</b>	At 1.7.2021 RM	Additions RM	Disposals RM	Transfer RM	Depreciation Charges RM	At 30.6.2022 RM
<b>2022</b>						
<i>Carrying amount</i>						
<u>Owned assets</u>						
Land and buildings	48,301,414	-	-	780,144	(796,880)	48,284,678
Office equipment, furniture and fittings	991,300	140,605	(86)	-	(507,678)	624,141
Capital work-in-progress	160,000	620,144	-	(780,144)	-	-
Motor vehicles	-	-	-	98,704	(56,402)	42,302
	49,452,714	760,749	(86)	98,704	(1,360,960)	48,951,121
<u>Right-of-use assets</u>						
Motor vehicles	98,704	-	-	(98,704)	-	-
	98,704	-	-	(98,704)	-	-
	49,551,418	760,749	(86)	-	(1,360,960)	48,951,121

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

<b>The Group</b>	<b>At Cost RM</b>	<b>Accumulated Depreciation RM</b>	<b>Carrying Amount RM</b>
<b>30.6.2022</b>			
<u>Owned assets</u>			
Dry docking expenses	13,138,912	(9,324,075)	3,814,837
Land, buildings, jetty, wharfs and slipways	299,464,840	(103,084,304)	196,380,536
Motor vehicles	15,790,954	(12,355,145)	3,435,809
Office equipment, furniture and fittings	20,707,667	(17,306,082)	3,401,585
Plant and machinery	379,151,701	(314,489,768)	64,661,933
Shipping equipment and machinery	146,960,375	(129,959,149)	17,001,226
Vessels	1,274,133,895	(735,967,085)	538,166,810
Capital work-in-progress	15,082,833	-	15,082,833
	<u>2,164,431,177</u>	<u>(1,322,485,608)</u>	<u>841,945,569</u>
<u>Right-of-use assets</u>			
Land and buildings	94,152,026	(14,402,155)	79,749,871
Motor vehicles	805,925	(219,345)	586,580
Plant and machinery	10,714,101	(1,994,036)	8,720,065
Shipping equipment and machinery	29,485,147	(6,804,424)	22,680,723
	<u>135,157,199</u>	<u>(23,419,960)</u>	<u>111,737,239</u>
	<u>2,299,588,376</u>	<u>(1,345,905,568)</u>	<u>953,682,808</u>



**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****8. PROPERTY AND EQUIPMENT (CONT'D)**

<b>The Company</b>	<b>At Cost RM</b>	<b>Accumulated Depreciation RM</b>	<b>Carrying Amount RM</b>
<b>30.6.2022</b>			
<u>Owned assets</u>			
Land and buildings	54,332,738	(6,048,060)	48,284,678
Office equipment, furniture and fittings	5,806,115	(5,181,974)	624,141
Capital work-in-progress	-	-	-
Motor vehicles	282,011	(239,709)	42,302
	<u>60,420,864</u>	<u>(11,469,743)</u>	<u>48,951,121</u>
<b>30.6.2021</b>			
<u>Owned assets</u>			
Land and buildings	53,552,594	(5,251,180)	48,301,414
Office equipment, furniture and fittings	5,665,960	(4,674,660)	991,300
Capital work-in-progress	160,000	-	160,000
	<u>59,378,554</u>	<u>(9,925,840)</u>	<u>49,452,714</u>
<u>Right-of-use assets</u>			
Motor vehicles	282,011	(183,307)	98,704
	<u>59,660,565</u>	<u>(10,109,147)</u>	<u>49,551,418</u>

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 8. PROPERTY AND EQUIPMENT (CONT'D)

##### Asset pledged as security

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

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

##### Right-of-use assets

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

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

#### 9. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

#### 10. OTHER INVESTMENTS

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

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

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

### 11. GOODWILL

	The Group	
	2022 RM	2021 RM
Cost:		
At 30 June 2022/2021	2,063,893	2,063,893

Carrying amount of goodwill on business acquisition is related to the acquisition of a shipping agency in prior years. The Group performed its annual impairment test in June 2022 and 2021.

