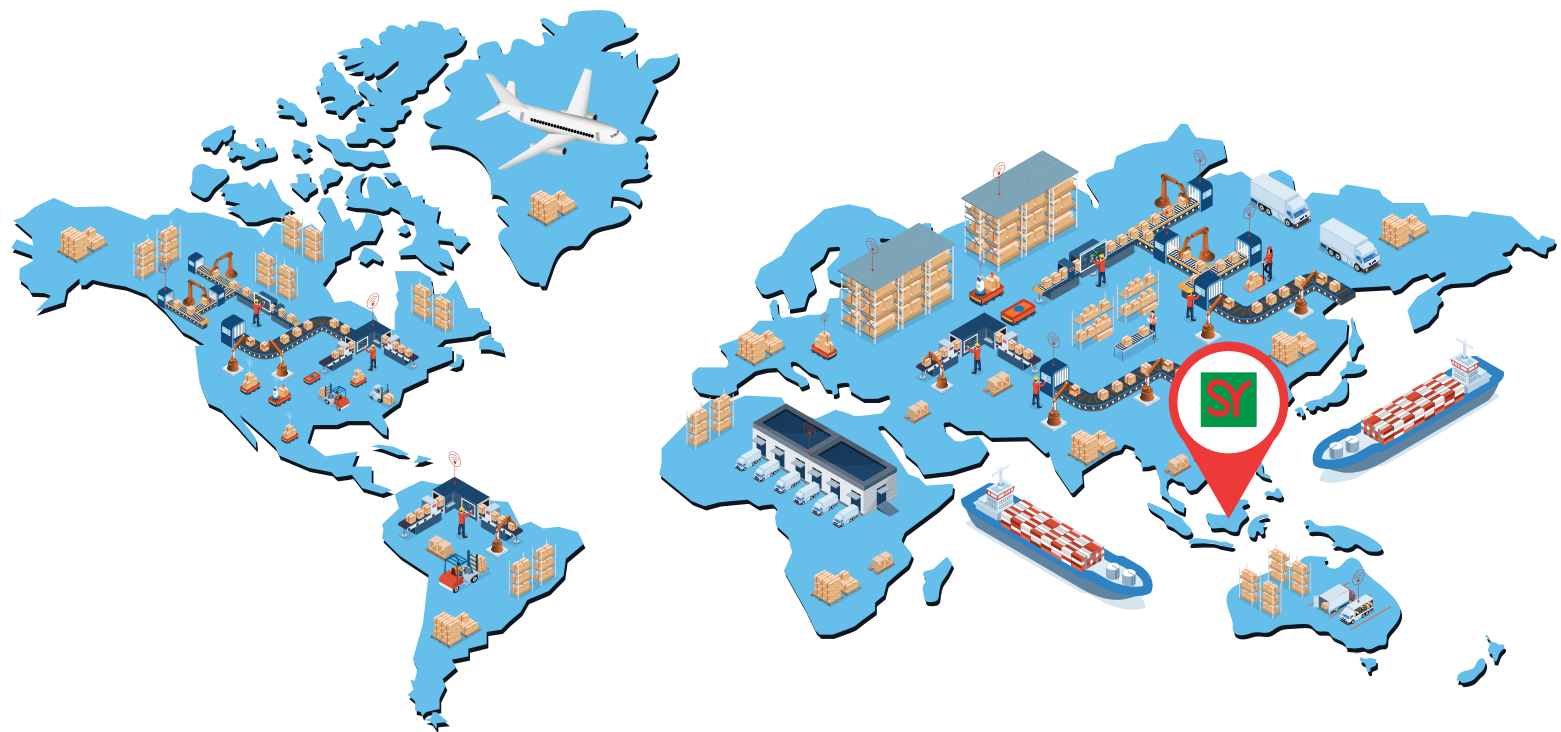




SHIN YANG GROUP BERHAD
Registration No: 200401027554 (666062-A)



ANNUAL REPORT 2024

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SHIN YANG GROUP BERHAD

OUR VISION



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

And

To be the Premier Shipbuilder & Integrated Marine Structural Fabricators

OUR CORPORATE MISSION



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

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

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

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

CORE BUSINESSES



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

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



SHIN YANG GROUP BERHAD

(Cont'd)



INTERNATIONAL AND DOMESTIC SHIPPING

Our shipping operations extend across both Malaysian and international waters, encompassing Southeast Asia, East Asia, and the Far East region. Currently, we operate a fleet of 195 vessels, boasting a total Gross Tonnage (GT) of approximately 314,000 tons.



SHIPBUILDING, SHIP REPAIR AND METAL FABRICATION

Our shipbuilding operations are supported by three shipyards located in Miri and one in Bintulu, Sarawak, covering a total area of approximately 280 acres. These facilities have an annual capacity to construct up to 40 vessels, each measuring up to 100 meters in length. Furthermore, we have an additional shipyard in Tanjung Manis, Sarawak, designated for future business expansion, which encompasses approximately 214 acres.



TRANSPORT AND LOGISTICS

Our transport and logistics operations are bolstered by a fleet of 393 prime movers, paired with 920 trailers, 284 dump and cargo trucks, and 44 diesel and crude palm oil tankers. This diverse fleet enables us to transport a wide variety of goods efficiently from source to destination throughout East Malaysia.



BARRAGE AND SHIPLOCK MANAGEMENT

Our Barrage and Shiplock Management operation is dedicated to the management and maintenance of the barrage and shiplock, specifically for the Lembaga Sungai Sungai Sarawak (Sarawak Rivers Board) under the Sungai Sarawak Regulation Scheme since 1997. Currently, our team consists of 50 skilled staff members with extensive experience and qualifications, operating around the clock, every day.



GAS DISTRIBUTION

Our gas operations include two production plants for Dissolved Acetylene and an Air Separation unit, along with two refilling gas facilities in Miri and two in Bintulu. Our primary markets for gas products and services are Malaysia and Brunei.



AUTOMOTIVE DEALERSHIP

Our automotive dealership is an authorized dealer and agent for Toyota vehicles in Sabah and Sarawak, as well as an authorized agent for Lexus vehicles in Sarawak. We sell Toyota and Lexus vehicles on behalf of UMW Toyota, and we also offer parts and accessories, along with after-sales services, including body and paint repair works for both brands. Currently, we operate four outlets in Sarawak, three in Sabah, and one in Labuan.

CORPORATE INFORMATION



BOARD OF DIRECTORS

Front, from the left

1. **Dr. Lai Yew Hock, Dominic**
(Appointed on 19 January 2024)
2. **Ling Chiong Sing**
Group Managing Director
3. **Tan Sri Datuk Ling Chiong Ho**
Group Executive Chairman
4. **Datuk Ling Lu Kiong**
Group Executive Vice Chairman
5. **Yong Nyet Yun**

Back, from the left

6. **Ling Siu Chuo**
7. **Ling Chiong Pin**
8. **Jack Willien @ William Anak Jinep**
9. **Izan Nadiawati Binti Mohamad Tabib**
(Appointed on 19 January 2024)

CORPORATE INFORMATION

(Cont'd)

AUDIT AND RISK
MANAGEMENT COMMITTEE

Yong Nyet Yun
Chairman and Independent Non -Executive

Jack Willien @ William Anak Jinep
Independent Non -Executive

Dr. Lai Yew Hock, Dominic
Independent Non -Executive
(Appointed on 19 January 2024)

Izan Nadiawati Binti Mohamad Tabib
Independent Non -Executive
(Appointed on 19 January 2024)

Ling Siu Chuo
Non-Independent Non-Executive

Arshad Bin Zainuddin
(Demised on 20 November 2023)

JOINT NOMINATION &
REMUNERATION COMMITTEE

Jack Willien @ William Anak Jinep
Chairman and Independent Non -Executive

Dr. Lai Yew Hock, Dominic
Independent Non -Executive
(Appointed on 19 January 2024)

Ling Siu Chuo
Non-Independent Non Executive

Arshad Bin Zainuddin
(Demised on 20 November 2023)

PRINCIPAL BANKERS

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

CHIEF EXECUTIVE OFFICER

Captain Ting Hien Liong

CHIEF OPERATING OFFICER
CUM COMPANY SECRETARY

Richard Ling Peng Liing

CHIEF FINANCIAL OFFICER

Wong Jee Haw

SHARE REGISTRARS

**Boardroom Share
Registrars Sdn Bhd**
(199601006647 / 378993-D)
11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone No. : [603]-7890 4700
Facsimile No. : [603]-7890 4670

AUDITORS

Crowe Malaysia PLT (AF: 1018)
Lot 2395, Block 4, Bulatan Business
Park, Jalan Bulatan Park, 98000 Miri,
Sarawak, Malaysia
Telephone No. : [6085]-658 835
Facsimile No. : [6085]-655 001

REGISTERED OFFICE

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

STOCK EXCHANGE LISTING

The Main Board Bursa Malaysia

STOCK NAME

SYGROUP

STOCK CODE

5173 (Transportation and Logistics)

DOMICILE

Malaysia



FINANCIAL CALENDAR

FINANCIAL YEAR END

30 JUNE 2024

Announcement of results

First Quarter	30 November 2023
Second Quarter	28 February 2024
Third Quarter	30 May 2024
Fourth Quarter	30 August 2024

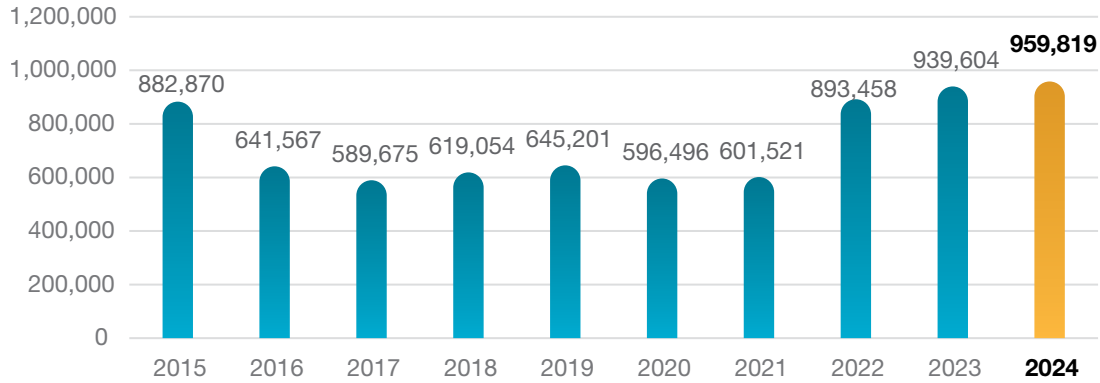
Published Annual Report And Financial Statements

Notice of Annual General Meeting	30 October 2024
19th Annual General Meeting	5 December 2024

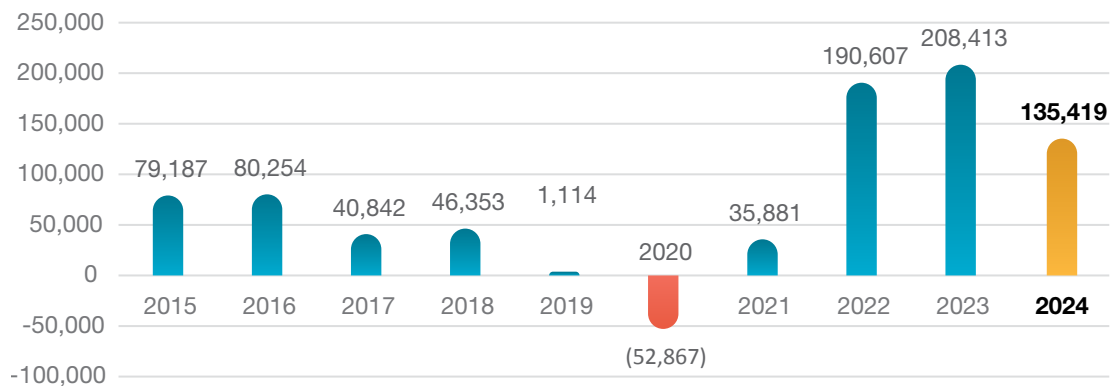


10-YEARS STATISTIC HIGHLIGHTS

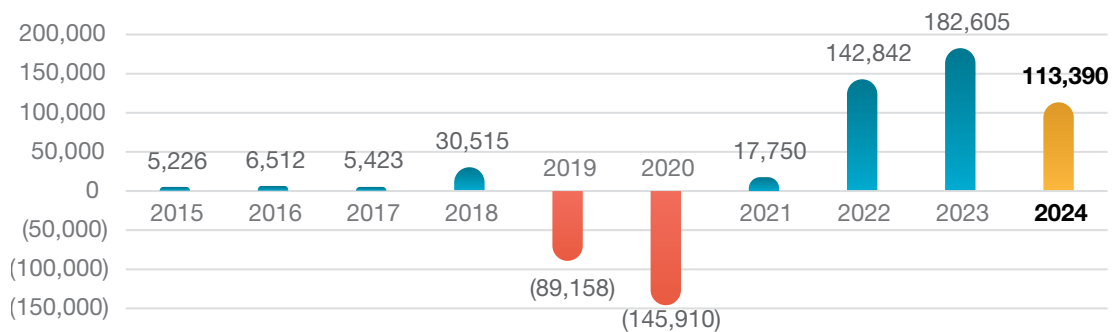
Revenue (RM'000)



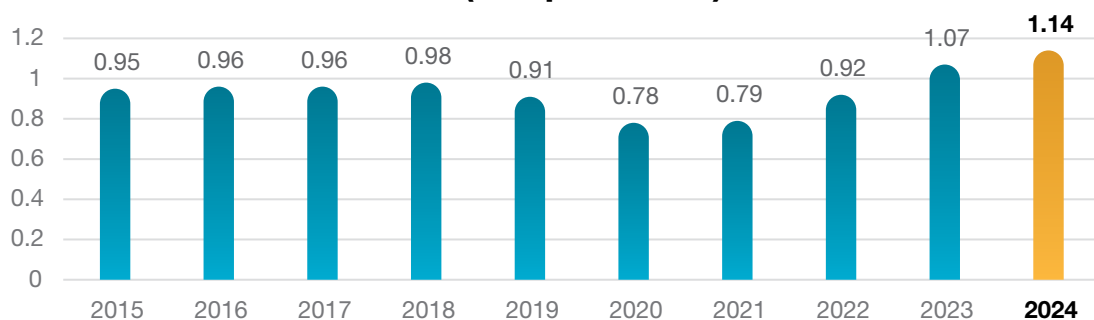
Gross Profit (RM'000)



PAT (RM'000)



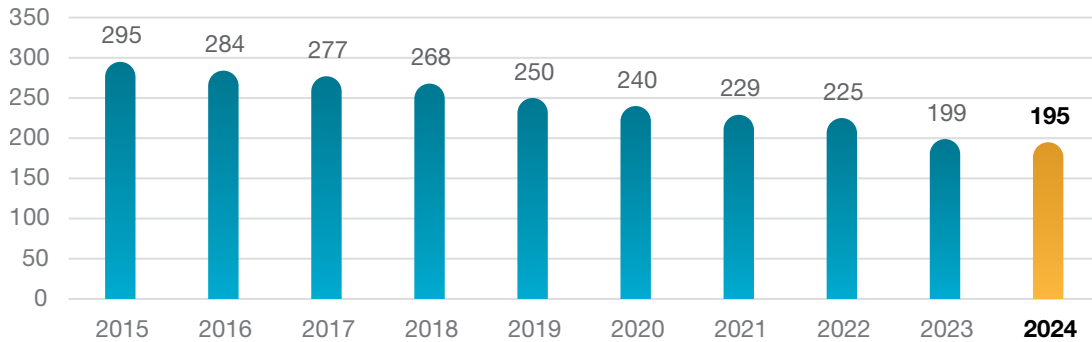
NTA (RM per share)



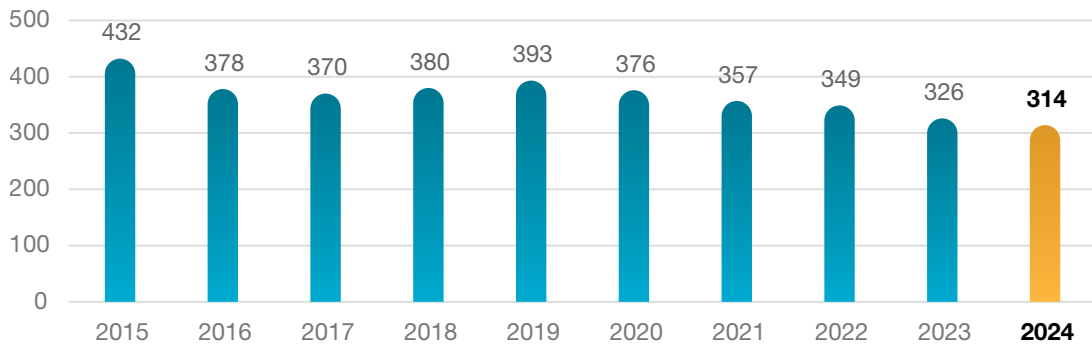
10- YEARS STATISTIC HIGHLIGHTS

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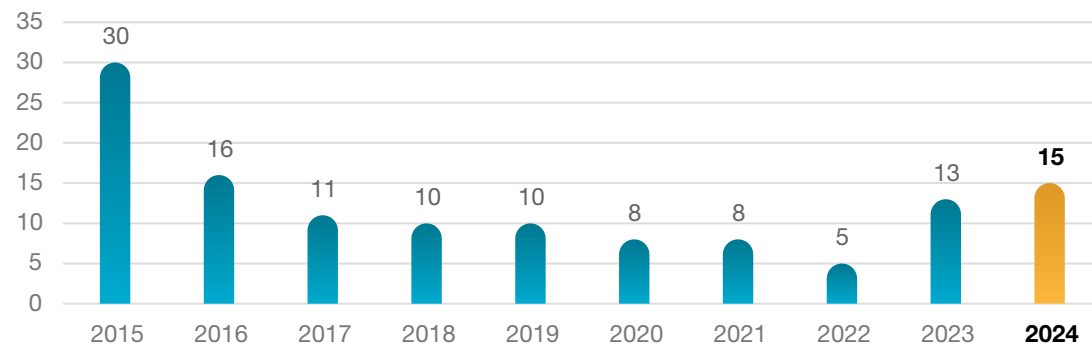
Vessel fleet (no)



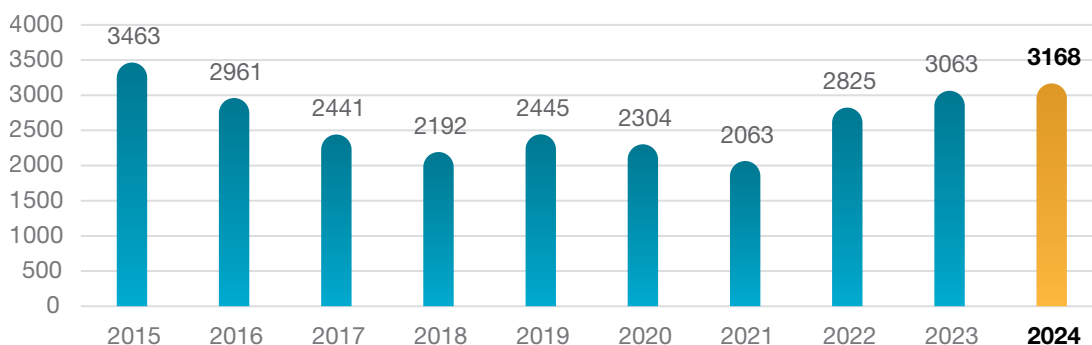
Vessel fleet (GT'000)



No. of Vessels completed & WIP



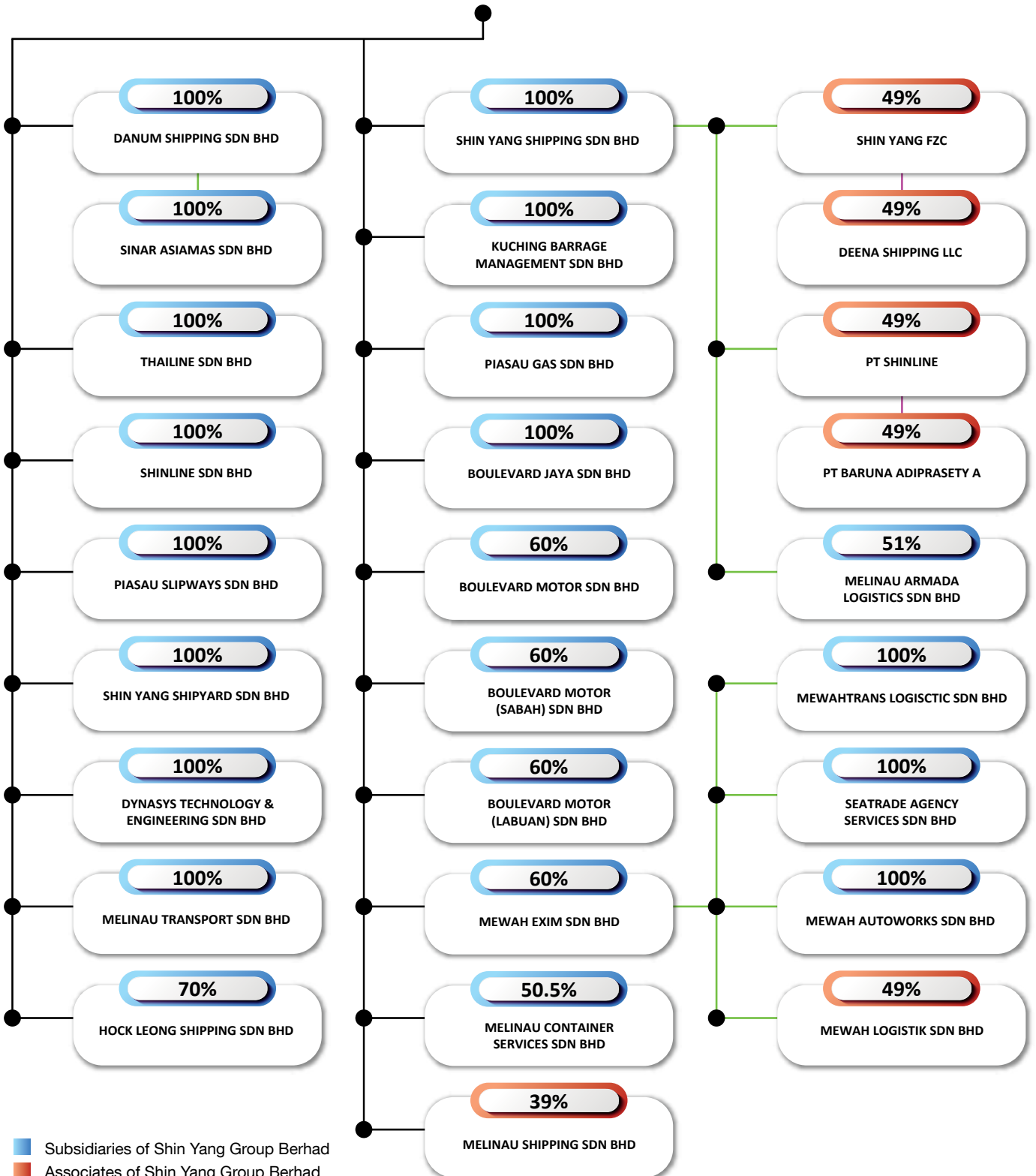
No. of Employee



CORPORATE STRUCTURE



SHIN YANG GROUP BERHAD



■ Subsidiaries of Shin Yang Group Berhad
■ Associates of Shin Yang Group Berhad

PROFILE OF BOARD OF DIRECTORS



Male



72 years



Malaysian

TAN SRI DATUK LING CHIONG HO

Group Executive Chairman

Date Of Appointment

15 September 2004 (Director)

31 March 2010 (Non-Executive Chairman)

28 February 2022 (Group Executive Chairman)

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

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

He has attended all four Board Meetings held during the financial year ended 30 June 2024. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)



Male



43 years



Malaysian

DATUK LING LU KIONG

Group Executive Vice Chairman

Date Of Appointment

8 April 2022 (Group Executive Vice Chairman)

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

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

He is the son of Tan Sri Datuk Ling Chiong Ho, the Group Executive Chairman, and nephew of Ling Chiong Pin, Ling Chiong Sing and Mdm Ling Siu Chuo, who are the Executive Director, Group Managing Director and Non-Executive Director of the Company respectively. He is deemed interested in certain transactions between the Group and certain companies carried out in the ordinary course of business by virtue of his common deemed shareholdings in these companies.

He has attended all four Board Meetings held during the financial year ended 30 June 2024. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



Male



68 years



Malaysian

LING CHIONG SING

Group Managing Director

Date Of Appointment

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

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

Mr. Ling serves as Chairman to Miri Chinese Chamber of Commerce and Industry for the 2024 to 2026 term. He has been appointed as a permanent council member of Sarawak Timber Association since March 2010. He also serves as the Board member of Miri Port Authority currently.

