SUSTAINABILITY STATEMENT

OUR APPROACH

At Harbour-Link, we believe that many environmental, social and economic benefits arise from the responsible and sustainable development and operation of infrastructure. We are also aware that with these benefits, there are risks that may have commercial, reputational and regulatory impact on our business and affect the communities in which our portfolio companies operate.

Accordingly, the identification, assessment and responsible management of (and ongoing reduction in) environmental and social risks is fundamental to our day-to-day business activities and is an essential part of ensuring our long-term success. We are dedicated not only to our shareholders, but also to the community and we remain committed to our approach to environmental, social and economic responsibility.

SCOPE

This is our third sustainability statement covering the period from 1 July 2020 until 30 June 2021 ("FY2021"). It discloses information on our activities and achievements for FY2021 in EES areas and is reported according to Global Reporting Initiative ("GRI") Core Option and Bursa Malaysia Securities Berhad ("Bursa Securities") Sustainability Reporting Guide (2nd Edition) ("SRG"). We recognise that we have yet to achieve the comprehensive frameworks' requirements. Our objective in the short-term is to ensure compliance with significant requirements in the frameworks.

SUSTAINABILITY STATEMENT
cont'd

STAKEHOLDERS ENGAGEMENT

As a company, we also realise that our sustainability depends on both internal and external factors. Keeping abreast of the concerns of influential stakeholders is key. Their opinions matter to our business decisions, operations and growth; therefore, engaging with stakeholders enables us to better understand and meet their needs.

Our engagements are carried out through various platforms and organisational touchpoints to gather feedback for analysis and strategy formulation. Maintaining strong stakeholder relationships improves our ESG impacts and strengthens our business growth.

In FY2021, a list of potential material issues and impact of Covid-19 pandemic were identified: through secondary research, industry benchmarking, internal interviews and by following our corporate principles and the Code of Business Conduct. Later these issues were prioritized by learning about the interests of Harbour-Link's most important stakeholders – employees, customers, shareholders and suppliers through regular/ad hoc channel to ensure full communication of every issue.

Item No	Type of stakeholders	Identifiable Issues	Engagement Process	Frequency of Engagement
1	Employee	• Sustainable strategies and their implementation • Compensation, welfare, and employee care • Compliance • Service quality management system • Work environment safety and labor health protection • Created COVID-19 microsite and sent leadership emails to communicate the Group's response to the pandemic • COVID-19 safety measures and SOPs at the workplace	• e-Bulletin board • Top-management instructions at operating meetings • Regular and ad hoc meetings • Company's Operating System • Telephone and e-mail • Established Covid19 Task Force Team	• Ad hoc • Every month • Every month, any time • Any time • Any time • Every month, any time
2	Government/ Regulators	• Product risk • Talents recruitment and training • Compliance • Emissions and management • Environmental impact and ecological conservation • Bursa Listing requirements • Abide by health and safety regulations as per COVID-19	• Telephone, letter • Visit, conference • Health and Safety regulations • Regulatory audits	• Ad hoc • Ad hoc
3	Supplier	• Sustainable strategies and their implementation • Sustainable supply chain management • Service quality and customer satisfaction survey • Risk control • Operating performance • Uninterupted business operations amidst COVID-19	• E-mail, telephone • Meeting • Supplier evaluation • Equipment efficiency statistics table • COVID-19 safety measures and SOPs at the workplace	• Any time • 1~2 times every year • Every year • Every month • Any time

SUSTAINABILITY STATEMENT
cont'd

STAKEHOLDERS ENGAGEMENT (CONT'D)

Item No	Type of stakeholders	Identifiable Issues	Engagement Process	Frequency of Engagement
4	Shareholder / investor	• Operating performance • Compliance • Corporate governance and ethical management • Risk control • Impact of COVID-19	• Investor service area on the Company's website • The important financial and business information in MOPS • Respond to investor inquiries • Annual reports in shareholders' meeting	• Any time • As specified by the competent authority • Ad hoc • Every year
5	Customer	• Protection of customer privacy • Service quality and customer satisfaction survey • Product risk • Equipments and cargoes safety • Service quality management • Smooth business operations amidst COVID-19	• E-mail, telephone • Visit • Company's website	• Any time • Ad hoc • Any time
6	Media	• Service quality management • Compliance • Talents recruitment and training • Service quality and customer satisfaction survey • Risk control	• Telephone/E-mail	• Any time
7	Community and society	• Compensation, welfare, and employee care • Labor-capital relations • Emissions and management • Talents recruitment and training • Environmental impact and ecological conservation	• Personal visit	• Ad hoc
8	Social group and non-profit organisation	• Emissions and management • Talents recruitment and training • Compension, welfare and employee care • Labor-capital relations • Environmental impact and ecological conservation	• Telephone, E-mail, personal visit, management meeting	• Ad hoc

Harbour-Link have conducted its **Materiality Assessment processes in 2019** followed by Stakeholder Engagement activities which managed to cover a global view of its main stakeholders on the importance of different sustainability topics. The aim of the assessment was to select the most relevant topics we need to report on, and to better understand which environmental, social and economic issues have an impact on Harbour-Link's value chain, and what are the main concerns and priorities of our stakeholders regarding sustainability.

The assessment confirmed that many of our material aspects are consistent with previous year. In 2021, one of our priorities is to continue monitoring our sustainability issues, in order to earn the trust of our stakeholders worldwide throughout our ongoing dialogue and engagement. We will review our policies and practices and provide our employees with the tools they need to make ethical decisions.`

SUSTAINABILITY STATEMENT
cont'd

STAKEHOLDERS ENGAGEMENT (CONT'D)

Material priorities for Harbour-Link 2021.

Item no	Important issues	Meaning to Harbour-Link	Main Impact	Corresponding section
1	Service quality management	A flexible business strategy is crucial to the continued operations of our companies in a changing business environment.	Harbour Link	Business and Operational Strategies
2	Sustainable strategies and their implementation	Harbour-Link will integrate sustainable practices into the business operations throughout it group practices.	Harbour-Link.	Business and Operational Strategies
3	Compliance	Compliance forms the basis of business operations so a complete system has been put in place by Harbour-Link to ensure full compliance.	Harbour-Link, competent authorities	Business and Operational Strategies
4	Risk control	Complete identification and control of potential operational risks so that Harbour-Link can respond to external changes in a timely manner.	Harbour-Link	Business and Operational Strategies
5	Operating performance	Harbour-Link always strives to deliver a sound operating performance as it is our way of responding to shareholders' expectations.	Harbour-Link, shareholder/ investor	Business Status and Operating Strategies
6	Service quality and customer satisfaction survey	Harbour-Link hopes to listen to our customers and satisfy their needs through high-quality service.	Harbour-Link, customer, supplier	Customer Management
7	Emissions and management	Harbour-Link is keenly aware of our industries's impact on the environment so strict emissions management is enforced.	Harbour-Link, community and society	Environmental Protection and Sustainable Business
8	Equipments cargoes safety	No compromises on equipments and cargoes safety are Harbour-Link commitment to our employees and customers.	Harbour-Link, customer	Training of Talents and Employee Care
9	Work environment safety and labor health protection	The safety and health of employees is an essential part of Harbour-Link operations.	Harbour-Link	Training of Talents and Employee Care
10	Corporate governance and ethical management	The building of a sound governance system and ethical corporate culture are important business policies at Harbour-Link.	Harbour-Link, shareholder/ investor	Business Status and Operating Strategies
11.	Health and Safety regulation on COVID-19	The Covid-19 preventive measures and corresponding actions	Harbour-Link	Healty and Safety regulations

SUSTAINABILITY STATEMENT
cont'd

MANAGEMENT OF IMPORTANT ISSUES

The management has in place systems to monitor and manage all sustainable material issues and the management follow-up on an annual basis and set goals for the future in the hope to make improvements in all aspects every year.

Important issues	Important Topics	Impact Boundary		Management policies	Measurement and management system	2021 Performance Highlights	Future goals
		Internal	External				
Service Quality Management	Service Quality Management	Harbour-Link	Customer, other logistics company	Ensuring satisfying our customers, we are offering customers tailored solutions based on technological expertise and the highest service standard and sustainable business growth by building customer loyalty, retention and referrals, while also being a good opportunity to develop our people.	Conduct our regular customer review helps us to identify potential improvements in service quality and to give customers the opportunity to share their opinion with us. The voice of the customer is an opportunity to gain insight to our customer's experiences, challenges and perceptions. Thus, it facilitates more frequent discussion and provides opportunities for us to listen, learn and improve.	Review the attributes of other service provider of similar industries	Satisfy customer demand for service and improve the competitiveness of our services.
Equipment and cargoes safety	Equipment and cargoes safety	Harbour-Link's employee	Harbour-Link's customer	• Develop and enforce equipment and cargoes safety management systems • Implement and adhere to procedures Safety Management System	• Convene safety review meetings to examine the performance on safety and environmental protection issues • Regular internal/ external audits and self-inspections • Ad hoc inspections	• Verify that the requirements of the annual safety and environmental goals are met • Reduce the frequency of all job and non-job related accidents	• Evaluate cases in the fleet and set annual safety goals • Continue to engage with specialist personnel training to ensure the safety of our workforce and employees.
Compliance	Compliance related to environmental protection	Harbour-Link	Competent authority	Ensure that the equipment of the Harbour-Link meet the authorities requirements and regulations	Provide appropriate reports to concerned departments for further arrangements according to the laws and regulations	No serious violations of environmental protection regulations in 2021.	"Zero" violation of environmental laws or regulations.

SUSTAINABILITY STATEMENT
cont'd

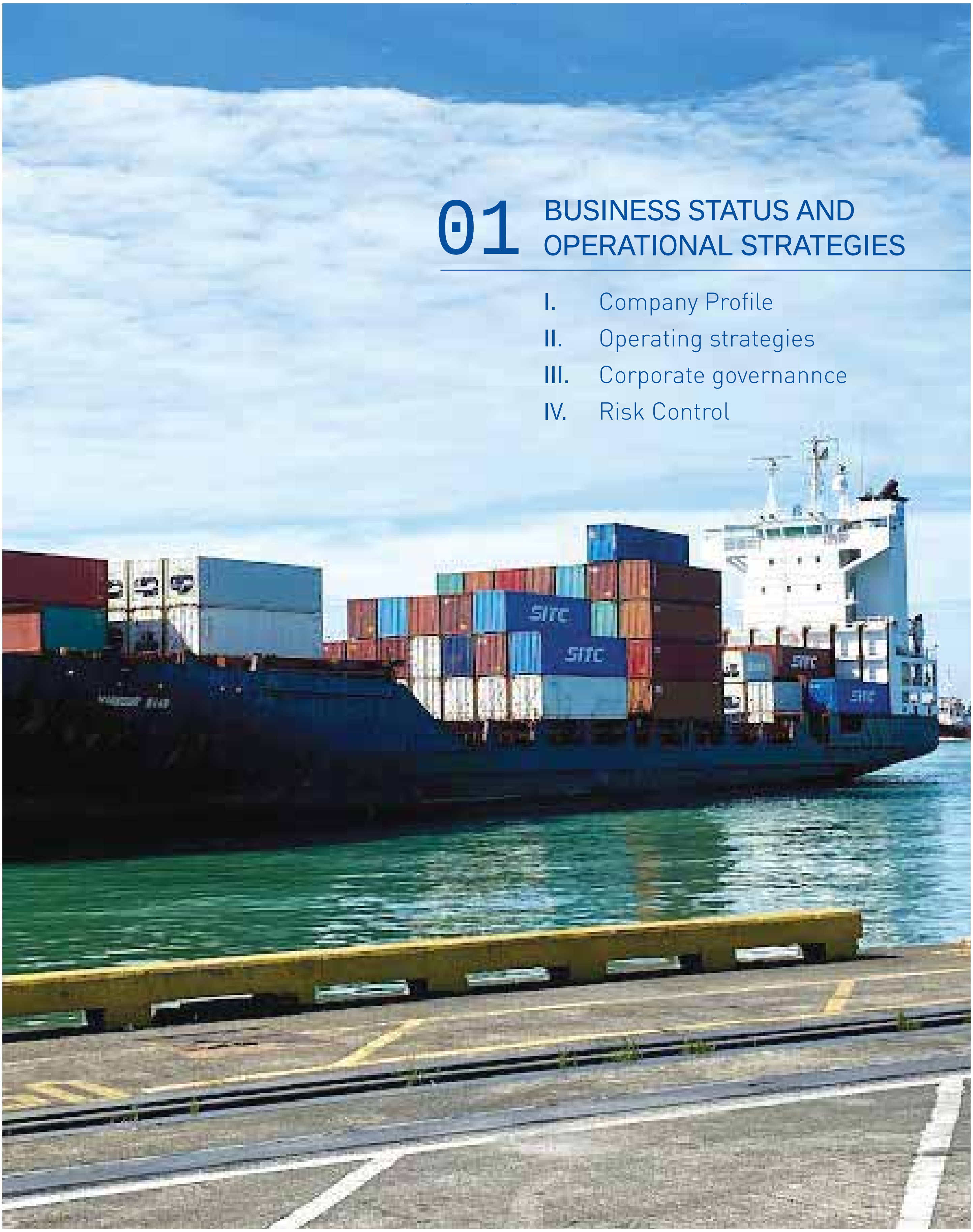
MANAGEMENT OF IMPORTANT ISSUES (CONT'D)

Important issues	Important Topics	Impact Boundary Internal	Impact Boundary External	Management policies	Measurement and management system	2021 Performance Highlights	Future goals
Compliance	Compliance in society and economics	Harbour-Link	Competent authority	Conduct educational and training programs to strengthen employee awareness on compliance with competition laws and Anti Bribery and Corruption Law	• Monthly audit check on compliances and breaches of relevant laws. • Increasing awareness through meetings, orientation training for new employees, e-Bulletin board, complaints mailbox, and competition law notices.	Conducting Anti Bribery and Corruption briefing to all the top management, management and supervisor levels.	• Maintain a positive relationship with the competent authorities and provide an explanation of shipping practices • Continue to engage in employee communications to strengthen compliance awareness
Operating performance	Economic performance	Harbour-Link	Shareholder / investor	• Conduct investment and capital management in accordance with internal management regulations and processes. • Provides detailed financial performance figures on a quarterly basis to its investors and the public.	• Important investments or capital management shall be reported to the Board of Directors for approval and declared according to the relevant laws and regulations.	The financial report was submitted and important information was disclosed every quarter in 2021 according to the relevant laws and regulations. In addition, quarterly analyst briefing with Q&A sessions were conducted. At the Annual General Meeting (AGM) our shareholders vote on issues of mutual interest according to statutory requirements.	Strict observance of the relevant laws and regulations as well as ensuring that financial and other related information is disclosed in a timely and transparent manner.

SUSTAINABILITY STATEMENT
cont'd

MANAGEMENT OF IMPORTANT ISSUES (CONT'D)

Important issues	Important Topics	Impact Boundary Internal	Impact Boundary External	Management policies	Measurement and management system	2021 Performance Highlights	Future goals
Work environment safety and labor health protection	Occupational safety and health	Harbour-Link	Competent authority	• Compile the Harbour Link fleet safety and environmental protection manual to govern workplace safety, employee health and accident prevention measures • Conduct safety and environmental education and emergency drills	• Regular internal/ external audits, safety, and health self-inspections, and the convening of safety management meetings • Ad hoc inspections • Reports on feedback from the fleet for continuous improvements to the safety management systems	• Audits and reports carried out in adherence to regulations • Fleet exercises and training carried out in adherence to regulations	• Ensure the proper implementation of safety & environmental protection manuals throughout the fleet • Continue to improve work safety and environmental and raising awareness among the staff for near misses, unsafe acts and unsafe conditions
Health and Safety regulation on COVID-19	Health and Safety	Harbour-Link	Competent authority	• Compile the Harbour Link Covid-19 prevention measures	• Regular internal/ external audits, safety, and health self-inspections, and the convening of safety management meetings • Ad hoc inspections • Reports on feedback for continuous improvements to the safety management systems	• Audits and reports carried out in adherence to regulations	• Ensure the proper implementation of preventive measure against COVID-19 • Continue to improve work safety and environmental and raising awareness among the staff for near misses, unsafe acts and unsafe conditions



01 BUSINESS STATUS AND OPERATIONAL STRATEGIES

SUSTAINABILITY STATEMENT
cont'd

01. BUSINESS STATUS AND OPERATIONAL STRATEGIES

I. Company Profile

A. History of the Harbour-Link

Established in 2002, Harbour-Link Group Berhad consolidated all related business activities and was officially listed on the Main Market of Bursa Malaysia Securities Berhad on 6 January 2004. With its roots firmly planted in the shipping, marine and integrated logistics services as well as the engineering and construction industry for the past 45 years, Harbour-Link has grown steadily and built multi-disciplinary industry expertise covering a comprehensive range of services to fulfill its client needs. Today, Harbour-Link's business footprint extends across the Intra-Asian region and it has successfully established itself as a reputable brand name within the industries that it operates in.

B. Financial Performance of Harbour-Link

	2021 (RM'000)	2020 (RM'000)	2019 (RM'000)	2018 (RM'000)	2017 (RM'000)
Group Revenue	609,001	617,250	593,951	615,800	525,746
Group Operating Profit	88,609	40,060	44,788	61,606	50,431
Profit before tax	82,943	35,038	41,908	59,506	46,751
Profit after tax	74,739	23,639	29,232	41,698	31,780
Group net profit attributable to shareholders	60,577	25,920	24,987	35,909	28,634
Operating cash flow	93,247	79,056	27,924	65,568	44,257
Earnings per share (EPS) (sen)	15.19	6.47	6.25	8.98	7.15
Return on equity (ROE) (%)	12.75	6.18	6.28	9.55	8.25
Net Gearing (%)	-	2	10	6	17

II. Operating Strategies

1.0 Shipping and marine division

1.1 Container shipping liner service

Harbour-Link provides container shipping liner service within the Malaysia and Intra Asia market. We have a total number of 12 container vessels of a total capacity of 6,200 teus. It is the ideal size that corresponds to the existing demands of its niche market within our achievable high rate of utilization. This division has operations offices in every calling port. These offices are located in Penang, Port Klang, Pasir Gudang, Kuching, Sibu, Bintulu, Miri, Kota Kinabalu, Tawau, Sandakan, Singapore, Muara, Hong Kong and China. The operation offices act on behalf of their principal mainly in matters related to sales & marketing, dealing with local authorities, managing the container inventories and providing ship husbandry services.

1.2 Tugboats and barges operations

Harbour-Link is actively involved in the sea transportation of timber products mainly sawn timber and round logs servicing within the Asean region namely Vietnam, Philippines and Thailand. We deploy 4 sets of tugboats and barges to service these operations. This operation has provided a stable stream of income to the Group over the years.

1.3 Ship agency service

Harbour-Link has manned a well experienced team of shipping personnel with vast port operation expertise to handle all types of ships calling at every port in Malaysia, Singapore, Brunei, Hong Kong and China. Vessels that we are handling are mainly container ships, bulk carriers, oil tankers, tug and barges, car carriers and offshore supply boats.

Our shipping agency service provides inward and outward ship clearance, ship chandling and husbandry services, stevedorage and provision of food supplies and materials.

SUSTAINABILITY STATEMENT
cont'd

01. BUSINESS STATUS AND OPERATIONAL STRATEGIES (CONT'D)

II. Operating Strategies (cont'd)

1.0 Shipping and marine division (cont'd)

1.4 Ship management service

We have established a well experienced ship management team consisting of ship masters, marine engineers and superintendents to manage and monitor the daily performance of our fleet of vessels plying between the scheduled routes. These teams have managed to keep down time to minimum, avoid cost overruns and reduce frequency of ship's delays. This team of people ensure our vessels are fully managed in accordance with the International Maritime Organization standard and environmental compliances.

2.0 Integrated logistics division

2.1 Multimodal Transportation

Harbour-Link operates Multimodal Transportation under the licence registered with the Ministry of Finance ("**MOF**") as Multimodal Transport Operator ("**MTO**"). We offer third party logistics ("**3PL**") with customized supply chain solutions to oil and gas industries, as well as manufacturing sectors. Multimodal transport systems have become the backbone of International Trade - with the objective of reducing overall transport and handling cost within the supply chain while responding to the demand for just-in-time Door-to-Door cargo services.

Our dedicated and well experienced team manages our in-built IT systems and related facilities, with high standard operating skill and efficiency. We operate from our offices in Malaysia, Singapore, Hong Kong, China and Korea and are linking to our global network.

2.2 Haulage activities

Harbour-Link operates a fleet of transport vehicles including container trailers, prime movers, cargo lorries, and dump trucks for carriage of containerised cargoes, minerals and ores within the state of Sarawak, Sabah and Labuan. Due to the influx of foreign investors in the heavy manufacturing industry, we see an uptrend in demand for haulage activities. We have outlayed a capital expenditure during the year to purchase new equipment to cater for this increase.

2.3 Project cargo logistics

Harbour-Link has a dedicated logistics team with vast experiences in project cargo handling, shipping arrangement and engineered heavy transport solutions. We also own a fleet of specialized lifting and transport equipment to cater for the transportation, plant erection and installation. With the recovery of the economy, it has allowed us to participate in new project opportunities in this region.

3.0 Engineering division

Our Engineering and Construction division is operated under a wholly owned subsidiary namely Eastern Soldar Engineering and Construction Sdn. Bhd.("ESEC"). ESEC is renowned as one of the best EPCC Contractor in this region in the engineering and construction of petroleum and chemical storage tanks, marine terminals and piping work. We have completed numerous projects in Pengerang, Kemaman, Port Dickson, Tanjung Bin, Singapore and many other locations since its inception.

4.0 Property division

We have temporarily put on hold our Kidurong Gateway Development due to a sluggish market. Remaining units of shophouses from the last project are still available for sale. Hopefully, the market will recover in early 2022.

We still have around 100 acres of industrial land in Tanjung Kidurong, Bintulu for future development.

SUSTAINABILITY STATEMENT
cont'd

01. BUSINESS STATUS AND OPERATIONAL STRATEGIES (CONT'D)

III. Corporate Governanace & Compliances

The internal regulations governing the implementation of the anti-bribery/anti-corruption, anti-discrimination, and credible business operation are described below:

1. Corporate Governance Rules

Applicability	BOD members
Description	1. Establish an effective corporation governance system 2. Protect shareholder's equity 3. Enhance the BOD function 4. Respect the stakeholder's rights 5. Improve the transparency of information

2. Processing of Internal Information

Applicability	Directors, managers and employees; other persons who know the important internal information of the Company due to their status, occupation, or control relationship.
Description	Establish a good system for precessing and disclosure of important internal information to avoid inappropriate disclosure of the information and ensure the consistency and correctness of the information that the Company announces outwards.