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections is 11.45% (2021 - 10%).

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

### 12. DEFERRED TAX ASSETS/(LIABILITIES)

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

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

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

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

#### 13. INVENTORIES

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 14. TRADE RECEIVABLES

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

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

- (a) The Group's and the Company's normal trade credit terms range from 7 to 90 (2021 - 7 to 90) days.
- (b) Included in trade receivables of the Group is an amount of RM33,186,084 (2021 - RM16,722,844) owing by companies in which certain directors have substantial financial interests.

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****15. OTHER RECEIVABLES AND DEPOSITS**

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

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

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

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



## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 16. CONTRACT ASSETS/(LIABILITIES)

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

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

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

#### 17. DERIVATIVE LIABILITIES

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

The Group does not apply hedge accounting.

- (a) Forward currency contracts are used to hedge the Group's sales denominated in United States Dollar (USD) for which firm commitments exists at the end of the reporting period. The settlement dates of the forward currency contracts range between 1 to 4 (2021 - 10 to 12) months after the end of reporting period.
- (b) The fair value of equity investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

#### 18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 19. SHARE CAPITAL

	The Group and The Company			
	2022	2021	2022	2021
	Number of Shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 July and 30 June	1,200,000,000	1,200,000,000	1,216,972,062	1,216,972,062

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

#### 20. TREASURY SHARES

During the financial year, the Company has purchased 19,428,400 (2021 - 604,900) of its issued ordinary shares from Bursa Malaysia Securities Berhad at a price of RM0.39 (2021 - RM0.22) per share. The total consideration paid for the purchase was RM7,588,104 (2021 - RM130,739) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 1,200,000,000 (2021 - 1,200,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 51,454,700 (2021 - 32,026,300) ordinary shares are held as treasury shares by the Company. None (2021 - none) of the treasury shares were resold during the financial year.

#### 21. OTHER RESERVES

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 21. OTHER RESERVES (CONT'D)

##### Merger deficits

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

#### 22. LEASE LIABILITIES

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

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****23. BANK BORROWINGS**

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 24. TERM LOANS (SECURED)

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

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

#### 25. BANK OVERDRAFTS

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

#### 26. BANKERS ACCEPTANCE/FLEXI FINANCING TRADE LOAN

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

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

#### 27. REVOLVING CREDITS

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 28. TRADE PAYABLES

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

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

#### 29. OTHER PAYABLES AND ACCRUALS

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

Included in other payables of the Group is an amount of RM188,468 (2021: RM38,318) owing to companies in which certain Directors of the Company have substantial financial interests. These amounts are non-interest bearing and are repayable on demand.

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 30. PROVISION FOR ONEROUS CONTRACTS

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

#### 31. REVENUE

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



**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****31. REVENUE (CONT'D)**

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

**32. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS**

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 33. PROFIT BEFORE TAXATION

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 33. PROFIT BEFORE TAXATION (CONT'D)

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

#### 34. INCOME TAX EXPENSE

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****34. INCOME TAX EXPENSE (CONT'D)**

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 34. INCOME TAX EXPENSE (CONT'D)

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

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

#### 35. EARNINGS PER SHARE

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

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

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

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

#### 36. ACQUISITION OF SUBSIDIARIES

##### 36.1 ACQUISITION OF SUBSIDIARIES

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 36. ACQUISITION OF SUBSIDIARIES (CONT'D)

##### 36.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

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

	<b>The Group 2022 RM</b>
Property and equipment	10,281,524
Trade and other receivables	6,569,290
Cash and cash equivalents	2,281,000
Trade and other payables	(6,645,124)
Current tax assets	46,951
Lease liabilities	(2,355,551)
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:-

	<b>The Group 2022 RM</b>
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.

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 36. ACQUISITION OF SUBSIDIARIES (CONT'D)

##### 36.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

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

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

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

#### Impact of Acquisition on the Group's Results

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

	<b>The Group 2021 RM</b>
Revenue	9,622,615
Profit after taxation	997,756
	<hr/>

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation from continuing operations would have been RM613,729,887 and RM21,927,964 respectively.