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

He has attended all four Board Meetings held during the financial year ended 30 June 2024. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)



Male



70 years



Malaysian

LING CHIONG PIN

Executive Director

Date Of Appointment

30 November 2009 (Executive Director)

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

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

He has attended all four Board Meetings held during the financial year ended 30 June 2024. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



Female



61 years



Malaysian

LING SIU CHUO

Non-Independent Non-Executive Director

Date Of Appointment

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

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

She is the sister of Tan Sri Datuk Ling Chiong Ho, Ling Chiong Sing and Ling Chiong Pin who are Group Executive Chairman, Group Managing Director and Executive Directors of the Company respectively. She is deemed interested in certain transactions between the Group and certain companies carried out in the ordinary course of business by virtue of her common directorship in these companies.

She has attended all four Board Meetings held during the financial year ended 30 June 2024. She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)



Female



65 years



Malaysian

YONG NYET YUN

Independent Non-Executive Director

Date Of Appointment

31 May 2022 (Independent Non-Executive Director)

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

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

Mdm Yong is also the Chairman of the Audit and Risk Management Committee. She is not related to any director and/or substantial shareholders of the Company and does not have any conflict of interest with the Group.

She is also the Independent Non-Executive Director, Chairman of Audit Committee, Member of Nominating Committee, Member of Remuneration Committee, Member of Risk Management Committee and Member of Sustainability Committee of Sealink International Berhad, a company listed on Bursa Malaysia Securities Berhad.

She has attended all four Board Meetings held during the financial year ended 30 June 2024. She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



Male



71 years



Malaysian

JACK WILLIEN @ WILLIAM ANAK JINEP

Independent Non-Executive Director

Date Of Appointment

14 April 2022 (Independent Non-Executive Director)

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

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

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

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

He has attended all four Board Meetings held during the financial year ended 30 June 2024. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

(Cont'd)



Male



64 years



Malaysian

DR. LAI YEW HOCK, DOMINIC

Independent Non-Executive Director

Date Of Appointment

19 January 2024 (Independent Non-Executive Director)

He graduated from the University of Otago, Dunedin, New Zealand with a Bachelor of Laws degree in 1985. He was variously admitted as a Barrister and Solicitor of the High Court of New Zealand in October 1985, as an Advocate of the High Court in Sabah and Sarawak in February 1986, and as an Advocate and Solicitor of the High Court of Malaya in October 1986. He graduated from the University of South Australia, Adelaide, Australia with the degree of Doctor of Business Administration in December 2006. His doctorate thesis is on Corporate Governance. He is also a Commissioner for Oaths, a Notary Public and an Accredited Mediator. He started his own legal firm in Miri, Sarawak in May 1992.

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

He has attended two out of two Board Meetings held during the financial year ended 30 June 2024. He has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.



Female



44 years



Malaysian

IZAN NADIAWATI BINTI MOHAMAD TABIB

Independent Non-Executive Director

Date Of Appointment

19 January 2024 (Independent Non-Executive Director)

Mdm Izan graduated from University of Malaya, Kuala Lumpur, Malaysia with a Bachelor of Laws (Hons) in 2005. She was the former Senior Partner of Izan, Lau & Tiong Advocates, Kuching, Sarawak and currently the Senior Legal Assistant in Azlina Dahlan & Company Advocates, Kuching Sarawak.

She has been in legal practice for 18 years, major in Conveyancing, Banking (Islamic & Conventional), Family Law (Civil Marriage and Divorce, Adoption, Wills) and Syariah Law (Syariah Family matters, Syariah Marriage and Divorce, Faraid Consultancy, Islamic Property Planning (Will, Hibah, Amanah, Waqaf and Pusaka). She has been appointed as State Legal Team member (Nomination Agent & Legal Advisor) for Parliamentary General Election in Year 2018 and Year 2022 and for Sarawak State Election in Year 2021

She is also the Member of the Audit and Risk Management Committee. She is not related to any director and/or substantial shareholders of the Company and does not have any conflict of interest with the Group.

She has attended two out of two Board Meetings held during the financial year ended 30 June 2024. She has not been convicted of any offence within the past 5 years and has not been imposed with any public sanction or penalty by any of the relevant regulatory bodies during the financial year.

KEY MANAGEMENT PROFILE



Male



70 years



Malaysian

CAPTAIN TING HIEN LIONG

Chief Executive Officer

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

Captain Ting is a Director of Hock Leong Shipping Sdn Bhd and Mewah Exim Sdn Bhd, both the subsidiaries of the Group. He is a Director of Sarawak Maritime Academy Sdn Bhd, maritime higher learning institute which is a member of Shin Yang Holding Group. He is a Board member of Sarawak Rivers Board, a state statutory body under Ministry of Transport Sarawak.

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

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



Male



59 years



Malaysian

RICHARD LING PENG LING

Chief Operating Officer cum Company Secretary

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

He joined the Shin Yang Holding Group in 1997 as an Accountant in Forescom Plywood Berhad and later assumed responsibility as the Senior Accountant in charge of financial reporting in the headquarters of Shin Yang Sdn Bhd in 1998. Since 2008, he has been in charge of our treasury function and corporate finance and was promoted to Financial Controller and Company Secretary in 2009 and subsequently redesignated as Chief Financial Officer. His professional experience includes accounting, secretarial, management consultancy, taxation, banking and finance. He is appointed to the current role of Chief Operating Officer of the Group in 2023.

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

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

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

KEY MANAGEMENT PROFILE

(Cont'd)



Female



42 years



Malaysian

WONG JEE HAW

Chief Financial Officer

Ms. Wong was appointed on 2 September 2024. She holds a Bachelor of degree in Accounting and Finance from Curtin University of Technology. She is a member of CPA Australia.

Ms Wong began her career as Account Executive in a commercial organisation before transitioning into various leadership roles in notable organisations.

She has more than 20 years of vast experience in accounting, corporate finance, budgetary planning treasury and funding management, tax planning as well as audit and assurance through engagements in the conglomerate and multinationals across diverse industries including parts trading, shipbuilding, wholesale, property development and automotive industry in Malaysia and Brunei.

She joined Boulevard Motor Group of companies in January 2019 as Senior Accountant. In September 2024, she was promoted to the position of CFO of the Shin Yang Group Berhad. She is responsible for overseeing the Group financial reporting, financial management, corporate exercise, taxation and finance operations.

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

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



Agency Meeting

CHAIRMAN'S STATEMENT

“ Dear Valued Shareholders,

On behalf of the Board of Directors of Shin Yang Group Berhad and its subsidiaries (“the Group”), I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 30 June 2024. This report reflects our ongoing commitment to transparency and accountability, providing you with a comprehensive overview of our performance and strategic directions.

”



REVIEW OF PERFORMANCE

The Group reported a revenue of RM 959.8 million for the financial year ended 30 June 2024 (FYE2024), reflecting a modest growth of 2.2% compared to RM 939.6 million in the preceding year (FYE2023). Profit after taxation for FYE2024 was RM 113.4 million, a decrease from RM 182.6 million in FYE2023. Even with this decrease in profit after taxation, the Group remains profitable, supported by a strong cash position, healthy gearing, and sustained net assets position.

The Group's coastal and container shipping has increased its utilisation rate by 9.0% as compared to the previous year. This growth includes a steady rise in anchor cargo shipments and our initiative to provide door-to-door logistics as an integrated service provider. Our container vessels transported a total of 219,756 TEUs, an increase of 11.9% from 196,354 TEUs in FYE2023.

Revenue growth was also driven by our ship repair and metal fabrication segment, which saw a steady increase of 148.4%, reaching RM 110.7 million compared to RM 44.6 million in FYE2023. Additionally, the Group's shipbuilding division is demonstrating signs of stable recovery. We are taking innovative steps to construct value-added vessels, including 42-meter fast crew boat designed for Offshore Support Vessel (OSV) operations tailored for Petroleum Arrangement Contractors (PACs), shallow water Diesel Electric Anchor Handling Tug and Supply vessel that meets ABS's ENVIRO notation, along with DP2 Diesel Electric Anchor Handling Tug and Supply vessels compliant with both ENVIRO and SMART notations (INF, SHM (Tier 1), MHM (Tier 1)).

Further strategic growth plans include leveraging our expertise in warehousing and third-party logistics provider to strengthen our position to meet the challenging market demand and enhance our overall service benchmark.

CHAIRMAN STATEMENT (Cont'd)

DIVIDEND

The Group remains committed to uphold a prudent strategy, ensuring sufficient reserve funds to support future development and to be well prepared for potential market challenges.

The Board remains dedicated to delivering value to our shareholders. A final single-tier tax-exempt dividend of 3.00 sen per ordinary share was declared and paid on 15 December 2023. The Board further recommends a final single-tier dividend of 3.00 sen per ordinary share for FYE2024, subject to shareholder approval at the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE

We uphold the highest standards of corporate governance, ensuring the protection and enhancement of shareholder value. Details of our governance practices are outlined in the Corporate Governance Overview Statement on pages 65 to 81.

SUSTAINABILITY

The Group is dedicated to incorporating Environmental, Social, and Governance (ESG) best practices. We strive to minimize our environmental impact through eco-friendly operations, promoting a sustainable business culture that balances the needs of people, planet, and profit. Further information can be found in our Sustainability Report on pages 24 to 64.

PROSPECT

The Group is dedicated to fostering resilience and sustainable economic growth, particularly in the realm of green energy initiatives across our business portfolio. The ongoing infrastructure development in Sarawak offers numerous opportunities for our shipping activities, especially in port development and connectivity. This will enable us to enhance vessel maintenance and efficiently conduct essential docking and re-powering works for the shipbuilding sector.

With our recent acquisition of automotive dealership segment, the Group is confident in implementing a strategic plan that integrates this segment with our existing operations. The key objective of the integration plan is cross-selling opportunities by leveraging our shipping and maintenance services to benefit the automotive segment's network and client bases.

Although we face challenges in boosting workforce competency, improving efficiency and productivity in fleet management, embracing and adopting technological innovations in shipbuilding, and enhancing customer satisfaction in third-party logistics, we are committed to maximising our resources to achieve our goals.

By prioritizing these initiatives, the Board remains optimistic about the Group's prospects for the upcoming financial year, barring any unforeseen developments.

APPRECIATIONS

On behalf of the Board, I extend our sincere gratitude to all our shareholders, employees, customers, business associates, and stakeholders for your invaluable support and confidence throughout FYE 2024.

Tan Sri Datuk Ling Chiong Ho
Group Executive Chairman



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The Group's core operations encompass shipping, shipbuilding, ship repair, and shipping/forwarding agency services. Our shipping division is diverse, including dry bulk, liquid bulk, containers, coastal shipping, barges, tugs, and international logistics with door-to-door services. We operate across Malaysian and international waters, particularly in Southeast Asia, East Asia, and the Far East, supported by a fleet of 195 vessels with a total gross tonnage of around 314,000.

In ship repair, we are enhancing our capabilities to deliver high-quality services, including essential docking repairs with our floating dock facilities tailored for niche markets. Our shipbuilding operations are anchored by three yards in Kuala Baram, Miri, and one in Bintulu, Sarawak, spanning approximately 280 acres.

2. Corporate Development

Acquisition of 100% equity interest in Boulevard Jaya Sdn Bhd and 60% equity interest in each of Boulevard Motor Sdn Bhd, Boulevard Motor (Sabah) Sdn Bhd and Boulevard Motor (Labuan) Sdn Bhd (collectively "The Target Companies")

On 11 July 2024, the Company signed a conditional Share Sale and Purchase Agreement to acquire:

- 100% equity interest in Boulevard Jaya Sdn Bhd from Shin Yang Holding Sendirian Berhad, KTE Motors Sdn Bhd, and Ling Chiong Sing.
- 60% equity interest in each of Boulevard Motor Sdn Bhd, Boulevard Motor (Sabah) Sdn Bhd, and Boulevard Motor (Labuan) Sdn Bhd from Dwi Bumijaya Sdn Bhd.

The total purchase consideration was RM 144,500,000, which shall be settled through a combination of cash and treasury shares. The acquisition was completed on 1 October 2024, and both Boulevard Jaya and the Boulevard Motor Group are now subsidiaries of the Company.

The Target Companies are primarily engaged in car dealership, sales of spare parts, after-sales services servicing and repairing of Toyota vehicles.

According to the Malaysian Automotive Association, Toyota has been consistently ranked as one of the best-selling car brands in Malaysia, holding over 10% market share from 2020 to 2022 and being the top-selling non-national car brand during those years.

The Proposed Acquisition is expected to enhance the Company's financial performance through:

- **Revenue Diversification:** The acquisition will bolster the Company's income stream and contribute positively to future earnings, enhancing overall financial performance.
- **Expanded Product Offerings:** The addition of the automotive sector will diversify the Group's product range and reduce reliance on existing businesses.
- **Cross-Selling Opportunities:** Leveraging the Target Companies' networks and client bases, the Group can promote its shipping services—such as containerized freight transportation, port-to-port freight services, and customs clearing—under the unified "SYGROUP" brand.
- **Vertical Integration:** By integrating the automotive maintenance and repair services into the Group's operations, cost savings can be achieved through greater operational efficiency.

This strategic acquisition aligns with the Company's goal of enhancing shareholder value and positioning itself for sustainable growth in the automotive and shipping sectors.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

3. Financial Results

The Group reported a gross revenue of RM 959.8 million for the financial year ended 30 June 2024, reflecting a 2.2% increase from the previous year. This growth was attributed to improved sales volume and strong demand in the ship repair segment, indicating a positive trend in operational performance despite the overall market challenges.

However, the Group's net profit after tax for FYE2024 was RM 113.4 million, reflecting a significant decrease of 37.9% compared to RM 182.6 million in FYE2023. This decline in profitability highlights challenges the Group faced, despite revenue growth which the Group strives to address.

(i) Group Income Statement:

	FYE 2024 RM'million	FYE 2023 RM'million
Revenue	959.8	939.6
Gross Profit	135.4	208.4
Profit after tax	113.4	182.6
Profit per share:		
Basic (sen)	9.77	15.83
Diluted (sen)	9.77	15.83

(ii) Group Cash Flow Statement:

	FYE 2024 RM'million	FYE 2023 RM'million
Cash flows from operating activities	138.6	272.2
Cash flows from/(for) investing activities	2.8	(54.9)
Cash flows for financing activities	(118.0)	(191.7)
Net increase in cash and cash equivalent	23.4	25.6
Effect of Foreign Exchange translation	0.8	0.0
Cash and cash equivalent at beginning of financial year	101.9	76.3
Cash and cash equivalent at end of financial year	126.1	101.9
Fixed and treasury deposits	292.7	291.2
Bank overdraft	13.4	5.8
Cash and cash equivalent at end of financial year (inclusive fixed and treasure deposits and exclusive of bank overdraft)	432.2	398.9



Mewahtrans Side Loader

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

(iii) Group Statement of Financial Position:

	As at 30 June 2024 RM'000	As at 30 June 2023 RM'000
Non-current assets	889,151	938,679
Current Assets	723,247	621,530
Non- Current assets held for sale	-	11,185
Total Assets	1,612,398	1,571,394
Total equity fund	1,301,626	1,225,487
Current liabilities	233,421	258,282
Non-current liabilities	77,351	87,625
Total liabilities	310,772	345,907
Total equity and liabilities	1,612,398	1,571,394

(iv) Dividend

For the financial year ended 30 June 2024, the Board proposes a final single-tier dividend of 3.00 sen per share, which translates to a dividend yield of 3.90% based on the Company's closing share price of RM 0.77 as of 30 June 2024. This proposal underscores our commitment to delivering value to our supportive shareholders.

4. Review of Operation:

(i) Shipping Operation

a) Dry Bulk

The Group's vessels specialize in transporting dry bulk materials, including timber products, quarry materials, aggregates, sands, equipment, and machinery. Our operations cover key locations such as Miri, Bintulu, Sibul, Kuching, Kota Kinabalu, Sandakan, Port Klang, Brunei, Singapore, Thailand, and Indonesia, ensuring regular service across these regions.

We maintain a sufficient fleet for both voyage and time charters, meeting the needs of international and domestic charterers. Our major clients primarily hail from the oil and gas, timber downstream, oil palm, and other resource-based industries. Additionally, the Group actively engages in land reclamation projects using its fleet of tugs and barges while managing total logistics services.

b) Liquid Bulk

The demand for liquid shipments in the East Asia region remains stable despite seasonal, with freight rates fluctuating between USD 29 and USD 59 per metric ton.

The Group has secured a five-year contract of affreightment with Petronas Chemical Marketing (Labuan) Ltd, set to expire in 2028. This contract involves shipping methanol products from Labuan using vessels with parcel sizes of less than 1,500 metric tons. This partnership underscores our commitment to meeting the needs of our clients in the liquid transport sector.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

c) Containers and coastal

The Group is set to enhance its container shipping services by forming strategic alliances with business partners to provide efficient and effective port services. This collaboration aims to achieve economies of scale and increase the frequency of shipping routes from our existing fleet of seventeen container vessels.

Currently, the Group operates two container vessels with carrying capacities of 800-1,000 TEU per trip, servicing routes between Sarawak and Singapore, as well as one vessel operating to Vietnam. Additionally, our other container vessels connect various ports between Peninsular Malaysia, Sarawak, and Sabah. To further optimize our operations, we have converted two tug-and-barge units to transport containers on shorter routes, ensuring that we can meet demand and shortages in container shipping capacity.

d) International Shipping

Our five double-decker cargo vessels regularly operate routes to the Far East, successfully transporting 0.457 million cubic meters of cargo at freight rates ranging from USD 40 to USD 51 per cubic meter. On their return trips, these vessels primarily engage in time charters for shipping general cargo from the Far East to the Philippines and other ASEAN countries, ultimately heading back to our home region.

Given the anticipated stable demand for international shipping amid uncertainties in freight rates and vessel utilization, our focus remains on securing time charters for our vessels to optimize our international shipping operations.

(ii) **Shipbuilding Operation**

The shipbuilding sector is showing signs of recovery, driven by increased capital expenditures from oil and gas industry players. During the year, we had successfully constructed and delivered one vessel. Currently, our order book stands at RM 155.8 million, with four new build contracts secured. This positive momentum reflects our capability to meet the growing demands in the shipbuilding market.

(iii) **Ship Repair and fabrication**

In the ship repair sector, we had successfully completed repairs on a total of 556 vessels (compared to 585 in FYE 2023), encompassing both minor and major repairs. Our floating docks, measuring 160 meters and 80 meters in length, facilitate efficient vessel repair and maintenance operations. Currently, our order book for ship repairs stands at RM 98.9 million, with ten major repair contracts secured, demonstrating our capacity to meet ongoing demand in this segment.



Signing collaboration Memorandum of Understanding with University Malaysia Terengganu



Sarawak Maritime Academy - Cadetship Sponsorship

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Cont'd)

5. Outlook and Prospects:

The performance of the Group is significantly influenced by several factors, including the volatility of global fuel prices, the skill levels and experience of ship crews, domestic and regional demand for the transportation of dry bulk and general cargo, fluctuations in the Malaysian Ringgit, and the overall global economic situation. These elements may affect business operations.

The shipping industry continues to face challenges related to competitions and demands, particularly with recent stability in crude oil prices and a decline in the Baltic Dry Index. Nevertheless, the Group is strategically positioned and equipped to navigate these challenges by focusing on market-driven routes based on fleet load utilization. We remain confident in the stability of our domestic, coastal, and container shipping operations, supported by consistent container volumes. To capitalize on emerging opportunities, we are actively enhancing our operational efficiency, fleet management, and route optimization.

In the shipbuilding and ship repair sectors, performance is affected by the prices of marine mild steel plates, heavy equipment, and global demand for newly constructed vessels, particularly in niche markets such as the oil and gas industry. In order to improve performance and manage the operating expenditures of our shipbuilding sector, the Group is taking active initiatives such as focusing on improving the Group's ship repair operations to meet the requirements and needs of the niche market segments. With the gradual recovery of charter rates in the offshore vessels (OSV) segment and the current gap in new building orders for different OSV over the past few years, and recycling of ageing OSV as well, the Group foresees and aims to take advantage of the steady and healthy increase in new shipbuilding offers for replenishment of OSVs and to address the aggressive operating expenditure for ship repair and maintenance.

Recognizing the growing demand for integrated logistics services, the Group plans to expand its investments in container depots, haulage services, including trucking and warehouse facilities, to capture new business opportunities.

Despite the challenging global economic landscape marked by geopolitical tensions and trade fluctuations, the Board remains confident in the Group's potential for satisfactory growth in the coming years.



Shipbuilding - Centus Safina One

SUSTAINABILITY REPORT

The Board of Directors (“BOD”) of Shin Yang Group Berhad (“SYGROUP”) is pleased to present the Sustainability Report for the year 2024.

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

This Report forms an integral part of the Group’s Annual Report for the year 2024, which shall then jointly provide a more comprehensive description of the Group from the economics, environmental, social and governance perspectives.

Scope of the Report

SCOPE OF REPORT	
REPORTING PERIOD	1 st July 2023 to 30 th June 2024, unless otherwise specified
DATE OF RECENT REPORT	This is the 6 th Sustainability Report
REPORTING CYCLE	Annually
COVERAGE	This Sustainability Report 2024 covers our business operations in Malaysia; continuing to focus on the sustainability progress of the shipping segment which represents the Group’s major source of revenue for the financial year ended 30 June 2024.
REPORTING FRAMEWORK	Principle Guidelines of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) <ul style="list-style-type: none"> • Main Market Listing Requirements in relation to enhanced sustainability reporting framework; • Sustainability Reporting Guide (3rd Edition) 2022 Additional Guidelines/Reference <ul style="list-style-type: none"> • Malaysian Code of Corporate Governance (“MCCG”) 2021 • United Nations Sustainable Development Goals (“UNSDGs”).
DISTRIBUTION OF AND FEEDBACK ON THE REPORT	This report is available to all stakeholders in hard copy upon request. For further information and comments, please contact:- Shin Yang Group Berhad Contact Person: Richard Ling Telephone: +6 085 428 399

Data Validation

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

Assurance

While external assurance has not been conducted on this statement, the Group’s Internal Audit Function has reviewed and provided limited assurance on selected data in this Report and such review has been approved by the Audit and Risk Management Committee.

With a continuous commitment from the Board of Directors and active participation of all our stakeholders, we will ensure that the notion of sustainability becomes more deeply embedded in our workplace culture and environment.

SUSTAINABILITY REPORT

(Cont'd)

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SUSTAINABILITY REPORT

(Cont'd)

CHIEF EXECUTIVE OFFICER'S STATEMENT TO STAKEHOLDERS



We are pleased to present our Sustainability Report for the financial year ended 30 June 2024. This report outlines our commitments and performance in Environment, Social, and Governance (ESG) areas, reflecting our dedication to sustainable practices and long-term growth.

Our framework is designed to overcome key sustainability challenges and capitalise on opportunities, emphasizing our commitment to fostering sustainable growth and creating lasting value for our stakeholders. ESG considerations have become integral into our corporate responsibility and transparency, guiding us in improving management efficiency while mitigating the environmental and social impacts of our operations. We actively engage with employees and stakeholders to promote a more sustainable world through mutual support and dedication.

We have established policies and procedures that guide our employees and seafarers in ethical conduct, including our Environmental Policy, Safety & Health Policy, Waste Management Policy, Anti-Bribery and Anti-Corruption Policy, and more. These frameworks ensure responsible practices across our operations.

The Group is committed to complying with environmental regulations while minimizing adverse impacts. We focus on optimizing water and energy consumption, efficient waste management, and reducing greenhouse gas emissions. Our adherence to the ISM Code, MARPOL regulations, and other relevant guidelines ensures robust safeguards against environmental incidents.

In our commitment to fostering future leaders, we have sponsored 41 students through the Sarawak Maritime Academy's cadet sponsorship program, providing equitable opportunities for young people in the industry.

As we move forward, we will continue to integrate ESG and sustainability considerations into our business strategy, adapting to evolving regulations and trends. We welcome feedback from all stakeholders as we advance on our sustainability journey.

On behalf of the Group, I extend my sincere appreciation to our stakeholders for your collaboration and engagement, which enable us to contribute effectively to sustainable earnings and meet your expectations.