3. Code of Ethics for Management

Applicability	Directors, managers, employees, trustees, and the person who have substantial control capability
Description	1. Observe relevant rules or other laws and regulations governing business practices 2. Conduct business activities fairly and transparently 3. Set up an independent reporting mailbox for internal and external personnel.

4. Code of Ethics for Employees.

Applicability	Directors, managers, employees
Description	1. Observe moralities and persist in the principle of credibility 2. Treat customers, competitors, and employees fairly 3. Enhance moral awareness.

SUSTAINABILITY STATEMENT
cont'd

01. BUSINESS STATUS AND OPERATIONAL STRATEGIES (CONT'D)

IV. Risk Control

Operating risk management

We evaluate our business risk on a regular basis and among the risk we undertake are business risk, legal risk, financial risk, operational risk, and market risk. Our internal audit regularly conducts and assess Harbour-Link Group Risk on a regular basis.

Harbour-Link has formalized the risk management framework and policy which is being embedded into the culture and operations of the Group. The risk management structure spans the entire organization, from the Board right down to the operational level that comprises 12 Risk Management Committees ("RMC"). Through such structure, material risks from each segment of the business are represented and escalated to respective Division Head and finally to the Board accordingly, providing a more rounded and all-inclusive approach in capturing and managing the Group's risks. This is a continuous process of identifying, evaluating and managing the Group's material risks. The activities of the RMC are monitored by the Division Head with the assistance of the Risk Officer. The approach adopted by the Group is guided by the globally accepted standard for risk management, ISO 31000 Risk Management – Principles and Guidelines for identifying, evaluating, managing and monitoring significant risks. The Group's principal significant risks identified are outlined below:

Market risk

Competition for existing and new customers remains to be the top risk for the Group. However, the Group has set in place various measures to counteract this risk by maintaining good relationship with existing customers and ensuring that we consistently deliver quality services. The Group also monitors the market trends on resources pricing, in order to remain competitive with our rates and have plans to diversify the customer base to reduce the customers' concentration risk.

Human capital risk

Human capital is one of the Group's biggest assets. With a total employment of approximately 1,383 employees under its wings, the challenges are in developing and retaining good talents. As such, Human Resource is committed in ensuring adequate training is provided and various remuneration and staff benefit schemes are implemented in order to mitigate the risk. In addition, the Management has placed importance in the establishment of policies and procedures for key processes in order to ensure knowledge retention and business continuity. Significant risks that may affect the Group's business objectives are continually monitored.

Covid-19 preventive measures

With operations across the globe, it was vital for us to respond swiftly to the COVID-19 pandemic to keep our employees safe and minimise operational disruptions. In line with our value, we understood the gravity of the situation, quickly assessed the risks in accordance with government guidelines where available. Taking the lead from our side where they were not. We introduced Standard Operating Procedures ("SOPs") that allowed staff to minimise the spread of the virus and exposure to it, including implementing Work From Home ("WFH") arrangements, working on shifts, wherever possible. We also restricted non-essential travel and ensured selfquarantine for employees returning from high-risk countries. We kept constant track of latest COVID-19 instructions by the government and communicated to employees any changes to working arrangements. In instances where employees were allowed to be physically present at our premises, we implemented strict COVID-19 testing. We also undertook other measures such temperature screening at all entrances, making hand sanitisers readily available, physical marking, and regular disinfection of workplaces. In FY2021, we further strengthened our mitigation by adding the following measures

- Established COVID-19 procedures for office, yard and offshore operations
- Conducted RTK Antigen testing for office and yard entry and RT-PCR testing for vessel sign-on for offshore work
- Conducted COVID-19 Awareness programme
- Organised vaccine awareness town hall
- Conducted WFH awareness programme

In FY2021, the Group has achieved 99% vaccinated workforce.

02 SUPPLIER AND CUSTOMER ENGAGEMENT

SUSTAINABILITY STATEMENT
cont'd

02. SUPPLIERS AND CUSTOMER ENGAGEMENT

I. Supplier management

A. Harbour-Link's value chain

Harbour-Link operates on both midstream and downstream services. Our suppliers are organised as follows:

Harbour-Link core suppliers remained the same as in previous years. They are mainly the shipbuilding company, port terminal machinery and equipment manufacturer, container manufacture and leading company, trucking company etc.

As shown in the table below, Harbour-Link procures almost 100% of the purchasers and services within local region thus contributing to the local economy. We will strive where possible to purchase more purchasers and services to the local economy.

SUSTAINABILITY STATEMENT
cont'd

02. SUPPLIERS AND CUSTOMER ENGAGEMENT (CONT'D)

I. Supplier management (cont'd)

A. Harbour-Link's value chain (cont'd)

Purchase category	Purchase information	Regions Sales	
		Local (including West Malaysia)	Foreign
Trailer, Feeder, prime movers, cranes, port related equipments	Number of suppliers	11	Nil
	Local purchase amount (%)	100%	Nil
Empty container yard (storage and repair)	Number of suppliers	41	20
	Local purchase amount (%)	67%	33%
Container body, freezer manufacture, container leasing	Number of suppliers	5	7
	Local purchase amount (%)	42%	58%
Ship spares	Number of suppliers	321	14
	Local purchase amount (%)	96%	4%
Marine fuel and store	Number of suppliers	26	1
	Local purchase amount (%)	96%	4%
Ship Vessels	Number of suppliers	Nil	3
	Local purchase amount (%)	Nil	100%
Terminal machinery	Number of suppliers	2	Nil
	Local purchase amount (%)	100%	Nil
General affair and office supplies	Number of suppliers	34	Nil
	Local purchase amount (%)	100%	Nil

B. Supplier evaluation

Harbour- Link has issued our own Purchasing Procedure and Guideline that provides the fundamental regulations for the sourcing of goods and services. The purpose of the Procedure and Guideline is to reach uniformity and transparency regarding processes and the assignment of purchasing responsibility in Harbour-Link in order to identify costs saving potentials. The procedures are communicated to all participants of the purchasing process and are easily understandable and usable in daily basis. Our procurement team is responsible for the selection of suppliers, tender process, negotiation, prices, delivery and contractual agreements with suppliers.

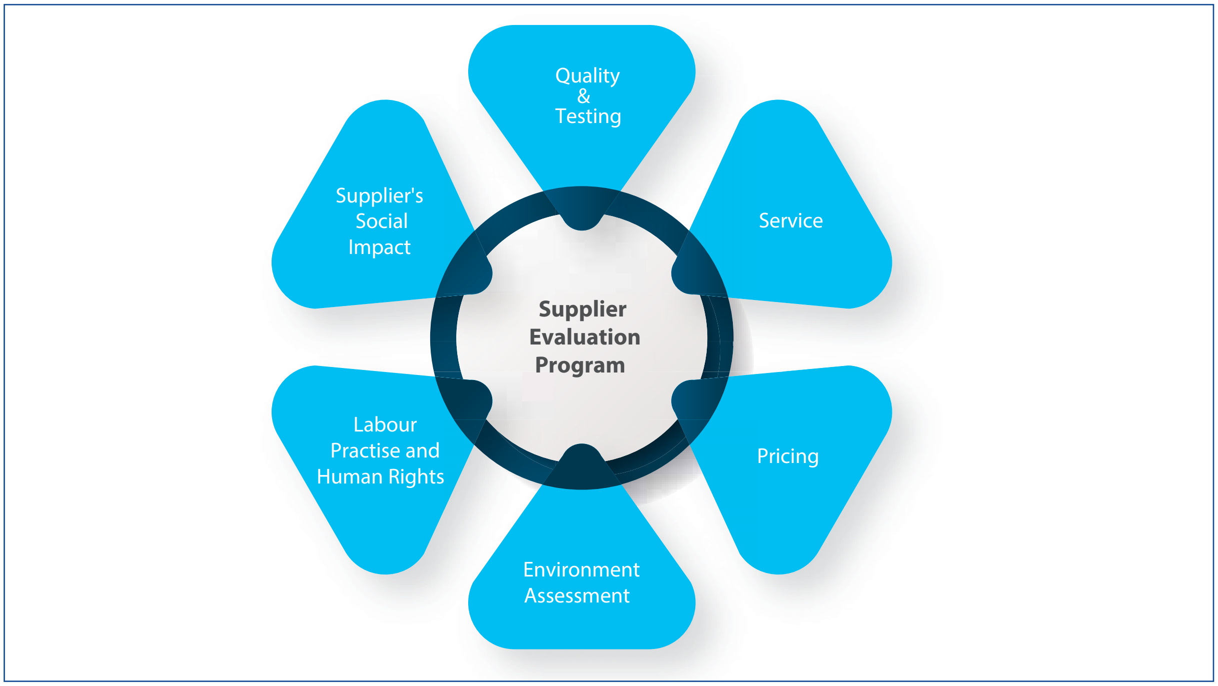
SUSTAINABILITY STATEMENT
cont'd

02. SUPPLIERS AND CUSTOMER ENGAGEMENT (CONT'D)

I. Supplier management (cont'd)

B. Supplier evaluation (cont'd)

On all levels, Harbour-Link monitors and evaluates the performance of suppliers. Harbour-Link practices Supplier Evaluation Vendor Program to evaluate our vendors in areas shown in the diagram below. We will strive to register our vendors into our own database and evaluate our vendors on an annual basis.



Harbour-Link will endeavor to send out questionnaires to vendors evaluating the above criteria. We will start evaluating the vendors in the next financial report.

SUSTAINABILITY STATEMENT
cont'd

02. SUPPLIERS AND CUSTOMER ENGAGEMENT (CONT'D)

II. Customer management

A. Maintenance of customer relations

For Harbour-Link, is all about satisfying customers. We are offering customers tailored solutions based on our customized logistics solutions and the highest service standards.

For customers requiring comprehensive logistical and warehousing services, we provide customized logistics solutions where its services include security handling for high value items, managing mailroom operations and handling logistics and distribution arrangements. Our freight forwarding and warehousing division is another important component in our drive to provide integrated logistical solutions to meet the evolving needs and requirement of our customers. Covering more than 18,000 sq ft of warehousing space, this expanded division houses the bulk handling of inbound and outbound goods as well as storage for temperature – sensitive goods.Harbour-Link periodically conducts customer survey and customers are always the first priority in the operation of our service. The sales department visits customers to canvass their cargo, and the customer service department helps customers solve their problems in the exportation and importation matters. The customer service department arranges irregular customer visits to understand their requirements and provide more professional and customized service. Our engineering commitment to customers is targeted at providing each customer with a personalised, seamless experience right from the beginning of our customer relationship.

Our sales department will instantly take corrective action to resolve any customer's dispute as well as to enhance customer satisfaction in rendering our services to them.

III. Cargo safety

A. Freight transport regulations

We always keep the safety of the employee, cargo, and ship as well as the zero accident in mind, and load the containers that our customers deliver to us according to the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution From Ships (MARPOL). We execute regular educational training of personnel and reduce the accidents by implementing risk management to ensure achieving the goal of perfectly safe transportation.

SUSTAINABILITY STATEMENT
cont'd

02. SUPPLIERS AND CUSTOMER ENGAGEMENT (CONT'D)

III. Cargo safety (cont'd)

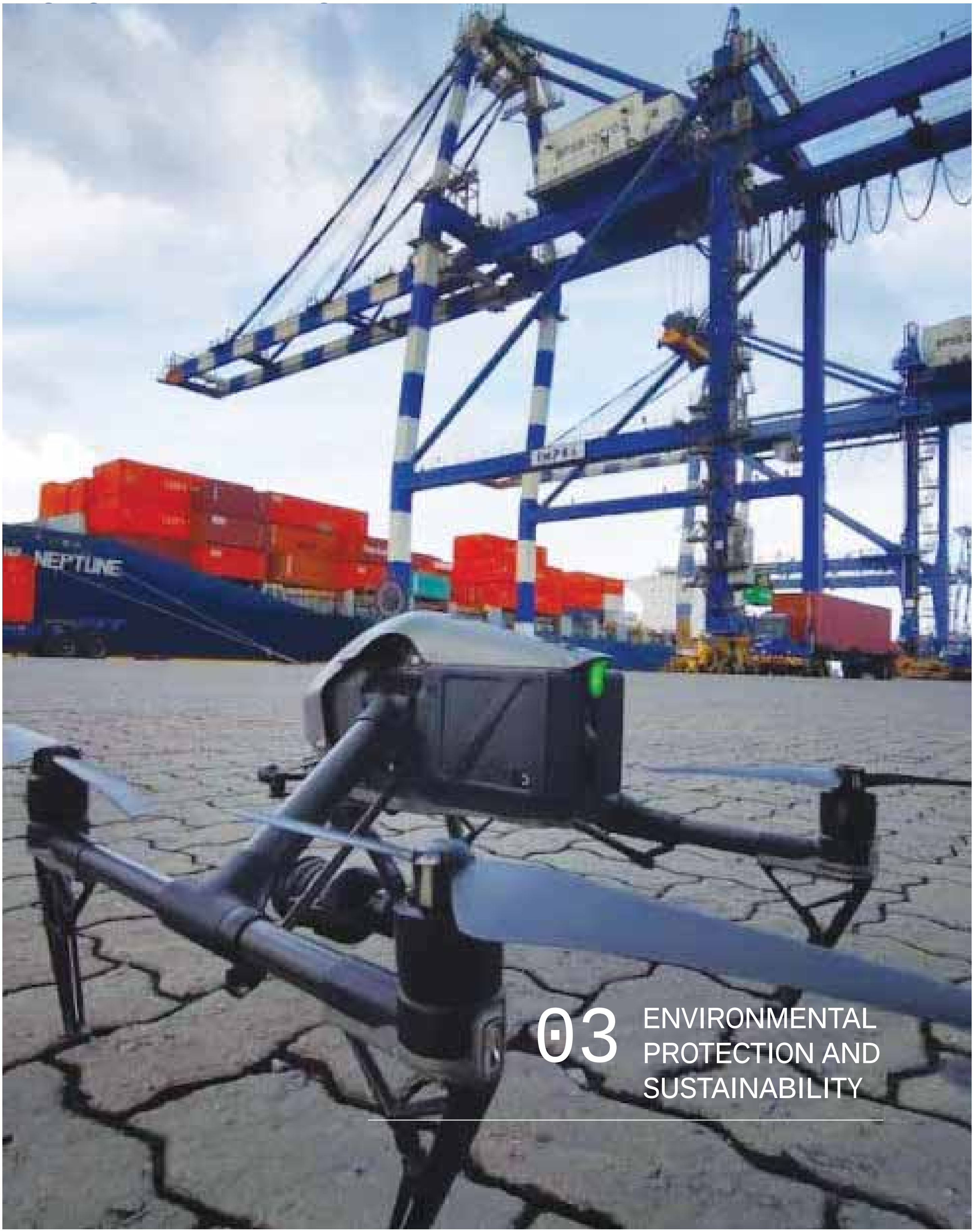
A. Freight transport regulations (cont'd)

We establish three loading instructions to ensure the intensity of the management.

Cargo Transport Procedure	Stowage Operation Instructions	Dangerous Cargo Control Instructions
Manage seven processes of receiving, stowage, loading, transport, unloading, delivery and schedule management respectively	Assignment of responsibilities, collection of loading information before stowage, establishment of basic stowage (space distribution) principles, and stowage cautions as the work rules for stowage personnel	Ensure full compliance with IMDG Code and other international conventions and local regulations of the port state during transport of dangerous cargo to protect the safety of life at sea and prevent marine pollution

B. Management of dangerous cargo

Being a value-added service, it can avoid incorrectness or loss of the labeling and, thus, being fined by the port administration during the transport, and improve the image of the Harbour-Link on the market. Harbour-Link will ensure all vessels comply with the necessary manifest when transport dangerous cargo. Harbour-Link Group reports no untoward accident during the financial period.



03 ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

SUSTAINABILITY STATEMENT
cont'd

03. ENVIRONMENT PROTECTION AND SUSTAINABILITY

I. Energy management

We at Harbour-Link observe all international local environmental protection conventions and as local by-laws and we devote ourselves to preventing pollution, energy savings and reducing carbon, and protecting the earth. We have set up strict standards and operation procedures for every environmental protection and pollution prevention matter on the ship when it is sailing on the sea. We make use of the latest marine technology more positively and perspectively to protect the marine ecology, the safety of the port, and the happiness of humankind.

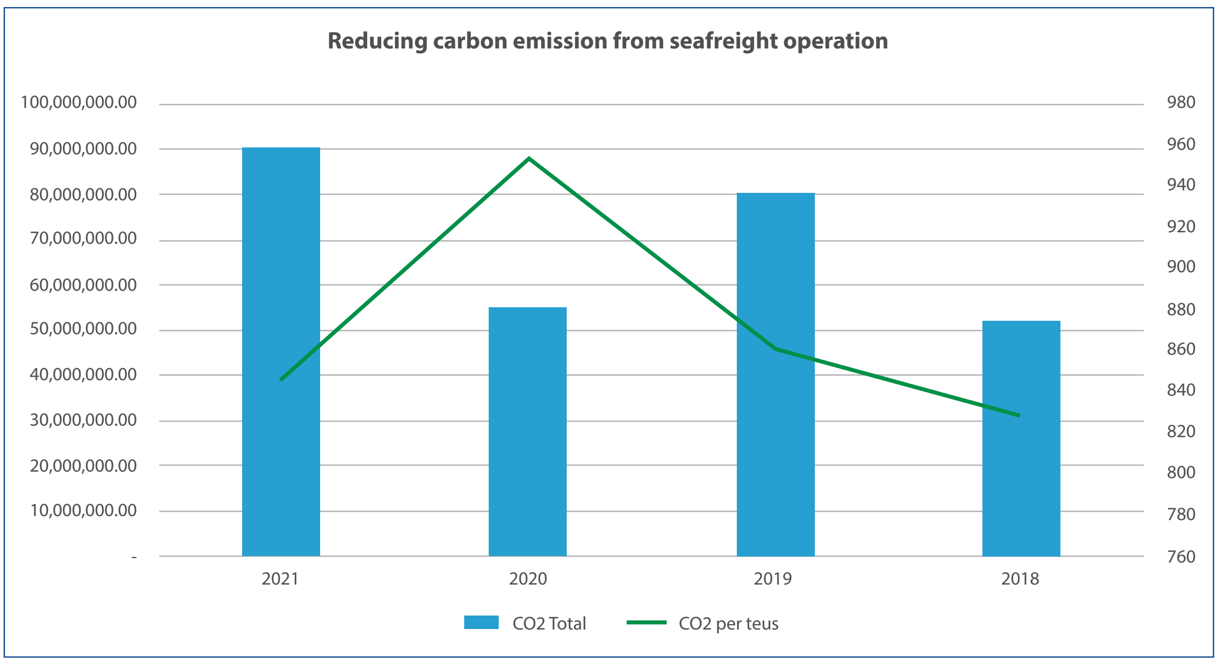
Harbour-Link strives to minimize energy use in all its business operations by implementing savings policy in all its branches as well as vessels. We will further refine our policies and implement a more sustainable approach towards our energy use.

A. Use of energy and Green House Gas ("GHG")

Reducing carbon emissions from seafreight operation

We reduce energy consumption, minimize pollution and GHG emission via various management and operation measures and design of the ships.

Use of energy on Harbour-Link Group vessels are tabulated as follows:-



SUSTAINABILITY STATEMENT
cont'd

03. ENVIRONMENT PROTECTION AND SUSTAINABILITY (CONT'D)

I. Energy management (cont'd)

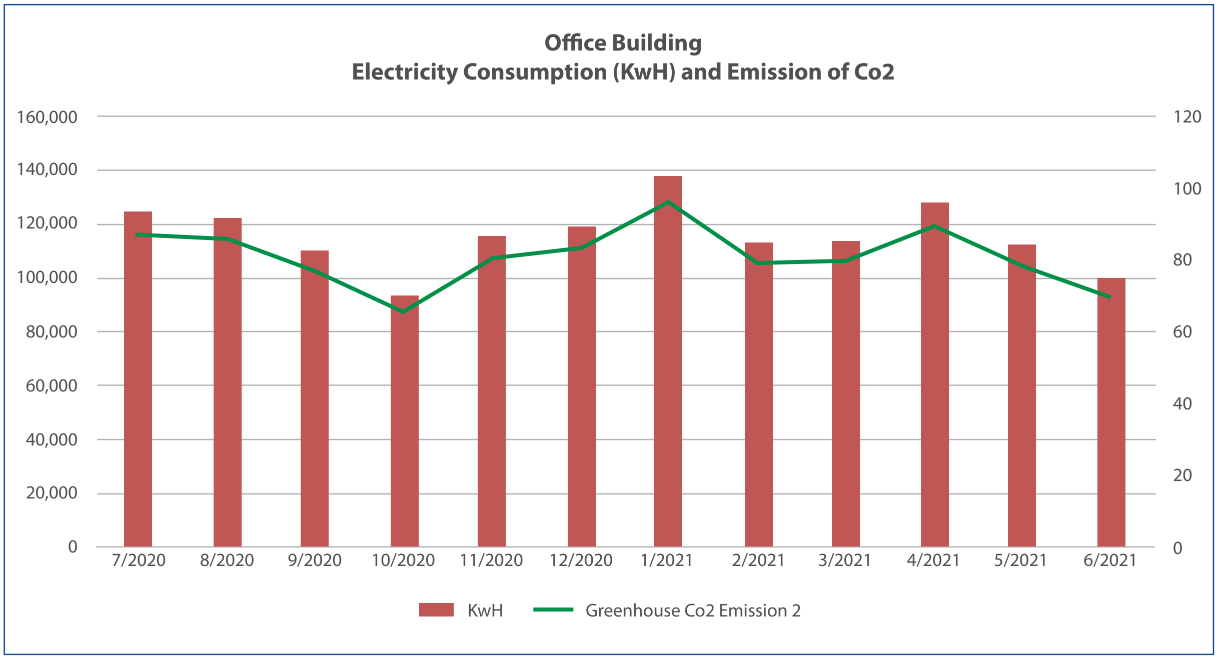
A. Use of energy and GHG (cont'd)

The above chart depict the calculation of CO2 emmission.

Harbour-Link understands that the impacts and reduction efforts associated wth GHG emmissions required a long-term commitment as the effects of both cannot be realised in only one year. Therefore, implementing reduction initiatives is important to Harbour-Link.

Office Building

The energy used for the office building of the Bintulu is mainly from purchased electricity. The effect of the replacement with energy-saving lighting facilities and air conditioners as well as turn-off of unnecessary lighting devices at noon are ways Harbour-Link conserve and reduce energy consumption. Energy use at office buildings are illustrated as follows. Based on the table below, 545 tco2 an emission factor of 0.699 was used to determine the emission of co2 in Sarawak. (Greentech, Study on Grid Conencted Basedline in Malaysia 2014) during the financial period.