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 36. ACQUISITION OF SUBSIDIARIES (CONT'D)

##### 36.2 ACQUISITION OF A SUBSIDIARY SUBSEQUENT TO THE FINANCIAL YEAR END

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

#### 37. DIVIDENDS

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

At the forthcoming Annual General Meeting, a final dividend of 1.25 sen per ordinary share amounting to RM14,356,816 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2023.

#### 38. CASH FLOW INFORMATION

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

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



**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****38. CASH FLOW INFORMATION (CONT'D)**

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

<b>The Group</b>	<b>Term Loans RM</b>	<b>Revolving Credits RM</b>	<b>Bankers' Acceptance RM</b>	<b>Flexi Financing RM</b>	<b>Bank Overdrafts RM</b>	<b>Lease Liabilities RM</b>	<b>Total RM</b>
<b>2022</b>							
At 1 July	65,925,499	74,743,200	79,350,000	895,891	19,768,680	8,175,914	248,859,184
<u>Changes in Financial Cash Flows</u>							
New leases (Note 22)	-	-	-	-	-	12,656,985	12,656,985
Proceeds from drawdown	10,000,000	-	-	-	-	-	10,000,000
Repayment of principals	(17,637,001)	(33,566,000)	(8,937,000)	(895,891)	(1,986,232)	(5,331,563)	(68,353,687)
Repayment of interests	(2,562,015)	(2,230,189)	(2,494,475)	(19,307)	(1,239,589)	(538,145)	(9,083,720)
	(10,199,016)	(35,796,189)	(11,431,475)	(915,198)	(3,225,821)	6,787,277	(54,780,422)

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****38. CASH FLOW INFORMATION (CONT'D)**

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

<b>The Group</b>	Term Loans RM	Revolving Credits RM	Bankers' Acceptance RM	Flexi Financing RM	Bank Overdrafts RM	Lease Liabilities RM	Total RM
<b>2022</b>							
<u>Non-cash Changes</u>							
Acquisition of subsidiaries (Note 36)	-	-	-	-	-	2,355,551	2,355,551
Acquisition of new leases (Note 22)	-	-	-	-	-	115,739	115,739
Reassessment/ modification of leases (Note 22)	-	-	-	-	-	65,287	65,287
Interest expense recognised in profit or loss	2,562,015	2,230,189	2,494,475	19,307	1,239,589	538,145	9,083,720
Unrealised gain on foreign Exchange	-	905,400	-	-	-	-	905,400
	2,562,015	3,135,589	2,494,475	19,307	1,239,589	3,074,722	12,525,697
At 30 June	58,288,498	42,082,600	70,413,000	-	17,782,448	18,037,913	206,604,459

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****38. CASH FLOW INFORMATION (CONT'D)**

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

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****38. CASH FLOW INFORMATION (CONT'D)**

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

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****38. CASH FLOW INFORMATION (CONT'D)**

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

<b>The Company</b>	<b>Term Loans RM</b>	<b>Revolving Credits RM</b>	<b>Lease Liabilities RM</b>	<b>Total RM</b>
<b>2022</b>				
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
<b>2021</b>				
At 1 July	10,204,153	5,000,000	80,583	15,284,736
<u>Changes in Financial Cash Flows</u>				
Repayment of principal	(1,550,004)	(1,000,000)	(80,583)	(2,630,587)
Repayment of interests	(394,362)	(181,235)	(1,731)	(577,328)
	(1,944,366)	(1,181,235)	(82,314)	(3,207,915)
<u>Non-cash Changes</u>				
Repayment of interests	394,362	181,235	1,731	577,328
At 30 June	8,654,149	4,000,000	-	12,654,149

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 38. CASH FLOW INFORMATION (CONT'D)

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

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

#### 39. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 39. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

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

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

#### 40. RELATED PARTY DISCLOSURES

##### (a) Identities of Related Parties

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 40. RELATED PARTY DISCLOSURES (CONT'D)