SUSTAINABILITY REPORT

(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE

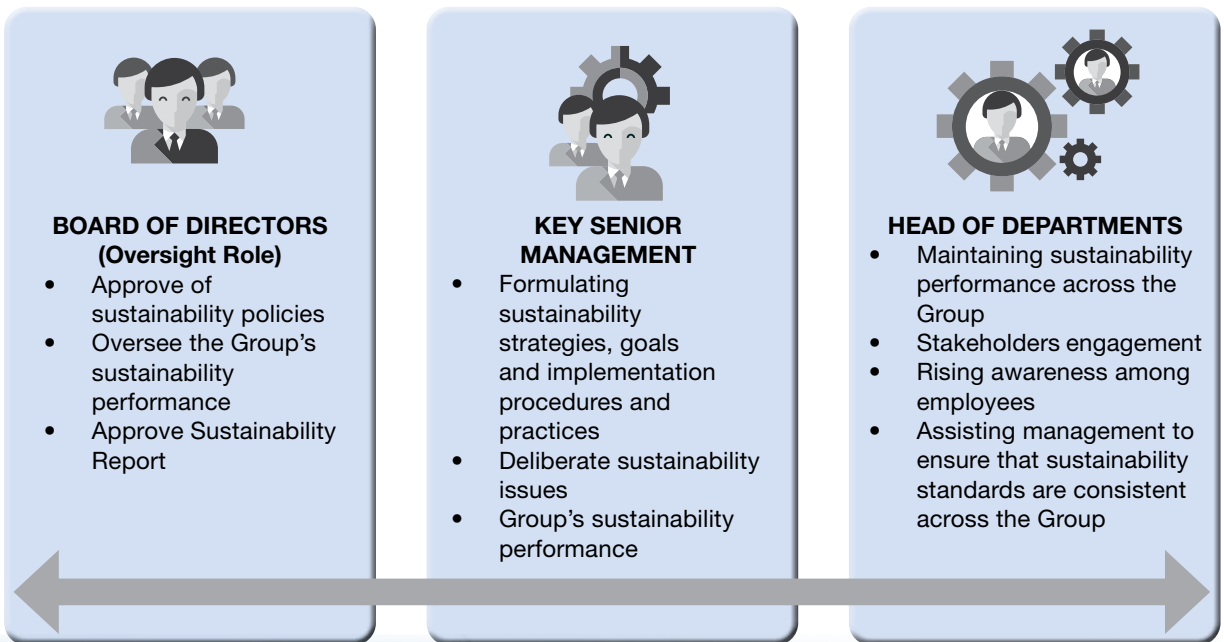


1.1 SUSTAINABILITY GOVERNANCE STRUCTURE

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

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

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



SUSTAINABILITY REPORT

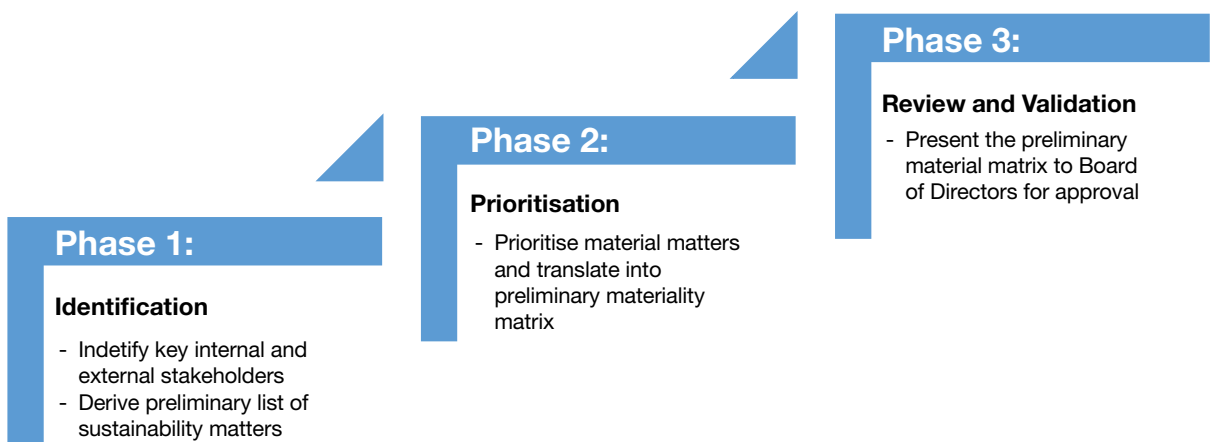
(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

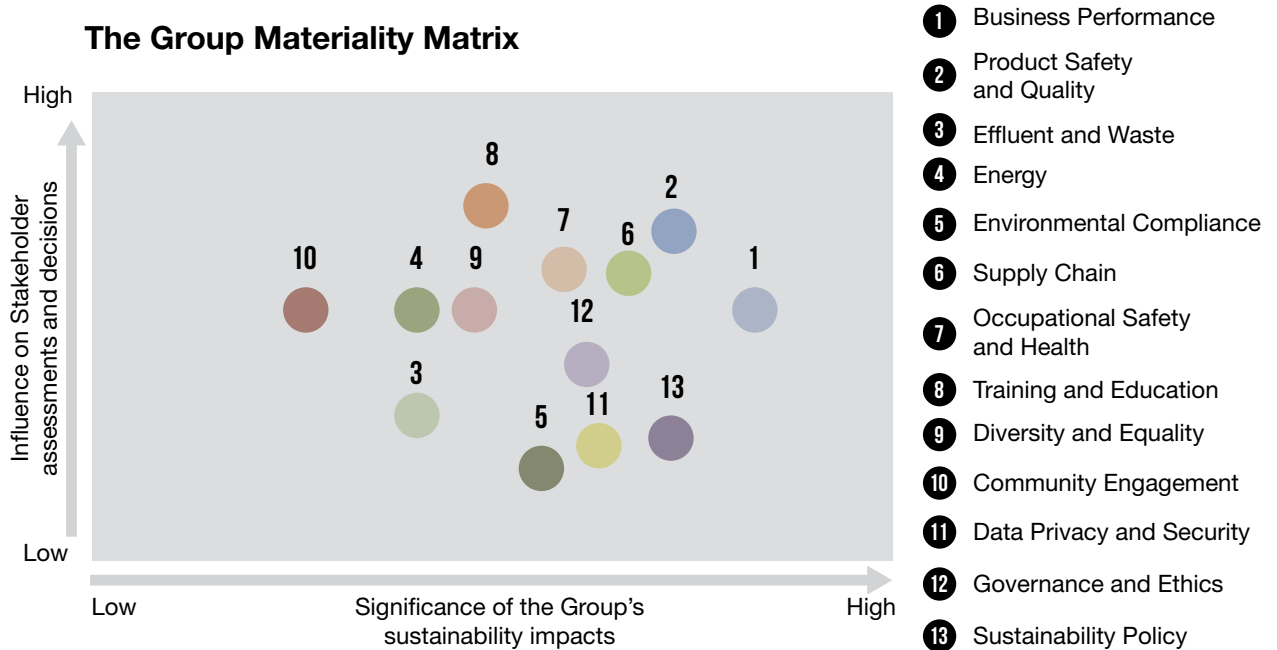
1.2 MATERIAL MATRIX

Materiality assessment plays a vital role in our sustainability strategy, enabling the Group to identify, prioritise, and review the material sustainability matters that are more relevant to the business operations and its stakeholders.

We continually enhance our disclosures on the key sustainability matters with reference to the guidelines from the 3rd Edition of the Bursa Malaysia Sustainability Toolkit focusing on Environment, Social and Governance that comprises 3 phases: Identification, Prioritisation and Validation.



The key sustainability matters were identified as being of high concern to the stakeholders and of high significance to the Group and are illustrated in the Material Matrix below:-



SUSTAINABILITY REPORT

(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.2 MATERIAL MATRIX (CONTINUED)

All relevant material matters are categorised into EESG, as follows:-



1.3 SUSTAINABILITY POLICIES

The Group's Sustainability Policies provide a framework for fostering a shared understanding of the sustainability agenda between the Group and our supply chain partners, facilitating collaboration to achieve our sustainability goals. To that end, the Group has developed several policies that outline our approach to sustainable development and the management of our sustainability agenda.

Below are the various policies established to achieve sustainability goals:-

[a] Environmental Policy (Established in 2016, revised in 2023)

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

[b] Safety and Health Policy (Established in 2012, revised in 2016)

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

[c] Smoking Policy (Established in 2012)

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

[d] Waste Management Policy (Established in 2016, revised in 2023)

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

[e] Drug & Alcohol Policy (Established in 2018, revised in 2023)

- Aims to reduce risk of accidents and injuries incurred under influence of drug or alcohol
- To ensure that the safety of all employees, workers and visitors by having clear rules in place regarding use and possessing of drug and alcohol, and to support those who have reported a problem with drug or alcohol dependence.

[f] Cyber Security Policy (Established in 2024)

- Safeguarding the confidentiality, integrity and availability of the Group's information, assets and resources.
- To mitigate risk and ensure compliance with relevant regulations and promote a secure operational environment.

SUSTAINABILITY REPORT

(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.3 SUSTAINABILITY POLICIES (CONTINUED)

These policies are aims to achieve the following objectives:

Economic Sustainability:

Encourage economic resilience and sustainable growth within the organization.

Environmental Sustainability:

Cultivate a corporate culture that prioritizes reducing the Group's environmental footprint, including initiatives to safeguard local biodiversity.

Social Sustainability:

Integrate sustainability principles into the company's core values, employee practices, training and development programs, and community engagement efforts. We are also committed to raising sustainability awareness at all levels of the organization and continuously assessing ESG practices for ongoing improvement.

Governance Sustainability:

Define the ESG-related responsibilities for the Board and employees, ensuring accountability and transparency in decision-making.

These objectives reflect the Group's commitment to embedding sustainability into its core operations and creating long-term value for all of its stakeholders.

1.4 SUSTAINABILITY COMMITMENTS AND SUSTAINABILITY DEVELOPMENT GOALS

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








SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABILITY REPORT
(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.4 SUSTAINABILITY COMMITMENTS AND SUSTAINABILITY DEVELOPMENT GOALS (CONTINUED)









Pillar	Material Matter	Why is it material	Our Response	Progress in 2024	SDGs contribution
Economic	<ul style="list-style-type: none"> Business Performance 	Achieve sustainable business growth to maintain long term shareholder value	<ul style="list-style-type: none"> i) Incorporate and promote ESG across all business activities ii) Expanding our market presence through acquisitions, joint-ventures and organic growth 	<ul style="list-style-type: none"> i) The Group has incorporated and promoted ESG compliance to ensure economic resilience with sustainability. ii) Acquisition of subsidiaries engaged in automotive dealership business to diversify the Group business activities. 	 
	<ul style="list-style-type: none"> Product safety and quality 	To deliver quality products and services to meet customers' satisfaction	<ul style="list-style-type: none"> i) Improving the quality, reliability and efficiency of products and services 	<ul style="list-style-type: none"> i) The Group has invested in equipment necessary to improve the safety features of our shipyard ii) Compliance with globally recognised standards, namely the ISO 9001:2015 Quality Management System iii) Compliance with the mandatory ISM code, MARPOL regulation and other relevant regulations. 	
Environmental	<ul style="list-style-type: none"> Effluent and waste 	To ensure sustainable consumption by promoting circular economy	<ul style="list-style-type: none"> i) To promote the continual use of resources 	<ul style="list-style-type: none"> i) The 4Rs Practice -Reduce, Reuse, Recycle and Recover (Waste-to-Value concept) 	 
	<ul style="list-style-type: none"> Energy Environmental compliance 	To mitigate the depletion of natural resource and reduce greenhouse gases emissions	<ul style="list-style-type: none"> i) Efficient utilisation and upkeep of motor vehicles and vessels ii) To reduce energy consumption and emission iii) Complying with environmental protection regulations 	<ul style="list-style-type: none"> i) Acquisition of new vehicles to replace the existing disposed fleets. ii) Usage of low sulphur fuel oil to reduce emissions iii) All of the Group's ships engaged in international trade carry a ballast water record book and an International Ballast Water Management Certificate. 	 

SUSTAINABILITY REPORT

(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)







1.4 SUSTAINABILITY COMMITMENTS AND SUSTAINABILITY DEVELOPMENT GOALS (CONTINUED)

Pillar	Material Matter	Why is it material	Our Response	Progress in 2024	SDGs contribution
Social	<ul style="list-style-type: none"> Supply chain 	To enhance environmental sustainability, reduce ecological footprint, and contribute to broader efforts against climate change.	<ul style="list-style-type: none"> i) Optimizing processes, improving collaboration, and leveraging technology. ii) Supporting local businesses to stimulate economic growth within the communities we operate in 	<ul style="list-style-type: none"> i) Leveraging vehicle tracking systems, which enhance supply chain efficiency and track environmental performance in real-time. ii) 81.4% purchases from local suppliers FYE 2024 	 
	<ul style="list-style-type: none"> Occupational, Safety and Health To create a conducive workplace and nourishing community 	To deliver quality products and services to meet customers' satisfaction	<ul style="list-style-type: none"> i) work without exposure to the risk of accidents or occupational disease 	<ul style="list-style-type: none"> i) Achieve zero fatality FYE 2024. ii) Employees undergo job-related Safety and Health training throughout the year. 	 
	<ul style="list-style-type: none"> Training and education 	Future-proof talent and building a sustainable and robust leadership at all level of decision making	<ul style="list-style-type: none"> i) To provide employment with development and talent retention 	<ul style="list-style-type: none"> i) Spent a total of RM 222,619.36 on training for career development of our employees FYE 2024 	 
	<ul style="list-style-type: none"> Diversity and equality 	Attract, develop and retain high-performance employees and crews, creating an inclusive and diverse culture	<ul style="list-style-type: none"> i) Adheres to the principles of fairness, equality and diversified employment. 	<ul style="list-style-type: none"> i) To provide equal employment and career growth opportunities for all irrespective of gender, age, race and religion 	 

SUSTAINABILITY REPORT
(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.4 SUSTAINABILITY COMMITMENTS AND SUSTAINABILITY DEVELOPMENT GOALS (CONTINUED)

Pillar	Material Matter	Why is it material	Our Response	Progress in 2024	SDGs contribution
	<ul style="list-style-type: none"> Community engagement 	Crucial to support the local community for long term mutual sustainable growth	i) Improving the living standard of local communities and promoting education among the younger generation especially in the maritime sector	i) Sponsored of forty one (41) students cumulatively for a three-year academic education under the Maritime Cadetship programme Diploma in Nautical Studies and Diploma in Marine Engineering at the Sarawak Maritime Academy School in Sarawak.	 
	<ul style="list-style-type: none"> Data privacy and security 	Protect individuals' personal information from unauthorized access and misuse.	i) Improve data security measures	i) Obtain zero complaints concerning breaches of customer privacy and losses of customer data	 
Governance	<ul style="list-style-type: none"> Sustainability policy Governance and ethic 	Uphold high standard of ethics and conduct business with integrity is fundamental for business success	i) To maintain good corporate governance to establish investor confident and sharpening shareholder value.	i. Incorporate and promote code of conduct and business ethics across all business activities. ii. Adopted Bursa Malaysia Reporting Guide 3rd Edition.	 

SUSTAINABILITY REPORT

(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.5 SUSTAINABILITY CERTIFICATES

LAW /ACT	DESCRIPTION OF THE ACT	COMPLIANCE STATUS	CERTIFICATES
International Convention on Tonnage Measurement of Ships, 1969	Adopt universal tonnage measurement system to ensure that ships were given reasonable economic safeguards, since port and other dues are charged according to ship tonnage.	Complied	<ul style="list-style-type: none"> International Tonnage Certificate (1969)
International Convention for the Safety of Life at Sea, 1974 (SOLAS), Latest amendment 2024	Marine treaty which sets the minimum safety standards in the construction, equipment and operation of merchant ships	Complied	<ul style="list-style-type: none"> Cargo Ship Safety Equipment Certificate Cargo Ship Safety Construction Certificate Cargo Ship Safety Radio Certificate Document of Compliance Special Requirements for Ship Carrying Dangerous Goods Safe Manning Document Safety Management Certificate
International Convention on Load Lines, 1966	Uniform principles and rules with respect to the limits in which ships on international voyages may be loaded having regard to the need for safeguarding life and property at sea	Complied	<ul style="list-style-type: none"> International Load Line Certificate
International Convention for the Prevention of Pollution from Ships, 1973 /1978 (MARPOL), Latest amendment 2020	International convention covering prevention of pollution of the marine environment by ships from operational or accidental causes	Complied	<ul style="list-style-type: none"> International Oil Pollution Prevention Certificate International Air Pollution Prevention Certificate International Sewage Pollution Prevention Certificate International Energy Efficiency Certificate Statement of Compliance – Fuel oil Consumption Reporting and Operational Carbon Intensity Rating Confirmation of Compliance – Ship Energy Efficiency Management Plan (SEEMP) Part III Report of Preliminary Verification of Energy Efficiency Existing Ship Index (EEXI)

SUSTAINABILITY REPORT

(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.5 SUSTAINABILITY CERTIFICATES (CONTINUED)

LAW /ACT	DESCRIPTION OF THE ACT	COMPLIANCE STATUS	CERTIFICATES
International Code for the Security of Ships and of Port Facilities (ISPS Code)	A set of measures to enhance the security of ships and port facilities	Complied	<ul style="list-style-type: none"> International Ship Security Certificate
Maritime Labour Convention, 2006, Latest amendment 2018	Provides a broad perspective to the seafarer's rights and fortification at work	Complied	<ul style="list-style-type: none"> Maritime Labour Certificate
International Convention on the Control of Harmful Anti-Fouling Systems on Ships	Prohibits the use of harmful organotin compounds in anti-fouling paints used on ships and establishes a mechanism to prevent the potential future use of other harmful substances in anti-fouling systems	Complied	<ul style="list-style-type: none"> International Anti-Fouling System Certificate
International Convention for the Control and Management of Ships Ballast Water and Sediments, Latest amendment 2022	Treaty adopted by the International Maritime Organization (IMO) in order to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water.	Complied	<ul style="list-style-type: none"> International Ballast Water Management Certificate
International Convention on Standards of Training Certification and Watchkeeping for Seafarers 1978 (STCW), Latest amendment Manila Amendment 2010	Sets qualification standards for masters, officers and watch personnel on seagoing merchant ships	Complied	<ul style="list-style-type: none"> All crew certificates
Merchant Shipping Ordinance 1952	Comprehensive legal framework for the operation and regulation of merchant shipping	Complied	<ul style="list-style-type: none"> Malaysian Ship Registration
Sarawak Rivers Ordinance 1993	Governing the management and regulation of rivers in Sarawak, Malaysia	Complied	<ul style="list-style-type: none"> River Transport Permit
Procedure ISO	Specific integrated management procedure	Complied	<ul style="list-style-type: none"> ISO 9001:2015

SUSTAINABILITY REPORT

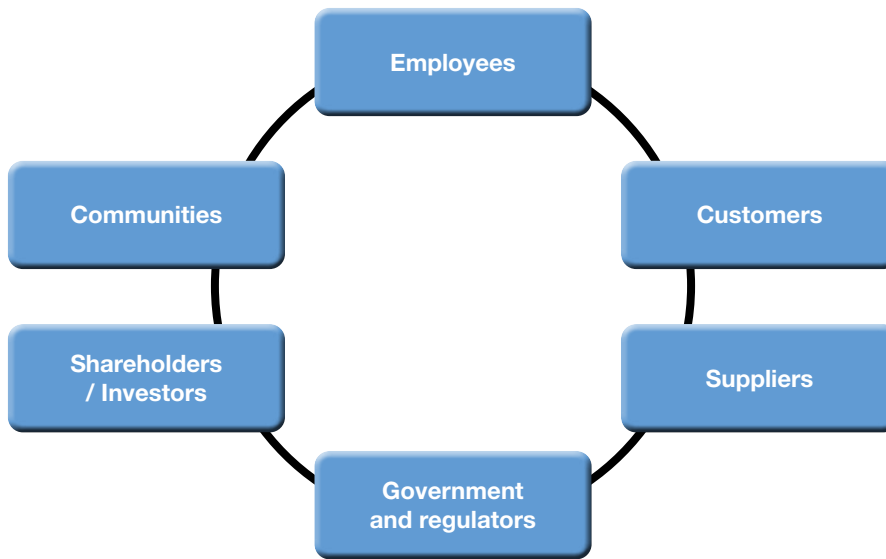
(Cont'd)



1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.6 STAKEHOLDERS ENGAGEMENT

The Group acknowledges that stakeholders engagement and feedback are crucial components of its sustainability strategy and initiatives. By actively engaging with stakeholders, the Group can remain informed about their issues and concerns.

The stakeholders engagement process encompasses both formal and informal approaches. Below is an overview of the Group's efforts to prioritize stakeholders engagement:







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

SUSTAINABILITY REPORT

(Cont'd)

1.0 SUSTAINABILITY GOVERNANCE (CONTINUED)

1.6 STAKEHOLDERS ENGAGEMENT (CONTINUED)

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

In response to the rapidly changing business environment and the evolving expectations of stakeholders, the Group is committed to continuously adapting in its approach. This includes expanding its focus on encompassing a wider range of stakeholders to better meet their diverse needs and expectations.

SUSTAINABILITY REPORT

(Cont'd)

2.0 ECONOMIC



2.1 BUSINESS PERFORMANCE

Economic sustainability refers to the ability of the Group and its capacity to operate at an effective and sustainable economic level over a long term. The Group is committed in improving sustainable and responsible corporate performance, creating the conditions for development that meets the needs and expectations of all stakeholders.

We are delighted to announce that we have achieved a financial improvement with a 2.2% revenue growth in FYE 2024 as compared to FYE 2023. The table below shows the Group's overall financial performance in comparison to the last financial year:-

	FYE 30 June 2024	FYE 30 June 2023
Revenue (RM'000)	959,819	939,604
Profit before tax (RM'000)	126,525	180,260
Earnings per share (sen)	9.77	15.83

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

The Board continues to support the management through sourcing for business opportunities to ensure business continuity. During the year, the Group has acquired a 60% equity interest in Mewah Exim Sdn Bhd ("Mewah Exim"). Mewah Exim is culminated as a holding company with 3 subsidiaries namely Seatrade Agency Services Sdn Bhd, Mewahtrans Logistic Sdn Bhd, Mewah Autoworks Sdn Bhd and an associate namely Mewah Logistik Sdn Bhd.

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

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

2.2 PRODUCT SAFETY AND QUALITY

Over the years, we have made significant investments in equipment to enhance the safety features of our shipyard. Additionally, we have upgraded our communication systems and technology to boost capacity and efficiency. These improvements have allowed us to provide better service to our customers and address the needs of our stakeholders both now and in the future. We are proud to maintain compliance with globally recognized standards, including the ISO 9001:2015 Quality Management System, which underscores our commitment to quality.



SUSTAINABILITY REPORT

(Cont'd)

2.0 ECONOMIC (CONTINUED)

2.2 PRODUCT SAFETY AND QUALITY (CONTINUED)

We are also pleased to highlight our advancements in product innovation and quality, including:

- a) **Fleet Enhancement Plans:** We have successfully converted two units of crude palm oil barges into commercial container vessels, with a loading capacity of 350 TEUs each.
- b) **New Shipbuilding Category:** We are constructing new 42-meter fast crew boat designed for Offshore Support Vessel (OSV) operations, catering specifically to Petroleum Arrangement Contractors (PACs).
- c) **High-Value Quality Vessels: We are building:**
 - shallow water Diesel Electrical Anchor Handling Tug and Supply vessel that meets ABS's ENVIRO notation.
 - DP2 Diesel Electrical Anchor Handling Tug and Supply vessels that comply with both ENVIRO and SMART notations (INF, SHM (Tier 1), MHM (Tier 1)). These vessels are equipped to continuously collect, transmit, manage, analyze, and report data to enhance health and condition awareness, operational assistance, optimization, and decision-making support.

These initiatives reflect our dedication to innovation and quality, positioning us to better serve our customers and stakeholders in the evolving maritime landscape.

In FYE 2024, no major complaint or rejection from customers were reported.



3.0 ENVIRONMENTAL

The Group recognizes the significant environmental impact of its industry, including the generation of industrial waste, water and air pollution, and the depletion of natural resources such as energy and water.

To address these critical environmental issues, the Group is committed to operating in a way that safeguards the health of ecosystems over the long term. Our initiatives include:

- **Raising Awareness:** Actively promoting awareness of key environmental issues among employees, stakeholders, and the community to foster a culture of sustainability.
- **Resource Management:** Continuously improving our resource management practices to optimize the use of energy and water, minimizing waste and maximizing efficiency.
- **Environmental Management:** Implementing robust environmental management systems to monitor and mitigate our impact on air and water quality and to manage industrial waste responsibly.
- **Sustainability Initiatives:** Investing in technologies and practices that enhance sustainability, such as recycling programs, waste reduction strategies, and the use of renewable energy sources.
- **Long-Term Conservation:** Committing to the conservation of natural resources to ensure that future generations will benefit from a healthy and sustainable environment.

Through these efforts, the Group aims to contribute positively to the environment while maintaining its operational effectiveness, ensuring a balance between business objectives and ecological responsibility.

SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)




3.1 4RS OF SUSTAINABILITY



The Group is dedicated to the principles of the 4Rs—Reduce, Reuse, Recycle, and Recover—to minimize waste and enhance sustainability.

We have fostered a culture among staff to utilize computer data storage whenever possible, significantly reducing paper consumption. Our shipbuilding and repair operations, particularly welding and cutting, generate solid waste, especially scrap metal. We recycle and reuse this scrap, which has economic value, for various sub-projects and to refurbish aged vessels, such as converting a CPO barge into a commercial container vessel. This approach improves our resource efficiency in material consumption.

We have implemented a color-coded bin system at our yard:

	Green Bin: Domestic Waste
	Yellow Bin: Metal Scrap
	Red Bin: Dry Scheduled Waste

Through these initiatives, the Group aims to minimize its environmental footprint while promoting a culture of sustainability and responsibility across all operations.



SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)

3.2 EFFLUENT, WASTE AND WATER MANAGEMENT

Waste management and pollution control aboard our vessels are governed by the International Convention for the Prevention of Pollution from Ships 1973/1978 (MARPOL). This framework aims to minimize pollution of the oceans and seas, addressing issues such as dumping, oil spills, and air pollution.