Harbour-link collects and analyses data on energy consumption to:

- track progress toward corporate energy and carbon emission goals;
- identify opportunities for improvement;
- benchmark against past performance;
- identify best practices that can applied across the operations.

SUSTAINABILITY STATEMENT
cont'd

03. ENVIRONMENT PROTECTION AND SUSTAINABILITY (CONT'D)

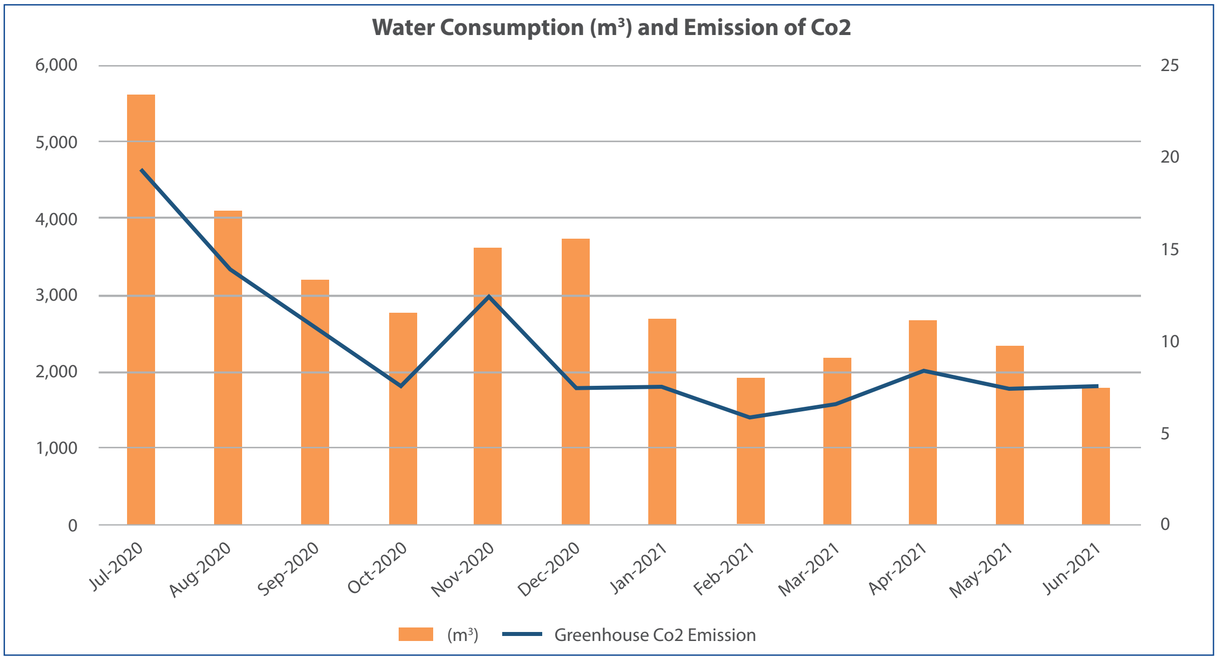
I. Energy management (cont'd)

A. Use of energy and GHG (cont'd)

Data is analysed quarterly at each business and functional units and at corporate level and is reported to Harbour-Link Management.

Water consumption

Reducing water consumption and improving water quality are important elements of Harbour-Link's environmental programme. As a result, we continue to actively manage and work toward reducing our corporate water footprint. Harbour-Link's water management provides a global framework including both general and specific elements for water management within the company. The standard required Harbour-Link operations to manage the water resources by understanding water consumption, comply with regulatory requirements, reuse water where possible, and report water usage. Most of the water used in Harbour-Link is for domestic use such as cleaning, kitchens and bathrooms, as well as washing of vehicles.



B. Energy saving and carbon reduction measures

Ships on the sea

At the present moment, Harbour-Link does not have any requirements to comply with carbon reduction process but Harbour-Link will do its best in the following year to fulfill its commitments to the environmental protection and improve the energy efficiency by tracking and analyzing the energy consumption status of the ship. We will also look into the effectiveness of ship operations, which is another commitment of us in order to achieve the energy saving and carbon reduction goal.

Harbour-Link Group Berhad will endeavor to meet all the ships anchoring at or passing by any ports subject to the carbon emission monitoring from January 1, 2020. The second step is to set a specific emission reduction goal for the shipping industry and the third step is to take further medium-term and long-term measures, such as implementation of compulsory measures to the market.

SUSTAINABILITY STATEMENT
cont'd

03. ENVIRONMENT PROTECTION AND SUSTAINABILITY (CONT'D)

I. Energy management (cont'd)

B. Energy saving and carbon reduction measures

Ships on the sea

Harbour-Link will strive to undertake two measures for the emission reduction issue. The first one is to keep a registrar of all ship routes, lanes and shipping vessel details. This guide provides a credible basis for the sequential verification and allows timely execution of the audit and verification activities. The second one is training to all staff the requirements of the Harbour-Link objectives, establish implementation guidelines and monitoring plans, execute such plans, and make reports.

Assessment is conducted to understand the monitoring of existing data, whether the statistic method meets the requirements for full establishment of relevant measures, installation of a data retrieval system needed implementation of the laws and regulations, and construction of a data retrieval platform. These measures are beneficial for preparing the implementation of monitoring and adhering to regulations on one hand, and precisely recording our operating data via electronized operation on the other hand to execute centralized management, analyze the performance of the ship, and further improve the measures.

We take the following actions to reduce the CO2 emission rate:

- Slow down the speed of the ship and sail at a low speed
- Monitor the consumption of the fuel oil and operation of the main engine all the time to ensure the propelling performance of the main engine
- Use the weather navigation to provide the fleet with real-time weather information and the best sailing route to optimize the fuel efficiency
- Improve the cargo loading and unloading efficiency and shorten the time for the ship to stay at the port
- Plan the loading capacity of the ship appropriately to ensure the best economic benefits
- Use special anti-pollution paint for the body of the ship
- Replace old ships with new ones

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY

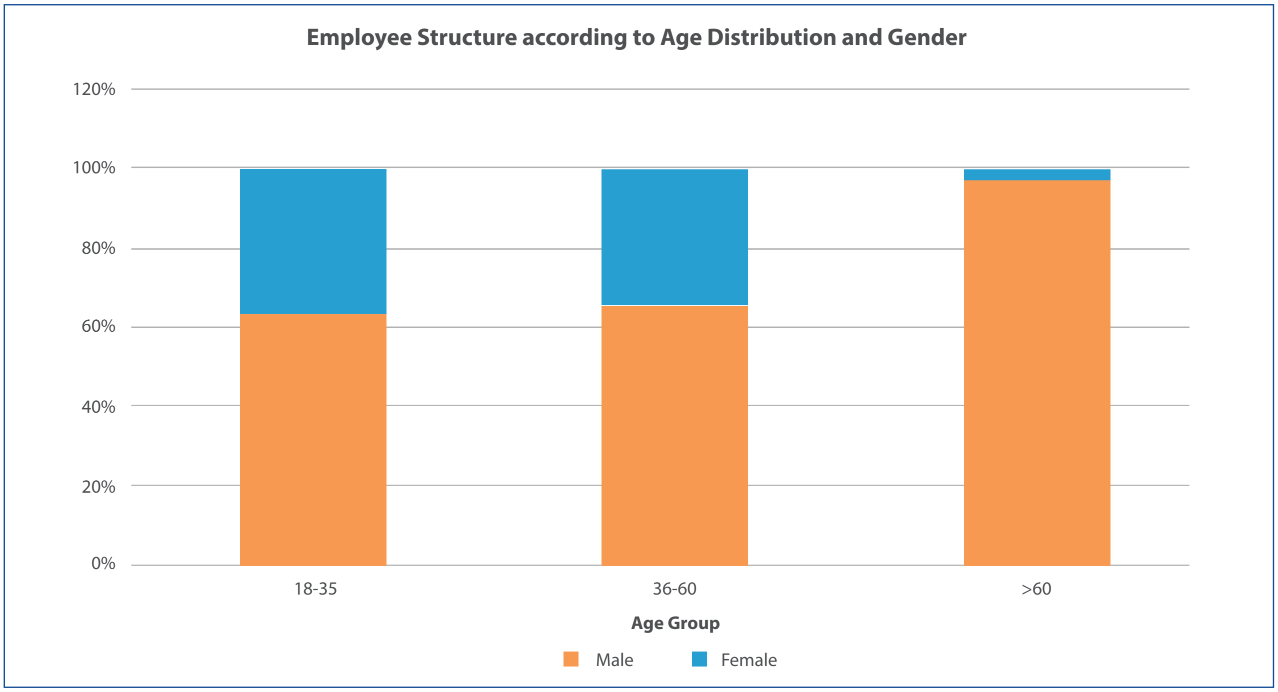
SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY

Overview of Employees Structure

For us, diversity means more than recruiting and fostering a diverse workforce. It is a way of thinking differently and making sure we are getting the best ideas, effort and performance from all our people.

Our number of employees stands at 1,383. The graph below shows the segmentation of our employees according to age and gender. The age group between 18 to 35 represents almost 56% of our total employees whereas age between 36 to 60 represents 41% of the total employees' group. Harbour-Link Group has a young force and will strive to provide opportunities to local talent within the group as well as support for the local community.

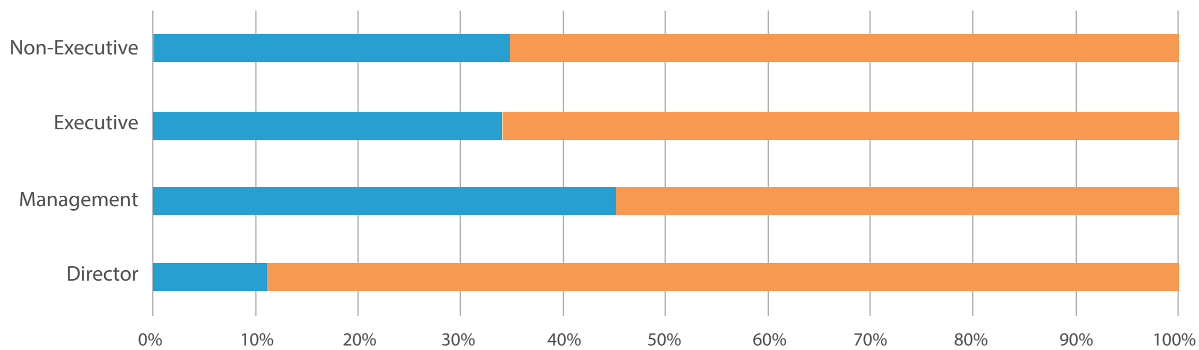


04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

Overview of Employees Structure (cont'd)

In terms of ranking within the organization, the table below depicts the employees ranking according Director, Management, Executive and Non-Executive levels respectively and by gender. As shown in the table below, Harbour-Link Group Berhad has a proportion between Females and Males for Management, Executive and Non-Executive level.

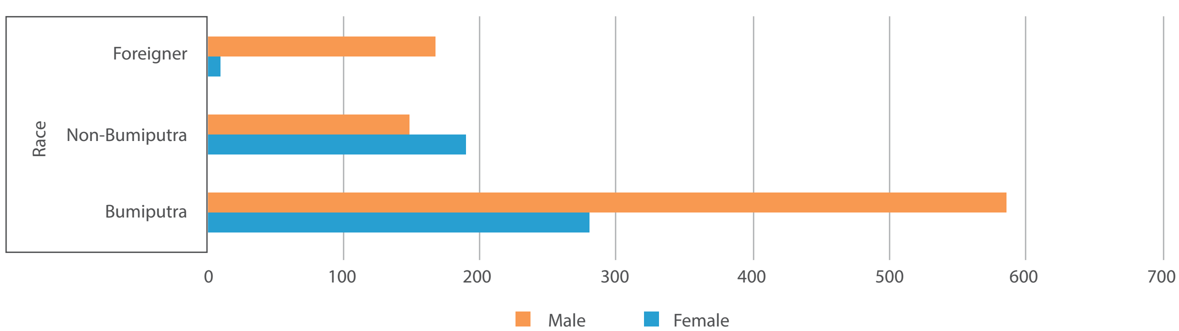
Rank and Gender Diversity



	Level			
	Director	Management	Executive	Non-Executive
Female	1	14	14	452
Male	8	17	27	850

For race diversity, Harbour-Link Group Berhad has a total of 867 Bumiputra staff and 338 of non-Bumiputra staff represent almost 84% of the total workforce. The table below depicts the cultural diversity according to race and gender. The several tables depict Harbour-Link Group Berhad movement of staff according to rank, gender, and race.

Cultural Diversity and Gender Diversity



SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

Recruiting

The Company's recruiting procedures are reviewed regularly to ensure that individuals are treated on the basis of their relevant merits and abilities. Job advertisement avoids sterotyping or using wording that may discourage groups with a particularcharaterics from applying.

Harbour-Link has hired 388 new hires for 2021 as compared to 407 hires in 2020. The breakdown of the new hires are shown below :

Gender	Age Group			Total
	18-35	36-60	>60	
Female	49	9	-	58
Male	237	83	10	330
Total	286	92	10	388

Gender	Level				Total
	Director	Management	Executive	Non-Executive	
Female	0	1	4	53	58
Male	0	1	6	323	330
Total	0	2	10	376	388

Gender	Race			Total
	Bumiputra	Non-Bumiputra	Foreigner	
Female	45	13	0	58
Male	195	28	107	330
Total	240	41	107	388

Employee Relations and Human Rights Compliance

Harbour-Link Group Berhad practices fair employment practices and has adopted the following practices as listed below.

Fair Employment Practices

In addition, to develop a healthy and safe workplace, we strive to provide our employees with a diverse and inclusive working environment where their human rights are respected. In upholding human rights of our employees and to prevent human rights violations, we have to put in place policies and procedures to ensure a healthy, safe and secure workplace.

The following are the key policies and measures enshrined in our Code of Ethics (dos and don'ts) policy statement as well as our employee handbook.

a. Equal Employment Opportunity

In the appointment and recruitment process of Harbour-Link Group Berhad, we pride ourselves on being an employer that provides equal opportunities and continuously seeks to promote it regardless of religious belief, age, creed, marital status, gender, family status or any disability. Our commitment to that respect applies to all areas of the working environment for all the employees.

SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

Employee Relations and Human Rights Compliance (cont'd)

Fair Employment Practices (cont'd)

b. Workforce Diversity

We believe in keeping one of our key stakeholders, i.e. our employees engaged with the aim to bring forth their full potential and enabling a satisfying career for each of them. At the same time, we are inclusive and mindful to encourage balanced participation of female employees in our business. We continue to promote and attract talents from the local community or within the same state in which we operate. We are proud to contribute to the local economies by creating employment in the communities in which we operate, majority of our office staff coming from the local communities.

c. Adherence to Minimum Wages

We observe the Minimum Wages Order 2012 and its subsequent amendments and when announced by the government.

d. Prohibition of Harassment

We are committed to providing a working environment that is conducive, safe and free of any form of harassment and unlawful discrimination. The Group views sexual harassment as a serious violation of our rules and regulations and work values. To prevent discrimination, we have a sexual harassment policy and a grievance procedure available to all and we ensure that employees are briefed about these.

During the reporting period, there were no recorded instances of discrimination. Any employee found guilty of such misconduct will be subject to disciplinary actions that may include dismissal.

e. Prevention of Child Labour

We observe the Children and Young Persons (Employment) (Amendment) Act 2010. We employ only those 18 years and above in our recruitment exercise. This is in line with the policies of the international labour organisation.

SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

Employee Relations and Human Rights Compliance (cont'd)

Fair Employment Practices (cont'd)

f. Employees' Benefits and Compensation

We value the contributions of our diverse employees and continuously attract talents to join us by providing a supportive working environment as well as development opportunities. We provide an integrated welfare system and treat all employees equally on all of our sites.

The Group complies with the various local statutory requirements and regulations on wages and benefits such as minimum wage order, employees' provident fund, and SOCSO.

Other employee welfare bonuses include travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel accident insurance, communications expenses, uniform, and personal protective appliances, application of residence permits for current employees, staff compensation leave, festive gifts, and events. This is to express our Group's commitment to optimal work-life integration and personal effectiveness.

g. Training and Development

In building a strong workforce, we are committed to providing an environment for our employees to enhance their skills and knowledge within the industry. This will benefit not only the personal growth and development of our employees but also the company's growth as a whole.

Training is also very important to ensure that our employees have the required competencies to perform their work and deliver their best output. We, therefore, encourage our employees to expand their knowledge and to foster personal growth and development by taking on new roles and responsibilities.

SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

TRAINING AND DEVELOPMENT

Summary of Training Program Conducted from Jul '20- Jun '21	Headcount
Director	
Fraud Risk Management	1
Webinar "Updates on Annual Return, AGMS, Accounts and Audit in the COVID Era"	2
Webinar Challenges for Company Secretaries under Companies Act, 2016	1
Webinar Managing Transfer Pricing Documentation and Audit (Re-Run Session)	2
Webinar: Budget 2021: National Authorised Economic Operator (AEO)- Fast Clearance From Customs & OGA/PIA	1
Webinar: IACS Webinar- Fundamentals of Board Governance	1
Webinar-A Practical Look at Share Issue, Reduction of Capital & Redemption of Preference Shares	1
Webinar-Company Secretaries Training Programme Significant 2.0	2
Webinar-Meetings & Passing of Written Resolutions Under Companies Act 2016	1
	12
Management Level	
Basic Rigging & Slinging Course	2
Briefing Session: Pre-Employment Drug Testing for New Joiner	1
CIDB Green Card (Renewal)	2
HILS-Document Storage Module	2
In-House: Basic Occuptional First Aid & Emergency Response Preparedness	1
Lifting Supervisor	2
MNSC Webinar: Freight Transportation Strategy- Shippers Guide to Efficient Freight Management	1
MS ISO 37001:2016 ANTI BRIBERY MANAGEMENT SYSTEM	1
NEW HR Best Practices for The Industrial Relations Functions	1
NIOSH Contractor Safety Passport System- All Risk Work	1
NIOSH Oil & Gas Safety Passport (Refresher)	1
Online Seminar- DOSH: myFOSH	2
Professional Training Series: Industry & Sustainability	1
Webinar Amendments to the Industrial Relations Act	1
Webinar Basic Scheduled Waste Management	1
Webinar Customer Service Series	1
Webinar: "Seminar Orang Yang Berwibawa Siri 1/2021 Ke Arah Pematuhan Yang Berterusan"	1
Webinar: Awareness of Environmental Management System ISO14001:2015	2
WEBINAR: Basic Schduled Waste Management	1
Webinar: Budget 2021: National Authorised Economic Operator (AEO)- Fast Clearance From Customs & OGA/PIA	2
Webinar: Chemical Hazard Management	1
Webinar: CQI & IRCA Certified ISO 9001:2015 Lead Auditor	1
Webinar: Crisis Leadership- Leading Through a Crisis	1
Webinar: Current Challenges and Future Opportunities for Port & Terminals in BIMP EAGA	1
Webinar: Implementation of Training Needs Analysis	1
Webinar: Income Tax Facilities During Covid-19	1
Webinar: Licensed Manufacturing Warehouse (LMW) Licensing, Facilitation & Control	1
Webinar: Malaysian Customs Classification of Goods & Harmonized System (HS code)	1
Webinar: Occupational Heath & Safety Management System ISO 45001:2018	2
Webinar: Proactive Approaches in Managing HIRARC	1
Webinar: Recent Changes in The Transfer Pricing Landscape	1
Webinar: Services Tax- Penalties or Peace of Minds	1
Webinar: Workers Minimum Standards of Housing & Amenities (Amendment) Act 2019 & Regulations 2020	1
	41

SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

TRAINING AND DEVELOPMENT (CONT'D)

Summary of Training Program Conducted from Jul '20- Jun '21	Headcount
Executive Level	
Basic Rigging & Slinging Course	2
Briefing Session: Pre-Employment DrugTestingfor New Joiner	1
CIDBGreen Card (Renewal)	2
Fundamentals of Bill of Lading 2020	1
HILS-Document Storage Module	5
New Employee Induction Program (Site Office)	1
NIOSH Oil & Gas Safety Passport (Refresher)	3
Webinar: Current Challenges and Future Opportunities for Port & Terminals in BIMP EAGA	1
Webinar: Income Tax Facilities During Covid-19	1
Webinar: Mircrosoft Excel Advanced	1
Webinar: Protecting Against Threats with Hyrbrid Cloud Security Technologies	1
Webinar: Racks pace Azure Immersion Workshop Live Training on Infrastructure Migration	1
Webinar: Recent Changes in The Transfer Pricing Landscape	5
Webinar: Run & Gun- Network Penetration Testing	1
Webinar: Services Tax- Penalties or Peace of Minds	1
	27
Non-Executive Level	
Authorised Entrant & Stand-by Person for Confined Space	2
Basic Lifting Supervisor	1
Basic Rigging & Slinging Course	59
BOSS.NETEA & BIK Virtual Training	4
Briefing Session: Pre-Employment DrugTestingfor New Joiner	7
Cl DB Green Card (New Application)	5
Cl DB Green Card (Renewal)	33
Fundamentals of Bill of Lading 2020	6
HI LS-Document Storage Module	79
In-House Forklift Awareness Training	25
In-House: Basic First Aid &CPR Course	19
In-House: Basic Occuptional First Aid & Emergency Response Preparedness	13
Kursus Ejen Kastam (Eksekutif)	1
Kursus Ejen Kastam- Non Executive	1
Lifting Supervisor	2
MS ISO 37001:2016 ANTI BRIBERY MANAGEMENT SYSTEM	5
New Employee Induction Program (Site Office)	49
NIOSH Oil & Gas Safety Passport (New Application)	8
NIOSH Oil & Gas Safety Passport (Refresher)	26
Pertolongan CemasAsas & CPR	1
Pertolongan CemasAsas & CPR (retake)	1
Pertolongan CemasAsas dan CPR (Refresher)	1
The Efficient Leaderand Supervisory Skills	2
Webinar "Admin & Office Management Skills"	3
Webinar "Hydrogen Sulphide (H2S)"	8
Webinar "Total Chemical Safety Management"	9
WEBINAR : IN COTERMS 2020	1
Webinar Basic Scheduled Waste Management	2
Webinar Customer Service Series	22
WEBINAR EFFECTIVE SUPERVISOR!) SKILLS	2

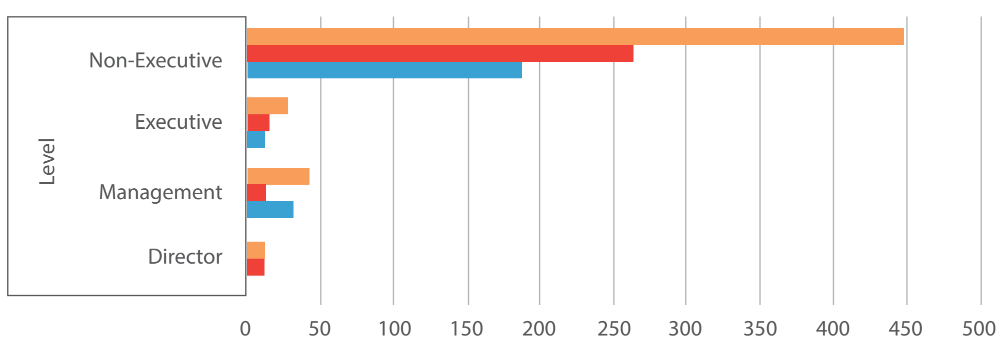
SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

TRAINING AND DEVELOPMENT (CONT'D)

Summary of Training Program Conducted from Jul '20- Jun '21	Headcount
Non-Executive Level	
Webinar: Briefing on Penjana Initiative by HRDF	2
Webinar: Combined ISM & ISPS Code Internal Auditor (CIA) +MLC	2
Webinar: Competency Rigging & Slinging Course	1
WEBINAR: CUSTOMER CARE EXCELLENCE	1
Webinar: Effective Communication	3
Webinar: Effective Minutes Writing & Online Meeting	1
Webinar: Emergency Response Planning & Preparedness	1
Webinar: HIRARCbased on IS045001:2018	1
Webinar: HowTo Read Your Safety Data Sheet	23
Webinar: Implementation of Training Needs Analysis	1
Webinar: Leadership Skills forSupervisor	3
Webinar: Mircrosoft Excel Advanced	3
Webinar: Pengurusan Operasi StorYang Berkesan	1
Webinar: Working Safely At Heights	4
Working Safely at Height by Mobile Elevating Work Platform (MEWP)	5
	449

Number of Employees trained According Seniority



	Level			
	Director	Management	Executive	Non-Executive
NUMBER OF EMPLOYEES TRAINED ACCRODING TO SENIORITY	12	41	27	449
Male	12	11	15	262
Female	0	30	12	187

SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

WELFARE AND CARE

We treat our employees as the most important assets of the Company. In addition to observing the relevant statutory laws in Malaysia, we consider our employee's welfare as our priority mission and to provide a friendly workplace for the employees to work without endangerment to the safety of the employees.