##### (b) Significant Related Party Transactions and Balances

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

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

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



## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 40. RELATED PARTY DISCLOSURES (CONT'D)

##### (b) Significant Related Party Transactions and Balances

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

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

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

##### 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.

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 41. OPERATING SEGMENTS

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

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

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

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

- (a) The Group Managing Director assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets (including goodwill) is measured based on all assets of the segment other than investment in an associate and tax-related assets.
- (c) Segment liabilities information is not regularly provided to the Group Managing Directors. Hence, no disclosure is made on segment liabilities
- (d) Assets and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.
- (e) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****41. OPERATING SEGMENTS (CONT'D)**

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
<b>30 June 2022</b>								
<b>Revenue:</b>								
External customers	135,026,722	570,620,169	132,535,667	47,652,555	7,622,470	-		893,457,583
Inter-segment	29,035,040	6,406,493	44,619	6,291,357	28,938,179	(70,715,688)	A	-
Total revenue	164,061,762	577,026,662	132,580,286	53,943,912	36,560,649	(70,715,688)		893,457,583
<b>Results:</b>								
Finance income	(28,671)	(1,324,663)	(1,027,994)	(38,944)	(1,166,870)	-		(3,587,142)
Finance costs	6,473,532	1,993,769	-	153,012	497,993	(34,586)		9,083,720
Dividend income	-	-	(1,200)	-	(21,993,250)	21,993,250		(1,200)
Depreciation and amortisation	10,300,845	54,817,099	19,271,242	3,970,085	1,710,236	708,358		90,777,865
Share of results of associates	-	-	-	-	-	221,144		221,144
Other non-cash expenses/ (income)	2,044,029	8,410,649	224,611	99,207	-	(276,734)	B	10,501,762
Segment profits	34,338,490	73,339,394	43,850,735	3,777,713	24,546,644	(28,745,300)	C	151,107,676

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****41. OPERATING SEGMENTS (CONT'D)**

	Shipbuilding Ship Repair and Fabrication of Metal Structures RM	Domestic and Regional Shipping RM	International Shipping RM	Land Transportation RM	Others RM	Consolidation Adjustments and Eliminations RM	Notes	Per Consolidated Financial Statements RM
<b>30 June 2022 (Cont'd)</b>								
<b>Assets:</b>								
Investment in associates	-	2,629,641	-	-	682,500	1,692,691		5,004,832
Additions to non-current assets	3,633,902	24,309,708	2,636,682	6,662,428	808,341	(97,043)	D	37,954,018
Segment assets	393,211,062	670,190,591	412,354,649	82,219,711	218,404,866	(288,168,038)	E	1,488,212,841
<b>Liabilities:</b>								
Segment liabilities	197,785,807	241,066,891	161,793,280	21,013,684	63,628,300	(263,977,325)	F	421,310,637

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****41. OPERATING SEGMENTS (CONT'D)**

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

**SHIN YANG SHIPPING CORPORATION BERHAD**

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022****41. OPERATING SEGMENTS (CONT'D)**

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 41. OPERATING SEGMENTS (CONT'D)

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

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

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

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

- D Additions to non-current assets consists of:

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 41. OPERATING SEGMENTS (CONT'D)

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

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

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

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

#### Geographical information

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

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

---



## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 42. CAPITAL COMMITMENTS

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

#### 43. CONTINGENT LIABILITIES

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

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

#### 44. FINANCIAL INSTRUMENTS

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

##### 44.1 FINANCIAL RISK MANAGEMENT POLICIES

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

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

### 44. FINANCIAL INSTRUMENTS (CONT'D)

#### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

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

##### (a) Market Risk

###### (i) Foreign currency risk

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

##### *Foreign Currency Risk Sensitivity Analysis*

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

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

---

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

### 44. FINANCIAL INSTRUMENTS (CONT'D)

#### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

###### (i) Foreign currency risk (Cont'd)

###### *Foreign Currency Risk Sensitivity Analysis (Cont'd)*

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

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

###### (ii) Interest Rate Risk

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

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 23 to the financial statements.

# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

### 44. FINANCIAL INSTRUMENTS (CONT'D)

#### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk

##### *Interest Rate Risk Sensitivity Analysis*

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

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

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

##### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Credit Risk (Cont'd)

###### (i) Credit Risk Concentration profile

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

###### (ii) Exposure to Credit Risk

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

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

###### (iii) Assessment of Impairment Losses

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

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

###### Trade Receivables and Contract Assets

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Credit Risk (Cont'd)

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

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

##### Other Receivables and Related Parties

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

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

	Gross Amount RM	Lifetime Loss Allowances RM	Carrying Amount RM
<b>The Group</b>			
<b>2022</b>			
Low credit risk	4,567,325	-	4,567,325
Credit impaired	17,046,274	(17,046,274)	-
	<u>21,613,599</u>	<u>(17,046,274)</u>	<u>4,567,325</u>
<b>2021</b>			
Low credit risk	4,292,114	-	4,292,114
Credit impaired	17,046,274	(17,046,274)	-
	<u>21,338,388</u>	<u>(17,046,274)</u>	<u>4,292,114</u>

##### *Fixed and Treasury Deposits with Licensed Banks, Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

##### *Financial Guarantee Contracts*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.



# SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

### 44. FINANCIAL INSTRUMENTS (CONT'D)

#### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk

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

##### *Maturity Analysis*

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

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
<b>The Group</b>					
<b>2022</b>					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	149,548,921	149,548,921	149,548,921	-	-
Lease liabilities	18,037,913	19,127,818	9,628,235	9,499,583	-
Loans and borrowings	188,566,546	195,736,686	150,960,239	39,643,521	5,132,926
	<u>356,153,380</u>	<u>364,413,425</u>	<u>310,137,395</u>	<u>49,143,104</u>	<u>5,132,926</u>
<u>Derivative Financial liabilities:</u>					
Forward currency contract	902,138	902,138	902,138	-	-

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk

##### *Maturity Analysis (Cont'd)*

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
<b>The Group</b>					
<b>2021</b>					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	140,634,196	140,634,196	140,634,196	-	-
Lease liabilities	8,175,914	9,612,022	5,336,750	4,275,272	-
Loans and borrowings	240,683,270	253,435,235	191,108,331	51,786,676	10,540,228
	<u>389,493,380</u>	<u>403,681,453</u>	<u>337,079,277</u>	<u>56,061,948</u>	<u>10,540,228</u>
<u>Derivative Financial liabilities:</u>					
Forward currency contract	101,925	101,925	101,925	-	-

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk

##### *Maturity Analysis (Cont'd)*

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM
<b>The Company</b>				
<b>2022</b>				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,290,340	1,290,340	1,290,340	-
Loans and borrowings	10,104,145	10,848,970	4,859,307	5,989,663
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	118,844,660	118,844,660	118,844,660	-
	<u>130,239,145</u>	<u>130,983,970</u>	<u>124,994,307</u>	<u>5,989,663</u>
<b>2021</b>				
<u>Non-derivative</u>				
<u>Financial liabilities:</u>				
Other payables	1,043,305	1,043,305	1,043,305	-
Loans and borrowings	12,654,149	14,733,226	5,922,376	8,810,850
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	189,294,270	189,294,270	189,294,270	-
	<u>202,991,724</u>	<u>205,070,801</u>	<u>196,259,951</u>	<u>8,810,850</u>

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.2 CAPITAL RISK MANAGEMENT

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

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

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

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

## SHIN YANG SHIPPING CORPORATION BERHAD

(Incorporated in Malaysia)

Registration No: 200401027554 (666062 – A)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

---

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### 44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

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

##### 44.4 FAIR VALUE INFORMATION

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

The quantitative disclosures fair value measurement hierarchy for assets and liabilities are disclosed in Notes 10, 17 and 24 to the financial statements respectively.