The Group has initiated its participation in the IMO's Data Collection System (DCS), designed to measure and potentially reduce greenhouse gas (GHG) and carbon dioxide emissions within the maritime industry.

3.2.1 Scheduled Waste management

We implement proactive measures to prevent pollution and environmental hazards. All accumulated garbage is compressed to its minimum size before disposal at shore facilities. We manage scheduled waste in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005. These wastes are appropriately stored at designated locations on our sites. A licensed third-party scheduled waste collector is engaged to collect and dispose of this waste responsibly.



Licensed scheduled waste collection

3.2.2 Vessel Waste Management

Comprehensive waste management plans are in place on all our vessels. Waste separation occurs onboard, with recyclable items such as plastics, paper, and glass sent to shore recycling facilities. Other waste types are collected for treatment, recovery, or disposal onshore. Waste suitable for incineration is managed using the shipboard incinerator. The only waste permitted for sea disposal is food waste, provided it is ground or small chunks and free of packaging or containers. This process adheres to MARPOL regulations, ensuring compliance with international standards for the prevention of marine pollution from ships.

Shipping Operations	Unit	2024	2023
Ship oil sludge	tonne	1,905	2,021
Ship garbage			
Ship garbage disposed to reception facility	tonne	1,035	963
Ship garbage discharged to sea - Category B	tonne	500	730

SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)

3.2 EFFLUENT, WASTE AND WATER MANAGEMENT (CONTINUED)

3.2.3 Water Management

We have adopted water-saving practices, including the collection of rainwater for cleaning our prime movers, cranes, and shovels, thereby reducing reliance on treated water sources.

All of our ships involved in international trade maintain a ballast water record book and hold an International Ballast Water Management Certificate. We adhere to ship-specific ballast water management plans to prevent the introduction of invasive species into coastal areas. This includes processes such as ballast water exchange or treatment using approved systems. Ballast water is treated before being released into the open sea to further mitigate the risk of inadvertently introducing invasive species.

We use freshwater generator to convert seawater to freshwater, provide an on going source of drinking water, to reduce reliance on shore-based freshwater supplies.

Water Consumption	Unit	2024	2023
Water Consumption (from vessels' freshwater generator)	tonne	2,601	2,531

We have achieved zero significant oil spills in 2024 and maintain a 100% compliance rate with oil spill regulations across our vessels. We are committed to maintaining this performance in 2025.

Through these comprehensive measures, the Group strives to uphold high environmental standards, ensuring the protection of marine ecosystems while complying with international regulations.

3.3 ENERGY MANAGEMENT

3.3.1 Energy and Electricity

The Group is actively implementing measures to reduce energy consumption and conserve water across its operations.

We encourage all staff to switch off equipment and lights when not in use to promote energy conservation and minimize waste.

We have adopted water-saving practices, including the collection of rainwater for cleaning our prime movers, cranes, and shovels, thereby reducing reliance on treated water sources.

In the financial year ending 2024 (FYE2024), the Group experienced a 17.8% increase in water and electricity consumption, amounting to RM6.498 million, up from RM5.507 million in FYE2023. While this increase highlights the need for continued focus on energy efficiency, we remain committed to identifying and implementing strategies to further reduce our consumption in the future.

Through these initiatives, the Group aims to foster a culture of sustainability and ensure responsible resource management.



SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)

3.3 ENERGY MANAGEMENT (CONTINUED)

3.3.2 Fuel management

Fuel is a critical resource for the Group, and we continuously monitor and manage fuel consumption to ensure optimal use in our operations.

In adherence to the IMO 2020 regulations, which mandate a maximum sulphur content of 0.5% in marine fuels, the Group has fully transitioned to low sulphur fuel oil (LSFO) with a sulphur content of 0.5% or less since the last quarter of 2019. This shift eliminates the use of cheaper high sulphur fuel oil (HFO). In Emission Control Areas (ECAs), we comply with the requirement to use fuel oil with a sulphur content of 0.1% or less, thereby significantly reducing airborne emissions and contributing to decreased air pollution in the shipping industry.

The Group's fuel consumption for the years 2023 and 2024 is detailed below:

Fuel Type	2024	2023
LSFO	20,369.66	19,135.35
MDO/MGO	28,296.58	27,125.76
Total	48,666.24	46,261.11
Revenue (shipping) RM'000	644,277	692,674
Fuel consumption (MT) over revenue in RM'000	0.076	0.067

The increase in fuel consumption per unit revenue in 2024 can be attributed to the return of our two container vessels, which were leased out in 2023 and are now operated by the Group. This operational change has affected our overall fuel consumption metrics.

Through these initiatives, the Group is committed to optimizing fuel usage in accordance with environmental regulations, thereby contributing to a more sustainable shipping industry.

3.4 CARBON FOOTPRINT INITIATIVES

Climate change presents a significant threat to the environment, societies, and the economy. The Group appreciates the importance of quantifying its carbon footprint and greenhouse gas emissions.

3.4.1 Total Energy Consumption

Total energy consumption is illustrated as below:-

Description	FYE 2024	FYE 2023
Fuel consumption (litre)	23,559,457	22,541,439
Diesel consumption (litre)	33,333,376	31,954,144
Electricity consumption (kwh)	23,268,932	21,572,991

SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)

3.4 CARBON FOOTPRINT INITIATIVES (CONTINUED)

3.4.1 Total Energy Consumption (Continued)

Carbon Emissions Overview

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

Scope 1 & 2 : Emissions (tonnes of CO₂ equivalent, tCO₂e)

Description	FYE 2024	FYE 2023
Scope 1 (tCO ₂ e) ¹	145,807.3	139,674.0
Scope 2 (tCO ₂ e) ²	18,147.8	16,826.9
Total (tCO ₂ e)	163,957.1	156,500.9
Carbon emission intensity (total carbon emission over revenue in RM'000)	0.17	0.17

By measuring and disclosing our carbon footprint, the Group is committed to understanding and addressing its impact on climate change. We will continue to implement strategies aimed at reducing our emissions and enhancing our sustainability practices.

Note:

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

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

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

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

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

3.4.2 Silicone Hull Coating

The Group is committed to protecting the marine environment by adopting innovative technologies, such as silicone hull coatings, in our operations. This approach not only mitigates the environmental impact of traditional copper-based biocidal hull coatings, which can be toxic to non-target organisms, but also enhances operational efficiency.

We have applied the silicone hull coatings on our cargo vessel, Danum 168. This coating:

- Maintains a smoother surface, reducing friction and improving fuel efficiency.
- Limits the release of harmful biocides into marine environments, contributing to marine protection.
- Decreases dry dock time, allowing for more efficient vessel maintenance.

SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)

3.4 CARBON FOOTPRINT INITIATIVES (CONTINUED)

3.4.2 Silicone Hull Coating (Continued)

Comparison of two of our container vessels, Danum 168 and Danum 173

Metric	Danum 168 (Silicone Hull Coating)	Danum 173 (Conventional Coating)
Fuel Consumption (Litres)	3,871,756	3,870,742
Shipping revenue (RM)	30,350,134	26,059,126
Fuel consumption (Litres) over shipping revenue in RM	0.13	0.15

Danum 168 demonstrates superior fuel efficiency, consuming less fuel relative to the revenue generated. This is reflected in its fuel consumption/shipping revenue ratio of 0.13, compared to 0.15 for Danum 173. By utilizing silicone hull coatings, the Group not only reduces fuel consumption and CO2 emissions but also takes a significant step toward enhancing marine environmental protection.

Through these initiatives, the Group aims to lead in sustainable maritime practices while optimizing operational performance.

3.5 ENVIRONMENTAL COMPLIANCE

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

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

Safety, Health and Environment	<ul style="list-style-type: none"> Occupational Safety & Health Act, 1994 Fire Service Act, 1988 Environmental Quality Act, 1974
Marine	<ul style="list-style-type: none"> International Safety Management Code ("ISM Code") Ship Management System ("SMS") Marine Transport Regulations Act CLASS marine Maritime Labour Convention, 2006 Custom Act 1967
Transportation	<ul style="list-style-type: none"> Road Transport Act 1987 ("RTA 1987") Weight and Measures Act 1972 Weight Restriction Order (Federal Road) Commercial Vehicles Licensing Board Act 1987

The amendments to MARPOL Annex VI of the IMO mark a significant step in the maritime industry's journey to decarbonisation. This strategy aspires carbon intensity for international shipping to decline through a 40% reduction by 2030, and a 70% reduction by 2050 compared to 2008. In alignment with this, our Group also complies with the Energy Efficiency Existing Ship Index (EEXI) value and Operational Carbon Intensity Indicator (CII) regulation for all existing vessels which shall comply.

SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)

3.5 ENVIRONMENTAL COMPLIANCE (CONTINUED)

Energy Efficiency Existing Ship Index (EEXI)

EEXI or Energy Efficiency Existing Ship Index is a measure related to the technical design of existing ships which must be calculated for all ships at and above 400 GT. The EEXI requires an assessment to be performed on each ships' energy consumption and CO₂ emissions against specific requirements for energy efficiency for each vessel type. To do this, the Group has implemented technical measures to adjust our vessels' emissions to the required level.

Carbon Intensity Indicator (CII)

CII or "Carbon Intensity Indicator" is a rating system developed by the IMO that applies to commercial vessels at and above 5,000 GT. The system measures how efficiently a ship transports goods or passengers in grams of CO₂ emitted per cargo-carrying capacity and nautical mile. The outcome of this calculation determines the annual reduction factor needed to ensure continuous improvement of a ship's operational carbon intensity within a specific rating level from A (best) to E (worst).

Measures for Compliance

In order to achieve the required EEXI rating on energy efficiency, we have installed engine power limitation (EPL) system to our existing vessels to reduce carbon emissions by restricting the maximum power and thus reducing fuel consumption.

Compliance	No of vessels required to comply	No of vessels complied
EEXI	12	12
CII	12	12
EPL system	9	9

CII rating

CII rating	2024 No of Vessels
A	4
B	3
C	4
D and below	1
Total	12

We are dedicated to ensuring that all applicable vessels achieve at least a C rating on the Carbon Intensity Indicator (CII). For any vessel that receives a D or E rating, we will conduct a thorough review of fuel oil consumption and implement measures to improve the CII rating in the next assessment. We perform monthly reviews and monitoring of each vessel's CII rating to ensure compliance with international regulations and to support environmental protection.

Energy Efficiency Design Index (EEDI)

For most newbuilds, compliance with the Energy Efficiency Design Index (EEDI) is mandatory. The EEDI:

- **Standardizes Efficiency:** It provides a newbuilding standard that ensures ship designs achieve specific levels of efficiency and reduce carbon emissions.
- **Established Regulation:** Introduced by the IMO years ago, the EEDI is now well-established within the maritime community, emphasizing its importance in sustainable ship design.

SUSTAINABILITY REPORT

(Cont'd)

3.0 ENVIRONMENTAL (CONTINUED)

3.5 ENVIRONMENTAL COMPLIANCE (CONTINUED)

Energy Efficiency Design Index (EEDI) (Continued)

Competitive Advantage

- **Charter Contracts:** Ships that meet or exceed EEDI standards are more competitive, as they have a higher probability of winning charter contracts. This compliance not only demonstrates a commitment to sustainability but also enhances marketability.
- **European Union Regulations:** The European Union plans to publish the technical efficiency (EEDI) for each ship that calls at EU ports as part of its recently adopted Monitoring, Reporting, and Verification (MRV) regulation. This move underscores the growing emphasis on environmental performance in the maritime industry.

By adhering to these regulations and standards, the Group not only enhances its operational efficiency but also plays a crucial role in advancing sustainability in maritime transport. We remain dedicated to continuous improvement and compliance with international environmental standards.

3.6 SUPPLY CHAIN

The Group selects project subcontractors through a structured tender and selection process, ensuring transparency and fairness. A dedicated tender committee governs the evaluation and selection of subcontractors, using a comprehensive set of criteria that includes technical, financial, and pricing considerations.

We implement vehicle tracking system to provide real-time tracking and enhance visibility. We also implement sustainable practices, such as reducing packaging waste and optimizing transportation routes to lower carbon emissions.

We advocate for supporting local businesses to drive economic growth within the communities where we operate. By providing opportunities to Small and Medium Enterprises (SMEs), we not only enhance local livelihoods but also contribute to reducing transportation emissions.

The proportion of our spending with local and foreign suppliers are illustrated as below:

	FYE 2024	FYE 2023
Proportion of spending on local suppliers (%)	81.4%	84.2%
Proportion of spending on foreign suppliers (%)	18.6%	15.8%
Total	100.0%	100.0%



SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL

4.1 OCCUPATIONAL SAFETY AND HEALTH



Safety at work is essential for ensuring that all operations are performed without any risk of accidents or occupational diseases. The Group has long-standing commitment to health and safety, promoting a transformative safety culture as a foundation for continuous improvement. Central to this effort is personnel training, which plays a key role in risk prevention.

Commitment to Occupational Health and Safety

The Group is committed to actively enhancing occupational health and safety through the following actions:

- **Compliance:** We strictly adhere to all mandatory laws and reference standards related to health and safety.
- **Risk Management:** Hazards and risks associated with activities and duties are regularly identified and managed. We continuously update our knowledge to prevent accidents and injuries.
- **Policy Review:** The Health & Safety Policy and objectives are periodically reviewed to ensure their relevance and effectiveness.
- **Training and Awareness:** We invest in raising the skills and awareness of all personnel through comprehensive information and training programs. We believe that enhanced knowledge promotes better safety practices and drives the cultural shifts necessary for improved outcomes.
- **Stakeholder Cooperation:** We collaborate with stakeholders to inform policy-making and drive continuous improvement, fostering a strong connection between the Company's leadership and all employees.

Maritime Labour Convention (MLC) Certification

All of our vessels are certified under the Maritime Labour Convention (MLC) and adhere to crew accommodation standards. This commitment ensures that we provide favourable labour conditions for our maritime crew, in compliance with all MLC requirements, including:

- Minimum age limits
- Adequate hours of rest
- Comfortable accommodation and on-board facilities
- Proper food and catering services
- Timely payment of wages
- Qualifications for medical practitioners

Vigilance and Hygiene Practices

We remain vigilant and socially responsible in upholding good hygiene practices in the workplace. Our commitment to maintaining the highest occupational health and safety standards reflects on our dedication to the well-being of our employees and the overall safety of our operations. Through these initiatives, the Group strives to create a safe, healthy, and productive work environment for everyone involved.

INCIDENT REPORT

Category	Total Reported / Cases	
	Jul'23 - Jun'24	Jul'22 - Jun'23
Unsafe Act	7	22
Unsafe Conditions	56	326
Environmental Spillage	0	2
Fire Outbreak	1	2
Property Damage	1	1
First Aid	8	6
Medical Treatment	30	60
Restricted Work	0	0
Lost Time Injury (LTI) Frequency rate	2	0
Fatality	0	1

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.1 OCCUPATIONAL SAFETY AND HEALTH (CONTINUED)



Mega toolbox briefing



New staff quarters



New Canteen Kitchen area



New staff dining area

4.2 TRAINING AND EDUCATION

We are committed to the professional development of our employees by offering a range of training programmes and opportunities to attend seminars, workshops, and conferences. These initiatives cover various topics, including economic, environmental, financial, and social matters, all of which are integral to the successful operation of the Group and the career advancement of our staff.

Training and Development Opportunities

- **Comprehensive Programmes:** Our training programs are designed to enhance the skills and knowledge of our employees, ensuring they stay informed on industry trends and best practices.
- **Career Advancement:** By providing access to external seminars and workshops, we empower our employees to grow their professional expertise and advance their careers within the Group.
- **Holistic Approach:** The content of these programmes addresses key areas essential for both individual and organizational success, fostering a culture of continuous learning and improvement.

Through these efforts, we aim to cultivate a knowledgeable and skilled workforce that is well-equipped to meet the challenges of our industry and contribute to the Group's continuous success.

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.2 TRAINING AND EDUCATION (CONTINUED)

Training and Development Opportunities (Continued)

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

No	Training	Month & Year	No. of Employee
1	Maintenance Planning, Scheduling and Control Best Practices	Jul-23	2
2	Medical Care	Jul-23	1
3	Digitalization Supply Chain Conference 2023	Jul-23	3
4	CePSWaM Field Training Report (FTR) Preparation Workshop	Aug-23	1
5	Data Analysing & Reporting	Aug-23	5
6	BV Class & Statutory Regulations Updates Seminar	Aug-23	12
7	Emergency Response to Fire Outbreak at Workplace	Aug-23	2
8	General Operator Certificate Revalidation	Aug-23	1
9	Kursus Etika dalam Sektor Pembinaan dan Kejuruteraan	Aug-23	2
10	Authorised Entrant & Standby Person for Confined Space (AESP)	Sep-23	3
11	ClassNK Technical Seminar	Sep-23	28
12	Digital Transformation Via Accelerated Applications	Sep-23	2
13	Leadership & Managerial Skills	Oct-23	1
14	Ship Chartering Contracts Masterclass	Oct-23	3
15	Latest Amendments to OSHA Act 2022	Oct-23	2
16	Basic Training Refresher	Oct-23	1
17	AMIM Sustainability Forum 2023	Oct-23	17
18	Technical & Marine Superintendency's Coaching Session 2023	Oct-23	2
19	ABS OSV Seminar - Navigate Offshore Vessel Latest Trends	Oct-23	5
20	Port & Maritime Exchange 2023	Oct-23	1
21	API Offshore Pedestal Crane Operator Course	Nov-23	1
22	Occupational Health & Safety (OH&S) Management With ISO 45001:2018	Nov-23	29
23	Customer Appreciation and Relationship Events (CARE)	Nov-23	7
24	Authorised Gas Tester & Entry Supervisor for Confined Space	Nov-23	1
25	Sarawak Labour Ordinance : Practical Applications for Managers and Executives	Dec-23	2
26	Kursus Ejen Kastam (KEK)	Dec-23	2
27	MIA Webinar Series: Preparation and Presentation of Consolidated Financial Statements	Dec-23	2
28	MIA Webinar Series: Directors' Interest in Contracts and Conflict of Interests	Dec-23	5

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.2 TRAINING AND EDUCATION (CONTINUED)

Training and Development Opportunities (Continued)

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

No	Training	Month & Year	No. of Employee
29	MIA Webinar Series: Deferred Tax under MFRS 112/MPERS Section 29 – Unstacking complexities with Excel spreadsheets	Dec-23	2
30	Webinar Series: 2024 Budget Seminar	Dec-23	6
31	MIA Blended Learning Series : Recent Transfer Pricing Developments and Its Impact on Taxpayers	Dec-23	1
32	Mastering Risk-Based Internal Audit	Jan-24	4
33	OSH Set Up at the Workplace (Sustainable OSH Management)	Jan-24	1
34	Sustainability Reporting Forum	Jan-24	2
35	MIA Webinar Series: Valuation in Practice for Transactions and Reporting: Part 1 - Valuation Fundamentals	Jan-24	2
36	MIA Webinar Series: Valuation in Practice for Transactions and Reporting: Part 2 - Valuation for Business Combination	Jan-24	2
37	MIA Webinar Series: Valuation in Practice for Transactions and Reporting: Part 3 - Valuation of Intangible Assets	Feb-24	2
38	Authorised Entrant & Standby Person for Confined Space (AESP)	Feb-24	1
39	Maritime Law Course 2024	Feb-24	1
40	International Maritime Dangerous Goods: IMDG Code “General Awareness”	Feb-24	3
41	Continuous Improvement	Feb-24	5
42	International Maritime Dangerous Goods: IMDG Code “Function Specific”	Mar-24	3
43	ISO 45001:2018 Awareness Programme	Mar-24	30
44	Webinar on Latest Development of Service Tax 2024 (Advance Course)	Mar-24	6
45	Internal OH&S Auditor Training (ISO 45001:2018)	Mar-24	31
46	Webinar on 2024 Sales Tax Latest Update & New Tax Implementation (LVG & Logistics Service)	Mar-24	13
47	Webinar Service Tax 2024 Vol.2 (Latest Updates and Exemption)	Mar-24	1
48	Authorised Gas Tester and Entry Supervisor for Confined Space Refresher	Mar-24	1
49	International Maritime Dangerous Goods : IMDG Code “Function Specific”	Apr-24	1
50	ISO 9001:2015 Awareness Training	Apr-24	30
51	Internal Quality Auditor Training - ISO 9001:2015	Apr-24	29
52	MIA Webinar Series: Issuance & Redemption of Preference Shares	Apr-24	1
53	International Maritime Dangerous Goods: IMDG Code “General Awareness”	Apr-24	1
54	International Maritime Dangerous Goods: IMDG Code “Function Specific”	Apr-24	4

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.2 TRAINING AND EDUCATION (CONTINUED)

Training and Development Opportunities (Continued)

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

No	Training	Month & Year	No. of Employee
55	Safety and Health Officer (SHO) Course (Part Time)	Apr-24	1
56	Train of Trainer (TOT) 6.09 Course	Apr-24	1
57	Bursa Malaysia Mandatory Accreditation Programme	Apr-24	1
58	Motivation and Retention of Seafarers - Role of Shipowners or Ship Managers	May-24	2
59	Liquid Penetrant Testing Level I & II	May-24	8
60	Magnetic Particle Testing Level I & II	May-24	7
61	Authorised Entrant & Standby Person for Confined Space (AESP)	May-24	3
62	In House Training : E-Invoice Accounting and Its Implementation Mechanism Incorporating its Latest Updates	Jun-24	40
63	Authorised Entrant & Standby Person for Confined Space (AESP)	Jun-24	4
64	Occupational Safety and Health Coordinator (OSH-C)	Jun-24	7
65	Internal Audit Execution 101	Jun-24	5
66	Strategic Cost Management and Budgetary Planning	Jun-24	8
67	Authorised Gas Tester and Entry Supervisor for Confined Space Refresher	Jun-24	1
68	Fixed Assets Management & Tracking Systems with an Overview of ISO55000	Jun-24	8
69	Visual Testing Level I & II	Jun-24	10
70	The Essentials in Adopting A Shipping System	Jun-24	23

The following table shows the total training hours achieved by the Group:-

Year	Total Hours of Training	Average Training Hours Per Employee
2024	5,184	2.40
2023	2,520	1.22

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.3 DIVERSITY AND EQUALITY

Employee diversity is a core value for the Group, as we believe that a diverse workforce fosters a respectful culture characterized by open-mindedness and mutual understanding. This diversity encourages innovative thinking and adaptability, which are especially vital for a globally minded corporation.

Diversity in Our Workforce

- **Employee Profile:** Our team consists of 2,161 onshore employees from over fifteen nationalities across various regions, reflecting our commitment to inclusivity and representation.
- **Hiring Practices:** We maintain a non-discriminatory hiring policy, ensuring that all employees are selected based on their qualifications, capabilities, and expertise rather than any other factors.

By embracing diversity, we not only enrich our organizational culture but also foster creativity and problem-solving, ultimately contributing to the Group's success in navigating a dynamic global market.