No	Type of Additional Benefits	Description
1	Holidays	Observe Statutory and gazetted holidays as specified by law.
2	Insurance	Medical insurance for all staff regardless of rank.
3	Health Care	Professional physicians give medical advises and general medical treatment. Free Physical examination.
4	Educational training	Extensive training provided to staff to keep abreast of present developments.
5	Year-end Bonuses	All staff will be appraised and be given year-end bonuses.
6	Uniform	To promote unity, all Harbour-Link staff is provided uniform for work related purposes.
7	Harbour Clubs	Provide inter competition among shipping companies and recreational activities for Habour-Link Staff.

HEALTH PREVENTION PROGRAMMES

Education and training related to assisting workforce members, their families, or community members regarding serious diseases are provided inappropriate language and pictorial formats, during campaigns and roadshows. For example, we conducted a campaign about Dengue Fever, proper waste disposal which involved educating the workforces and general public about practical prevention methods.

SUSTAINABILITY STATEMENT
cont'd

04 CARE FOR EMPLOYEES AND ENVIRONMENT SAFETY (CONT'D)

ASSET SAFETY PROGRAMMES

We assess our assets including our shipyard, ship navigation facilities, and construction sites regularly during their lifecycle to see what, if any, ESH improvements can be made. Harbour-Link continuously assess our employees and we conduct annual Health Safety Programs to make sure our employees are fully aware the safety standards adhere by Harbour-Link.

In light of COVID-19, we ensure the health and safety of our employees by ensuring the provision of Protective Equipment ("PPE") to them. This includes face masks, hand sanitisers and hand gloves. Additionally, our Business Continuity Plan includes organizing alternative teams to work in the office. Furthermore, we encourage working from home whenever practicable.

HUMAN RIGHTS

Respecting and Protecting Human Rights in Our Workforce

Human Rights is an increasing area of concern from a wide range of stakeholders and as part of our SDG's effort, we will strive to comply all necessary regulations in areas we worked and comply with the policies of human rights in which we operate.

In our reporting period, we have yet to implement a formal charter of the human rights policies. In addressing these issues holistically, Harbour-Group Link Berhad will strive to do so in the near term.

Harbour-Link Group Berhad believes it has a duty to respect the rights of all individuals regardless of race, color creed or nationality, including but not limited to, its employees and communities wherever it operates.

Ongoing general awareness sessions are being rolled out to raise awareness about fundamental Human Rights and its relevance to business for our management team.

05 CONDUCTING BUSINESS WITH HONOUR

SUSTAINABILITY STATEMENT
cont'd

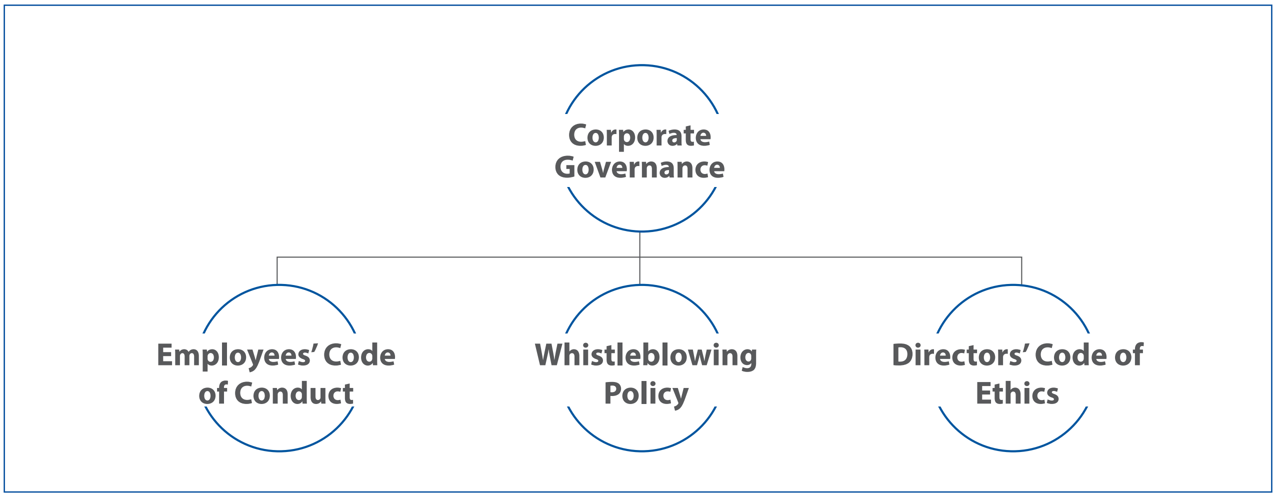
05 CONDUCTING BUSINESS WITH HONOUR

Business Ethics & Anti-Corruption

At Harbour-Link, we have deep-seated values of integrity, honesty and commitment in delivering excellence. As such, we enforce good ethics at all stages of business, both internal and externally.

Corporate Governance

Our pillar of corporate governance describe how we deal with risks such as anti-corruption, data leakage and fraud in our organization.



Employees' Code of Conduct

Every new employee of Harbour-Link is given a briefing on Harbour-Link's Code of Conduct. We also continue to train our employees on shareing confidential information with third parties and ensuring that they abide closely to personal data protection regulations.

Harbour-Link abides by the Personal Data Protection Act ("PDPA"). Employees provide their consent for the use of their personal details for matters pertaining to their employment with the Company. As per our Company's Code of Conduct, we are committed to ensure the confidentiality of their data acquired. In the event of the breach, we ensure critical incident reporting immediately in order to manage the situation and manage its detrimental impact across all relevant statkeholders.

Whistleblowing Policy

We have a Whistleblowing Policy to meet the Malaysia regulatory practices. This policy provides a safe channel for employees and any person providing services to, or having business relation with Harbour-Link to report any suspected misconduct within Harbour-Link. The aim of this policy is to provde an avenue tfor employees and others who have serious concerns about any suspected misconduct to come forward and voice those concerns.

SUSTAINABILITY STATEMENT
cont'd

05 CONDUCTING BUSINESS WITH HONOUR (CONT'D)

Directors' Code of Conduct

To instill a culture that is corruption-free, we believe in starting from the top management and cascading down to the floor. With that aspiration, Harbour-Link's Board of Directors observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia ("Code of Ethics"). The principles on which this Code of Ethics rely are those that concern transparency, integrity, accountabilitiy and corporate social responsibilities.

Throughout this reporting period, Harbour-Link doe s not have any issues relating to corruption. There were no cases of staff dismissal, fines, disciplinary action nor grievances on matters relating to corruption.

Customer Privacy

Protecting customer privacy and data security is an important part of our commitment to our customers.

We comply with relevant privacy and data security legislation wherever we operate. When a customer or prospective customer provides their personal details either through the Harbour-Link Group Berhad website or other relevant documents or channel, they are required to sign the PDPA Notice to ensure statutory compliance with PDPA.

Throughout this reporting period, Harbour-Link Group Bhd had received no complaint regarding the breach of customer privacy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement sets out the principal features of Harbour-Link Group Berhad ("**Harbour-Link**" or the "**Company**") and its subsidiaries' (collectively referred to as the "Group") corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance.

The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25 (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**") and guidance was drawn from Practice Note 9 of the MMLR and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report ("**CG Report**") based on a prescribed format as enumerated in Paragraph 15.25 (2) of the MMLR so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance ("**MCCG**") and is available on the Group's website, http://www.harbour.com.my as well as via an announcement on the website of Bursa Securities.

The Board has taken note of the revisions made to the MCCG by the Securities Commission Malaysia on 28 April 2021, whereby the Company is required to report its application of the revised MCCG for the next financial year ending 30 June 2022.

This Corporate Governance Overview Statement should also be read in tandem with other statements in the Annual Report namely Statement of Risk Management and Internal Control, Audit and Risk Management Committee Report and Sustainability Statement.

CORPORATE GOVERNANCE APPROACH

The Board of Directors of Harbour-Link ("**Board**") is committed towards achieving high standards of corporate governance practices, values and ethical business conducts and acknowledges the importance to set the appropriate tone from the Board level to across the entire Group. Corporate governance practices shall be the fundamental aspect in managing the business and affairs of the Group in a responsible and ethical manner.

In manifesting the Group's commitment towards sound corporate governance, the Group has complied with the provisions and applied the main principles of the MCCG for the financial year ended 30 June 2021 except for:

Practice 1.2 (Chairman of the Board);
Practice 4.5 (Gender diversity);
Practice 7.2 (Disclosure of the top five Senior Management personnel's remuneration on a named basis in bands of RM50,000); and
Practice 11.2 (Adoption of integrated reporting)

The explanation for the departure, the Company's intended actions and timeframe for the departure from the above practices are available in the CG Report.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

1. THE BOARD OF DIRECTORS

1.1 Roles and Responsibilities of the Board of Directors

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
- overseeing the conduct of the Group's business and evaluating if its businesses are being properly managed;
- identify principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including the orderly succession of senior management personnel;
- overseeing the development and implementation of the shareholders communication policy;
- reviewing the adequacy and integrity of the Group's internal control and management information system; and
- uphold responsibility to implement Anti-Bribery & Anti-Corruption Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. THE BOARD OF DIRECTORS (CONT'D)

1.1 Roles and Responsibilities of the Board of Directors (cont'd)

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee to examine specific issues within their respective terms of reference as approved by the Board and to report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The Board Charter was last reviewed on 25 November 2019. The Board Charter aims to ensure that all Board members understand their duties and responsibilities as well as the laws, regulations and best practices governing their conduct.

The Board Charter is to be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is accessible at the Company's website at www.harbour.com.my.

Code of Ethics and Conduct

The Board has established the Code of Ethics of the Group on 25 November 2019, setting out the standards of conduct expected from Directors and employees to advocate good corporate behaviour with the intention of achieving the following aims:

- To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company.

The Board recognises the importance of adhering to the Code of Ethics and has taken measure to put in place a process to ensure its compliance:

- sustainability;
- work environment;
- safety, health and environment;
- property of the Group;
- records and information;
- proprietary and confidential information;
- non-engaging in illegal activities;
- dealing with conflict of interests; and
- report of violations through Whistleblower Policy.

Whistleblower Policy

The Board has adopted the Whistleblower Policy on 25 November 2019 and is committed to transparency, integrity and accountability in the conduct of its business and affairs. It expects wrongdoings such as fraud, corruptions, serious financial impropriety and gross mismanagement to be reported and actions to be taken where appropriate. The Board will address the disclosure in an appropriate, timely manner and given fair treatment to both whistleblower and the alleged wrongdoer. The whistleblower's identity is protected unless otherwise required by law or for the purpose of proceedings. The whistleblower will be protected from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality.

Both Code of Ethics and Whistleblower Policy are available on the Company's website at www.harbour.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. THE BOARD OF DIRECTORS (CONT'D)

1.1 Roles and Responsibilities of the Board of Directors (cont'd)

Anti-Bribery & Anti-Corruption Policy

The Group has adopted and implemented the anti-bribery and anti-corruption policy on 24 February 2020 in line with the government's commitment to tackling corruption, improving integrity and implementing good corporate governance pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The Group is committed to conduct its business and operations on the concept of transparency, integrity and accountability, in compliance with the applicable laws and regulation.

1.2 Board Balance and Composition

The Board currently consists of seven (7) members, comprising of the Group Managing Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors. The Board has achieved the target of at least half of the board comprises independent directors in compliance with the MCCG and exceeding the minimum one-third (1/3) requirement as out in the MMLR.

The background of each Director is contained in the "Profile of Board of Directors" as set out in this Annual Report. The Directors, with their differing backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as accounting and audit; corporate affairs; and marketing and operations.

The Board has adopted a Board Diversity Policy in formalising its approach to boardroom diversity. The Board policy has defined that diversity includes, but is not limited to, gender, age and ethnicity.

Currently, there is one (1) female member on the Board. The Board, from time to time undertakes a review of its composition to determine areas to strengthen and improve opportunities. The Group does not set specific numerical target for appointment of candidates belonging to particular demographic groups to the Board.

The Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are deliberated and examined for the interest of shareholders and stakeholders. Independent Non-Executive Directors are essential in protecting the interests of shareholders and contribute significantly to the Company's decision by giving rational and fair judgement and to decide impartially. The Board recognizes the importance of establishing criteria on independence to be used in annual assessment of its Independent Non-Executive Directors. Although the definition of independence according to MMLR is used, the Board review and assess independence of its Independent Non-Executive Directors annually, based on substance of their conduct, ability to discuss matters objectively and make decision rationally and other independence criteria. The Board noted the recommendations of the MCCG that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years. The Board must justify and seek shareholders' approval at general meeting if the Board intends to retain the Directors as Independent Non-Executive Director. The tenure of all the Independent Non-Executive Directors have not exceeded a cumulative term of nine (9) years.

With its diversity of skills, the Board has been able to provide clear and effective collective leadership to the Group. This has also brought informed and independent judgement to the Group's strategy and performance so as to ensure that the highest standards of conduct and integrity are always at the core of the Group.

1.3 Division of Roles and Responsibilities between the Chairman and Group Managing Director

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the Group Managing Director to ensure a clear and proper balance of power and authority. The roles of the Chairman and the Group Managing Director are separated and distinguished with no overlapping of authority.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. THE BOARD OF DIRECTORS (CONT'D)

1.3 Division of Roles and Responsibilities between the Chairman and Group Managing Director (cont'd)

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of his role. Decisions of the Board are made collectively during Board meetings. In order to ensure that meetings are properly facilitated, and the Board is properly led, the Chairman plays a crucial and pivotal leadership role in ensuring that the Board works effectively. Additionally, the Chairman of the Board is usually the presiding Chairman during General Meetings of the Company.

Chairman of the Board endeavours to create an environment which promotes constructive deliberations leading to effective contributions by each Board member during Board meetings. Furthermore, the Chairman must be able to manage personal conflicts and help to focus the Board on what really matters as oppose to simply ploughing through the agenda.

The position of Chairman is currently vacant since 2016. At every meeting, the Board will elect amongst themselves to chair the meeting.

The position of Group Managing Director is held by Dato Yong Piaw Soon, an Executive Director. He is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as facilitator at Board meetings to ensure all Directors participate and deliberate at all Board meetings and that no Board member dominates the discussion. As the Group Managing Director, supported by fellow Executive Directors, he implements the Group's strategies, policies and decisions adopted by the Board and oversees the operations and business development of the Group.

The roles and responsibilities of the Group Managing Director are prescribed in the Company's Board Charter which can be assessed at the corporate website at www.harbour.com.my.

2. BOARD MEETING AND ACCESS TO INFORMATION

Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific request, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

Good practices have been observed for timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings to facilitate informed Board decision and to deal with matters arising from such meetings. The Executive Directors and/or other relevant Board members will be furnished with comprehensive explanation on pertinent issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision making.

In addition, the Board members are updated on the Company's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis to enable them to discharge their duties and responsibilities.

The Directors are provided with agenda of meetings and Board papers which contain operational report and financial information to be discussed, in sufficient time prior to every Board meeting to enable them to obtain further explanation, where necessary, in order to be properly informed before the meeting.

The Chairman of the Audit and Risk Management Committee, highlights to the Board at each Board meeting of any salient matters noted by the Audit and Risk Management Committee that may require the Board's attention or direction.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD MEETING AND ACCESS TO INFORMATION (CONT'D)

The attendance of the Directors at the Board and Board Committee meetings during the financial year under review are tabled as below:

Name	Designation	Board	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee
Dato Yong Piaw Soon	Group Managing Director	4/4	-	-	-
Wong Siong Seh	Executive Director	4/4	-	-	-
Dato' Toh Guan Seng	Executive Director	4/4	-	-	-
Bin Lay Thiam	Independent Non-Executive Director	4/4	5/5	2/2	2/2
Datuk Pau Chiong Ung	Independent Non-Executive Director	4/4	5/5	2/2	2/2
Khoi Hoay Ling	Independent Non-Executive Director	4/4	5/5	2/2	2/2
Datu Ir. Haji Mohidden Bin Haji Ishak	Independent Non-Executive Director	1/1	-	-	-

As stipulated in the Board Charter, the Directors are required to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of their appointment. Each Director is expected to commit time as and when required to discharge their duties and responsibilities besides attending meetings of the Board and Board Committees.

All Board members are required to notify the Chairman on new directorships notwithstanding that the MMLR allow a Director to sit on the boards of 5 listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

2.1 The Roles and Responsibilities of the Company Secretary

The Directors are supported by an external qualified Company Secretary who is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**"). The Company Secretary ensures that the Board is regularly updated on relevant regulatory requirements, codes or new statutes issued from time to time. The Company Secretary also ensures that the proceedings deliberation and resolutions reached at each Board meeting are recorded in the Minutes Book.

The appointment and removal of the Company Secretary is under the purview of the Board.

The Company Secretary updates the Board at regular intervals regarding regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. BOARD SELECTION AND ASSESSMENT

A Nomination Committee has been established, with specific terms of reference, by the Board, comprising exclusively Independent Non-Executive Directors as follows:

Chairman	Datuk Pau Chiong Ung	Independent Non-Executive Director
Members	Bin Lay Thiam	Independent Non-Executive Director
	Khoi Hoay Ling	Independent Non-Executive Director

The Nomination Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board.

Appointments to the Board are based on merit, having regards to the contribution of the candidates to the Board as a whole. The Board believes that merit-based appointments will best enable the Group to serve its shareholders and stakeholders. The final decision on the appointment of a candidate recommended by the Nomination Committee rests with the Board. The Board is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the candidates.

The Nomination Committee also assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director, including Independent Non-Executive Directors.

The Nomination Committee evaluates the Board components based on its diversified mix of skills and experience. It is delegated with the overall responsibility for implementation, monitoring and periodic review of the Board Diversity Policy.

The breakdown of the Board by gender, age and ethnicity as at 30 June 2021 are as follows:

Gender		Age		Ethnicity (Malaysia)	
Male	6	Above 50	6	Chinese	6
Female	1	Above 50	1	Malay	1

During the financial year, the Nomination Committee met twice, attended by all members, to:

- Review the composition of the Board in terms of its balanced mix of skills, experience and expertise;
- Review the performance of each Director;
- Review performance of Audit and Risk Management Committee;
- Review and evaluate the level of independence of a Director who has served more than nine years;
- Conduct interview, review and assess the eligibility, commitment and integrity on the selection of candidate before recommending to the Board on the new appointment.

The Board is satisfied with the overall performance of the individual Directors, Board and the Board Committees for the financial year under review, with improvement seen for performance of the Board and Board Committees.

The Board is mindful of the importance for its members to undergo continuous training to keep abreast with changes in regulatory requirements and the impact of such regulatory requirements have on the Group.

The Group provides a dedicated training budget for the Board's continuing development. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. BOARD SELECTION AND ASSESSMENT (CONT'D)

The External Auditors also briefed the Board on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review.