Below is the Group's Employee Demographic Highlights FYE 2024 and FYE 2023:-

TOTAL NUMBER OF EMPLOYEES		NO	NO
		FYE 2024	FYE 2023
PERMANENT	Female	424	425
	Male	911	955
CONTRACT	Female	18	12
	Male	808	680
		2,161	2,072

TOTAL NUMBER OF EMPLOYEES BY NATIONALITY		NO	NO
		FYE 2024	FYE 2023
Malaysian		1,743	1,698
Non- Malaysian		418	374
		2,161	2,072

TOTAL NUMBER OF EMPLOYEES BY AGE GROUP		NO	NO
		FYE 2024	FYE 2023
30, and under	Female	165	177
	Male	493	437
31-40	Female	184	175
	Male	481	454
41-50	Female	69	65
	Male	388	388
51 and above	Female	24	20
	Male	357	356
		2,161	2,072

SUSTAINABILITY REPORT

(Cont'd)

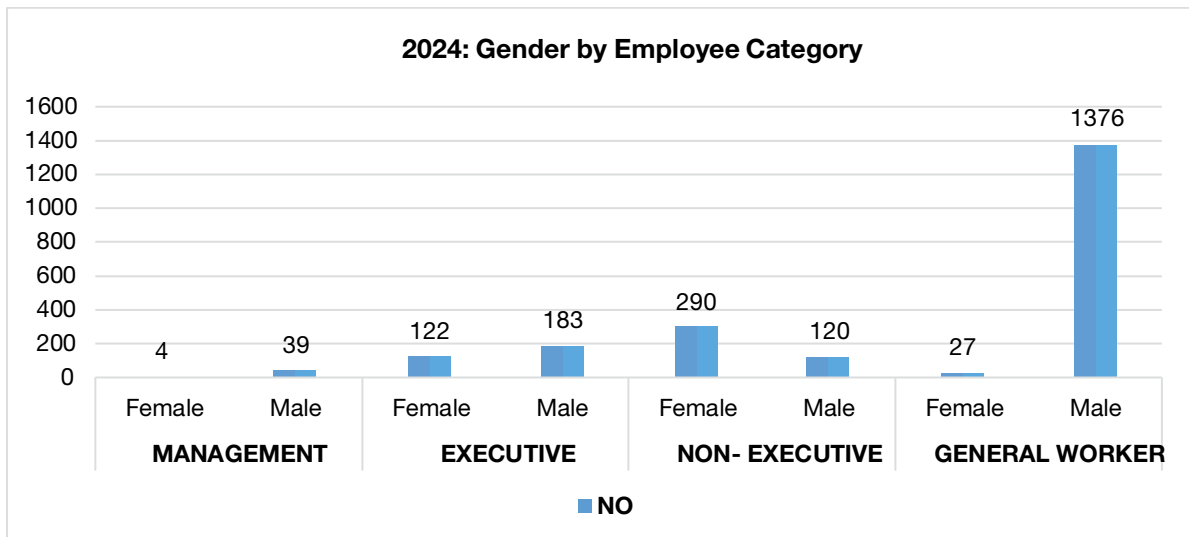
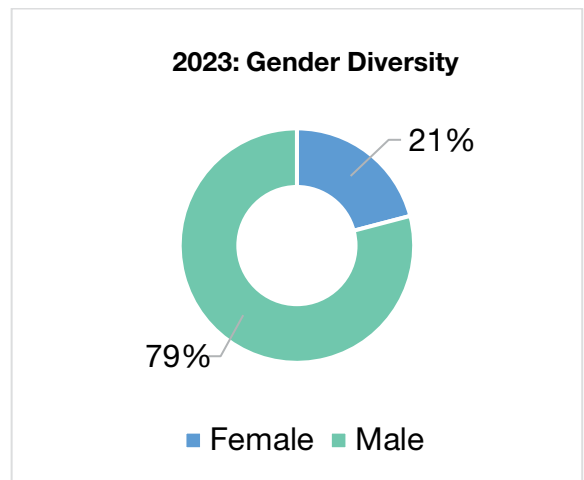
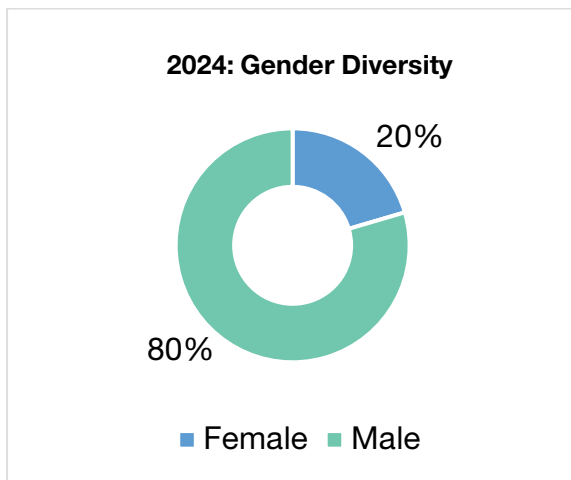
4.0 SOCIAL (CONTINUED)

4.3 DIVERSITY AND EQUALITY (CONTINUED)

Diversity in Our Workforce (Continued)

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT LEVELS		NO	NO
		FYE 2024	FYE 2023
MANAGEMENT	Female	4	3
	Male	39	36
EXECUTIVE	Female	122	114
	Male	183	150
NON- EXECUTIVE	Female	290	280
	Male	120	126
GENERAL WORKER	Female	27	28
	Male	1,376	1,335
		2,161	2,072

Across the Group, the male employees outnumber female employees considering the business nature and models of logistics and marine working environment. Male employees accounted for 80% (2023: 79%), while the remaining 20% (2023: 21%) are female employees.



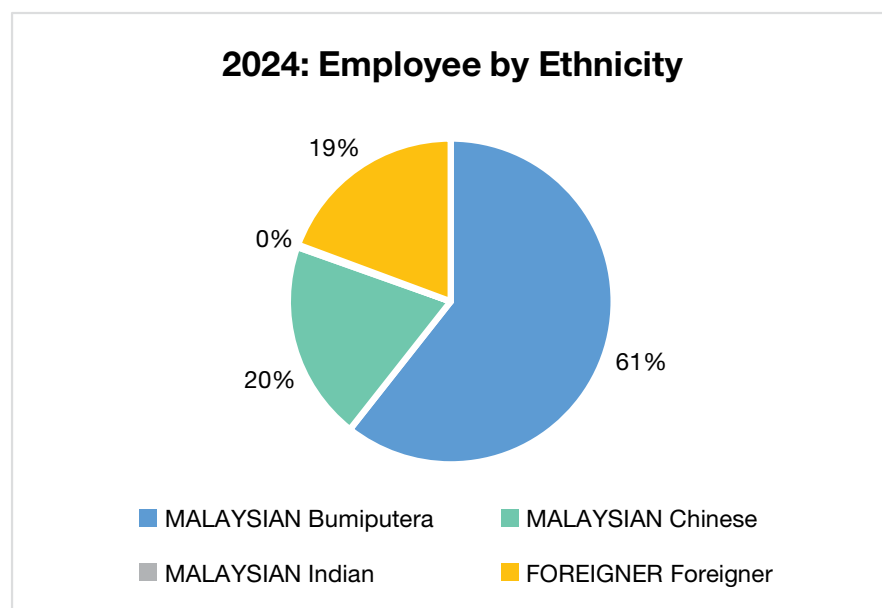
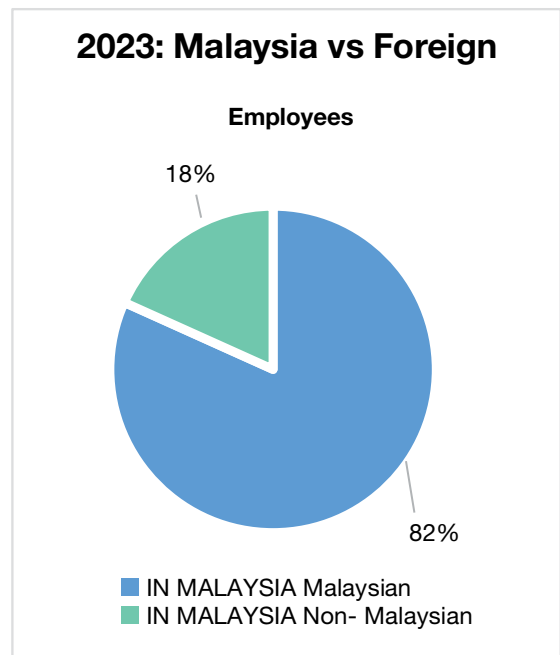
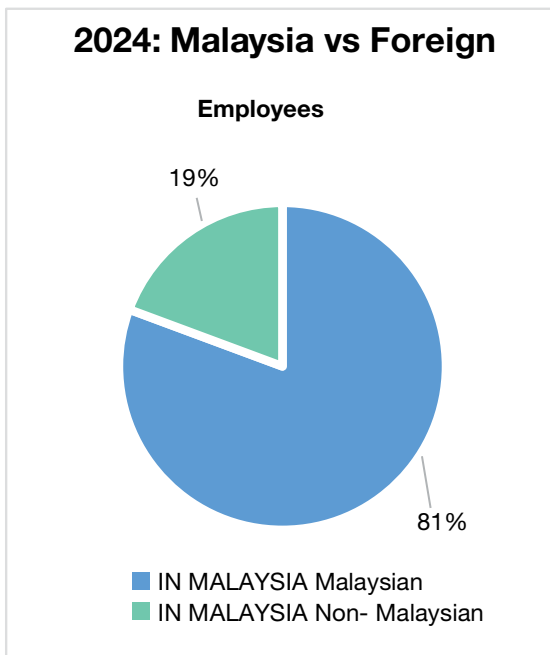
SUSTAINABILITY REPORT
(Cont'd)

4.0 SOCIAL (CONTINUED)

4.3 DIVERSITY AND EQUALITY (CONTINUED)

Diversity in Our Workforce (Continued)

The Group promotes diversity, approximately 81% (2023: 82%) of our employees are Malaysians, and the remaining 19% (2023: 18%) are foreigners and from other ethnicities. Whenever possible, the Group hires local employees for our operations.



The Group boasts a youthful employee profile, with nearly 30% of our workforce under the age of 30 (unchanged from 2023). Additionally, 31% of employees are in the 31-40 age range (up from 30% in 2023), while 21% are between 41 and 50 years old (down from 22% in 2023). The remaining 18% of employees are over 50, representing our senior staff who play a crucial role in mentoring and guiding their younger team members.

SUSTAINABILITY REPORT

(Cont'd)

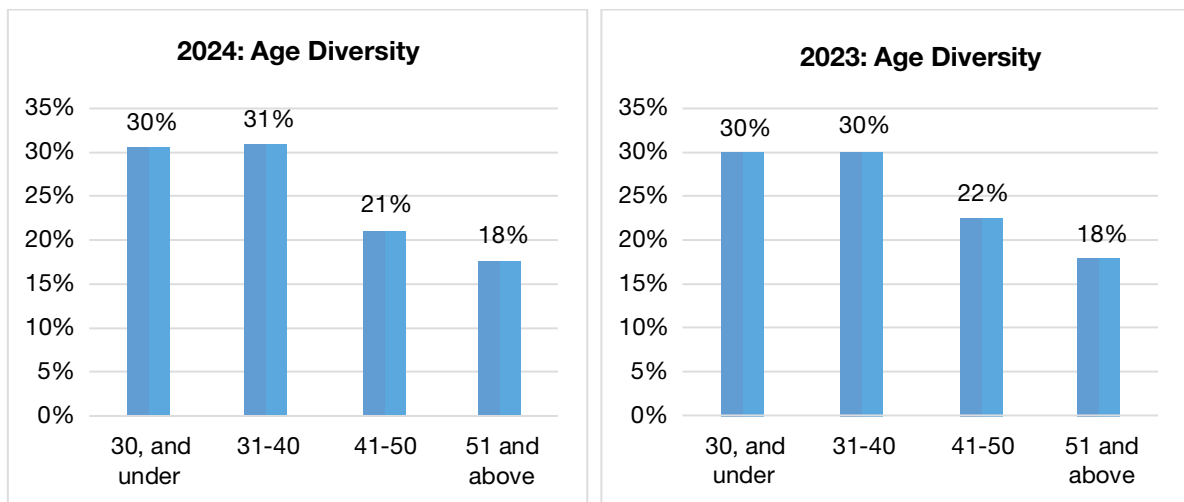
4.0 SOCIAL (CONTINUED)

4.3 DIVERSITY AND EQUALITY (CONTINUED)

Engaging Young Talent

- **Youthful Workforce:** Our commitment to attracting young talent is reflected in our ongoing efforts to engage graduates and trainees, fostering a dynamic and innovative environment.
- **Mentorship Opportunities:** Senior employees actively share their experience, focusing on providing guidance and mentorship to younger staff, which enhances knowledge transfer and professional development.

The Group remains dedicated to nurturing career development prospects for all employees, ensuring a supportive and collaborative workplace that values the contributions of every individual, regardless of age.



New employees hired for the Group

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

Year	Gender				Total
	Male	Rate	Female	Rate	
2024	389	84%	75	16%	464

Year	Age Group						Total
	Below 30	Rate	30-50	Rate	Above 50	Rate	
2024	266	57%	183	39%	15	3%	464

Year	Gender				Total
	Male	Rate	Female	Rate	
2023	477	85%	82	15%	559

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

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.3 DIVERSITY AND EQUALITY (CONTINUED)

Total employees' turnover

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

Year	Gender				Total
	Male	Rate	Female	Rate	
2024	328	81%	78	19%	406

Year	Age Group						Total
	Below 30	Rate	30-50	Rate	Above 50	Rate	
2024	199	49%	161	40%	46	11%	406

Year	Gender				Total
	Male	Rate	Female	Rate	
2023	428	85%	74	15%	502

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

- b) By Function:

	Turnover (%)	
	2024	2023
Operations	13%	6%
Non-operations	6%	20%

4.4 EMPLOYEE WELFARE AND ENGAGEMENT

- a) Employee Remuneration and Benefits

We recognize that meaningful career development and skills enhancement, alongside competitive compensation and benefits, are essential for our employees, particularly in light of rising living costs.

The Group adheres to local statutory requirements regarding wages and benefits, including the Minimum Wages Order, Employees' Provident Fund, Social Security Protection, and performance-based bonus payments, as well as annual leave provisions.

- b) Succession Planning

To ensure business continuity, the Group is actively implementing succession planning in identifying and developing key talent within the Group. Our succession planning is a collaborative effort between the Human Resource Department and Senior Management, aimed at equipping employees with the necessary competencies and skills for future leadership roles.

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.4 EMPLOYEE WELFARE AND ENGAGEMENT (CONTINUED)

c) Employee Engagement

In year 2024, the Group had conducted various activities including an appreciation lunch and sports events to encourage employee interaction and foster spirit de corps while promoting work-life balance.

Through these initiatives, the Group aims to create a supportive work environment that values an employee's well-being, development, and engagement.



Table Tennis Tournament



Basketball Tournament



Badminton Tournament



Futsal Tournament



Shin Yang Family day



Floating parade- Sarawak 60th anniversary of Independence

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.5 COMMUNITY ENGAGEMENT

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

i) Education Sponsorship Programme - Sarawak Maritime Academy School

As part of our efforts to promote education, the Group has fully sponsored 41 students over the course of three years in the Maritime Cadetship program at the Sarawak Maritime Academy School. This sponsorship includes:

- **Diploma Programmes:** The students are enrolled in the Diploma in Nautical Studies and Diploma in Marine Engineering.
- **Employment Opportunities:** Some of the graduates from this programme have joined our workforce, contributing to our ocean-going vessels and shipyards.

Through initiatives like this, the Group aims to invest in the future of the local community while fostering talent that supports the maritime industry.

ii) Social Contributions

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

Charity Bodies	RM
Persatuan Ibu Bapa Kanak-kanak Istimewa Miri (PIBAKIS)	2,500.00
Palliative Care Association of Miri (PCAM)	2,500.00
Wishesland Miri	2,500.00
Morsjaya Community-Based Rehabilitation Centre (PDK)	2,500.00
Miri Basketball Association	10,000.00



The Group’s representative handing over cash contribution to PCAM



The Group’s representative handing over cash contribution to PIBAKIS



The Group’s representative handing over cash contribution to PDK



The Group’s representative handing over cash contribution to Wishesland



The Group’s representative handing over cheque to Miri Basketball Association

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.5 COMMUNITY ENGAGEMENT (CONTINUED)

iii) Blood Donation Drive

The Group's Blood Donation Drive, conducted in collaboration with Miri General Hospital's Blood Transfusion Unit, Malaysian Red Crescent, Permaisuri Imperial City Mall, and Imperial Palace Hotel, is an integral part of our commitment to conserving community health.

Blood Donation Initiative

- **Purpose:** This initiative aims to raise awareness about the importance of blood donation in saving lives and to educate the community on safe voluntary blood donation and transfusion practices.
- **Frequency:** The program is held four times a year, ensuring a steady support system for the Blood Transfusion Unit of Miri General Hospital, particularly during critical periods when blood supply is needed most.

Through this initiative, the Group not only contributes to the health and well-being of our community but also fosters a culture of giving, and social responsibility among our employees and stakeholders.

Date	Venue	Number of Pints of Blood
12.08.2023	Malaysian Red Crescent Training Institute Miri	93
11.11.2023	Permaisuri Imperial City Mall	104
24.02.2024	Permaisuri Imperial City Mall	71
25.05.2024	Imperial Palace Hotel	67



iv) Membership of Associations

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

Our participation in various associations is as described below:

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

SUSTAINABILITY REPORT

(Cont'd)

4.0 SOCIAL (CONTINUED)

4.6 DATA PRIVACY AND POLICY

All employees are expected to safeguard confidential information acquired during their course of work. This includes taking necessary precautions to protect customer data from unauthorized access or misuse. Employees are strictly prohibited from misusing customer information without proper consent and authorization. Any violation of this policy may result in disciplinary action, including termination. The Group has established a Cyber Security Policy to ensure compliance with applicable data protection laws. This policy outlines our commitment to safeguarding customer information and the procedures in place to protect it.

In 2024, the Group did not receive any complaints regarding violations of customer privacy, reflecting our commitment to maintaining high standards of data protection and confidentiality.



5.0 GOVERNANCE

The Group recognises the good corporate governance extends beyond mere compliance with existing standards and regulations. It encompasses a commitment to ethics, trust, and values that shape our business conduct. This enhances the stakeholders' confidence and sets the standard of the conducts for the Group.

a. Code of Ethics and Conduct

The Group has an established Business Ethics and Code of Conduct that set out the expected action and behaviour from the employees and business associates. The Ethics and Code of Conduct stipulates adherence to legal, equitable and unbiased standards in relation to conflict of interest, entertainment and gifts, misuse of position, insider trading and misconduct. The employees of the Group are required to uphold the highest standards of ethics and professionalism throughout their employment with the Group. The employees are kept informed of any updates to the Code through various channels, including web posts, email notifications, and face-to-face or virtual briefings.

b. Whistle-blowing Policy

This Policy has been established to provide a structured mechanism for employees and stakeholders to raise genuine concerns about any suspected wrongful activities or misconduct. The Group is committed to fostering a culture where wrongdoing shall not be tolerated and, when reported, is addressed promptly and effectively. The Group aims to create an environment where employees feel safe and supported in raising concerns without fear of retaliation. The Group also commits to provide protection for individuals who make disclosures, ensuring they are not subject to any form of reprisal.

This Policy encompasses, but is not limited to, whistle-blowing on the following types of misconduct:

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

Employees are encouraged to raise their concerns and file reports confidently to the Chairman of the Central Committee. Through this initiative, the Group reinforces its commitment to integrity and accountability in all operations.

SUSTAINABILITY REPORT

(Cont'd)

5.0 GOVERNANCE (CONTINUED)

b. Whistle-blowing Policy (Continued)

There were no complaints in suspected corrupt or unethical conduct were received in the past as shown below:

	2024	2023	2022
No. of complaint on suspected corrupt or unethical conduct	Nil	Nil	Nil

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

As part of its commitment to ethical business practices, the Group had implemented an Anti- Bribery and Anti-Corruption Policy ("ABC Policy"), which reflects our zero-tolerance stance against all forms of bribery and corruption. The ABC Policy mandates all directors, employees, and business associates to adhere to the Malaysian Anti-Corruption Commission Act 2009, including all amendments, particularly the Malaysian Anti-Corruption Commission Act 2018, as well as other applicable anti-bribery and anti-corruption laws. The Group fosters a culture of integrity, ensuring that ethical conduct is a fundamental aspect of our business operations.

Through the implementation of the ABC Policy, the Group aims to prevent corrupt practices and uphold the highest standards of ethical behaviour, thereby reinforcing stakeholder trust and confidence.

There were no confirmed incidents of corruption in the past as shown below:

	2024	2023	2022
Confirmed incidents of corruption	Nil	Nil	Nil

The percentage of operations assessed for corruption-related risks is shown as below:

	2024	2023	2022
Percentage of operations assessed for corruption-related risks	100%	100%	100%

d. Directors' Fit and Proper Policy

In compliance with the relevant provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Malaysian Code on Corporate Governance 2021 ("MCCG"), the Group has implemented the Directors' Fit and Proper Policy. This Policy aims to ensure that the Board comprises individuals with the right balance, diversity, and mix of skills, business experience, background, industry knowledge, and professional qualifications.

We believe that a culture free from corruption must originate from the top. Therefore, the Board is dedicated to fostering ethical practices throughout the organization. In alignment with this, the Board follows the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia, which emphasizes on transparency, integrity, accountability, and corporate social responsibility.

SUSTAINABILITY REPORT

(Cont'd)

6.0 BURSA PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	4.65
Executive	Percentage	0.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	85
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	1.02
Management Above 50	Percentage	0.97
Executive Under 30	Percentage	2.36
Executive Between 30-50	Percentage	9.30
Executive Above 50	Percentage	2.45
Non-executive/Technical Staff Under 30	Percentage	8.75
Non-executive/Technical Staff Between 30-50	Percentage	9.07
Non-executive/Technical Staff Above 50	Percentage	1.16
General Workers Under 30	Percentage	19.34
General Workers Between 30-50	Percentage	32.53
General Workers Above 50	Percentage	13.05
Gender Group by Employee Category		
Management Male	Percentage	1.80
Management Female	Percentage	0.19
Executive Male	Percentage	8.47
Executive Female	Percentage	5.65
Non-executive/Technical Staff Male	Percentage	5.55
Non-executive/Technical Staff Female	Percentage	13.42
General Workers Male	Percentage	63.67
General Workers Female	Percentage	1.25
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.77
Female	Percentage	33.33
Under 30	Percentage	0.00
Between 30-50	Percentage	22.22
Above 50	Percentage	77.78
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	23,268.93
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	484.680000
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	553
Executive	Hours	3,375
Non-executive/Technical Staff	Hours	1,105
General Workers	Hours	70
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	38.22
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	4
Executive	Number	52

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY REPORT

(Cont'd)

6.0 BURSA PERFORMANCE DATA TABLE (CONTINUED)

Indicator	Measurement Unit	2024
Non-executive/Technical Staff	Number	65
General Workers	Number	285
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	81.40
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	20,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,400
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

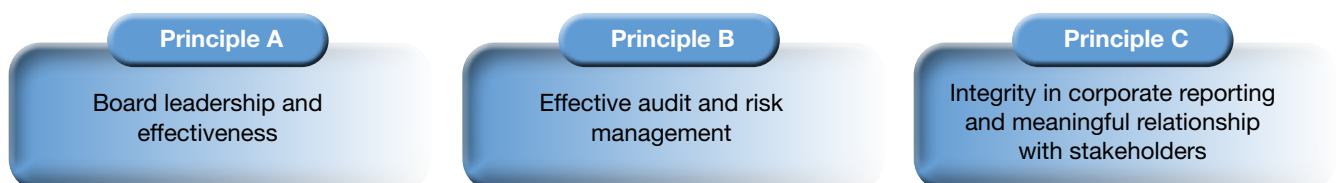
Overall, the Board believes that the Group has, in all material aspects, complied with the principles and practices set out in the MCCG throughout FY2024. The Company's level of adoption across all the practices is summarised as follows:-

Application	No. of Practices	No. of Step-up Practices	Total
1. Applied	38	-	38
2. Departure	4	-	4
3. Not Applicable	1	-	1
4. Adopted	-	3	3
5. Not Adopted	-	2	2
Total	43	5	48

The practices/step-up practice not applied/adopted by the Company are as follows:

Practice 5.2	At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.
Practice 8.2	The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
Step-up Practice 8.3	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.
Step-up Practice 9.4	The Audit Committee should comprise solely of Independent Directors.
Practice 12.2	Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
Practice 13.3	Listed companies should leverage technology to facilitate- <ul style="list-style-type: none"> • voting including voting in absentia; and • remote shareholders' participation at general meetings. Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

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



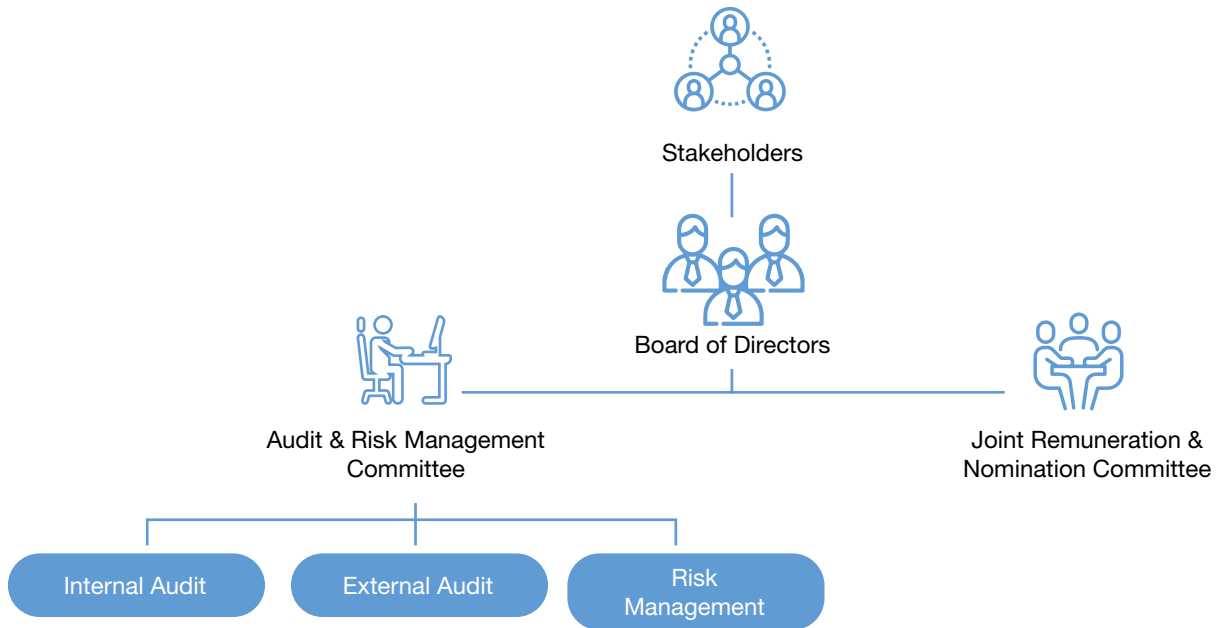
CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART 1: BOARD RESPONSIBILITIES

1.0 Governance Framework



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

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

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

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

- **Audit and Risk Management Committee**

The Audit and Risk Management Committee comprises of four (4) Independent Non-Executive Directors and one (1) Non- Independent Non-Executive Director. The composition, responsibilities, detailed terms of reference and the activities of the Committee during the financial year are set out separately in the Audit and Risk Management Committee Report on page 87 to 90 of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

- **Joint Remuneration and Nomination Committee**

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

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

Dr. Lai Yew Hock, Dominic - Independent Non –Executive Director

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

The Committee meets as and when necessary. For the financial year ended 30 June 2024, the Committee has held three (3) meetings.

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

1.1 Board Charter

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

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

1.2 Supply and Access of Information

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

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

1.3 Roles of the Chairman and Chief Executive Officer

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

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

The Chairman of the Board does not serve on the Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

1.4 Company Secretary

The Board is supported by a Company Secretary who is experienced, competent and qualified to act as company secretary under section 235(2) of the Companies Act 2016 and is a registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.

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

The Company Secretary continuously attends the necessary trainings, seminars and conferences organized by the professional bodies and/or relevant authorities to keep himself abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to his profession and enable him to provide the necessary advisory role to the Board.

1.5 Good Business Conduct and Healthy Corporate Culture

The Board is committed to promoting good business conduct and healthy corporate culture. This is formalised through the followings:-

(i) Code of Ethics and Conduct

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

(ii) Whistle-Blowing Policy

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

(iii) Anti-Bribery and Corruption Policy

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

1.6 Sustainability

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PART II : BOARD COMPOSITION

2.0 Board Composition and balance

The Group is led and managed by a competent Board which sets the policies to enable them to lead and guide the Group to achieve its goals. The Board currently has nine (9) board members, headed by the Group Executive Chairman. The nine (9) members of the Board comprise of four (4) Executive Directors and one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. This has met the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements which require at least two (2) Directors or nearest of one third (1/3) of the Board, whichever is higher, to be Independent Directors.

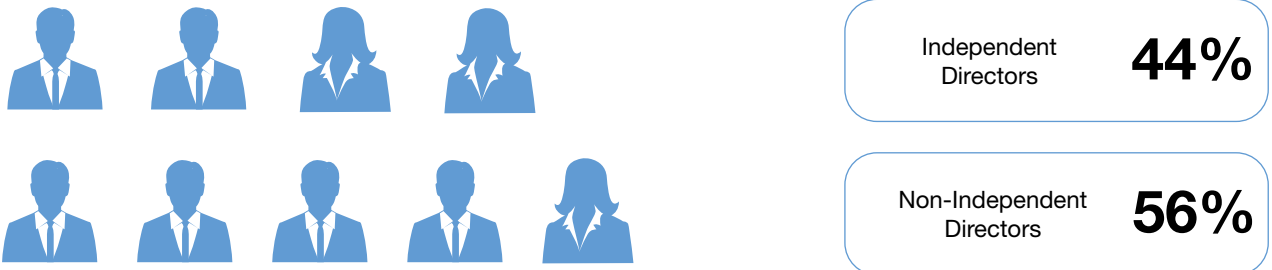
The profile of each director is presented from page 10 to page 14 in the Annual Report.

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

The Board is aware of the gender diversity agenda promulgated in the MCCG. No specific gender diversity targets have been set by the Group. Currently, there are three (3) females who served as Board members. The Board believes that the appointment of board members, regardless of gender, should be based on experience, expertise, professionalism, integrity and competence as these are the essential criteria for an effective Board.

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

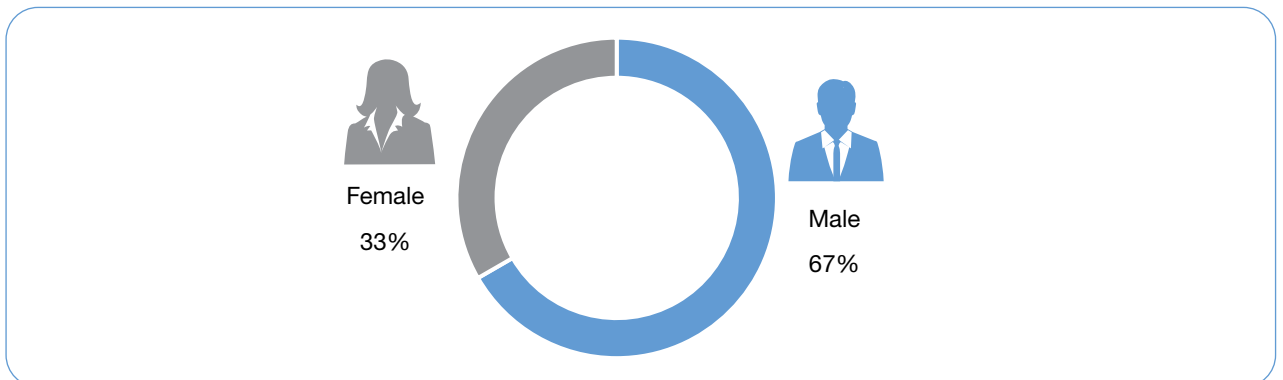
Directorship



Tenure of Independent Directors



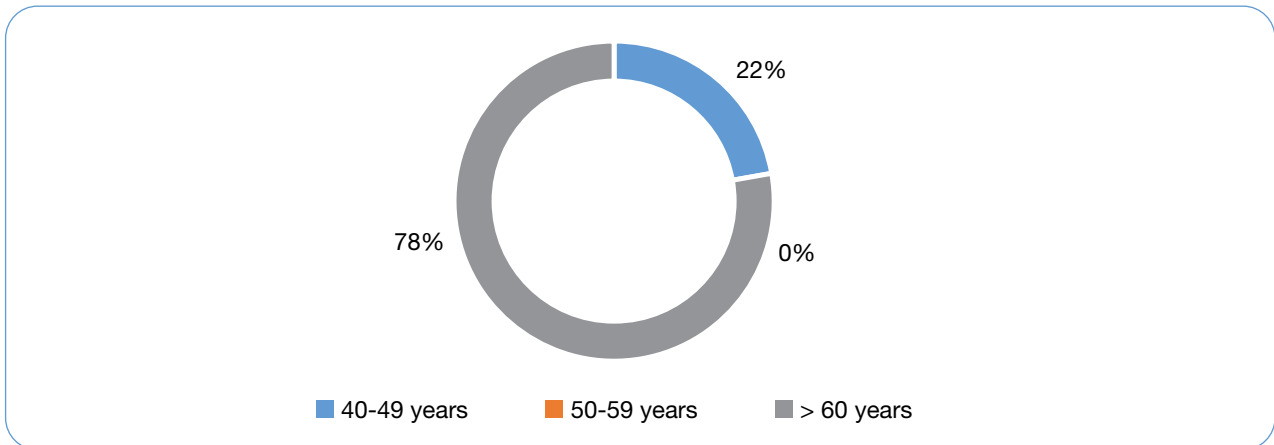
Gender



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Age profile



Experience and Expertise



2.1 Gender Diversity

The Group respects and unequivocally supports the Universal Declaration of Human Rights and advocates fair employment policies and practices as it is committed to provide equal employment opportunities to everyone without any discrimination such as against age, gender, race, ethnicity, religion and nationality. The Board believes that it is important to recruit and retain the best available talent, taking into account the mix of skills, experience, knowledge and independence, and base on the Group's needs and operating environment.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

2.2 Time Commitment

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

2.3 Appointment and Retirement of Directors

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

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

2.4 Tenure of Independent Directors

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

2.5 Annual Assessment of Director

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

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

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

2.6 Directors' Training

All of the Directors have attended and completed the Mandatory Accreditation Programme ("MAP") prescribed by the Bursa Malaysia Training Sdn Bhd. The Directors have undertaken an assessment of the training needs of each director and they were nominated to attend the Continuing Education Programme ("CEP") organized by accredited organisations as and when necessary to keep abreast with the latest development that are relevant to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The Directors during the financial year ended 30 June 2024, have attended the necessary training which regarded as essential in providing the Directors with continuous education and enhancement of their knowledge and skills in discharging their responsibilities as directors of the Company

Training programmes	Duration of training per programme, day(s)
SSM National Conference 2023	2
Directors' Interest in Contracts and Conflict of Interests	1
Mandatory Accreditation Programme	2
Submission of Return Form 2023 and Capital Gains Tax	5

2.7 Board Meetings

The Board meets at least four times a year with additional meetings to be convened as and when the Board's approval and guidance is required. Board meetings as well as annual general meeting ("AGM") are scheduled in advance annually to enable all directors to ensure their attendance at the meetings.

Notice of meetings which set out the matters to be discussed are sent out to the directors at least 14 days before the meetings. All notices and meeting materials are communicated to the directors via email and other means. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting. The Directors may participate on the meetings through telephone, web conference or other form of communication.

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

The deliberations and conclusions of matters discussed in the Board meetings are duly recorded in the minutes of meeting, including whether any Director abstains from voting or deliberating on a particular matter. All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters that are time-sensitive and administrative in nature which require for Board's decision and approval will be circulate via circular resolution with supported relevant information and explanations. All Directors' circular resolutions are tabled to the directors for confirmation and notation at the subsequent Board Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

No	Directors	Status of Directorship	No. of Meeting attended/Held		
			Board	ARMC	JRNC
1	Tan Sri Datuk Ling Chiong Ho	Group Executive Chairman	4/4	-	-
2	Ling Chiong Sing	Group Managing Director	4/4	-	-
3	Datuk Ling Lu Kiong	Group Executive Vice Chairman	4/4	-	-
4	Ling Chiong Pin	Executive Director	4/4	-	-
5	Ling Siu Chuo	Non-Independent Non-Executive Director	4/4	5/5	3/3
6	Jack Willien @ William Anak Jinep	Independent Non-Executive Director	4/4	5/5	3/3
7	Yong Nyet Yun	Independent Non-Executive Director	4/4	5/5	-
8	Dr. Lai Yew Hock, Dominic (Appointed on 19 January 2024)	Independent Non-Executive Director	2/2	2/2	1/1
9	Izan Nadiawati Binti Mohamad Tabib (Appointed on 19 January 2024)	Independent Non-Executive Director	2/2	2/2	-
10	Vincent Ling Lu Yew (Retired on 22 November 2023)	Executive Director	1/1	-	-
11	Arshad Bin Zainuddin (Demised on 20 November 2023)	Independent Non-Executive Director	1/1	2/2	-

PART III: REMUNERATION

3.0 Remuneration of Directors

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

The details of the remuneration of the directors of the Company and Group for the financial year ended 30 June 2024 are as follows:

No	Name	Directorate	Company ('000)						Total
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	TAN SRI DATUK LING CHIONG HO	Executive Director	0	0	1,980	480	0	98	2,558
2	LING CHIONG SING	Executive Director	0	0	660	150	0	33	843
3	LING CHIONG PIN	Executive Director	0	0	240	45	0	12	297
4	DATUK LING LU KIONG	Executive Director	0	0	240	45	0	35	320
5	VINCENT LING LU YEW (RETIRED ON 22 NOVEMBER 2023)	Executive Director	0	0	120	0	0	15	135
6	LING SIU CHUO	Non-Executive Non-Independent Director	30	0	0	0	0	0	30
7	YONG NYET YUN	Independent Director	54	0	0	0	0	0	54
8	JACK WILLIEN @ WILLIAM ANAK JINEP	Independent Director	30	0	0	0	0	0	30
9	DR. LAI YEW HOCK, DOMINIC	Independent Director	18	0	0	0	0	0	18
10	IZAN NADIAWATI BINTI MOHAMAD TABIB	Independent Director	18	0	0	0	0	0	18
11	ARSHAD BIN ZAINUDDIN (DEMISED ON 20 NOVEMBER 2023)	Independent Director	10	0	0	0	0	0	10

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

No	Name	Directorate	Group ('000)						Total
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	TAN SRI DATUK LING CHIONG HO	Executive Director	0	0	2,160	495	0	108	2,763
2	LING CHIONG SING	Executive Director	0	0	1,440	232	0	70	1,742
3	LING CHIONG PIN	Executive Director	0	0	300	50	0	15	365
4	DATUK LING LU KIONG	Executive Director	0	3	240	45	0	35	320
5	VINCENT LING LU YEW (RETIRED ON 22 NOVEMBER 2023)	Executive Director	0	0	180	0	0	22	202
6	LING SIU CHUO	Non-Executive Non-Independent Director	30	0	0	0	0	0	30
7	YONG NYET YUN	Independent Director	54	0	0	0	0	0	54
8	JACK WILLIEN @ WILLIAM ANAK JINEP	Independent Director	30	0	0	0	0	0	30
9	DR. LAI YEW HOCK, DOMINIC	Independent Director	18	0	0	0	0	0	18
10	IZAN NADIAWATI BINTI MOHAMAD TABIB	Independent Director	18	0	0	0	0	0	18
11	ARSHAD BIN ZAINUDDIN (DEMISED ON 20 NOVEMBER 2023)	Independent Director	10	0	0	0	0	0	10

3.1 Remuneration of Senior Management

The Board opines that the disclosure on a named basis for the senior management's remuneration component in bands of RM 50,000 may be prejudicial to the business interest of the Group as it may have negative impact on the Company's talent retention in the competitive environment in which it is operating. The executive Directors ensure that the remuneration of senior management is fair and reasonable with the performance of the Company, with due consideration to attracting, retaining and motivating senior management to lead and run the Company successfully.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLES B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : Audit and Risk Management Committee

4.0 Effective and Independent Audit and Risk Management Committee

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

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

The Audit and Risk Management Committee Report is set out on page 87 to 90 of the annual report.

4.1 Chairman of Audit and Risk Management Committee

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

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

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

4.2 Cooling -off Period of at least three (3) years for Former Key Audit Partner

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

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

The Terms of Reference of the Audit and Risk Management Committee is available on the Group's website at www.shinyanggroup.com.my.

Currently, none of the members of the Audit and Risk Management Committee is a former key audit partner within the cooling-off period of at least three (3) years before being appointed as a member of the committee.

4.3 Relationship with Auditors

Through the Audit and Risk Management Committee, the Group maintains a formal and transparent professional relationship with the internal and external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit and Risk Management Committee meets with the external auditors at least once a year to review audit plans and memorandum and to facilitate exchange of view on issues requiring attention. Key features of the Audit and Risk Management Committee's Term of Reference are set out from page 87 to 90 of the Annual Report.

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

4.4 Risk Management and Internal Control

The Statement on Risk Management and Internal Control is set out on page 82 to 86 of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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

5.0 Financial Reporting

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

The Statement by Directors pursuant to the Companies Act 2016 is set out on page 91 of this Report.

5.1 Ensure timely and high quality disclosure

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

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

5.2 Communication with Shareholders and Investors

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

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

The Group's Annual General Meeting ("AGM") is the principal avenue for dialogue and interaction with the shareholders. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed and about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operation for the financial year and outlines the prospect of the Group for the subsequent financial year in the Chairman's statement on page 17 to 18. Resolutions tabled and passed at the AGM are released to Bursa Malaysia on the same day to enable the public to be promptly informed of the outcome.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

5.3 Corporate Governance Report

Pursuant to paragraph 15.25(2) of the Listing Requirement, the Corporate Governance Report which discloses the application of each Practice of the MCCG 2021 by the Group in the format prescribed by Bursa Malaysia is available at the Group's website, www.shinyanggroup.com.my

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 16 October 2024.

ADDITIONAL COMPLIANCE INFORMATION

i) Shares Buy-back

During the financial year ended 30 June 2024, the Company bought back 8,085,000 shares from the open market as follows:

Month of Purchase	Total number Of Shares Purchased	Total Purchase Consideration (RM)	Highest Price Paid (RM)	Lowest Price Paid (RM)	Average Price Paid (RM)
July 2023	570,000	333,800.00	0.615	0.560	0.586
August 2023	1,160,000	714,650.00	0.640	0.580	0.616
September 2023	670,000	437,200.00	0.665	0.635	0.653
October 2023	860,000	541,950.00	0.660	0.600	0.630
November 2023	880,000	579,050.00	0.690	0.630	0.658
December 2023	945,000	572,350.00	0.630	0.585	0.606
January 2024	695,000	442,200.00	0.670	0.620	0.636
February 2024	730,000	470,975.00	0.660	0.625	0.645
March 2024	680,000	411,250.00	0.620	0.595	0.605
April 2024	150,000	90,500.00	0.610	0.595	0.603
May 2024	255,000	170,250.00	0.695	0.620	0.668
June 2024	490,000	378,950.00	0.795	0.755	0.773
TOTAL	8,085,000	5,143,125.00	0.795	0.560	0.636

All of the shares purchased by the Company were retained as treasury shares. There were 2,000,000 treasury shares has been transferred to the Vendor, Mr. Lim Miang Chiang via Direct Debit Transaction at RM0.60 per share to satisfy the final balance of purchase consideration for acquisition of Mewah Exim Sdn Bhd. during the financial year. As at 30 June 2024, a total of 70,254,700 shares were held as treasury shares.

ii) Imposition of Sanction and / or Penalties

There were no sanctions and/or penalties on the Company or its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 30 June 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

iii) Non-Audit Fees

The amount of non-audit fees paid to the external auditor by the Company and its subsidiaries during the financial year ended 30 June 2024 amounted to RM103,700 for the professional services rendered as follows:

Company	Review of Inter-nal Control Sys-tem (RM)	Tax Fee (RM)	Total (RM)
Shin Yang Group Ber-had	5,000	5,000	10,000
Its subsidiaries	-	93,700	93,700
Total (RM)	5,000	98,700	103,700

iv) Variation of Results

There were no material variances between the audited results of the financial year ended 30 June 2024 and the announced unaudited results.

v) Profit Guarantee

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

vi) Revaluation Policy

The Group does not adopt a policy of regular revaluation.

vii) Share Options Offered to Non-Executive Directors

There were no share options granted during the financial year ended 30 June 2024.

viii) Utilisation of Rights Issue Proceeds

There were no rights issue proceeds during the financial year ended 30 June 2024.

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

The RRPT entered into by the Group during the financial year ended 30 June 2024 were as follows:

Name of Related Parties	Nature of transaction with the Related Parties	Business Activities of Related Parties	Manner of relationship in the Related Parties		Financial Year Ended 30 June 2024 Actual (RM'000)	
			Director	Major Shareholder		
Shin Yang Holding Sdn Bhd and Companies related to Shin Yang Holding Sdn Bhd						
1.	Shin Yang Holding Group ⁽¹⁾	Provision of shipping services by the Group	Hypermarket and departmental store, hotel business, property developing, wood-based products manufacturing, research & development of wood products, reforestation and oil palm operations, quarry operation, construction and engineering, transportation services and logistics, parts & hardware supplies, agriculture, glue manufacturing, plastic manufacturing, sales of marine equipment and electrical engineering	Yes	Yes	122,149

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Name of Related Parties		Nature of transaction with the Related Parties	Business Activities of Related Parties	Manner of relationship in the Related Parties		Financial Year Ended 30 June 2024 Actual (RM'000)
				Director	Major Shareholder	
2.	Shin Yang Holding Group ⁽¹⁾	Provision of fabrication services by the Group	Reforestation and wood-based products manufacturing, quarry operation, construction and engineering, transportation services and logistics, and parts & hardware supplies.	Yes	Yes	2,070
3.	Shin Yang Holding Group ⁽¹⁾	Provision of gas services by the Group	Reforestation and wood-based products manufacturing, research & development of wood products, quarry operation, construction and engineering, transportation services and logistics, parts & hardware supplies, agriculture, glue manufacturing, plastic manufacturing, sales of marine equipment and electrical engineering	Yes	Yes	1,592
4.	Shin Yang Holding Group ⁽¹⁾	Purchase of marine hardware supplies and spare parts by the Group	Trading house, construction and engineering, and transportation and haulage service	Yes	Yes	16,696
5.	Shin Yang Hold-ing Group ⁽¹⁾	Rental of properties by the Group	Investment and properties holding, wood based products manufacturing, quarry operation and construction & engineering	Yes	Yes	2,012
6.	Shin Yang Hold-ing Group ⁽¹⁾	Purchase of transportation services and hotel accommodation by the Group	Investment holding, transportation and haulage services, provision of bus services for the Group's employees as well as ticketing agents and provision of hotel accommodation	Yes	Yes	1,859
7.	Shin Yang Hold-ing Group ⁽¹⁾ and Shin Yang Services Sdn Bhd ⁽²⁾	Purchase of diesel and bunker by the Group	trading house	Yes	Yes	6,171
Companies connected to the Directors or Person Connected to the Directors						
8.	Ling Family Group ⁽³⁾	Provision of shipping services by the Group	Equipment and machinery supplies, tyre retreading, oil palm plantation, wet market supply in hyper-market, construction and engineering, trading of scrap metal and hydraulic hose supplies	Yes	Yes	15,081
9.	Ling Family Group ⁽³⁾	Provision of fabrication services by the Group	Equipment and machinery supplies, tyre retreading and trading of scrap metal	Yes	Yes	1,130

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Name of Related Parties	Nature of transaction with the Related Parties	Business Activities of Related Parties	Manner of relationship in the Related Parties		Financial Year Ended 30 June 2024 Actual (RM'000)
			Director	Major Shareholder	
10. Ling Family Group ⁽³⁾	Provision of gas services by the Group	Equipment and machinery supplies, tyre retreading, oil palm plantation and trading of scrap metal	Yes	Yes	734
11. Ling Family Group ⁽³⁾	Purchase of marine hardware supplies and spare parts by the Group	Ration supplier, trading house, workshop operation and trading of scrap metal.	Yes	Yes	7,544
12. Ling Family Group ⁽³⁾	Rental of property by the Group	Provision of berthing facilities and letting of properties	Yes	Yes	46
13. Ling Family Group ⁽³⁾	Purchase of transportation services and accommodation services by the Group	Public transportation and provision of hotel accommodation.	Yes	Yes	19

Notes:-

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In line with the above, the Board is pleased to present the following Statement on Risk Management and Internal Control, which outlines the nature and scope of the Group's internal controls for the financial year ended 30 June 2024.

RESPONSIBILITY AND ACCOUNTABILITY

The Board

The Board affirms its commitment to maintaining sound risk management practices and an effective internal control system to safeguard the shareholders' investments and the Group's assets. The Board acknowledges its overall responsibility for the Group's system of risk management and internal control and its effectiveness, as well as reviewing its adequacy and integrity.

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

The Group's risk management process and system of internal control consist of financial controls, operational and compliance controls and risk management to safeguard the shareholders' investment and assets of the Group. The key risk categories of the Group are business risk, competitive risk, compliance risk, corruption risk, credit risk, liquidity risk, operational risk, supply chain risk and technological risk.

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

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

The Management

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

ENTERPRISE RISK MANAGEMENT

Risk Management Framework

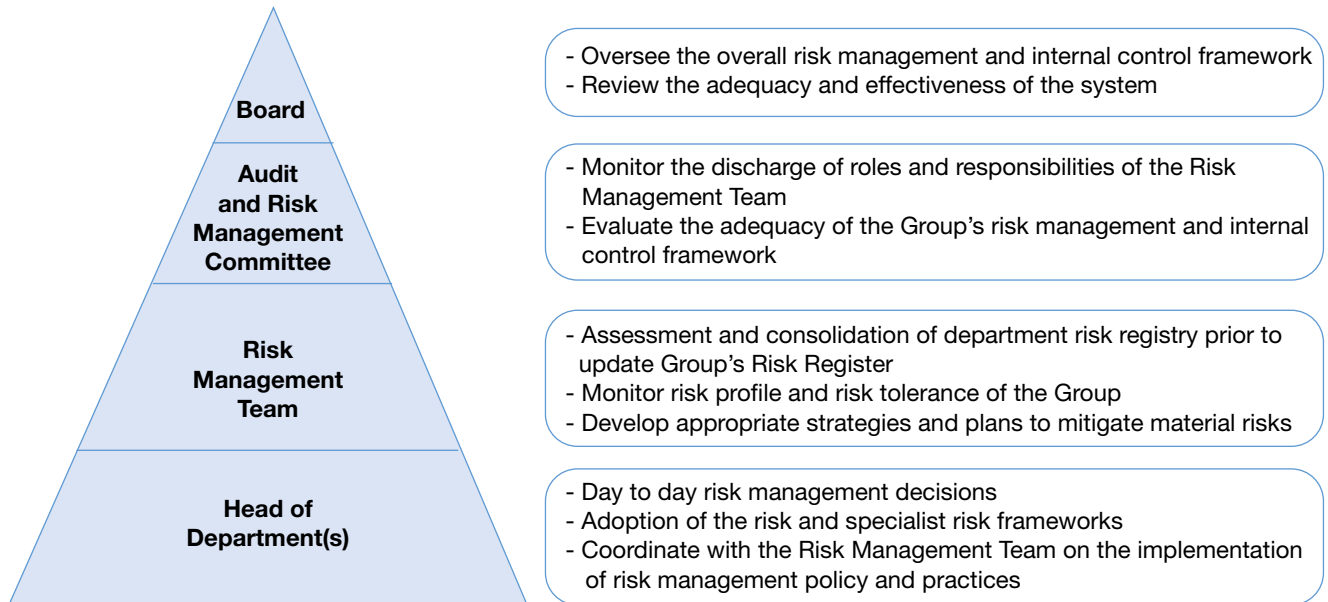
The Board has made risk assessments an ongoing exercise to effectively identify, evaluate, manage and review any changes in the risks faced by the businesses in the Group. The significant risks encountered by the Company are managed in accordance to the Guidance for Directors of Public Listed Companies on Statement on Risk Management and Internal Control.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

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



Risk Management Process

The risk management process involves all business and functional units of the Group identifying significant risks that impact the achievement of the business objectives of the Group. The Group has established procedures for the reporting and monitoring of risks and controls. Regular reviews are conducted with additional procedures to be carried out as and when required.