During the financial year, all Board Members have attended pertinent training as below:

No	Participants	Date	Course Name	Training Provider
1	Dato Yong Piaw Soon (Francis)	1-3 September 2020	Company Secretaries Training Programme Significant 2.0	Suruhanjaya Syarikat Malaysia (SSM)
		29 October 2020	IACS Webinar 2020: Meetings & Passing of Written Resolutions Under Companies Act 2017	Institute of Approved Company Secretaries (IACS)
		21 November 2020	Webinar Company Secretary Profession in Time of Change	Malaysian Association of Company Secretaries (MACS)
		4 December 2020	A Practical Look At Share Issue, Reduction of Capital & Redemption of Preference Shares	Institute of Approved Company Secretaries (IACS)
		5 February 2021	Managing Transfer Pricing Documentation and Audit (Re-Run Session)	SII Integrative Training Sdn Bhd
		18 February 2021	IACS Seminar 2021: Fundamentals of Board Governance	Institute of Approved Company Secretaries (IACS)
		4 March 2021	Webinar: Budget 2021: National Authorised Economic Operator (AEO) - Fast Clearance From Customs and OGA/PIA	Persatuan Pegawai Kanan Kastam Malaysia (PERKASA)
		4 June 2021	Updates on Annual Return, AGMS, Accounts and Audit in the COVID Era	Institute of Approved Company Secretaries (IACS)
		8-9 June 2021	Webinar- Effective Safety, Health & Environmental Committee	Intensive Energy Sdn Bhd
2	Wong Siong Seh (Edward)	1-3 September 2020	Company Secretaries Training Programme Significant 2.0	Suruhanjaya Syarikat Malaysia (SSM)
		4 December 2020	A Practical Look At Share Issue, Reduction of Capital & Redemption of Preference Shares	Institute of Approved Company Secretaries (IACS)
		5 February 2021	Managing Transfer Pricing Documentation and Audit (Re-Run Session)	SII Integrative Training Sdn Bhd
		4 June 2021	Updates on Annual Return, AGMS, Accounts and Audit in the COVID Era	Institute of Approved Company Secretaries (IACS)
3	Bin Lay Thiam	17 November 2020	Webinar EY Malaysia Budget 2021	Ernst & Young Tax Consultants Sdn Bhd
		18 November 2020	Webinar Fraud Risk Management	BURSA Malaysia
4	Dato' Toh Guan Seng	1 July 2020	The Law & Procedures on Termination & Lay-Off	Persatuan Pegawai Dan Kakitangan Jabatan Perhubungan Perusahaan Negeru Sembilan.
5	Datuk Pau Chiong Ung	4 February 2021	Webinar Series: New Era for Transfer Pricing-Top 10 Questions Answered	Malaysia Institute of Accountants (MIA)
6	Khoi Hoay Ling	23 September 2020	Webinar Restructuring Options & Legal Updates	BDO Malaysia
		22 October 2020	Webinar Recent Transfer Pricing Issues in Malaysia	Rosli Dahlan Saravana Partnership
		18 November 2020	Webinar BDO Malaysia Budget 2021	BDO Malaysia
		9 June 2021	Webinar Merger & Acquisitions in the New Normal	Rosli Dahlan Saravana Partnership
7	Datu Ir. Haji Mohidden Bin Haji Ishak	15 April 2021	Lighting protection system in compliance to Suruhanjaya Tenaga's Circular Order/ST/No. 4/2019	The Association of Consulting Engineers Malaysia
		17 March 2021	Overview On The Engineer Act	Board of Engineers, Malaysia (BEM)

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. BOARD REMUNERATION

A Remuneration Committee has been established by the Board, comprising a majority of Independent Non-Executive Director as follows:

Chairman	Datuk Pau Chiong Ung	Independent Non-Executive Director
Members	Khoi Hoay Ling	Independent Non-Executive Director
	Bin Lay Thiam	Independent Non-Executive Director

The Remuneration Committee has been entrusted by the Board to determine that the levels of remuneration are sufficient to attract and retain Directors of quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors. In the case of Independent Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Independent Non-Executive Directors concerned. In all instances, the deliberations are conducted, with the Directors concerned abstaining from discussions on their individual remuneration. During the financial year under review, the Remuneration Committee met twice on 24 August 2020 and 24 February 2021 attended by all members to review the remuneration package for Executive Directors and key Senior Management and tabling of the Remuneration Policy for Directors and Senior Management.

Details of Directors' remuneration for the financial year ended 30 June 2021 are as follows:

Directors	Salaries	Fees	Allowances	Benefits-in-kind	Contribution to defined contribution plan and social security contributions	Total
Executive Directors						
Dato Yong Piaw Soon	818,988	-	13,000	-	33,353	865,341
Wong Siong Seh	-	-	4,000	-	-	4,000
Dato' Toh Guan Seng	-	-	4,000	-	-	4,000
Non-Executive Directors						
Bin Lay Thiam	-	52,000	13,000	-	-	65,000
Datuk Pau Chiong Ung	-	52,500	13,000	-	-	65,500
Khoi Hoay Ling	-	49,500	13,000	-	-	62,500
Datu Ir. Haji Mohidden Bin Haji Ishak	-	15,000	2,000	-	-	17,000
Subsidiaries						
Executive Directors						
Dato Yong Piaw Soon	500,929	-	-	-	-	500,929
Wong Siong Seh	1,014,417	-	4,000	9,900	62,542	1,090,859
Dato' Toh Guan Seng	633,650	-	4,000	24,550	25,939	688,139
Total	**2,967,984**	**169,000**	**70,000**	**34,450**	**121,834**	**3,363,268**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. BOARD REMUNERATION (CONT'D)

The Company has on the 18th Annual General Meeting ("AGM") held on 23 November 2020 obtained the shareholders' mandate on payment of Director fees and allowance up to RM250,000 from 23 November 2020 to the next AGM of the Company.

The aggregate remuneration of the top five (5) Senior Management staff of the Group during the financial year ended 30 June 2021 categorised into bands of RM50,000 are as follows:

	Number of Key Senior Management	
Amount	**Subsidiary**	**Company**
Above RM350,001 to RM400,000	1	-
Above RM450,001 to RM500,000	-	-
Above RM500,001 to RM550,000	-	-
Above RM600,001 to RM650,000	3	-
Above RM650,001 to RM700,000	-	-
Above RM700,001 to RM750,000	1	-

The remuneration of the top five (5) Senior Management of the Group disclosed above is on an aggregate basis. At this particular juncture, The Board is of the view that disclosure on named basis of the top five Senior Management may affect talent retention issues as employee poaching is a common phenomenon in the shipping and logistic industry and hence, it is not in the best interest of the Group.

5. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's results to Bursa Securities and the annual financial statements of the Group and Company. The Board is assisted by the Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

The Audit and Risk Management Committee assists the Board to discharge its duties on financial reporting. The composition of the Audit and Risk Management Committee, including its roles and responsibilities, are set out in the Audit and Risk Management Committee Report of this Annual Report. One of the key responsibilities of the Audit and Risk Management Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

The Board is committed in upholding the integrity of the group financial reporting. The Audit and Risk Management Committee is responsible to assess, evaluate and recommend the External Auditors to ensure they are of the right calibre with professional ethics and integrity. The Audit and Risk Management Committee also reviews the types of non-audit services permitted to be provided by the External Auditors of the Company so as not to compromise their independence and objectivity.

In assessing the independence of the External Auditors, the Audit and Risk Management Committee will require written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5. AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

Having satisfied itself with Messrs Ernst and Young PLT's performance, the Audit and Risk Management Committee will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM.

The Board has private sessions and dialogues through the Audit and Risk Management Committee with the External Auditors, in the absence of the Executive Directors and Management. For the year under review, there was one (1) dialogue session with the External Auditors where there were exchanges of views in relation to the financial reporting of the Group and other issues that needed attention, if any.

6. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board undertakes the responsibility for evaluating, reviewing and monitoring the vital enterprise risks that affect the business and operations. The management has an ongoing process to manage and mitigate key business risks with the intent to strengthen the risk management and internal control system as a whole.

7. GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Relevant Internal Control Systems are implemented for the day to day operations of the Group. The Internal Audit Function undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal control and risk management process, as well as appropriateness and effectiveness of the corporate governance practices. The Internal Audit Function reports directly to the Audit and Risk Management Committee. Further details on the Internal Audit Function is in the Audit and Risk Management Committee Report and the Statement on Risk Management and Internal Control in this Annual Report.

8. CONTINUOUS COMMUNICATION BETWEEN COMPANY AND STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars when necessary, the Annual and Extraordinary General Meetings and through the Group's website where shareholders can access pertinent information concerning the Group.

9. SHAREHOLDERS PARTICIPATION AT GENERAL MEETINGS

The AGM, which is the principal forum for shareholders dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operation in general.

The Notice of AGM is circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. All the resolutions set out in the Notice of the last 18th AGM were voted by way of poll and duly passed. The outcome of the 18th AGM was announced to Bursa Securities on the same meeting day.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

9. SHAREHOLDERS PARTICIPATION AT GENERAL MEETINGS (CONT'D)

In line with the MMLR of Bursa Securities, all resolutions tabled at general meetings will be voted by way of poll.

The 18th AGM was conducted on a fully virtual basis on 23 November 2020. All the Directors together with the Senior Management team, External Auditors and Internal Auditors attended the 18th AGM to answer any queries from the shareholders.

The Notice of the 18th AGM was issued on 22 October 2020 and published in the 2020 Annual Report, New Straits Times newspaper and Bursa Securities company announcement. The Shareholders were given sufficient time to make the necessary arrangements for appointing proxy(ies) or attending the AGM.

A notice period of at least 28 days was given prior to the 18th AGM in line with Practice 12.1 of the MCCG.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016, Malaysia Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at the end of the financial year and of the financial performance and cash flows of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 30 June 2021, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose with reasonable accuracy, the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016.

This Corporate Governance Overview Statement was made in accordance with a resolution of the Board on 26 October 2021.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 30 June 2021 to the External Auditors are set out below: -

	Fees paid/payable to Messrs Ernst and Young PLT (RM)		
Description	**Company**	**Subsidiary**	**Total**
Audit fees	70,000	606,000	676,000
Non-Audit Fees	12,000	-	-

	Fees paid/payable to other auditors (SGD/BND)		
Description	**Company**	**Subsidiary**	**Total**
Audit fees	-	26,100	26,100

	Fees paid/payable to other auditors (HKD)		
Description	**Company**	**Subsidiary**	**Total**
Audit fees	-	35,000	35,000

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Group which involves directors and major shareholders' interest during the financial year.

3. RECURRENT RELATED PARTY TRANSACTIONS

There are no recurrent related party transactions transacted by the Company and its subsidiaries except for those disclosed under related party transactions on pages 162 to 164.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERS

The Audit and Risk Management Committee ("**ARMC**") comprises the following :

Designation	Name of Directors	Directorship	No. of Meetings Attended
Chairman	Bin Lay Thiam	Independent Non-Executive Director	5/5
Member	Datuk Pau Chiong Ung	Independent Non-Executive Director	5/5
Member	Khoi Hoay Ling	Independent Non-Executive Director	5/5

The ARMC has three (3) members, all of whom are independent non-executive directors. Two (2) of them, Bin Lay Thiam and Khoi Hoay Ling are members of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants, respectively.

The ARMC met five (5) times during the financial year. All meetings were conducted via an online platform in order to adhere to the MCO guidelines and standard operating procedures necessitated by the Covid-19 pandemic. Details of attendance by each member of the ARMC are as per above table. In spite of the restrictions, the ARMC continued to perform its duties and responsibilities in accordance with its Terms of Reference which is available on Harbour-Link's website at www.harbour.com.my.

The Group Managing Director and Financial Controller were invited to attend all the meetings to provide clarification on the Group's operational and financial performance.

The representative from Internal Audit and Risk Management attended all the meetings to provide clarification on the internal audit reports and annual audit plan tabled by the professional service firm as well as to table the risk management progress report.

The external auditors responsible for Harbour-Link and its subsidiaries' ("**the Group**") financial audit were present at three (3) out of five (5) meetings held during the financial year.

Minutes of each meeting were circulated to the Board at the next most practicable meeting.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The activities undertaken by the ARMC were in accordance with the Terms of Reference that included the following:

Financial Reporting and Compliance

- Reviewed the unaudited quarterly financial results and audited financial statements for the year ended 30 June 2021 to ensure the Group's compliance with the Main Market Listing Requirements of Bursa Malaysia, applicable approved accounting standards issued by Malaysian Accounting Standards Board and other legal and regulatory requirements, before recommending to the Board for consideration and approval.

- Reviewed and assessed the appropriateness of the Group's accounting policies, adequacy of financial reporting and disclosure requirements and reasonableness of judgments and projections made in connection with the preparation of the financial statements.

External Audit

- Considered the re-appointment of the external auditors and audit fees by evaluating the external auditor's suitability, independence, performance and the scope of work conducted.

- Reviewed the external auditors' 2021 Audit Plan which outlined its engagement team, audit approach, audit timeline and areas of audit emphasis for financial year prior to the commencement of audit.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF ACTIVITIES OF THE AUDIT & RISK MANAGEMENT COMMITTEE (CONT'D)

External Audit (cont'd)

- Discussed with the external auditors updates in relation to new or proposed changes in the accounting standards and regulatory requirements and considered the implications to the financial statement's presentation and disclosure arising from the adoption of these changes.

- Reviewed and discussed with the external auditors, the auditing issues and where applicable, the impact of material adjustments and recommendations arising from the final audit.

Internal Audit and Risk Management

- Reviewed the competency of internal audit function including the processes, audit plan and resource requirements as well as the internal audit reports presented on the findings, recommendations and management's responses thereto are adequately addressed by management.

- Considered and approved the appointment of the outsourced professional service firm and their fees by evaluating their competency, independence and performance.

- Reviewed and assessed the adequacy and effectiveness of the risk management framework.

- Reviewed and recommended to the Board for approval the ARMC Report and Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report.

Related Party Transaction

- Reviewed the related party transactions and any conflict of interest that may have arisen within the Group.

- Reviewed the Recurrent Related Party Transactions circular and recommended to the Board to seek shareholders' approval for renewal of Shareholders' Mandate.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit assignments to an independent professional service firm whose principle role is to provide reasonable assurance that the Group's risk management and internal control system is sound and operating effectively. For the financial year under review, the internal audit activities performed were as follows :

- Presented and obtained approval for the Internal Audit Plan which sets out the internal audit work expected to be carried out for the financial year, including any revision thereafter.

- Carried out internal audit reviews in accordance with the approved Internal Audit Plan. However, due to the restrictions imposed during the MCO the internal auditors were unable to carry on the planned Cycle 2 audit which required physical field work and observation visits.

- Presented the Internal Audit Reports with highlights on audit findings, recommendations to improve and management's responses.

- Performed follow-up on prior internal audits and updating the ARMC on the status of management's actions.

The total costs incurred for the internal audit and risk management function of the Group for the financial year was approximately RM148,900.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Harbour-Link Group Berhad ("**the Board**") is pleased to provide the following Statement which outlines the key elements and scope of the Group's risk management and internal control system for the financial year under review.

RESPONSIBILITY

The Board acknowledges its overall responsibility for safeguarding shareholders' investment and the Group's assets as well as reviewing the adequacy and effectiveness of the risk management practices and the internal control system of the Group. The internal control system covers financial, operational, risk management and governance. However, due to inherent limitations, the risk management and internal control system are designed to manage the Group's risks within an acceptable risk appetite rather than to eliminate the risk that may impede the achievement of the Group's business objectives. Accordingly, it can only provide reasonable rather than absolute assurance against material misstatement, fraud or loss.

In carrying out this responsibility, the Board is assisted by the Audit and Risk Management Committee ("**ARMC**"). The ARMC is guided by its terms of reference to ensure the adequacy and integrity of the risk management practices and internal control system. This is done through reports to ARMC from the Risk Officer on the risk management activities carried out by the respective risk management committees, Internal Auditors on the internal control system, independent financial audit and Management, respectively.

The Group's risk management practices and internal control system does not apply to its joint venture and associate companies where the Group does not have full management control over it. The Group's interests are secured through Board representation in the joint venture and associate companies and periodic review of the companies' management accounts by the Management.

RISK MANAGEMENT

As our business continues to grow, our emphasis is on the importance of maintaining sound risk management practices and to establish a sustainable risk management governance framework. The Board has formalized the risk management framework and policy which is embedded into the culture and operations of the Group. The risk management structure spans the entire organization, from the Board right down to the operational level that comprises 12 Risk Management Committees ("**RMC**"). Through such structure, material risks from each segment of the business are represented and escalated to respective Division Head and finally to the Board, providing a more rounded and all-inclusive approach in capturing and managing the Group's risks. This is a continuous process of identifying, evaluating and managing the Group's material risks. The activities of the RMC are monitored by the Division Head with the assistance of the Risk Officer. The approach adopted by the Group is guided by the globally accepted standard for risk management, ISO 31000 Risk Management – Principles and Guidelines for identifying, evaluating, managing and monitoring significant risks. The abovementioned risk management practice of the Group has been in place for the financial year under review and up to the date of the approval of this Statement.

Significant risks that may affect the Group's business objectives are continually monitored. The Group has identified the following risks as significant to the business:

- The Group faces stiff competition from new and existing competitors in the market. However, the Group has set in place various measures to counteract this risk by managing and maintaining good relationship with key customers and ensuring that we consistently deliver quality services.
- Uncertainty in the economy due to the global Covid-19 pandemic and its impact on the Group's business are being monitored closely. Having a lean and clear management structure has allowed the Group to be able to efficiently manage the situation and re-strategise accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

INTERNAL AUDIT FUNCTION

The Group's internal audit adopts a risk-based approach to provide assurance to the Board that the internal audit review covers key risk areas and core processes of the Group in accordance with the approved risk based internal audit plan. The internal audit review is outsourced to a professional service firm. They report independently and directly to the ARMC on a half yearly basis and are free from any relationships or conflicts of interests which could impair their objectivity and independence.

The role of the internal audit in the Group includes the following:

- Review on the adequacy and effectiveness of the Group's internal controls;
- Highlight significant risks and non-compliance issues relating to procedures and operations that impact the Group;
- Where applicable, provide recommendations to improve on the effectiveness of controls and operations and conduct follow-up reviews to ensure that appropriate actions are being taken to address internal control weaknesses highlighted; and
- Promoting risk awareness and the value and nature of an effective internal control system.

The internal audit work planned for the financial year under review had been affected by the Movement Control Order that was issued by the Government to curb the spread of Covid-19. Cycle 2 audit i.e. 3Q2021 onwards the Internal Auditors were unable to carry out their audit review work which include physical field work and observations because of the various restrictions that were in place. However, we were able to perform Cycle 1 audit review of which the results were discussed with the respective unit heads and subsequently, the audit findings including recommendations for improvements were presented to the ARMC. A number of minor internal control weaknesses were identified during this audit, all of which have been or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in the Group's Annual Report. In addition, follow-up review was conducted to ensure that corrective actions have been implemented.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of risk management and internal control systems that further support the maintenance of a strong risk management and internal control environment in the Group are as follows:

- ARMC that comprises wholly independent non-executive directors and its activities undertaken during the financial year under review are set out in the Audit and Risk Management Committee Report;
- Establishment of other Board Committees to assist the Board in providing independent oversight function, namely Nomination Committee and Remuneration Committee with responsibilities and authorities clearly specified in their respective terms of reference;
- Active participation by certain members of the Board in the day-to-day running of the operations and regular dialogues with senior management on operational matters;
- Effective reporting system in generating timely financial information for Management review and decision making;
- An annual budgeting process where each business in the Group prepares its budget for the following financial year and the budget is then reviewed by the Management after which the budget is submitted to the Board;
- Quarterly reviews of the performance and financial results of the Group by the Management and the Board;
- The Board is furnished with timely and detailed Board papers and is further briefed on all significant matters for their consideration and deliberation;
- Existence of limits of authority which provides for the approval of various transactions;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

- Review and approval of all proposals relating to significant capital and investment acquisition by the Board;
- Adequate insurance coverage on major assets and transactions to prevent material losses and reduce contingent liabilities of the Group;
- Organization structure with clearly defined lines of responsibility, delegation of authority and a process of hierarchical reporting;
- Employment of qualified and capable work force;
- Established training and development plans to ensure staff are kept up to date with necessary competencies to properly carry out their duties and responsibilities;
- Documented policies and standard operating procedures for key processes are updated from time to time in tandem with changes to business environment or regulatory guidelines;
- Established guidelines on prevention of Covid-19 spread for a safe working environment for our employees; and
- Implemented Whistleblowing Policy and Anti-Bribery and Corruption Policy to manage corporate liabilities risk and promote a high standard of business integrity.

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Group Managing Director and Financial Controller that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects for the financial year ended 30 June 2021 and up to the date of this Statement.

CONCLUSION

Overall, the Board is satisfied that the assessment and review process of the Group's businesses are in place to provide reasonable assurance on the adequacy and effectiveness of the governance, risk and internal control system of the Group.

The Board and Management shall continue to review and implement measures to improve and strengthen the risk management and internal control environment of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* ("**AAPG3**") issued by the Malaysian Institute of Accountants ("**MIA**") for inclusion in the Annual Report of the Group for the year ended 30 June 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

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

This Statement has been approved by the Board on 26 October 2021 based on the recommendation of the ARMC.

FINANCIAL STATEMENTS CONTENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit net of tax	74,738,524	6,944,951
Attributable to:		
Owners of the Company	60,576,553	6,944,951
Non-controlling interest	14,161,971	-
	74,738,524	6,944,951

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

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

DIVIDENDS

The amount of dividends paid by the Company since 30 June 2020 was as follows:

In respect of the financial year ended 30 June 2021:

	RM
First interim tax exempt (single-tier) dividend of 1 sen per share on 398,576,700 ordinary shares, declared on 5 January 2021 and paid on 20 January 2021	3,985,767

The directors do not recommend any payment of final dividend in respect of the current financial year.

DIRECTORS' REPORT
cont'd

DIRECTORS

The directors of the Company in office at the beginning of the financial year and up to the date of this report are:

Dato Yong Piaw Soon **
Wong Siong Seh **
Dato' Toh Guan Seng **
Datuk Pau Chiong Ung
Bin Lay Thiam
Khoi Hoay Ling
Datu Ir. Haji Mohidden Bin Haji Ishak (Appointed on 25 February 2021)

** *These directors are also directors of certain subsidiaries of the Company.*

The directors of the subsidiaries of the Company at the beginning of the financial year and up to the date of this report (excluding the directors listed above) are:

Aidid Bin Abd Kadir
Alias @ Awg Alias Bin Timbang
Bo Jow Yung
Choo Wai Teck
Haji Abdul Saman Bin Ahmad
Hii Kwong Wui
Hooi Yen Peng
Kok Giot Huat
Lau Chii Hung
Lee Seng Chiong
Lim Sin Sang
Lim Yan Peng
Mohd Irwan Bin Abdullah
Ngo Tai Huat (Resigned on 1 December 2020)
Ong Khoon Seng
Ong Leh Kwong
Pau Chong Dak
Sandra Chan Lee Hung
Tan Tiong Pan
Tang Kie Ung
Wong King Hie
Wong Siau Chiin
Wong Siik Hing
Yong Leong Hua
Yong Leong Mew
Yong Lin Ing

DIRECTORS' REPORT
cont'd

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of the full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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 as disclosed in Note 33 to the financial statements.

The Company maintains a liability insurance for the directors and officers of the Group. The total sum insured for directors and officers of the Group for the financial year amounted to RM15 million. The insurance premium paid was RM16,626. No payment was made for any indemnity during the financial year and up to the date of this report.

Details of directors' remuneration are disclosed in Note 9 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and warrants in the Company during the financial year were as follows:

	Number of ordinary shares			
	01.07.2020/ Date of appointment	**Acquired**	**Disposal**	**30.06.2021**
Ordinary Shares of the Company:				
Direct interest				
Dato Yong Piaw Soon	39,228,399	598,200	-	39,826,599
Wong Siong Seh	22,274,360	-	-	22,274,360
Dato' Toh Guan Seng	5,060,000	-	-	5,060,000
Datu Ir. Haji Mohidden Bin Haji Ishak	-	10,000	7,000	3,000
Deemed interest				
Dato Yong Piaw Soon	212,819,726	-	-	212,819,726
Wong Siong Seh	212,819,726	-	-	212,819,726

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS (CONT'D)

	Number of warrants 2016/2021			
	01.07.2020	Disposed	Expired	30.06.2021
Warrants of the Company:				
Direct Interest				
Dato Yong Piaw Soon	3,495,549	-	(3,495,549)	-
Wong Siong Seh	2,073,820	(2,073,820)	-	-
Dato' Toh Guan Seng	460,000	-	(460,000)	-
Deemed Interest				
Dato Yong Piaw Soon	19,350,576	-	(19,350,576)	-
Wong Siong Seh	19,350,576	-	(19,350,576)	

The Warrants 2016/2021 expired on 2 April 2021.

By virtue of their substantial interest in shares in the Company, Dato Yong Piaw Soon and Wong Siong Seh, are deemed to be interested in the shares of the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other directors of the Company in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF ORDINARY SHARES

The issued and paid-up capital of the Company was increased from RM200,200,002 to RM200,200,008 pursuant to the exercise of 4 warrants out of a total 36,400,000 warrants at the exercise price of RM1.56 each.

TREASURY SHARES

During the financial year, the Company repurchased 1,116,600 of its issued ordinary shares from the open market at an average price of RM0.49 per share. The total consideration paid for the repurchases excluding transactions costs was RM532,923. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 30 June 2021, the Company held as treasury shares a total of 1,823,300 of its 400,400,008 issued ordinary shares. Such treasury shares are held at a carrying amount of RM886,951 and further relevant details are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT
cont'd

OTHER STATUTORY INFORMATION

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
cont'd

SIGNIFICANT EVENT

Details of a significant event are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office. Auditors' remuneration are disclosed in Note 7 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 30 June 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 October 2021.

Dato Yong Piaw Soon

Wong Siong Seh

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **Dato Yong Piaw Soon** and **Wong Siong Seh**, being two of the directors of **Harbour-Link Group Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 86 to 178 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 at 30 June 2021 and of their financial performance and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 October 2021.

Dato Yong Piaw Soon

Wong Siong Seh

STATUTORY DECLARATION

Pursuant to Section 251(1)(B) of the Companies Act 2016

I, **Sandra Chan Lee Hung**, being the officer primarily responsible for the financial management of **Harbour-Link Group Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 86 to 178 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **Sandra Chan Lee Hung**
at Bintulu in the State of Sarawak
on 26 October 2021

Sandra Chan Lee Hung
(MIA 14522)

Before me,

YEK SIEW LIN
NO. Q187
COMMISSIONER FOR OATHS
Bintulu, Sarawak

INDEPENDENT AUDITORS' REPORT

To the members of **Harbour-Link Group Berhad**
(Incorporated In Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Harbour-Link Group Berhad**, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 178.

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 2021, and of their financial performance and their cash flows for the 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 audit 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 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 year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

To the members of **Harbour-Link Group Berhad**
(Incorporated In Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

1. Revenue recognition

(Refer to Note 2.19(a)(i), (ii) - accounting policies for revenue recognition on revenue from freight and freight forwarding services and Note 4 - revenue)

The Group's revenue from freight and freight forwarding services is derived from a large volume of individually insignificant transactions. During the financial year, the Group recognised revenue of approximately RM500.3 million from freight and freight forwarding services which accounted for 82% of the Group's total revenue for the financial year. Accordingly, we have identified revenue from freight and freight forwarding services as a key audit matter.

Our procedures include the following:

(i) obtained an understanding of the relevant controls over the process of recording of revenue and tested the operating effectiveness of relevant controls over the occurrence and measurement of revenue;

(ii) used our internal data analytical tools to analyse the relationship between revenue, accounts receivables and cash;

(iii) tested samples of revenue transactions to the supporting documents issued such as invoices, bills of lading and evidence on delivery of services; and

(iv) tested transactions around the reporting date to determine whether such revenue was recognised in the correct accounting period.

2. Impairment assessment of trade receivables

(Refer to Note 2.13 - accounting policies for financial instruments, Note 3.1(a) - significant accounting judgements and estimates on provision for expected credit losses of trade receivables, Note 21 - trade and other receivables and Note 34(d) Credit risk)

As at the reporting date, the Group's trade receivables stood at RM152.5 million which is stated net of allowance for impairment of approximately RM11.5 million. Trade receivables accounted for approximately 20.8% of total assets of the Group. We focused on this area due to the magnitude of the amount involved and significant judgement is required to assess the provision for expected credit losses ("ECL") including forward-looking factors.

We have performed the following procedures to address this area of audit focus:

(i) obtained and reperformed management's ECL computation;

(ii) assessed the reasonableness of historical loss rates applied in the ECL computation;

(iii) understand and discussed the forward-looking information gathered by the management in relation to the provision matrix and the application thereof; and

(iv) reviewed management's detection of the changes in credit quality not yet detected at an individual level and probabilities of default on a collective basis, considering risk characteristics such as the industry or geographical location of the debtors.

INDEPENDENT AUDITORS' REPORT

To the members of **Harbour-Link Group Berhad**
(Incorporated In Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (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 Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the other information in the annual report, which is expected to be available to us after the date of this auditors' report.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of 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.

Auditors' 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 **Harbour-Link Group Berhad**
(Incorporated In Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 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.

INDEPENDENT AUDITORS' REPORT

To the members of **Harbour-Link Group Berhad**
(Incorporated In Malaysia)
cont'd

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 15 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.

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

AHMAD ZAHIRUDIN BIN ABDUL RAHIM
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Kuching, Malaysia

Date: 26 October 2021

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	4	609,001,452	617,250,223	12,775,533	31,031,700
Cost of sales		(473,017,476)	(513,768,439)	-	-
Gross profit		135,983,976	103,481,784	12,775,533	31,031,700
Other items of income					
Other income	5	13,840,168	6,278,165	752,732	1,636,844
Other items of expenses					
Administrative and other expenses		(61,215,397)	(69,700,250)	(5,617,348)	(8,398,105)
Operating profit		88,608,747	40,059,699	7,910,917	24,270,439
Finance costs	6	(4,030,916)	(6,182,869)	(712,974)	(1,915,324)
Share of results of associates		(1,840,107)	1,214,330	-	-
Share of results of joint venture		205,671	(53,228)	-	-
Profit before tax	7	82,943,395	35,037,932	7,197,943	22,355,115
Income tax expense	10	(8,204,871)	(11,399,155)	(252,992)	(262,792)
Profit net of tax		74,738,524	23,638,777	6,944,951	22,092,323
Other comprehensive (loss)/income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Share of associates' other comprehensive income		(322,043)	409,911	-	-
Foreign currency translation		136,931	21,870	-	-
Other comprehensive (loss), income, net of tax		(185,112)	431,781	-	-
Total comprehensive income for the year		74,553,412	24,070,558	6,944,951	22,092,323
Profit attributable to:					
Owners of the Company		60,576,553	25,920,460	6,944,951	22,092,323
Non-controlling interests		14,161,971	(2,281,683)	-	-
		74,738,524	23,638,777	6,944,951	22,092,323
Total comprehensive income attributable to:					
Owners of the Company		60,389,572	26,352,290	6,944,951	22,092,323
Non-controlling interests		14,163,840	(2,281,732)	-	-
		74,553,412	24,070,558	6,944,951	22,092,323
Earnings per share attributable to the owners of the Company (sen per share)					
Basic	11	15.19	6.47		
Diluted	11	15.19	6.47		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
as at 30 June 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	255,960,785	271,326,875	5,357,164	5,592,553
Investment properties	14	9,667,207	10,150,101	-	-
Investment in subsidiaries	15	-	-	235,492,154	235,492,154
Investment in associates	16	10,772,322	12,841,143	1,766,200	1,766,200
Investment in joint venture	17	654,738	449,069	-	-
Other investments	18	215,519	215,519	-	-
Deferred tax assets	19	1,519,112	1,276,790	-	-
Inventories	20	44,078,076	43,647,566	-	-
Trade and other receivables	21	857,637	2,141,473	9,349,816	28,885,881
		323,725,396	342,048,536	251,965,334	271,736,788
Current assets					
Inventories	20	36,011,329	35,699,657	-	-
Trade and other receivables	21	156,510,813	127,169,760	37,725	35,705
Other current assets	22	15,369,135	9,108,042	736,172	139,925
Investment securities	24	26,729,327	13,407,290	1,019,052	-
Cash and bank balances	25	174,967,601	146,396,834	612,137	1,522,877
		409,588,205	331,781,583	2,405,086	1,698,507
TOTAL ASSETS		733,313,601	673,830,119	254,370,420	273,435,295
EQUITY AND LIABILITIES					
Current liabilities					
Loans and borrowings	28	30,807,108	46,898,606	815,000	21,200,000
Trade and other payables	29	94,186,081	72,756,948	14,208,441	15,450,551
Other current liabilities	30	4,690,132	5,383,911	-	-
Income tax payable		2,517,594	3,471,356	140,822	-
		132,200,915	128,510,821	15,164,263	36,650,551
Net current assets/(liabilities)		277,387,289	203,270,762	(12,759,177)	(34,952,044)

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2021
cont'd

		Group		Company	
	Note	2021	2020	2021	2020
		RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)					
Non-current liabilities					
Deferred tax liabilities	19	15,875,207	15,788,575	66,469	71,323
Loans and borrowings	28	36,253,930	49,370,647	-	-
		52,129,137	65,159,222	66,469	71,323
TOTAL LIABILITIES		184,330,052	193,670,043	15,230,732	36,721,874
Net assets		548,983,548	480,160,076	239,139,688	236,713,421
Equity attributable to the owners of the Company					
Share capital	26	200,200,008	200,200,002	200,200,008	200,200,002
Treasury shares	26	(886,951)	(354,028)	(886,951)	(354,028)
Retained earnings		273,372,815	216,796,616	39,826,631	36,867,447
Foreign currency translation reserve	27	2,516,752	2,703,733	-	-
		475,202,624	419,346,323	239,139,688	236,713,421
Non-controlling interests		73,780,924	60,813,753		-
TOTAL EQUITY		548,983,548	480,160,076	239,139,688	236,713,421
TOTAL EQUITY AND LIABILITIES		733,313,600	673,830,119	254,370,420	273,435,295

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2021

	Note	Share capital (Note 26) RM	Treasury shares (Note 26) RM	Retained earnings RM	Foreign currency translation reserve (Note 27) RM	Total equity attributed to the owners of the Company RM	Non-controlling interests RM	Total equity RM
		← Attributable to the owners of the Company				→		
Group								
At 1 July 2020		200,200,002	(354,028)	216,796,616	2,703,733	419,346,323	60,813,753	480,160,076
Profit net of tax		-	-	60,576,553	-	60,576,553	14,161,971	74,738,524
Other comprehensive (loss)/income		-	-	-	(186,981)	(186,981)	1,869	(185,112)
Total comprehensive income		-	-	60,576,553	(186,981)	60,389,572	14,163,840	74,553,412
Transactions with owners								
Acquisition of treasury shares		-	(532,923)	-	-	(532,923)	-	(532,923)
Acquisition of non-controlling interests		-	-	(14,587)	-	(14,587)	(224,813)	(239,400)
Exercise of warrants		6	-	-	-	6	-	6
Dividends	12	-	-	(3,985,767)	-	(3,985,767)	-	(3,985,767)
Dividend paid to non-controlling interest in subsidiaries		-	-	-	-	-	(971,856)	(971,856)
Total transactions with owners		6	(532,923)	(4,000,354)	-	(4,533,271)	(1,196,669)	(5,729,940)
At 30 June 2021		200,200,008	(886,951)	273,372,815	2,516,752	475,202,624	73,780,924	548,983,548

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2021
cont'd

	Note	Share capital (Note 26) RM	Treasury shares (Note 26) RM	Retained earnings RM	Foreign currency translation reserve (Note 27) RM	Total equity attributed to the owners of the Company RM	Non-controlling interests RM	Total equity RM
		Attributable to the owners of the Company						
Group								
At 1 July 2019		200,200,002	-	195,415,741	2,271,903	397,887,646	63,561,561	461,449,207
Profit net of tax		-	-	25,920,460	-	25,920,460	(2,281,683)	23,638,777
Other comprehensive income		-	-	-	431,830	431,830	(49)	431,781
Total comprehensive income		-	-	25,920,460	431,830	26,352,290	(2,281,732)	24,070,558
Transactions with owners								
Acquisition of treasury shares		-	(354,028)	-	-	(354,028)	-	(354,028)
Acquisition of non-controlling interests		-	-	(535,585)	-	(535,585)	(41,076)	(576,661)
Capital contributed by non-controlling interest in subsidiaries		-	-	-	-	-	450,000	450,000
Dividends	12	-	-	(4,004,000)	-	(4,004,000)	-	(4,004,000)
Dividend paid to non-controlling interest in subsidiaries		-	-	-	-	-	(875,000)	(875,000)
Total transactions with owners		-	(354,028)	(4,539,585)	-	(4,893,613)	(466,076)	(5,359,689)
At 30 June 2020		200,200,002	(354,028)	216,796,616	2,703,733	419,346,323	60,813,753	480,160,076

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2021
cont'd

	Note	Share capital (Note 26) RM	Treasury shares (Note 26) RM	Retained earnings RM	Total equity RM
Company					
2021					
At 1 July 2020		200,200,002	(354,028)	36,867,447	236,713,421
Total comprehensive income		-	-	6,944,951	6,944,951
Transactions with owners					
Acquisition of treasury shares		-	(532,923)	-	(532,923)
Exercise of warrants		6	-	-	6
Dividends	12	-	-	(3,985,767)	(3,985,767)
Total transactions with owners		6	(532,923)	(3,985,767)	(4,518,684)
At 30 June 2021		200,200,008	(886,951)	39,872,631	239,139,688
2020					
At 1 July 2019		200,200,002	-	18,779,124	218,979,126
Total comprehensive income		-	-	22,092,323	22,092,323
Transactions with owners					
Acquisition of treasury shares		-	(354,028)	-	(354,028)
Dividends	12	-	-	(4,004,000)	(4,004,000)
Total transactions with owners		-	(354,028)	(4,004,000)	(4,358,028)
At 30 June 2020		200,200,002	(354,028)	36,867,447	236,713,421

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Operating activities					
Profit before tax		82,943,395	35,037,932	7,197,943	22,355,115
Adjustments for:					
Allowance for impairment, net of reversal					
- trade receivables	5,7	23,481	6,556,376	-	-
- other receivables	5,7	(783)	(2,560)	-	1,998,297
Bad debts written off	7	120,937	133,604	-	-
Depreciation of property, plant and equipment	7	29,659,203	30,286,361	292,106	310,755
Depreciation of investment properties	7	492,896	309,406	-	-
Dividend income	4	-	-	(10,671,500)	(29,171,500)
Dividend income received from investment securities	5	(187,942)	(358,272)	(19,052)	(10,647)
Gain on disposal of property, plant and equipment, net	7	(2,071,903)	(881,281)	(3,099)	-
Gain on liquidation of a subsidiary	5	(72,473)	-	-	-
Impairment loss on investment in subsidiaries	7	-	-	-	476,739
Impairment loss on property, plant and equipment	7	1,176,463	8,300,000	-	-
Interest expense	6	4,030,916	6,182,869	712,974	1,915,324
Interest income	5	(1,066,744)	(961,995)	(617,216)	(1,231,139)
Property, plant and equipment written off	7	75,715	263,178	737	246,132
Share of results of associates		1,840,107	(1,214,330)	-	-
Share of results of joint venture		(205,671)	53,228	-	-
Unrealised foreign exchange gain, net	5, 7	(1,272,195)	6,347	-	-
Total adjustments		32,542,007	48,672,931	(10,305,050)	25,466,039
Operating cash flows before changes in working capital		115,485,402	83,710,863	(3,107,107)	(3,110,924)

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2021
cont'd

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Changes in working capital					
Inventories		(812,648)	(1,947,064)	-	-
Trade and other receivables		(28,278,456)	4,708,753	19,534,045	(10,637,205)
Other current assets		(3,009,579)	14,418,496	(633,033)	544,003
Trade and other payables		23,975,783	(13,802,849)	(1,242,110)	(19,751,361)
Other current liabilities		(693,779)	3,271,652	-	-
Total changes in working capital		(8,818,679)	6,648,985	17,658,902	(29,844,563)
Taxes paid, net of refund		(10,455,210)	(6,083,119)	(80,238)	(185,387)
Interest received		1,066,744	961,995	636,268	1,241,786
Interest paid		(4,030,916)	(6,182,869)	(712,974)	(1,915,324)
Net cash flows generated from/ (used in) operating activities		93,247,341	79,055,858	14,394,851	(33,814,412)
Investing activities					
Acquisition of treasury shares	26	(532,923)	(354,028)	(532,923)	(354,028)
Acquisition of property, plant and equipment	13	(17,314,546)	(22,880,351)	(57,455)	(67,643)
Acquisition of non-controlling interests		(239,400)	(576,661)	-	-
Acquisition of investment properties		(10,002)	(12,917)	-	-
Acquisition of investment securities, net of redemption		(13,134,095)	4,577,457	(1,019,052)	2,419,611
Additional investment in subsidiaries		-	-	-	(2,653,412)
Additional investment in associate		-	(300,000)	-	(300,000)
Dividends received		171,500	433,399	10,671,500	29,171,500
Net cash inflow from disposal of subsidiaries	15(b)(ii)	500,332	-	-	-
Proceeds from disposal of property, plant and equipment		5,843,169	1,555,703	3,100	-
Net cash flows (used in)/generated from investing activities		(24,715,965)	(17,557,398)	9,065,170	28,216,028

STATEMENTS OF CASH FLOWS
for the financial year ended 30 June 2021
cont'd

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Financing activities					
Capital contributed by non-controlling interests in subsidiaries		-	450,000	-	-
(Increase)/decrease in short-term deposits with maturity more than 3 months		(2,776,484)	545,452	-	-
Dividends paid to non-controlling interests in subsidiaries		(971,856)	(875,000)	-	-
Dividends paid on ordinary shares	12	(3,985,767)	(4,004,000)	(3,985,767)	(4,004,000)
Repayment of principal portion of lease liabilities	31	(14,784,471)	(15,386,430)	-	-
Repayment of loans and borrowings		(26,128,121)	(8,273,473)	(20,385,000)	-
Proceeds from loans and borrowings		5,995,073	11,185,805	-	6,980,000
Proceeds from issuance of shares via exercise of warrants	26	6	-	6	-
Net cash flows (used in)/generated from financing activities		(42,651,620)	(16,357,646)	(24,370,761)	2,976,000
Net increase/(decrease) in cash and cash equivalents		25,879,756	45,140,814	(910,740)	(2,622,384)
Effects of exchange rate changes on cash and cash equivalents		(153,620)	11,182	-	-
Cash and cash equivalents at the beginning of the year		144,755,047	99,603,051	1,522,877	4,145,261
Cash and cash equivalents at the end of the year	25	170,481,183	144,755,047	612,137	1,522,877

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Wisma Harbour, Parkcity Commerce Square, Jalan Tun Ahmad Zaidi, 97000 Bintulu, Sarawak, Malaysia.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board in accordance with a resolution of the directors on 26 October 2021.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as disclosed below:

On 1 July 2020, the Group and the Company adopted the following amended MFRSs (collectively known as "pronouncements"), which are mandatory for annual financial periods as follows:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendment to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4, Extension of the Temporary Exemption from Applying MFRS 9	Immediately

Adoption of these pronouncements did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Pronouncements issued but not yet effective

The standards and amendments (collectively known as "pronouncements") that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these pronouncements, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020 Cycle	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors do not expect any material impact to the Group's and the Company's financial statements from the adoption of the above pronouncements in the period of initial application, except as disclosed below:

Amendments to MFRS 101: Classification of Liabilities as Current or Non- Current

The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendment must be applied retrospectively. The Group and the Company are currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Business combinations

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations involving entities under common control

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 9 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investments in associates and joint ventures (cont'd)

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

2.8 Foreign currencies

The consolidated financial statements are presented in Ringgit Malaysia ("RM"). For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Foreign currencies (cont'd)

(a) Transactions and balances (cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.9 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the remaining lease term. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	50 years to 60 years
Buildings	2% to 10%
Plant, machinery and containers	5% to 20%
Vessels	5% to 50%
Motor vehicles	12.5% to 20%
Furniture, fittings and equipment and others	5% to 20%

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Property, plant and equipment and depreciation (cont'd)

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the period the asset is derecognised.

2.10 Investment properties

Investment properties comprises principally land and buildings held for long term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment properties are stated at cost less accumulated depreciation and accumulated impairment.

Freehold land is not depreciated as it has infinite life. Leasehold land is depreciated over the remaining lease term. Depreciation of investment properties is provided for on a straight-line basis to write off the cost of the investment properties to its residual value over the estimated useful life, at the following annual rate:

Buildings	2%

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.9 up to the date of change in use.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.12 Inventories

(a) Property inventory

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Costs includes:

- Freehold and leasehold rights for land
- Amount paid to contractors for construction
- Borrowing costs (in accordance with accounting policy Note 2.18), planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Land held for development are property inventory which consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle, and are hence classified within non-current assets. Land held for development is reclassified to current property inventory at the point when development activities have commenced and where it can be demonstrated that the development activities can be complete within normal operating cycle

(b) Maintenance consumables

Maintenance consumables consisting of bunkers, lubricants, spare parts and consumable stores and are stated at lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

(c) Equipment

Inventories are stated at the lower of cost and net realisable value. Equipment cost include costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

(ii) Categories and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

Financial assets (cont'd)

(ii) Categories and subsequent measurement (cont'd)

(b) Financial assets at fair value through OCI (debt instruments)

The Group and the Company measure debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. At the reporting date, the Group and the Company do not have debt instruments at fair value through OCI.

(c) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. At the reporting date, the Group and the Company do not have financial assets designated at fair value through OCI (equity instruments).

(d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

Financial assets (cont'd)

(ii) Categories and subsequent measurement (cont'd)

(d) Financial assets at fair value through profit or loss (cont'd)

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category. A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(iii) Impairment of financial assets

An allowance is recognised for expected credit losses ("ECLs") for all debt instruments carried at amortised cost and fair value through OCI, contract assets and lease receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows expected to be received, discounted at the original effective interest rate ("EIR"). The expected cash flows will include cash flows from the sale of collaterals held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, a simplified approach is applied in calculating ECLs. Therefore, credit risk is not tracked, but instead a loss allowance based on lifetime ECLs at each reporting date is recognised. A provision matrix is established that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For receivables of the Group that are credit impaired at the reporting date, impairment is provided based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows expected to be received, discounted at the original effective interest rate.

The Group and the Company consider a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

Financial assets (cont'd)

(iv) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or

- the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Categories and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

Financial liabilities (cont'd)

(ii) Categories and subsequent measurement (cont'd)

(b) Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank and short-term deposits with a maturity of three months or less which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.15 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.16 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Leases (cont'd)

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are classified within the same line item as the corresponding underlying assets would be presented if they were owned. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	Lease term
Buildings and office space	1 to 3 years
Containers, plant and machinery	5 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to their short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Leases (cont'd)

As a lessor

Leases in which the Group or the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Revenue

(a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group generates its revenue from four principal services: 1) freight services, 2) freight forwarding services, 3) engineering works and 4) property development. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to customers, including for those ancillary services like custom clearance, export and import documentation, door-to-door services and other logistic arrangements, that are incidental to the principal services.