The identified risks are documented in the risk register and subsequently evaluated to determine whether their risk rating is classified as Extreme, High, Medium, or Low. The risk rating process follows a matrix that considers both the likelihood of occurrence and the potential financial and non-financial impacts. Following this assessment, risk owners are responsible for overseeing the implementation of risk mitigation measures to achieve a residual risk that falls within the acceptable tolerance range.

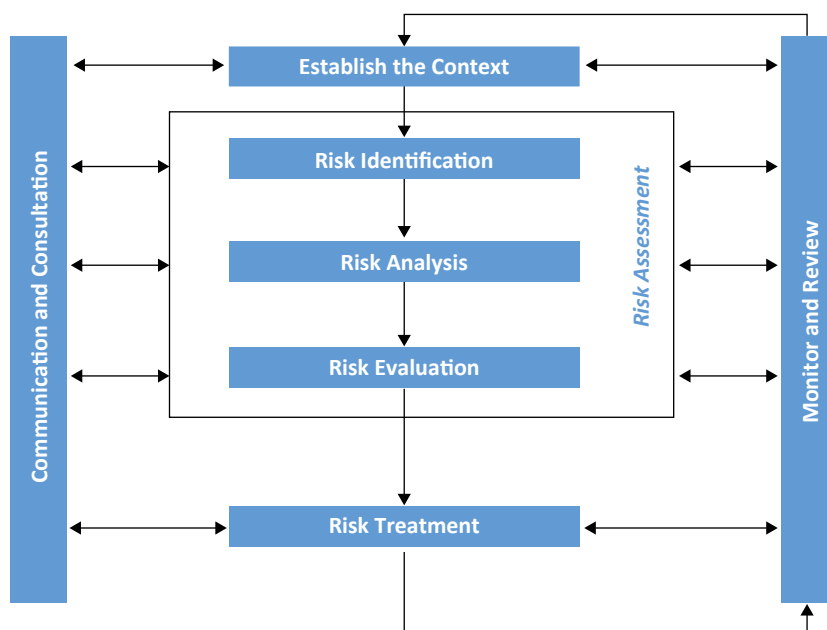
The progress and effectiveness of the mitigation measures are reviewed and reported quarterly. The outcomes of the Audit and Risk Management Committee ("ARMC") meetings are then presented to the Board to ensure that the risk exposures are acceptable and that adequate risk mitigation measures are being implemented.

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)



Summary of the risk management procedures

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

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

ELEMENTS OF INTERNAL CONTROL

The Board acknowledges that the internal control systems are designed to identify, evaluate, monitor and manage the risks that may hinder the Group from achieving its goals and objectives.

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

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

The Group’s system of internal controls comprises the following key elements:-

Board Meeting

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

Organisational Structure with Defined Responsibility and Authority

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

Performance Management Framework

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

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

Operational Policies and Procedures

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

Group Internal Audit

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

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

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

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

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

Quality Assurance

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

Information and Communication

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

Assurance from the Management

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

Audit and Risk Management Committee

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

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in *Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* ("AAPG3") issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 30 June 2024, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

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

CONCLUSION

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

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 16 October 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERS

Yong Nyet Yun

Chairman and Independent Non –Executive Director

Dr. Lai Yew Hock, Dominic

Independent Non -Executive
(Appointed on 19 January 2024)

Jack Willien @ William Anak Jinep

Independent Non -Executive

Izan Nadiawati Binti Mohamad Tabib

Independent Non -Executive
(Appointed on 19 January 2024)

Ling Siu Chuo

Non-Independent Non-Executive

Arshad Bin Zainuddin

(Demised on 20 November 2023)

TERMS OF REFERENCE

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

COMPOSITION OF THE COMMITTEE

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

DUTIES AND RESPONSIBILITIES

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

AUTHORITY

- The Committee is authorised to seek any information it requires from employees, who are required to co-operate with any request made by the Committee.
- The Committee shall have full and unlimited access to any information pertaining to the Group as well as direct communication with the internal and external auditors and with some senior management of the Group.
- The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Group, outside legal or other independent professional advice, if it considers necessary.
- The Committee shall be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.
- Where the Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee shall promptly report such a matter to Bursa Securities.

PROCEEDINGS

- The Secretary of the Company shall be the Secretary of the Audit and Risk Management Committee ("ARMC").
- ARMC shall meet not less than four (4) times a year. The Committee meeting shall not combine with the Board meeting to uphold an objective and independent discussion during the meeting.
- The Secretary shall send notice to all Committee members prior to the meeting. Minutes of each meeting shall be kept at the registered office of the Company and circulated to all members in a timely manner.
- Minutes shall be confirmed at the following meeting of the Committee.
- No Director or employee shall attend any meeting of the Committee except at the ARMC's invitation, specific to the relevant meeting.
- Decisions of the Committee shall as far as possible be by consensus, failing which the decision will be by a simple majority.

FINANCIAL PROCEDURE AND FINANCIAL REPORTING

Review the quarterly results and the year end financial statements, prior to the approval of the Board, focusing particularly on:-

- Any significant changes to accounting policies and practices;
- Significant adjustments arising from the audits;
- Compliance with accounting standards and other legal requirements; and
- Going concern assumption.

RELATED PARTY TRANSACTIONS

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

AUDIT REPORTS

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

INTERNAL AUDIT

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

INTERNAL AUDIT

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

EXTERNAL AUDIT

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

MEETING

During the financial year ended 30 June 2024, five (5) committee meetings were held. A record of the attendance to these meetings is as follows:

	No of Meeting attended
Yong Nyet Yun	5/5
Jack Willien @ William Anak Jinep	5/5
Ling Siu Chuo	5/5
Dr. Lai Yew Hock, Dominic (Appointed on 19 January 2024)	2/2
Izan Nadiawati Binti Mohamad Tabib (Appointed on 19 January 2024)	2/2
Arshad Bin Zainuddin (Demised on 20 November 2023)	2/2

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

INTERNAL AUDIT FUNCTION

The Internal Audit function is performed in-house by the Group Internal Audit Department ("IAD"), led by Ms. Leh Sheng Sheng, the Internal Audit Manager. She has extensive knowledge and experience in the field of internal audit, with exposure to diverse industries and Corporate Risk Management. She is assisted by four (4) staff members in the IAD who contribute to the department's operations.

The internal audit activities are reported directly to the Audit and Risk Management Committee ("ARMC") based on the approved annual Internal Audit Plan. This plan is designed to encompass all entities within the Group, ensuring comprehensive coverage of operations. In addition to regular audits, the Internal Audit Department conducts investigations and special reviews at the management's request. Follow-up audits are performed to assess whether the management has implemented the necessary corrective actions.

During the year, the Internal Audit carried out audits engagements including the compliance review with the Group's Anti-bribery and Corruption policy, circulation business operation review, information technology and financial related control processes of the Group. Follow-up reviews were also carried out to determine if remedial action were timely and appropriately implemented and the status was reported to the ARMC.

The Group incurred a total cost of RM 332,675.70 for its internal audit function for financial year ended 30 June 2024.

ACTIVITIES

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

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

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

Considered and recommended to the Board for approval the audit fees payable to the external auditors.

STATEMENT ON DIRECTORS' RESPONSIBILITY

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

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

In preparing the financial statements, the Directors have:-

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

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

This statement is made in accordance with the resolution of the Board of Directors dated 16 October 2024.

FINANCIAL STATEMENT

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	113,390,359	6,393,135
Attributable to:-		
Owners of the Company	110,624,905	6,393,135
Non-controlling interests	2,765,454	-
	<u>113,390,359</u>	<u>6,393,135</u>

DIVIDENDS

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

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

DIRECTORS' REPORT

(Cont'd)

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

TREASURY SHARES

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

DIRECTORS' REPORT

(Cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT

(Cont'd)

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Tan Sri Datuk Ling Chiong Ho **
 Ling Chiong Sing **
 Ling Chiong Pin **
 Ling Siu Chuo
 Vincent Ling Lu Yew ** (Retired on 22.11.2023)
 Arshad Bin Zainuddin *
 Datuk Ling Lu Kiong **
 Jack Willien @ William Anak Jinep **
 Yong Nyet Yun **
 Dr. Lai Yew Hock (Appointed on 19.1.2024)
 Izan Nadiawati Binti Mohamad Tabib (Appointed on 19.1.2024)

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

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

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

Dennis Ling Lu Jing
 Ling Lu Kuang
 Tan Yeow Cheok
 Tang Tiong Ing
 Hou Siu Kee
 Gary Tan Yow Hoo
 Ting Hien Liong
 Hou Su Ee (Alternate Director to Hou Siu Kee)
 Hong Kwang Meng
 Lau Sie Ping
 Ngu Chee Sing
 Loretta Jane Lau Mei Nah
 Lawrence Bin Ara
 Azman Bin Sulaiman

DIRECTORS' REPORT

(Cont'd)

DIRECTORS (CONT'D)

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

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

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			At 30.6.2024
	At 1.7.2023	Bought	Sold	
Ordinary Shares in the Holding Company, Shin Yang Holding Sendirian Berhad				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	6,250,000	-	-	6,250,000
Ling Chiong Sing	6,250,000	-	-	6,250,000
Ling Chiong Pin	6,250,000	-	-	6,250,000
Ordinary Shares in the Company				
<i>Direct Interests</i>				
Tan Sri Datuk Ling Chiong Ho	34,802,669	-	-	34,802,669
Ling Chiong Sing	34,802,669	-	-	34,802,669
Ling Chiong Pin	34,802,668	-	-	34,802,668
Ling Siu Chuo	36,000,009	-	-	36,000,009
Datuk Ling Lu Kiong	100,000	-	-	100,000
Yong Nyet Yun	100,000	-	-	100,000
Jack Willien @ William Anak Jinep	87,000	-	-	87,000
Dr. Lai Yew Hock	128,000	-	-	128,000
<i>Deemed interest through Holding Company</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

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS (CONT'D)

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

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 39(b) to the financial statements.

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

DIRECTORS' REMUNERATION

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

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

INDEMNITY AND INSURANCE COST

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

DIRECTORS' REPORT

(Cont'd)

SUBSIDIARIES

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

HOLDING COMPANY

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

DIRECTORS' REPORT

(Cont'd)

AUDITORS

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

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

	The Group RM	The Company RM
Audit fees	336,500	95,000

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

Yong Nyet Yun
Director

Ling Siu Chuo
Director

STATEMENT BY DIRECTORS

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

We, Yong Nyet Yun and Ling Siu Chuo, being two of the directors of Shin Yang Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 110 to 201 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2024 and of their financial performance and cash flows for the financial year ended on that date.

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

Yong Nyet Yun
Director

Ling Siu Chuo
Director

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

I, Richard Ling Peng Liing, MIA Membership Number: 9688, being the officer primarily responsible for the financial management of Shin Yang Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 110 to 201 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above mentioned
Richard Ling Peng Liing
at Miri in the State of Sarawak
on 30 October 2024

Richard Ling Peng Liing

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(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 Group Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 110 to 201.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401027554 (666062-A) (Cont'd)

Key Audit Matters

Revenue Recognition Refer to Note 31 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(a) Revenue from freight, lighterage, charterage, hiring charges and transportation charges</p> <p>The Group's revenue from freight, lighterage, charterage, hiring charges and transportation charges is derived from a large volume of transactions. During the financial year, the Group recognised revenue of RM768.9 million from freight, lighterage, charterage, hiring charges and transportation charges, representing 80.1% of the Group's revenue.</p> <p>We identified revenue recognition of freight, lighterage, charterage, hiring charges and transportation charges as a key audit matter because of the significance of revenue in the financial statements in amount.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ Checked the effectiveness of internal control by performing walkthrough tests and test of controls on revenue cycle with samples documented on identified key controls. ▪ Tested samples of revenue and verified them to underlying supporting documents to ascertain whether revenue has been appropriately recognised. ▪ Assessed whether revenue transactions either side of the balance sheet date are recognised in the correct period. ▪ Assessed to material credit notes issued to the customers subsequent to reporting date.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401027554 (666062-A) (Cont'd)

Key Audit Matters (Cont'd)

Impairment on Trade Receivables Refer to Note 14 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 30 June 2024, the Group's trade receivables were recorded at a gross amount of RM231.5 million with an impairment allowance of RM32.3 million.</p> <p>The management has assessed the recoverability of trade receivables by reviewing customers' ageing profile, credit history and trends, including status of subsequent settlement, and determine whether an impairment allowance is required.</p> <p>We identified impairment on trade receivables as a key audit matter because of the significance of trade receivables in the financial statements both in amount and nature, and the significant judgement required for assessing the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ Reviewed the ageing analysis of receivables and testing the reliability thereof. ▪ Assessed the reasonableness of historical loss rate applied and understand and discussed the forward looking information gathered by the management in relation to the provision matrix and the application thereof. ▪ Reviewed subsequent cash collections for major receivables and overdue amounts. ▪ Reviewed collections and sales trend during the financial year for major receivables. ▪ Evaluated the reasonableness and adequacy of the allowance for impairment recognised. ▪ Assessed the completeness, accuracy and relevance of disclosure.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401027554 (666062-A) (Cont'd)

Key Audit Matters (Cont'd)

Impairment Assessment on Investment in Subsidiaries (Separate financial statement of the Company)	
Refer to Note 6 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 30 June 2024, the carrying amount of the Company's investment in subsidiaries amounted to RM1,018.7 million, being 84.7% of the Company's total assets. With its significance in value, the management is required to perform impairment assessment of its investment in subsidiaries whenever there is an indication that the investments may be impaired.</p> <p>The management determined the recoverable amounts of investments using the higher of value in use ("VIU") and fair value less costs to sell ("FV") for the relevant investment. The fair value less costs to sell was determined by management based on adjusted net tangible assets of the subsidiary.</p> <p>Given the significant risks and complexity involved in estimating the recoverable amounts of the investments, we have identified the above requiring audit consideration.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ▪ Evaluated the assessment of the indication of impairment loss. ▪ Evaluated the appropriateness of the impairment assessment methodology. ▪ Evaluated the assumptions applied in the impairment assessment. ▪ Assessed the objectivity, independence, reputation, experience and expertise of the internal expert. ▪ Checked the mathematical accuracy of management's computation of the fair value less costs of disposal.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401027554 (666062-A) (Cont'd)

Key Audit Matters (Cont'd)

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401027554 (666062-A) (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401027554 (666062-A) (Cont'd)

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SHIN YANG GROUP BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 200401027554 (666062-A) (Cont'd)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

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

Wong Chie Bin
00950/01/2026 J
Chartered Accountant

Miri, Sarawak

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

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

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024 (Cont'd)

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	1,216,972,062	1,216,972,062	1,216,972,062	1,216,972,062
Treasury shares	20	(29,131,922)	(24,775,956)	(29,131,922)	(24,775,956)
Retained profits		403,766,428	326,592,091	7,921,761	34,979,194
Other reserves	21	(297,861,069)	(297,861,069)	-	-
Equity attributable to owners of the Company		1,293,745,499	1,220,927,128	1,195,761,901	1,227,175,300
Non-controlling interests		7,880,317	4,560,128	-	-
TOTAL EQUITY		1,301,625,816	1,225,487,256	1,195,761,901	1,227,175,300
NON-CURRENT LIABILITIES					
Lease liabilities	22	824,623	111,036	-	-
Bank borrowings	23	24,678,349	36,449,748	2,470,933	4,119,644
Deferred tax liabilities	12	51,847,674	51,063,897	-	-
		77,350,646	87,624,681	2,470,933	4,119,644
CURRENT LIABILITIES					
Trade payables	28	105,015,274	107,902,587	-	-
Contract liabilities	16	44,176,499	20,349,713	-	-
Other payables	29	31,726,508	24,733,613	1,812,271	1,363,502
Amount owing to a subsidiary	9	-	-	-	53,625
Lease liabilities	22	354,133	238,521	-	-
Bank borrowings	23	48,805,261	102,590,157	1,648,711	1,644,757
Current tax liabilities		3,343,465	2,094,551	395,108	938,955
Derivative liabilities	17	-	372,480	-	-
		233,421,140	258,281,622	3,856,090	4,000,839
TOTAL LIABILITIES		310,771,786	345,906,303	6,327,023	8,120,483
TOTAL EQUITY AND LIABILITIES		1,612,397,602	1,571,393,559	1,202,088,924	1,235,295,783

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
The Group								
Balance at 1.7.2022		1,216,972,062	(16,571,531)	(297,861,069)	159,984,708	1,062,524,170	4,378,033	1,066,902,203
Profit after taxation for the financial year		-	-	-	180,922,574	180,922,574	1,682,095	182,604,669
Contributions by and distributions to owners of the Company:								
- Purchase of treasury shares	20		(8,204,425)			(8,204,425)		(8,204,425)
- Dividends:								
- by the Company	37				(14,315,191)	(14,315,191)		(14,315,191)
- by subsidiaries to non-controlling interests							(1,500,000)	(1,500,000)
Total transactions with owners			(8,204,425)		(14,315,191)	(22,519,616)	(1,500,000)	(24,019,616)
Balance at 30.6.2023		1,216,972,062	(24,775,956)	(297,861,069)	326,592,091	1,220,927,128	4,560,128	1,225,487,256

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

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

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

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

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

2. HOLDING COMPANY

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

3. PRINCIPAL ACTIVITIES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

4. BASIS OF PREPARATION

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

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

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

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

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

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

4. BASIS OF PREPARATION (CONT'D)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

(b) Impairment of Goodwill

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

(c) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Trade Receivables and Contract Assets

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

(e) Impairment of Non-Trade Receivables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Write-down of inventories

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

(h) Income Taxes

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

(i) Purchase Price Allocation

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

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

Lease Terms

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

5.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

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

Financial Assets at Amortised Cost

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

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity

Ordinary Shares

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

Treasury Shares

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

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

(d) Derivatives

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

5.3 BASIS OF CONSOLIDATION

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 BASIS OF CONSOLIDATION (CONT'D)

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

5.4 GOODWILL

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

5.5 INVESTMENTS IN SUBSIDIARIES

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

5.6 INVESTMENTS IN ASSOCIATES

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

5.7 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Capital work-in-progress represent production machinery under installation and building under construction. They are not depreciated until such time when the asset is available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

(b) Right-of-use Assets

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

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

(c) Lease Liabilities

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

5.9 INVENTORIES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES

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

The details of the subsidiaries are as follows:-

Name Of Subsidiaries	Principal Place of Business/ Country of Incorporation	Proportion of Ownership Interest		Principal Activities
		2024 %	2023 %	
Danum Shipping Sdn. Bhd.	Malaysia	100%	100%	International shipping operations for liquid chemical products
Piasau Slipways Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures
Shinline Sdn. Bhd.	Malaysia	100%	100%	International shipping operations
Shin Yang Shipping Sdn. Bhd.	Malaysia	100%	100%	Domestic and regional shipping operations
Shin Yang Shipyard Sdn. Bhd.	Malaysia	100%	100%	Shipbuilding and ship repairing, and fabrication of metal structures

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

7. INVESTMENT IN ASSOCIATES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

7. INVESTMENT IN ASSOCIATES (CON'T)

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

Name Of Associates	Principal Place of Business/ Country of Incorporation	Proportion of Ownership Interest		Principal Activities
		2024 %	2023 %	
Melinau Shipping Sdn. Bhd.*	Malaysia	39%	39%	Shipping and forwarding agency
Associate of Shin Yang Shipping Sdn. Bhd.				
PT Shinline*	Indonesia	49%	49%	Investment holding
Shin Yang FZC*	United Arab Emirates	49%	49%	Investment holding
Associate of PT Shinline				
PT Baruna Adiprasetya*	Indonesia	49%	49%	Inactive
Associate of Shin Yang FZC				
Deena Shipping L.L.C.*	United Arab Emirates	49%	49%	Offshore and marine related shipping business, cargo services and chartering
Associate of Mewah Exim Sdn. Bhd.				
Mewah Logistik Sdn. Bhd.	Malaysia	49%	-	Freight and Forwarding agent

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

7. INVESTMENT IN ASSOCIATES (CONT'D)

The Group has not recognised losses relating to PT Shinline where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the reporting date was RM1,229,219 (2023: RM1,229,219) of which NIL (2023: RM37,713) was the share of the current year's loss. The Group has no obligation in respect of these losses.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

8. PROPERTY, PLANT AND EQUIPMENT

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

Asset pledged as security

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

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

Right-of-use assets

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

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

9. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

10. OTHER INVESTMENTS

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

11. INTANGIBLE ASSETS

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

Goodwill

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

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections is 10.79% (2023 – 11.18%).

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

Customer relationships

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

13. INVENTORIES

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

14. TRADE RECEIVABLES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

15. OTHER RECEIVABLES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

16. CONTRACT ASSETS/(LIABILITIES)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

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

17. DERIVATIVE LIABILITIES

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

The Group does not apply hedge accounting.

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

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

19. SHARE CAPITAL

	The Group and The Company			
	2024	2023	2024	2023
	Number of Shares		RM	
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 July and 30 June	1,200,000,000	1,200,000,000	1,216,972,062	1,216,972,062

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

20. TREASURY SHARES

During the financial year, the Company has purchased 8,085,000 (2023 – 12,715,000) of its issued ordinary shares from the market at an average price of RM0.64 (2023 - RM0.65) per share. The total consideration paid for the purchase was RM5,143,125 (2023 – RM8,204,425) including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 1,200,000,000 (2023 - 1,200,000,000) issued and fully paid-up ordinary shares at the end of the reporting period, 70,254,700 (2023 – 64,169,700) ordinary shares are held as treasury shares by the Company. 2,000,000 (2023 - none) treasury shares were resold during the financial year.

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

21. OTHER RESERVES

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

Merger deficits

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

22. LEASE LIABILITIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

23. BANK BORROWINGS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

24. TERM LOANS (SECURED)

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

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

25. BANK OVERDRAFTS

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

26. BANKERS ACCEPTANCE/FLEXI FINANCING TRADE LOAN

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

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

27. REVOLVING CREDITS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

28. TRADE PAYABLES

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

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

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

29. OTHER PAYABLES

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

30. PROVISION FOR ONEROUS CONTRACTS

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

31. REVENUEREVENUE FROM CONTRACTS WITH CUSTOMERS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM

Revenue from Contracts with CustomersRecognised over time

Freight and lighterage charge	644,277,144	692,674,119	-	-
Land transportation	48,776,199	47,462,415	-	-
Shipbuilding	54,109,134	4,279,820	-	-
Ship repairs and metal fabrication	110,670,777	44,555,201	-	-
Repair services	4,342,799	2,267,429	-	-
	862,176,053	791,238,984	-	-

Recognised at a point in time

Freight forwarding charges	10,572,661	7,123,629	-	-
Sales of goods and services	20,948,130	19,551,419	-	-
	31,520,791	26,675,048	-	-
	893,696,844	817,914,032	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

31. REVENUE (CONT'D)

REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

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

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Construction Services - Shipbuilding

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

31. REVENUE (CONT'D)

REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

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

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

(c) Revenue from freight forwarding services

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

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

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

(e) Sales of goods and services

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

REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Rental Income

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

(c) Vessel charter fee

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

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

33. PROFIT BEFORE TAXATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

33. PROFIT BEFORE TAXATION (CONT'D)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

34. INCOME TAX EXPENSE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

34. INCOME TAX EXPENSE (CONT'D)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

35. EARNINGS PER SHARE

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

36. ACQUISITION OF SUBSIDIARIES

36.1 ACQUISITION OF SUBSIDIARIES

2024

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

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

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

Impact of Acquisition on the Group's Results

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

36.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

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

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and profit after taxation from continuing operations would have been RM28,376,722 and RM5,092,798 respectively.