The Group also acts as an agent for certain freight forwarding services which the Group is not primarily responsible in fulfilling the promises nor has the control over the services. The fees or commission are recognised as net amount of the consideration that the Group retains after paying other parties the consideration received in exchange for the goods or services to be provided by those parties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Revenue (cont'd)

(a) Revenue from contracts with customers (cont'd)

(i) Revenue from freight services - air, land and sea transport

Freight services for air, sea and land transport are considered as three separate performance obligations satisfied over time. 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 depict the transfer of control of the service to the customer.

(ii) Revenue from freight forwarding services

These revenue 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.

(iii) Engineering works

The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and they have an enforceable right to the payment for the performance completed to date. The stage of completion is measured using the input method, which is based on the costs incurred relative to total estimated costs.

(iv) Manpower supply

Manpower supply is recognised when the service is rendered.

(v) Maintenance services

The Group provides maintenance services that are either sold separately or bundled together with the sale of equipment to a customer. Contracts for bundled sales of equipment and maintenance services comprised two separate performance obligations because the promises to transfer equipment and provide maintenance services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and maintenance services.

The Group recognises revenue from maintenance services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the sale of the equipment is recognised at a point in time, generally upon delivery of the equipment.

(vi) Sale of equipment

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Revenue (cont'd)

(a) Revenue from contracts with customers (cont'd)

(vii) Property development

Sale of completed properties

The sale of completed property constitutes a single performance obligation and the Group has determined that it is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied. Payments are generally received when legal title passes.

Sale of property under development

The Group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of properties under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

For contracts that meet the over-time revenue recognition criteria, the Group's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the properties. The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation (such as uninstalled materials).

For the sale of properties under development, when the Group has determined that it does not meet the criteria to recognise revenue over time, the revenue is recognised at a point in time when the control is transferred.

Contract balances

(i) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Revenue (cont'd)

(a) Revenue from contracts with customers (cont'd)

Contract balances (cont'd)

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(b) Revenue from other sources

Revenue from other sources are recognised as follows:

(i) Management fees

Management fees are recognised as services are rendered.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(iv) Hire of equipment, vessel charter fee and rental income

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

2.20 Taxes

(a) Current tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate or jointly controlled entity on distributions of retained earnings to companies in the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Taxes (cont'd)

(c) Sales and Services Tax ("SST") and Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of SST or GST except:

- Where the amount of SST and GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of SST and GST included.

The net amount of GST recoverable from, or payable to, the tax authority is included as part of other current assets or liabilities in the statement of financial position.

2.21 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

2.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees issued are initially measured at fair value, net of transaction costs. Subsequently, they are measured at the higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with MFRS 15.

2.26 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. There were no material judgements made by the management during the financial year.

Key sources of estimation uncertainty

The key assumptions 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 are discussed below.

Provision for expected credit losses ("ECL") of trade receivables and contract assets

The provision of ECL is initially based on the Group's historical observed default rates. The Group will calibrate the ECL to adjust the historical credit loss experience with forward-looking information including the effects of COVID-19. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 34(d).

4. REVENUE

Revenue comprised the following:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue from contracts with customers	587,764,994	596,370,049	-	-
Revenue from other sources:				
Dividend income				
- associates	-	-	171,500	171,500
- subsidiaries	-	-	10,500,000	29,000,000
Management fees income	-	-	1,268,600	1,194,600
Hiring of vehicles and equipment	17,635,546	17,258,154	-	-
Rental income				
- land	297,750	242,216	-	-
- premises	-	189,250	835,433	665,600
- warehouse	2,489,671	2,384,090	-	-
Vessel charter fees	-	250,000	-	-
Others	813,491	556,464	-	-
	21,236,458	20,880,174	12,775,533	31,031,700
Total revenue	609,001,452	617,250,223	12,775,533	31,031,700

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

4. REVENUE (CONT'D)

(a) Disaggregation of revenue from contracts with customers:

	Group	
	2021	2020
	RM	RM
Freight services		
- air freight	3,909,381	6,628,131
- land transportation	41,601,356	49,009,205
- ocean freight	185,337,593	193,175,785
Freight forwarding services	269,425,263	248,369,231
Engineering works	37,744,006	86,218,791
Maintenance services	988,911	2,260,132
Manpower supply	8,037,036	2,512,843
Sale of completed properties	5,100,000	1,225,000
Sale of equipment	35,621,448	6,970,931
	587,764,994	596,370,049
Timing of revenue recognition:		
- At a point of time	309,594,331	256,565,161
- Over time	278,170,663	339,804,888
	587,764,994	596,370,049

Revenue from freight services and freight forwarding services are predominantly attributed to the shipping and marine services and integrated logistics segments.

(b) Transaction prices allocated to the remaining performance obligations:

	Group	
	2021	2020
	RM	RM
Within one year		
- Engineering works	1,472,272	11,929,285
- Ocean freight	4,416,558	814,305
	5,888,830	12,743,590

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

5. OTHER INCOME

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Bad debts recovered	72,136	80,909	-	-
Dividend income from investment securities	187,942	358,272	19,052	10,647
Gain on disposal of property, plant and equipment	2,241,236	928,439	3,099	-
Gain on liquidation of a subsidiary	72,473	-	-	-
Interest income - third parties	1,066,744	961,995	4,480	23,671
- subsidiaries	-	-	612,736	1,207,468
Insurance claims	1,825,492	-	-	-
Management fee income	138,560	153,258	-	-
Reversal of allowance for impairment on				
- trade receivables (Note 34(d))	4,533,047	797,786	-	-
- other receivables (Note 34(d))	783	2,560	-	206,629
Rental income	288,647	250,276	-	-
Realised foreign exchange gain	732,946	752,629	-	-
Unrealised foreign exchange gain	1,395,229	513,594	-	-
Sundry income	1,284,933	1,478,447	113,365	188,429
	13,840,168	6,278,165	752,732	1,636,844

6. FINANCE COSTS

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Interest expense on:				
Invoice financing	180,893	311,391	-	-
Interest paid to subsidiaries	-	-	311,971	979,553
Lease liabilities (Note 28)	2,268,482	2,755,401	-	-
Overdraft interest	7,856	135,515	-	-
Revolving credit interest	401,003	935,711	401,003	935,771
Term loan interest	1,172,682	2,044,851	-	-
	4,030,916	6,182,869	712,974	1,915,324

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Employee benefits expense (Note 8)	79,496,073	79,663,232	3,790,298	3,690,145
Non-executive directors' remuneration (Note 9)	210,000	187,000	210,000	187,000
Auditors' remuneration				
- current year	723,658	680,846	75,000	70,000
- under/(over) provision in prior years	1,500	(3,500)	-	-
Allowance for impairment				
- trade receivables (Note 34(d))	4,556,528	7,354,162	-	-
- other receivables (Note 34(d))	-	-	-	2,204,926
Bad debts written off	120,937	133,604	-	-
Depreciation of property, plant and equipment (Note 13)	29,659,203	30,286,361	292,106	310,755
Depreciation of investment properties (Note 14)	492,896	309,406	-	-
Hiring of equipment:				
- short term leases	10,644,786	22,724,745	32,422	39,145
Impairment loss on property, plant and equipment (Note 13)	1,176,463	8,300,000	-	-
Impairment loss on investment in subsidiaries (Note 15)	-	-	-	476,739
Gain on disposal of property, plant and equipment, net	(2,071,903)	(881,281)	(3,099)	-
Property, plant and equipment written off	75,715	263,178	737	246,132
Realised foreign exchange loss	522,861	321,839	-	-
Rental of premises	1,243,208	962,446	53,100	53,100
Unrealised foreign exchange loss	123,034	519,941	-	-

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Salaries and wages	61,658,708	64,645,784	3,116,253	3,057,835
Allowances	5,041,055	3,926,352	36,023	20,011
Bonus	5,259,630	3,384,595	250,218	235,243
Contributions to defined contribution plan and social security contributions	7,070,178	7,129,938	387,804	377,056
Other benefits	466,502	576,563	-	-
	79,496,073	79,663,232	3,790,298	3,690,145

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,110,817 (2020: RM2,352,331) and RM873,341 (2020: RM871,344) respectively, as further disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

9. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Executive:				
Salaries and other emoluments	2,657,257	2,102,138	777,000	775,000
Bonus	331,726	136,176	62,988	62,988
Contributions to defined contribution plan and social security contributions	121,834	114,017	33,353	33,356
Total executive directors' remuneration (excluding benefits-in-kind)	3,110,817	2,352,331	873,341	871,344
Estimated money value of benefits-in-kind	34,450	34,450	-	-
Total executive directors' remuneration (including benefits-in-kind)	3,145,267	2,386,781	873,341	871,344
Non-executive directors' remuneration:				
Allowance	41,000	33,000	41,000	33,000
Fees	169,000	154,000	169,000	154,000
Total non-executive directors' remuneration (Note 7)	210,000	187,000	210,000	187,000
Total directors' remuneration (Note 33(b))	3,355,267	2,573,781	1,083,341	1,058,344

10. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 30 June 2021 and 2020 are:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current income tax:				
Malaysian income tax	9,961,498	11,962,474	244,350	203,000
(Over)/under provision in prior years	(974,559)	376,607	13,496	44,273
	8,986,939	12,339,081	257,846	247,273
Deferred income tax (Note 19):				
Relating to origination and reversal of temporary differences	(482,013)	(788,818)	(2,533)	(5,269)
Under/(over) provision in prior years	603,324	(151,108)	(2,321)	20,788
	121,311	(939,926)	(4,854)	15,519
Overprovision of real property gain tax "RPGT" in prior years	(903,379)	-	-	-
Total income tax and RPGT recognised in profit or loss	8,204,871	11,399,155	252,992	262,792

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2021
cont'd

10. INCOME TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year. Tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction. The corporate tax rate applicable to the Singapore subsidiaries of the Group is 17% (2020: 17%).

Section 54A of the Income Tax Act, 1967 was amended effective from Year of Assessment ("YA") 2012, in which the tax exemption on shipping profits was reduced from 100% to 70%. The implementation of the amended Section 54A, however, was deferred and on 10 July 2020, the Ministry of Finance ("MoF") issued an approval letter for the extension of the 100% shipping tax exemption up to YA2023 subject to the following two conditions to be implemented by the Ministry of Transport ("MoT"):

(a) Each Malaysian shipowner to comply with the minimum requirements in terms of annual operating expenditure and number of full-time employees. MoT has been requested to establish the framework for each category of vessels; and

(b) MoT to develop a framework and implement the imposition of annual tonnage fee to Malaysian shipowners by 1 January 2022.

As at the date of this report, the MoT has yet to announce the imposition of the annual tonnage fee.

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

	Group	
	2021 RM	2020 RM
Profit before tax	82,943,395	35,037,932
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	19,906,415	8,409,104
Different tax rate in other countries	(29,367)	(42,962)
Expenses not deductible for tax purposes	2,152,059	6,289,228
Income not subject to tax	(9,525,243)	(4,631,209)
Share of results of associates and joint venture	392,265	(278,664)
Deferred tax assets not recognised during the year	622,663	2,170,300
Utilisation of previously unrecognised unutilised tax losses and unabsorbed capital allowances	(4,039,307)	(742,141)
(Over)/under provision of tax expense in prior years	(974,559)	376,607
Under/(over) provision of deferred tax in prior years	603,324	(151,108)
Over provision of real property gain tax in prior years	(903,379)	-
Income tax expense for the year	8,204,871	11,399,155

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for the financial year ended 30 June 2021
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10. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows (cont'd):

	Company	
	2021 RM	2020 RM
Profit before tax	7,197,943	22,355,115
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	1,727,506	5,365,228
Expenses not deductible for tax purposes	1,075,471	1,880,854
Income not subject to tax	(2,561,160)	(7,048,351)
Under provision of tax expense in prior years	13,496	44,273
(Over)/under provision of deferred tax in prior years	(2,321)	20,788
Income tax expense for the year	252,992	262,792

11. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares with the exercise of warrants, excluding treasury shares held by the Company.

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

	Group	
	2021	2020
Profit net of tax attributable to the owners of the Company used in the computation of basic earnings per share (RM)	60,576,554	25,920,460
Weighted average number of ordinary shares in issue	398,744,287	400,341,112
Basic earnings per share (sen)	15.19	6.47
Diluted earnings per share (sen) $^{\beta}$	15.19	6.47

$^{\beta}$ The dilutive earnings per share is similar to the basic earnings per share as the warrants expired on 2 April 2021. In year 2020, the exercise price of the warrants was higher than the average market price of the Company's share during the financial year. Thus, the warrants were anti-dilutive in nature.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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12. DIVIDENDS

	Group/Company	
	2021	2020
	RM	RM
Recognised during the year:		
Dividends on ordinary shares		
First interim tax exempt single-tier dividend in respect of 2021: 1.0 sen per share	3,985,767	-
First interim tax exempt single-tier dividend in respect of 2020: 1.0 sen per share	-	4,004,000

The directors do not recommend any payment of final dividend in respect of the current financial year.

13. PROPERTY, PLANT AND EQUIPMENT

	* Land and buildings	Plant, machinery and containers	Vessels	Motor vehicles	Furniture, fittings, equipment, and others	Assets under construction	Total
	RM	RM	RM	RM	RM	RM	RM
Group							
Cost							
At 1 July 2019	88,248,062	223,438,624	118,119,535	17,320,364	17,368,532	10,679,413	475,174,530
Additions	8,185,833	16,009,207	14,960,381	1,196,056	1,403,967	-	41,755,444
Disposals/written off	(105)	(972,457)	-	(1,086,065)	(641,141)	(245,975)	(2,945,743)
Reclassification	6,655,563	3,612,878	-	-	164,997	(10,433,438)	-
Transfer to investment properties (Note 14)	(4,971,029)	-	-	-	(520)	-	(4,971,549)
Exchange differences	-	7,214	-	-	11,349	-	18,563
At 30 June 2020	98,118,324	242,095,466	133,079,916	17,430,355	18,307,184	-	509,031,245
Additions	2,648,498	8,374,548	10,020,591	604,084	1,784,740	-	23,432,461
Disposal of subsidiaries	-	(6,871,758)	-	(1,057,958)	(98,790)	-	(8,028,506)
Disposals/written off	(2,468)	(4,253,519)	(8,951,756)	(422,228)	(1,039,234)	-	(14,669,205)
Reclassification	(1,950,750)	1,950,750	-	-	-	-	-
Exchange differences	(16,241)	-	-	-	(20,970)	-	(37,211)
Modification of leases	(347,339)	(549,130)	-	-	-	-	(896,469)
At 30 June 2021	98,450,024	240,746,357	134,148,751	16,554,253	18,932,930	-	508,832,315

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	* Land and buildings RM	Plant, machinery and containers RM	Vessels RM	Motor vehicles RM	Furniture, fittings, equipment, and others RM	Assets under construction RM	Total RM
Group (cont'd)							
Accumulated depreciation and impairment							
At 1 July 2019	10,357,900	123,359,982	37,849,974	14,708,358	13,133,774	-	199,409,988
Depreciation charge for the year	3,805,844	17,135,108	8,557,425	1,186,357	1,440,121	-	32,124,855
Recognised in profit or loss (Note 7)	3,603,847	15,598,158	8,557,425	1,144,036	1,382,895	-	30,286,361
Recognised in construction contracts (Note 23)	201,997	1,536,950	-	42,321	57,226	-	1,838,494
Disposals/written off	-	(446,853)	-	(983,965)	(577,326)	-	(2,008,144)
Impairment loss (Note 7)	-	-	8,300,000	-	-	-	8,300,000
Transfer to investment properties (Note 14)	(129,768)	-	-	-	(468)	-	(130,236)
Exchange differences	1,885	2,412	-	-	3,610	-	7,907
At 30 June 2020	14,035,861	140,050,649	54,707,399	14,910,750	13,999,711	-	237,704,370
Depreciation charge for the year	4,495,021	16,101,642	8,546,039	848,255	1,556,696	-	31,547,653
Recognised in profit or loss (Note 7)	4,293,024	14,501,682	8,546,039	806,467	1,511,991	-	29,659,203
Recognised in construction contracts (Note 23)	201,997	1,599,960	-	41,788	44,705	-	1,888,450
Disposal of subsidiaries	-	(5,239,772)	-	(1,048,572)	(95,207)	-	(6,383,551)
Disposals/written off	-	(2,672,259)	(6,885,628)	(422,223)	(842,114)	-	(10,822,224)
Impairment loss (Note 7)	-	1,176,463	-	-	-	-	1,176,463
Exchange differences	(2,911)	-	-	-	(2,314)	-	(5,225)
Modification of leases	(251,280)	(94,676)	-	-	-	-	(345,956)
At 30 June 2021	18,276,691	149,322,047	56,367,810	14,288,210	14,616,772	-	252,871,530
Net carrying amount							
At 30 June 2020	84,082,463	102,044,817	78,372,517	2,519,605	4,307,473	-	271,326,875
At 30 June 2021	80,173,333	91,424,310	77,780,941	2,266,043	4,316,158	-	255,960,785

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

*** Land and buildings of the Group**

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
At 30 June 2021				
Cost				
At 1 July 2019	10,104,310	19,112,993	59,030,759	88,248,062
Additions	-	826,600	7,359,233	8,185,833
Disposals/written off	-	-	(105)	(105)
Reclassification	-	5,085,195	1,570,368	6,655,563
Transfer to investment properties	-	-	(4,971,029)	(4,971,029)
At 30 June 2020	10,104,310	25,024,788	62,989,226	98,118,324
Additions	-	-	2,648,498	2,648,498
Disposals/written off	-	-	(2,468)	(2,468)
Reclassification	-	-	(1,950,750)	(1,950,750)
Exchange differences	-	-	(16,241)	(16,241)
Modification of leases	-	-	(347,339)	(347,339)
At 30 June 2021	10,104,310	25,024,788	63,320,926	98,450,024
Accumulated depreciation				
At 1 July 2020	10,104,310	3,849,764	6,508,136	10,357,900
Depreciation charge for the year	-	1,070,521	2,735,323	3,805,844
Transfer to investment properties	-	-	(129,768)	(129,768)
Exchange differences	-	-	1,885	1,885
At 30 June 2020	-	4,920,285	9,115,576	14,035,861
Depreciation charge for the year	-	1,772,883	2,722,138	4,495,021
Exchange differences	-	-	(2,911)	(2,911)
Modification of leases	-	-	(251,280)	(251,280)
At 30 June 2021	-	6,693,168	11,583,523	18,276,691
Net carrying amount	10,104,310	18,331,620	51,737,403	80,173,333

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2021
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings	Motor vehicles	Furniture, fitting and equipment and others	Total
	RM	RM	RM	RM
Company				
At 30 June 2021				
Cost				
At 1 July 2020	6,482,834	1,386,741	2,249,007	10,118,582
Additions	-	1	57,454	57,455
Disposals/written off	-	(37,871)	(14,604)	(52,475)
At 30 June 2021	6,482,834	1,348,871	2,291,857	10,123,562
Accumulated depreciation				
At 1 July 2020	1,518,885	1,386,734	1,620,410	4,526,029
Depreciation charge for the year (Note 7)	129,657	-	162,449	292,106
Disposals/written off	-	(37,870)	(13,867)	(51,737)
At 30 June 2021	1,648,542	1,348,864	1,768,992	4,766,398
Net carrying amount	4,834,292	7	522,865	5,357,164

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for the financial year ended 30 June 2021
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings	Motor vehicles	Furniture, fitting and equipment and others	Construction work-in-progress	Total
	RM	RM	RM	RM	RM
Company (cont'd)					
At 30 June 2020					
Cost					
At 1 July 2019	6,482,834	1,426,437	2,207,925	245,975	10,363,171
Additions	-	-	67,643	-	67,643
Disposals/written off	-	(39,696)	(26,561)	(245,975)	(312,232)
At 30 June 2020	6,482,834	1,386,741	2,249,007	-	10,118,582
Accumulated depreciation					
At 1 July 2019	1,389,228	1,423,160	1,468,986	-	4,281,374
Depreciation charge for the year (Note 7)	129,657	3,269	177,829	-	310,755
Disposals/written off	-	(39,695)	(26,405)	-	(66,100)
At 30 June 2020	1,518,885	1,386,734	1,620,410	-	4,526,029
Net carrying amount	4,963,949	7	628,597	-	5,592,553

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

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

(a) Acquisitions of property, plant and equipment during the financial year were by the following means:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash	17,314,546	22,880,351	57,455	67,643
Lease arrangements (Note 28)	6,117,915	18,875,093	-	-
	23,432,461	41,755,444	57,455	67,643

(b) Impairment of property, plant and equipment

During the financial year, the directors assessed the recoverable amount of heavy lifting equipment due to continuing losses incurred in the heavy lifting division and recognised an impairment loss of RM1.2 million.

(c) The net carrying amount of property, plant and equipment pledged for loans and borrowings (Note 28) are as follows:

	Group	
	2021	2020
	RM	RM
Buildings	7,762,888	7,964,885
Freehold land	10,054,310	10,054,310
Leasehold land	12,116,271	18,371,893
Vessels	19,512,385	20,067,694
	49,445,854	56,458,782

(d) Titles of certain leasehold land and buildings of the Group and of the Company have yet to be issued by the relevant authority:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Land and buildings	9,114,330	9,752,508	4,834,292	4,963,949

NOTES TO THE FINANCIAL STATEMENTS

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

(e) Right-of-use assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Land	Buildings and office space	Containers, plant and machinery	Motor vehicles	Total
	RM	RM	RM	RM	RM
Group					
At 1 July 2020	15,307,590	6,371,389	61,537,049	1,157,757	84,373,785
Additions	-	915,213	4,907,203	98,676	5,921,092
Disposal	-	(43,343)	(222,987)	-	(266,330)
Reclassifications	-	-	-	(130,889)	(130,889)
Depreciation charge for the year (Note 28)	(737,900)	(2,039,664)	(6,860,336)	(447,708)	(10,085,608)
Exchange difference	-	(13,330)	-	-	(13,330)
Modification of lease	-	(96,059)	(454,454)	-	(550,513)
At 30 June 2021	14,569,690	5,094,206	58,906,475	677,836	79,248,207
At 1 July 2019	14,833,785	4,693,949	53,139,265	1,109,931	73,773,930
Additions	826,600	3,251,753	15,745,999	586,377	20,410,729
Depreciation charge for the year (Note 28)	(352,795)	(1,572,428)	(7,348,215)	(538,551)	(9,811,989)
Exchange difference	-	(1,885)	-	-	(1,885)
At 30 June 2020	15,307,590	6,371,389	61,537,049	1,157,757	84,373,785

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

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

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for the financial year ended 30 June 2021
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) Right-of-use assets (cont'd)

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised on the statements of financial position:

	Land	Buildings and office space	Containers, plant and machinery	Motor vehicles
Group				
30 June 2021				
No. of right-of-use assets leased	9	28	159	16
No. of leases with extension options	2	11	3	-
No. of leases with termination options	2	11	3	-
30 June 2020				
No. of right-of-use assets leased	9	36	185	19
No. of leases with extension options	2	16	2	-
No. of leases with termination options	2	14	2	-

The Company has no right-of-use assets as at year end.