2023

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

36. ACQUISITION OF SUBSIDIARIES (CONT'D)

36.1 ACQUISITION OF SUBSIDIARIES (CONT'D)

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

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

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

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

36.2 ACQUISITION OF SUBSIDIARIES SUBSEQUENT TO THE FINANCIAL YEAR END

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

37. DIVIDENDS

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

38. CASH FLOW INFORMATION

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

38. CASH FLOWS INFORMATION (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

38. CASH FLOWS INFORMATION (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

38. CASH FLOWS INFORMATION (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

38. CASH FLOWS INFORMATION (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

38. CASH FLOWS INFORMATION (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

38. CASH FLOWS INFORMATION (CONT'D)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

39. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

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

40. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

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

(b) Significant Related Party Transactions and Balances

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

40. RELATED PARTY DISCLOSURES (CONT'D)**(b) Significant Related Party Transactions and Balances (Cont'd)**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

40. RELATED PARTY DISCLOSURES (CONT'D)

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

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

	The Company	
	2024	2023
	RM	RM
Purchase of goods and services from		
- Related companies	440,536	144,946
Rental expenses from		
- Holding company	151,500	-
Rental income from		
- Associates	(324,000)	(324,000)
- Subsidiaries	(4,791,220)	(4,749,020)
	<hr/>	<hr/>

	The Company	
	2024	2023
	RM	RM
Transactions with companies in which certain Directors have substantial financial interests:		
Purchase of property, plant and equipment	-	318,000
	<hr/>	<hr/>

Related companies

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

41. OPERATING SEGMENTS

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

The Group is organised into 5 main reportable segments as follows:-

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

41. OPERATING SEGMENTS (CONT'D)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

41. OPERATING SEGMENTS (CONT'D)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

41. OPERATING SEGMENTS (CONT'D)

A Inter-segment revenues are eliminated on consolidated.

B Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

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

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

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

D Additions to non-current assets consists of:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

41. OPERATING SEGMENTS (CONT'D)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

41. OPERATING SEGMENTS (CONT'D)

G Geographical information

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

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

42. CAPITAL COMMITMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

43. CONTINGENT LIABILITIES

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

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

44. FINANCIAL INSTRUMENTS

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

44.1 FINANCIAL RISK MANAGEMENT POLICIES

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

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

(a) Market Risk

(i) Foreign currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

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

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

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

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

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

Interest Rate Risk Sensitivity Analysis

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis (Cont'd)

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

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

(b) Credit Risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration profile

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

(ii) Exposure to Credit Risk

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

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

(iii) Assessment of Impairment Losses

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

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

Trade Receivables and Contract Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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

Other Receivables and Related Parties

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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

	Gross Amount RM	Lifetime Loss Allowances RM	Carrying Amount RM
The Group			
2024			
Low credit risk	2,880,694	-	2,880,694
Credit impaired	15,528,981	(15,528,981)	-
	<u>18,409,675</u>	<u>(15,528,981)</u>	<u>2,880,694</u>
2023			
Low credit risk	1,091,380	-	1,091,380
Credit impaired	18,891,812	(18,891,812)	-
	<u>19,983,192</u>	<u>(18,891,812)</u>	<u>1,091,380</u>

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

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

Financial Guarantee Contracts

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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

Maturity Analysis

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

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within 1 Year RM	2-5 Years RM	Over 5 Years RM
The Group					
2024					
<u>Non- derivative Financial liabilities:</u>					
Trade and other payables	136,741,782	136,741,782	136,741,782	-	-
Lease liabilities	1,178,756	1,207,301	423,107	784,194	-
Loans and borrowings	73,483,610	77,372,008	50,697,957	22,516,177	4,157,874
	<u>211,404,148</u>	<u>215,321,091</u>	<u>187,862,846</u>	<u>23,300,371</u>	<u>4,157,874</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)*Maturity Analysis (Cont'd)*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)

44.2 CAPITAL RISK MANAGEMENT

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

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

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Cont'd)

44. FINANCIAL INSTRUMENTS (CONT'D)**44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)**

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

44.4 FAIR VALUE INFORMATION

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

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

ANALYSIS OF SHAREHOLDINGS

As at 21 October 2024

Analysis by Size Shareholdings As at 21 October 2024

Size of Shareholdings	No. of Holders	%	No. of Securities	%
Less than 100	9	0.297	251	0.000
100 - 1,000	448	14.785	264,182	0.023
1,001 - 10,000	1,436	47.393	8,109,908	0.720
10,001 - 100,000	930	30.693	32,528,800	2.887
100,001 - 56,342,514 (*)	206	6.799	425,534,363	37.763
56,342,515 and above (**)	1	0.033	660,412,796	58.607
Total	3,030	100.000	1,126,850,300	100.000

Remark : * Less than 5% of issued shares
** 5% and above of issued shares

Directors' Shareholdings As at 21 October 2024

No	Name of Director	No. of Shares held through Nominees	No. of Shares held through own name	Total Shareholdings	%
1	TAN SRI DATUK LING CHIONG HO	-	35,192,669	35,192,669	3.123
2	LING CHIONG SING	-	34,802,669	34,802,669	3.088
3	DATUK LING LU KIONG	-	100,000	100,000	0.009
4	LING CHIONG PIN	-	34,802,668	34,802,668	3.088
5	LING SIU CHUO	-	36,000,009	36,000,009	3.195
6	YONG NYET YUN	-	100,000	100,000	0.009
7	JACK WILLIEN @ WILLIAM ANAK JINEP	-	87,000	87,000	0.008
8	IZAN NADIAWATI BINTI MOHAMAD TABIB	-	-	-	0.000
9	DR LAI YEW HOCK	-	128,000	128,000	0.011
	TOTAL	-	141,213,015	141,213,015	12.531

Note:

- Total Paid-Up Capital as at 21 October 2024 1,126,850,300
- All information of shareholdings disclosed excludes 73,149,700 treasury shares held by the Company

Information on Substantial Shareholders As at 21 October 2024

Names	NRIC / Registration No.	Total Shareholdings	%
1 SHIN YANG HOLDING SENDIRIAN BERHAD	184468H	660,412,796	58.607
TOTAL		660,412,796	58.607

Note:

- Total Paid-Up Capital as at 21 October 2024 1,126,850,300
- All information of shareholdings disclosed excludes 73,149,700 treasury shares held by the Company

ANALYSIS OF SHAREHOLDINGS

as at 21 October 2024 (Cont'd)

Distribution Table According To Category of Shareholders Held In Respect of Ordinary Shares As at 21 October 2024

Category of Holders	No. of Holders			No. of Securities			%		
	Malaysian Bumi	Non- Bumi	Foreign	Malaysian Bumi	Non- Bumi	Foreign	Malaysian Bumi	Non- Bumi	Foreign
1. Individuals	280	1,849	16	1,925,700	247,082,867	7,434,000	0.171	21.927	0.660
2. Body Corporate									
a. Banks/Finance Companies	2	1	0	1,270,708	10,000	0	0.113	0.000	0.000
b. Investment Trusts/ Foundation/Charities	0	0	0	0	0	0	0.000	0.000	0.000
c. Industrial and Commercial Comps.	5	19	2	182,100	767,042,111	189,700	0.016	68.070	0.016
3. Government Agencies/ Institutions	0	0	0	0	0	0	0.000	0.000	0.000
4. Nominees	401	395	60	26,605,000	14,533,055	60,575,059	2.361	1.290	5.376
5. Others	0	0	0	0	0	0	0.000	0.000	0.000
TOTAL	688	2,264	78	29,983,508	1,028,668,033	68,198,759	2.661	91.287	6.052

All information of shareholdings disclosed excludes 73,149,700 treasury shares held by the Company

List of Thirty (30) Largest Shareholders As at 21 October 2024

Names	Shareholding	%
1 SHIN YANG HOLDING SENDIRIAN BERHAD	660,412,796	55.034
2 SHIN YANG GROUP BERHAD SHARE BUY BACK ACCOUNT	73,149,700	6.096
3 CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	46,284,000	3.857
4 LING SIU CHUO	36,000,009	3.000
5 LING CHIONG HO	34,802,669	2.900
6 LING CHIONG SING	34,802,669	2.900
7 LING CHIONG PIN	34,802,668	2.900
8 BUMIMAS WANGI SDN.BHD.	24,317,700	2.026
9 LING SIEW TING	24,000,006	2.000
10 MAJU BUMIRAYA SDN BHD	23,748,600	1.979
11 S.K. UNIMAS SDN. BHD.	23,436,600	1.953
12 CAHAYA SURIAMAJU SDN. BHD.	16,702,700	1.392
13 KONG EIK MING	12,461,800	1.038
14 CAHAYA SURIAMAJU SDN. BHD.	7,500,000	0.625
15 ADINAMAJU SDN BHD	7,017,300	0.585
16 WONG TIING SONG	4,496,800	0.375

ANALYSIS OF SHAREHOLDINGS

as at 21 October 2024 (Cont'd)

List of Thirty (30) Largest Shareholders (Cont'd) As at 21 October 2024

Names	Shareholding	%
17 KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR WONG AH KUM	4,250,000	0.354
18 JUMA KHALIFA OBAID ABUSHIBS	3,730,900	0.311
19 SHINLINE CORPORATION SDN. BHD.	3,290,515	0.274
20 UOBM NOMINEES (ASING) SDN BHD UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR PERRA GROUP LIMITED	2,800,000	0.233
21 GARY TAN YOW HOO	2,777,000	0.231
22 LING CHIONG SIENG	2,625,168	0.219
23 CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND, LLC	2,467,000	0.206
24 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HONG KEN CHOON (KUCHING-CL)	2,454,000	0.205
25 WONG AH KUM	2,350,000	0.196
26 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI CHIN BOON	2,008,000	0.167
27 LIM MIANG CHIANG	2,000,000	0.167
28 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SIE TONG @ LEE AH TONG (E-PLT)	2,000,000	0.167
29 JULIAN JAMES ARMSTRONG	1,601,000	0.133
30 YU HUNG WEN	1,380,900	0.115
TOTAL	1,099,670,500	91.639

PROPERTIES OF THE GROUP

A summary of the land and buildings owned by our Group is as follows:-

No.	Name of Registered Owner and Postal Address/Title Identification	Description and existing Use	Date of Expiry of Lease / Tenure / Approximate Age of Building/	Date of Valuation	Approximate land area	NBV as at 30 June 2024 (RM'000)
1.	Piasau Slipways Sdn Bhd Lot 1528 -1530, Block 12, Buan Land District, Tanjung Manis, Sarawak	Vacant sand filled industrial land.	Leasehold of 60 years expiring 02.06.2081 / Aged 15- 17 years	5 th October 2009	25.2542 Ha	6,762
2.	Shin Yang Shipyard Sdn Bhd Lot 1531 -1536, and Plot 100 ⁽¹⁾ under Lot 659, Block 12, Buan Land District, Tanjung Manis, Sarawak	Industrial land erected with warehouse and workshop, road and jetty.	Leasehold of 60 years expiring 02.06.2081 / Aged 5- 17 years	5 th October 2009	61.9774 Ha	28,946
3.	Piasau Slipways Sdn Bhd Lot No. 1098, Block 37, Kemena Land District, Sarawak	Industrial land erected with the warehouses, jetty, wharf, winch & slipways used as shipping fabrication yard and dockyard.	Leasehold of 60 years expiring 15.08.2070 / Aged 14-20 years	16 th November 2009	7.006 Ha	7,275
4.	Shin Yang Shipyard Sdn Bhd Lot 263, Block 1, Kuala Baram Land District, Miri, Sarawak <i>(formerly known as Lot 211, Block 1, Kuala Baram Land District, Miri, Sarawak)</i>	Industrial land erected with the workshops cum office buildings, winch house, warehouse, slipways, jetty, wharf and launching ways buildings used as shipping fabrication yard & dockyard.	Leasehold of 60 years expiring 14.07.2055 / Aged 11-24 years	2 nd November 2009	13.02 Ha	8,439
5.	Piasau Slipways Sdn Bhd Lot 208, Block 1 and Lot 523, Kuala Baram Land District, Miri, Sarawak	Two contiguous parcels of industrial lands erected with the double storey office cum stores, workshops, winch house, 4-rail slipways, shipyard buildings used as shipping fabrication yard, dockyard and office.	Lot 208 - leasehold of 60 years expiring 17.09.2055 / Aged 11-16 years Lot 523 - leasehold of 60 years expiring 07.01.2048 / Aged 0-23 years	11 th May 2023	Lot 208 2.273 Ha Lot 523 5.119 Ha	8,292
6.	Shin Yang Shipyard Sdn Bhd Lot 80, Block 3, Kuala Baram Land District, Miri, Sarawak	A collective parcel of thirteen industrial land erected with the double storey offices, 4 shipyard buildings, workshops, & launching ways buildings used as shipping fabrication yard, dockyard and office.	Leasehold for 99 years expiring on 20.02.2102 / Aged 7-17 years	21 st August 2009	72.3 Ha	38,925
7.	Shin Yang Shipyard Sdn Bhd Sublot 153 under Lot 83, Block 3, Kuala Baram Land District, Miri, Sarawak	Industrial land erected with the office building.	Parent lot title under leasehold for 99 years expiring on 20.02.2102 (1) / Aged 1-16 years	11 th May 2023	1.81 Ha	14,109
8.	Shin Yang Group Berhad Lot No.25, Kota Kinabalu Industrial Park, Off Jalan Sepangar Bay, Kota Kinabalu , Sabah	Industrial land erected with the office building & factory, warehouse and container yards.	Leasehold of 99 years expiring 31.12.2098 / Aged 8-11 years	N/A	1.648 Ha	8,016
9.	Shin Yang Group Berhad KM10.9, Jalan Batu Sapi-Lintas Sibuga Sandakan , Sabah	Residential Zoned land erected with the front office with open sided store.	Leasehold of 999 years expiring on 12.01.2901 / Aged 11 years	N/A	1.607 Ha	2,164
10.	Shin Yang Group Berhad Lot 31, Lebuhi Sultan Mohamed 1, Kawasan Perusahaan Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Industrial land erected with 2-storey office building & factory, warehouses and container yards.	Leasehold of 99 years expiring on 30.06.2105 / Aged 5-8 years	N/A	2.947 Ha	21,250
11.	Melinau Transport Sdn Bhd Lot 3354, Block 20, Kemena Land District, Sarawak.	Vacant sand filled industrial land	Leasehold of 60 years expiring on 09.01.2079 / Aged 5-9 years	N/A	25.69Ha	20,990

PROPERTIES OF THE GROUP

(Cont'd)

A summary of the land and buildings owned by our Group is as follows:-(Cont'd)

No.	Name of Registered Owner and Postal Address/Title Identification	Description and existing Use	Date of Expiry of Lease / Tenure / Approximate Age of Building/	Date of Valuation	Approximate land area	NBV as at 30 June 2024 (RM'000)
12.	Melinau Transport Sdn Bhd Lot 576, Block 1, Kuala Baram Land District, Miri, Sarawak.	Industrial land erected with workshop	Leasehold of 99 years expiring on 20.02.2102 / Aged 2-13 years	N/A	5.506Ha	777
13.	Piasau Gas Sdn Bhd Lot 314, Block 1 Kuala Baram Land District, Miri, Sarawak.	Industrial land erected with 1 unit of 3 storey office building, 3 units of single storey open shed warehouses, 2 production plants and 2 refilling gas industrial facility	Leasehold of 60 years expiring on 02.01.2060 / Aged 5-24 years	3 rd May 2023	4.502Ha	7,434
14.	Mewah Exim Sdn Bhd HS (D) 537089, PTD 220202, Mukim Plentong, District of Johor Bahru, Johor, located at PLO 703, Jalan Nikel 3, Kawasan Perindustrian Pasir Gudang	Industrial land	Leasehold of 60 years expiring on 03.05.2074 / Aged 10 years	1 st February 2024	0.912Ha	6,561
15.	Mewah Exim Sdn Bhd HS (D) 605350, PTD 240113, Mukim Plentong, District of Johor Bahru, Johor.	Industrial land erected with 3 storey shop office	Freehold / Aged 2 year	1 st February 2024	191.653 Square meter	1,710
16.	Mewah Exim Sdn Bhd HS (D) 605349, PTD 240112, Mukim Plentong, District of Johor Bahru, Johor.	Industrial land erected with 3 storey shop office	Freehold / Aged 2 year	N/A	191.653 Square meter	1,881
17.	Seatrade Agency Services Sdn Bhd HS (D) 169506, Lot 57086 Mukim Plentong, District of Johor Bahru, Johor.	Industrial land erected with 2 storey shop office	Freehold / Aged 17 years	1 st February 2024	251 Square meter	440

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the Company will be held at Conference Room, Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Thursday, 5 December 2024 at 11:00 a.m. for the following purposes:-

AGENDA

As Ordinary Businesses:

1. To table the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note A)**
2. To approve the declaration of Single-Tier Final Dividend of 3.00 sen per ordinary share. **(Resolution 1)**
3. To approve the payment of Directors' fees and benefits for the financial year ended 30 June 2025. **(Resolution 2)**
4. To re-elect the following Directors who are retiring in accordance with clause 90 of the Company's Constitution, and being eligible, have offered themselves for re-election:-
 - i) Datuk Ling Lu Kiong **(Resolution 3)**
 - ii) Mr. Jack Willien @ William Anak Jinep **(Resolution 4)**
 - iii) Mdm. Yong Nyet Yun **(Resolution 5)**
5. To re-elect the following Directors who are retiring in accordance with clause 97 of the Company's Constitution, and being eligible, have offered themselves for re-election:-
 - i) Dr. Lai Yew Hock, Dominic **(Resolution 6)**
 - ii) Mdm. Izan Nadiawati Binti Mohamad Tabib **(Resolution 7)**
6. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

As Special Businesses

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

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RRPT Mandate")** **(Resolution 9)**

"**THAT** subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), other applicable laws, guidelines, rules and regulations, and the approval of the relevant governmental/regulator authorities (where applicable), approval be and is hereby given to the Company and/or its subsidiary companies ("**Group**") to enter into recurrent related party transactions of a revenue or trading nature with those related parties as stated in Section 2.2 of the Circular to Shareholders dated 30 October 2024 ("**Circular**"), which are necessary for the day-to-day operations of the Group ("**RRPT**") subject further to the following:

- a. That the RRPT are in the ordinary course of business and are made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those available to the public and not to the detriment of the minority shareholders;
- b. That disclosure will be made in the annual report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed RRPT Mandate during the financial year based on information such as the types of the RRPT made and names of the related parties involved in each type of the RRPT made and their relationship with the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

- c. That such approval shall continue to be in force until: -
- the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340 (2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act; or
 - revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed RRPT Mandate.

AND THAT the estimated value given on the RRPT as outlined in Section 2.2 of the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review methods or procedures outlined in Section 2.5 of the Circular.”

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

(Resolution 10)

“**THAT** subject to the Company’s compliance with all the applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016 (“**the Act**”), the Company’s Constitution and Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) Main Market Listing Requirements (“**Listing Requirements**”), the Directors of the Company be and are hereby authorized to purchase shares at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors in their absolute discretion deem and expedient in the interest of the Company provided that:

- a. the aggregate number of ordinary shares which may be purchased and retained by the Company at any point of time pursuant to this resolution shall not exceed approximately seven point two five per centum (7.25%) of the total issued and paid up share capital of the Company;
- b. the amount of funds to be allocated by the Company pursuant to this resolution not exceed the retained earnings and/or share premium of the Company as at 30 June 2024; and
- c. the shares so purchased by the Company pursuant to this resolution may at the discretion of the Directors be: -
 - retained as treasury shares; and/or cancelled; and/or
 - resold on the market of Bursa Securities in accordance to the Listing Requirements; and/or
 - distributed as dividends to the shareholders; and/or
 - dealt in any other manners prescribed by the applicable rules, regulations and orders made pursuant to the Act, the Listing Requirements and any other relevant authority for the time being in force;

AND THAT such authority conferred by the shareholders of the Company upon passing of the resolution will continue to be in force until the conclusion of the next Annual General Meeting of the Company, unless by a resolution passed at that meeting, the authority is renewed; or the expiration of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Act but must not extended to such extensions as may be allowed pursuant to Section 340(4) of the Act; or until the authority is revoked or varied by a resolution passed by the shareholders in a general meeting, whichever occurs first;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the resolution.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

9. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

NOTICE OF ENTITLEMENT AND PAYMENT OF SINGLE-TIER FINAL DIVIDEND

NOTICE IS HEREBY GIVEN THAT the Single-Tier Final Dividend of 3.00sen per ordinary share for the financial year ended 30 June 2024, if approved at 19th Annual General Meeting will be paid on 13 December 2024 to Shareholders whose name appear in the Records of Depositors and Register of Members at the close of business on 2 December 2024.

Depositor shall qualify for entitlement only respect of:

- (a) Shares deposited into Depositor's Securities Account before 12.30pm on 28 November 2024. (in respect of shares which are exempted from mandatory deposit)
- (b) Shares transferred into the Depositor's Securities Account before 4.30pm on 2 December 2024 in respect of transfers; and
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board of Directors

RICHARD LING PENG LIING
SSM Practising Certificate No. 201908000676
Company Secretary
Miri, Sarawak

30 October 2024

Explanatory Notes:

1. Item 1 of the Agenda

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of Shareholders of the Company and hence, is not put forward for voting.

2. Ordinary Resolutions 3 to 7 – Re-election of Directors

Pursuant to Clause 90 of the Company's Constitution, one third (1/3) of the Directors shall retire from office at least once in every three (3) years at each AGM of the Company and the retiring Directors can offer themselves for re-election. The Constitution also provide that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment pursuant to Clause 97 of the Company's Constitution.

Accordingly, Datuk Ling Lu Kiong, Mr. Jack Willien @ William Anak Jinep and Mdm Yong Nyet Yun shall retire by rotation at this 19th AGM pursuant to Clause 90 of the Company's Constitution while Dr. Lai Yew Hock, Dominic and Mdm. Izan Nadiawati Binti Mohamad Tabib who were appointed on 19 January 2024, shall retire at this 19th AGM pursuant to Clause 97 of the Company's Constitution. Datuk Ling Lu Kiong, Mr. Jack Willien @ William Anak Jinep, Mdm Yong Nyet Yun, Dr. Lai Yew Hock, Dominic and Mdm. Izan Nadiawati Binti Mohamad Tabib being eligible, have offered themselves for re-election.

3. Ordinary Resolution 9 – Proposed Renewal of Shareholders' Mandate on Recurrent Related Party Transactions and Proposed New Shareholders' Mandate on New Recurrent Related Party Transactions

The proposed Ordinary Resolution 9, if passed, will authorize the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company at the general meeting, will expire at the conclusion of the next AGM of the Company.

Please refer to the Circular to Shareholders dated 30 October 2024 for further information.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

4. Ordinary Resolution 10 – Proposed Renewal of Authority on Share Buy-Back

The proposed Ordinary Resolution 10, if passed, will empower the Company to purchase the Company's shares up to approximately seven point two five per centum (7.25%) of the issued and paid up share capital of the Company. This authority, unless revoked or varied by the Company at the general meeting, will expire at the conclusion of the next AGM of the Company.

Please refer to the Statement on Shares Buy-Back dated 30 October 2024 for further information.

Notes:-

- (1) Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- (2) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
- (3) Where a Member of the Company is an Exempt authorised nominee as defined under the Securities Industry [Central Depositories] Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ["omnibus account"], there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (4) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (5) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- (6) To be valid, this form, duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting.
The Registered office of the Company at Sublot 153 (Parent Lot 70), Jalan Kuala Baram, Kuala Baram, 98100 Miri, Sarawak, Malaysia.
- (7) Pursuant to Paragraph 8.29(a)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to by poll.
- (8) In respect of deposited securities, only members whose names appear on the Record of Depositors on 28 November 2024, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.



SHIN YANG GROUP BERHAD

Registration No: 200401027554 (666062-A)
(Incorporated in Malaysia)

Table with 2 columns: No of ordinary shares held, CDS Account No

I/We _____, FULL NAME, NRIC NO/ PASSPORT NO/ COMPANY NO

of _____, FULL ADDRESS

being a member/members of Shin Yang Group Berhad, hereby appoint:

Table with 3 columns: Name of Proxy, NRIC / Passport No., Proportion of Shareholdings (%)

or **Chairman of the Meeting as *my/our proxy to vote for* me/us and on* my/our behalf at the Nineteenth (19th) Annual General Meeting of the Company to be held at the Conference Room, Level 5, Imperial Hotel, Jalan Pos, 98000 Miri, Sarawak, Malaysia on Thursday, 5th December 2024 at 11.00 am and, at any adjournment thereof.

Table with 4 columns: A, DESCRIPTION, FOR, AGAINST. Contains resolutions 1-10 including Ordinary Business and Special Business.

(Please indicate with an "X" in the space provided above on how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his/her discretion)

Dated thisday of 2024

Signature and/or Common Seal of Shareholders

Notes:

- (1) Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
(2) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
(3) Where a Member of the Company is an Exempt authorised nominee as defined under the Securities Industry [Central Depositories] Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ["omnibus account"], there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
(4) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
(5) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
(6) To be valid, this form, duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the General Meeting.
The Registered office of the Company at Sublot 153 (Parent Lot 70), Jalan Kuala Baram, Kuala Baram, 98100 Miri, Sarawak, Malaysia.
(7) Pursuant to Paragraph 8.29(a)(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to by poll.
(8) In respect of deposited securities, only members whose names appear on the Record of Depositors on 28 November 2024, shall be eligible to attend the General Meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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SHIN YANG GROUP BERHAD

Registration No: 200401027554 (666062-A)
Sublot 153 (Parent Lot 70),
Jalan Kuala Baram, Kuala Baram,
98100 Miri, Sarawak,
Malaysia.

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Step by Step To Excellence



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

Sub Lot 153 (Parent Lot 70),
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Kuala Baram, 98100 Miri,
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