14. INVESTMENT PROPERTIES

	Group	
	RM	RM
Cost		
At 1 July 2020/2019	11,793,534	6,809,068
Additions	10,002	12,917
Transfer from property, plant and equipment (Note 13)	-	4,971,549
At 30 June 2021/2020	11,803,536	11,793,534

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

14. INVESTMENT PROPERTIES (CONT'D)

	Group	
	RM	RM
Accumulated depreciation and impairment		
At 1 July 2020/2019	1,643,433	1,203,791
Depreciation for the year (Note 7)	492,896	309,406
Transfer from property, plant and equipment (Note 13)	-	130,236
At 30 June 2021/2020	2,136,329	1,643,433
Net carrying amount	9,667,207	10,150,101
Fair value of the investment properties	26,655,000	27,248,000

Investment properties with aggregate carrying amount of RM826,620 (2020: RM846,084) are pledged as security for borrowings as disclosed in Note 28. Investment properties comprise a number of commercial properties leased to third parties.

As at 30 June 2021 and 2020, the fair values of the properties are based on directors' valuation. The directors based their valuations on recent published prices of similar type of properties in similar locations.

The Group has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

	Group	
	2021	2020
	RM	RM
Rental income from investment properties	1,343,700	518,350
Direct operating expenses from:		
-income generating properties	(400,332)	(76,219)
-non-income generating properties	(2,695)	(2,001)

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15. INVESTMENTS IN SUBSIDIARIES

	Company 2021 RM	Company 2020 RM
Unquoted shares at cost	240,835,893	240,835,893
Accumulated impairment losses	(5,343,739)	(5,343,739)
	235,492,154	235,492,154
Movement in accumulated impairment losses are as follows:		
As at 1 July 2020/2019	5,343,739	4,867,000
Impairment loss during the year (Note 7)	-	476,739
As at 30 June 2021/2020	5,343,739	5,343,739

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of Incorporation	Principal activities	% of ownership interest held by Group[ß]		% of ownership interest held by non-controlling interest[ß]	
			2021 %	2020 %	2021 %	2020 %
Harbour-Link (M) Sdn. Bhd. ("HLM")*	Malaysia	Management services and investment holding	100	100	-	-
Harbour Agencies (Sarawak) Sdn. Bhd. ("HAS")*	Malaysia	Shipping and forwarding	100	100	-	-
Eastern Soldar Engineering & Construction Sdn. Bhd. ("ESEC")*	Malaysia	Investment holding, multi-discipline engineering and procurement	100	100	-	-
Harbour-Link Navigation Sdn. Bhd. ("HLN")*	Malaysia	Investment holding	100	100	-	-
Harbour-Link Lines Sdn. Bhd. ("HLLines")*	Malaysia	Container shipping and agency services	85	85	15	15
HLG Resources Sdn. Bhd. ("HLG Resources")*	Malaysia	Investment holding, trading and sale, services and rental of machinery	100	100	-	-
HLG Petroleum Sdn. Bhd. ("HLG Petroleum")*	Malaysia	Investment holding, container shipping and agency services	100	100	-	-
Harbour Hornbill Sdn. Bhd.* (Note 15(c)(i))	Malaysia	Ship owning and ship operator services	85	85	15	15

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Country of Incorporation	Principal activities	% of ownership interest held by Group[ß]		% of ownership interest held by non-controlling interest[ß]	
			2021 %	2020 %	2021 %	2020 %
Harbour Ivory Sdn. Bhd.*	Malaysia	Ship owning and ship operator services	80	80	20	20
Arcadia Properties Sdn. Bhd. ("APSB")*	Malaysia	Investment holding and property development	51	51	49	49
Subsidiaries of HLM						
HLG Engineering Sdn. Bhd.* (Note 15(c)(ii))	Malaysia	Consultancy services and provision of engineering works	100	100	-	-
Harbour Services Corporation Sdn. Bhd.*	Malaysia	Freight forwarding, transportation and material handling	100	100	-	-
Harbour-Link Logistics Sdn. Bhd. ("HLLogistics")*	Malaysia	Equipment, hiring and transportation	100	100	-	-
Harbour Services Sdn. Bhd.* (Note 15(a))	Malaysia	Forwarding and shipping agencies	47	47	53	53
Harbour-Link (Labuan) Limited * (Note 15(b)(iii))	Malaysia	Dormant	-	100	-	-
Harbour Services (Miri) Sdn. Bhd.*	Malaysia	Dormant	100	100	-	-
Harbour-Link Leasing Sdn. Bhd.*	Malaysia	Leasing	100	100	-	-
Best Success Bonded Store Supply Sdn. Bhd. *	Malaysia	Provision of storage facilities	60	60	40	40
Serimaju Konsortium Sdn. Bhd.* (Note 15(b)(iv))	Malaysia	Provision of logistic for mineral and bulk materials	100	55	-	45
Harbour-Link Forwarders Sdn. Bhd. *	Malaysia	Provision of logistic and agencies services	70	70	30	30
Harbour Global Forwarders Sdn. Bhd. *	Malaysia	Forwarding and transportation	70	70	30	30

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Country of Incorporation	Principal activities	% of ownership interest held by Group[ß]		% of ownership interest held by non-controlling interest[ß]	
			2021	2020	2021	2020
			%	%	%	%
Subsidiaries of HLLogistics						
Harbour-Link Logistics (S) Sdn. Bhd.* (Note 15(b)(i))	Malaysia	Provision of transportation services and equipment rental	-	100	-	-
Siong Jaya Sdn. Bhd.*	Malaysia	Ceased operation	100	100	-	-
Subsidiaries of HAS						
Harbour Agencies (Sabah) Sdn. Bhd.*	Malaysia	Shipping and forwarding	100	100	-	-
Union Star Shipping Pte. Ltd.**	Singapore	Shipping services	100	100	-	-
A.T. Dunia (Btu) Sdn. Bhd.*	Malaysia	Forwarding and transportation	100	100	-	-
Harbour Agencies Sdn. Bhd.*	Malaysia	Shipping	100	100	-	-
Subsidiaries of ESEC						
ESE Energy Sdn. Bhd.*	Malaysia	Civil engineering and ancillary works	100	100	-	-
Eastern Soldar (Singapore) Pte. Ltd.**	Singapore	Provision of civil, mechanical and engineering works, constructionand procurement	100	100	-	-

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Country of Incorporation	Principal activities	% of ownership interest held by Group[ß]		% of ownership interest held by non-controlling interest[ß]	
			2021	2020	2021	2020
			%	%	%	%
Subsidiaries of HLN						
Harbour Eagle Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Harbour Challenger Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Satun Shipping Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Harbour Gemini Sdn. Bhd.* (Note 15(c)(iii))	Malaysia	Ship owning and ship management	100	100	-	-
Harbour Services (Kuching) Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Harbour Agencies (Sibu) Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Navasco Shipping Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Harbour Xtra Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Harbour Ruby Sdn. Bhd.*	Malaysia	Ship owning and ship management	85	85	15	15
Harbour Zenith Sdn. Bhd.*	Malaysia	Ship owning and ship management	85	85	15	15
AM Lines Sdn. Bhd.*	Malaysia	Ship owning and ship management	85	85	15	15
Harbour-Link Shipping Sdn. Bhd.*	Malaysia	Ship owning and ship management	85	85	15	15
Harbour-Link Marine Services Sdn. Bhd.*	Malaysia	Ship management and consultancy services	100	100	-	-
Harbour Frida Sdn. Bhd. * (Note 15(b)(v))	Malaysia	Dormant	85	-	15	-

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Country of Incorporation	Principal activities	% of ownership interest held by Groupß		% of ownership interest held by non-controlling interestß	
			2021	2020	2021	2020
			%	%	%	%
Subsidiaries of HLLines						
Harbour-Link Lines (JB) Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freighting and marine services	90	90	10	10
Harbour-Link Lines (KCH) Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freighting and marine services	100	100	-	-
Harbour-Link Lines (KK) Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freighting and marine services	100	100	-	-
Harbour-Link Lines (PK) Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freighting and marine services	60	60	40	40
Harbour-Link Lines Ltd.**	Hong Kong	Port agent, ship operator and provision of freighting and marine services	100	100	-	-
Harbour-Link Lines (Singapore) Pte. Ltd.**	Singapore	Port agent, ship operator and provision of freighting and marine services	100	100	-	-
Harbour-Link Lines (B) Sdn. Bhd.**	Brunei Darussalam	Port agent, ship operator and provision of freighting and marine services	55	55	45	45
Harbour Jupiter Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Subsidiaries of HLG Resources						
HLG Equipment Sdn. Bhd.* ("HLG Equipment")	Malaysia	Provision of port related services	60	60	40	40
Harbour-Link Trading Pte. Ltd.**	Singapore	General importer, exporter, traders and commission agents	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Country of Incorporation	Principal activities	% of ownership interest held by Group[ß]		% of ownership interest held by non-controlling interest[ß]	
			2021	2020	2021	2020
			%	%	%	%
Subsidiary of HLG Equipment						
HLG Equipment (B) Sdn. Bhd.**	Brunei Darussalam	Provision of port related services	99	99	1	1
Subsidiary of APSB						
Sarawak Edible Oils Sdn. Bhd.*	Malaysia	Property developer	100	100	-	-
Subsidiary of HLG Petroleum						
Advance Mariner Lines Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freighting and marine services	54.79	54.79	45.21	45.21
Subsidiaries of Advance Mariner Lines Sdn. Bhd.						
AML Shipping Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freight and marine services	100	100	-	-
AML Shipping (Singapore) Pte. Ltd.**	Singapore	Port agent, ship operator and provision of freight and marine services	100	100	-	-
AML Shipping (Sabah) Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freight and marine services	51	51	49	49
Subsidiary of AML Shipping Sdn. Bhd.						
T & T Forwarding Sdn. Bhd.** (Note 15(b)(ii))	Malaysia	Custom declaration, handling and forwarding services	-	49	-	51

* *Audited by Ernst & Young PLT, Malaysia.*
** *Audited by firms of auditors other than Ernst & Young PLT, Malaysia.*
ß *Equal to proportion of voting rights held*

(a) Although the Group owns 47% (2020: 47%) of the equity interest of Harbour Services Sdn. Bhd. ("HSSB"), the Group has the power to govern the financial and operating policies of HSSB.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in group structure - current financial year

(i) On 31 July 2020, Harbour-Link Logistics Sdn. Bhd., a subsidiary of Harbour-Link (M) Sdn. Bhd. ("HLM"), disposed of 70% equity interest in Harbour-Link Logistics (S) Sdn. Bhd. ("HLGS") for a cash consideration of RM508,440. The Group retained a 30% equity interest and accordingly HLGS has been reclassified as investments in associates.

(ii) From 1 July 2020, as a result of changes in the terms of the shareholders' agreement, the Group no longer has the power to govern the financial and operating policies in T & T Forwarding Sdn. Bhd. ("TTSB"). Accordingly, the investment has been reclassified as investments in associates.

The carrying value of the identified assets and liabilities of HLGS and TTSB at the dates of disposal:

	RM
Cash consideration	508,440
Plant and equipment	1,644,955
Inventories	70,464
Trade and other receivables	42,173
Cash and bank balances	8,108
Deferred tax liabilities (Note 19)	(276,505)
Lease liabilities (Note 28)	(663,926)
Trade and other payables	(62,709)
Tax payables	(36,217)
Net assets directly associated with disposal	726,343
Carrying value equity interest disposed	508,440
Fair value of remaining equity interest classified as investment in associates	217,903

(iii) On 15 March 2021, Harbour-Link (Labuan) Limited, a subsidiary of HLM, was placed under members voluntarily liquidation resulting in a gain of RM72,473 to the Group.

(iv) On 1 December 2020, Harbour-Link (M) Sdn. Bhd. ("HLM"), a subsidiary of the Company, acquired the remaining 180,000 ordinary shares, representing 45% equity interest in Serimaju Konsortium Sdn. Bhd. ("SKSB"), for a total cash consideration of RM239,400. Following the acquisition, SKSB became a wholly-owned subsidiary of HLM.

The following is a schedule of additional interest acquired in SKSB:

	2021 RM
Cash consideration paid to non-controlling interest	239,400
Carrying value of the additional interest	(224,813)
Deficit recognised in retained earnings	(14,587)

(v) On 18 January 2021, Harbour Link Navigation Sdn. Bhd, a subsidiary of the Company acquired 850 ordinary shares, representing 85% in Harbour Frida Sdn. Bhd. ("HFSB"), a dormant company, for a total cash consideration of RM850.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Changes in group structure - previous financial year

(i) On 1 November 2019, the Company acquired 350,000 ordinary shares, representing 5% equity interest in Harbour Hornbill Sdn. Bhd. ("HHSB") for a total cash consideration of RM102,660. On 17 March 2020, HHSB increased its share capital by issuing 3,000,000 ordinary shares. The Company further subscribed 2,550,000 ordinary shares for a total consideration of RM2,550,000.

The following is a schedule of additional interest acquired in HHSB:

	2020 RM
Cash consideration paid to non-controlling interest	102,660
Carrying value of the additional interest	(102,660)
Differences recognised in retained earnings	-

(ii) On 25 July 2019, Harbour-Link (M) Sdn. Bhd. ("HLM"), a subsidiary of the Company, acquired the remaining 300,000 ordinary shares, representing 30% equity interest in HLG Engineering Sdn. Bhd. ("HLGE"), for a total cash consideration of RM474,000. Following the acquisition, HLGE became a wholly-owned subsidiary of HLM.

The following is a schedule of additional interest acquired in HLGE:

	2020 RM
Cash consideration paid to non-controlling interest	474,000
Carrying value of the additional interest	(498,811)
Surplus recognised in retained earnings	(24,811)

(iii) On 11 July 2019, Harbour-Link Navigation Sdn. Bhd. ("HLN"), a subsidiary of the Company, acquired the remaining 5,664,000 ordinary shares, representing 48% equity interest in Harbour Gemini Sdn. Bhd. ("HGSB"), for a total cash consideration of RM1. Following the acquisition, HGSB became a wholly-owned subsidiary of HLN.

The following is a schedule of additional interest acquired in HGSB:

	2020 RM
Cash consideration paid to non-controlling interest	1
Negative carrying of the additional interest	560,395
Deficit recognised in retained earnings	560,396

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's subsidiaries that have material non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statements of financial position

	Arcadia Properties Sdn. Bhd.		Harbour-Link Lines Sdn. Bhd.		Advance Mariner Lines Sdn. Bhd.		HLG Equipment Sdn. Bhd.		Harbour Services Sdn. Bhd.	
	Group		Group		Group		Group			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	47,226	47,069	51,206	71,161	1,261	1,569	1,763	1,792	334	434
Current assets	27,606	28,211	128,888	76,053	36,660	30,939	10,698	10,359	22,283	20,097
Total assets	74,832	75,280	180,094	147,214	37,921	32,508	12,461	12,151	22,617	20,531
Current liabilities	4,808	8,455	72,600	84,656	18,551	16,741	1,209	1,727	16,836	15,509
Non-current liabilities	62	-	12,122	17,927	395	578	333	333	70	182
Total liabilities	4,870	8,455	84,722	102,583	18,946	17,319	1,542	2,060	16,906	15,691
Equity attributable to owners of the Company	35,680	34,081	78,562	36,122	9,817	7,808	6,547	6,049	2,684	2,298
Non-controlling interests	34,281	32,744	16,810	8,509	9,158	7,381	4,372	4,042	3,027	2,542
Total equity	69,961	66,825	95,372	44,631	18,975	15,189	10,919	10,091	5,711	4,840

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for the financial year ended 30 June 2021
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15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's subsidiaries that have material non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd)

(ii) Summarised statements of profit or loss and other comprehensive income

	Arcadia Properties Sdn. Bhd. Group		Harbour-Link Lines Sdn. Bhd. Group		Advance Mariner Lines Sdn. Bhd. Group		HLG Equipment Sdn. Bhd. Group		Harbour Services Sdn. Bhd.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,728	1,708	328,321	257,340	74,004	83,429	13,254	12,258	36,571	37,427
Profit/(loss) for the year	3,137	(840)	51,166	3,669	3,954	(3,910)	1,068	695	872	588
Profit/(loss) attributable to:										
Owners of the Company	1,600	(429)	42,436	2,839	1,893	(2,357)	641	417	410	276
Non-controlling interest	1,537	(411)	8,730	830	2,061	(1,553)	427	278	462	312
	3,137	(840)	51,166	3,669	3,954	(3,910)	1,068	695	872	588
Dividend paid to non-controlling interests	-	-	430	630	392	245	-	-		-

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's subsidiaries that have material non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd)

(iii) Summarised cash flows

	Arcadia Properties Sdn. Bhd.		Harbour-Link Lines Sdn. Bhd.		Advance Mariner Lines Sdn. Bhd.		HLG Equipment Sdn. Bhd.		Harbour Services Sdn. Bhd.	
	Group		Group		Group		Group			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/from operating activities	(354)	(606)	69,869	40,351	3,907	2,138	2,594	1,070	(315)	2,383
Net cash from/(used in) investing activities	111	137	(2,123)	(2,914)	(283)	3,972	(2,988)	(112)	304	(271)
Net cash (used in)/from financing activities	(1,491)	-	(36,497)	(29,697)	(657)	(469)	(169)	(135)	(109)	(131)
Net (decrease)/increase in cash and cash equivalents	(1,734)	(469)	31,249	7,740	2,967	5,641	(563)	823	(120)	1,981
Effects of exchange rates	-	-	7	(2)	224	(29)	-	-	-	-
Cash and cash equivalents at the beginning of the year	2,327	2,796	28,838	21,100	13,687	8,075	1,538	715	3,288	1,307
Cash and cash equivalents at the end of the year	593	2,327	60,094	28,838	16,878	13,687	975	1,538	3,168	3,288

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for the financial year ended 30 June 2021
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16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Unquoted shares in Malaysia, at cost	1,876,200	1,726,200	1,766,200	1,766,200
Share of post-acquisition reserves	8,896,122	11,114,943	-	-
	10,772,322	12,841,143	1,766,200	1,766,200

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Ownership of interest held by the Group[ß] 2021 %	2020 %
ECL (Malaysia) Sdn. Bhd. **	Malaysia	Shipping and services related	49	49
Subsidiaries of ECL (Malaysia) Sdn. Bhd.				
HKK Jaya Sdn. Bhd. **	Malaysia	Shipping owning and operator services	57[#]	57[#]
Poseidon Autoliners Sdn. Bhd. **	Malaysia	Shipping owning and operator services	57[#]	57[#]
Held through Harbour-Link Lines (PK) Sdn. Bhd.				
Smart Shipping Sdn. Bhd. **	Malaysia	Shipping and services related	40	40
Held through Harbour-Link Logistics Sdn. Bhd.				
Harbour-Link Logistic (S) Sdn. Bhd.* ("HLGS")	Malaysia	Shipping and services related	30	-
Held through AML Shipping Sdn. Bhd.				
T & T Forwarding Sdn. Bhd.* ("TTSB")	Malaysia	Custom declaration & handling and forwarding	49	-

* Audited by Ernst & Young PLT, Malaysia.
** Audited by firms of auditors other than Ernst & Young PLT, Malaysia.
ß Equal to proportion of voting rights held
\# Represents effective interest i.e 15% directly held by the Company and 85% held through ECL (Malaysia) Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

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16. INVESTMENT IN ASSOCIATES (CONT'D)

All the results of the Group's associates were consolidated using the equity method.

(i) As disclosed in Note 15(b)(i) and 15(b)(ii), both HLGS and TTSB ceased to be the subsidiaries and became associates of the Group during the financial year. The retained interests in these entities are recognised based on their estimated fair value.

(ii) Incorporation of subsidiary by associate - Poseidon Autoliners Sdn. Bhd. ("PAL")

In the previous financial year, on 9 January 2020, ECL (Malaysia) Sdn. Bhd. ("ECL") incorporated a subsidiary with 2,000,000 ordinary shares of RM1 each, representing 85% of equity interest in PAL for a consideration of RM1,700,000. HLGB subscribed 300,000 ordinary shares of RM1 each, representing 15% of equity interest in PAL for a consideration of RM300,000.

(iii) Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts extracted from the financial statements of the associate prepared using the MFRS framework and not the Group's share of those amounts.

The following table summarises the financial information in respect of the Group's material associate:

	ECL (Malaysia) Sdn. Bhd. Group	
	2021	2020
	RM	RM
(a) Summarised statements of financial position		
Assets and liabilities		
Current assets	31,679,107	26,032,107
Non-current assets	187,264,029	223,025,252
Total assets	218,943,136	249,057,359
Current liabilities	18,049,042	15,186,624
Non-current liabilities	181,678,379	209,909,042
Total liabilities	199,727,421	225,095,666
Net assets	19,215,715	23,961,693

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16. INVESTMENT IN ASSOCIATES (CONT'D)

(iii) The following table summarises the financial information in respect of each of the Group's material associate: (contd.)

(b) Summarised statements of profit or loss and other comprehensive income

	ECL (Malaysia) Sdn. Bhd. Group	
	2021	2020
	RM	RM
Revenue	78,755,798	40,639,332
Profit before tax	(2,928,829)	3,147,458
Income tax expense	(893,033)	(872,959)
Other comprehensive income	(482,088)	711,510
(Loss)/profit for the year representing total comprehensive income	(4,303,950)	2,986,009
Dividend received from the associates during the year	171,500	171,500

(c) Reconciliation of net assets to carrying amount

	ECL (Malaysia) Sdn. Bhd. Group	
	2021	2020
	RM	RM
As at 30 June		
Net assets	19,215,715	23,961,693
Less: Non-controlling interest	(1,189,162)	(1,759,628)
Net assets attributable to shareholders of the Company	18,026,553	22,202,065
Effective interest in associates	49%	49%
Group's share of net assets	8,833,011	10,879,012

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17. INVESTMENT IN JOINT VENTURE

	Group 2021 RM	Group 2020 RM
Unquoted shares at cost	650,000	650,000
Share of post-acquisition reserve	4,738	(200,931)
	654,738	449,069

The Group has 50% of the voting right of its joint arrangement under the contractual arrangements and unanimous consent is required by all parties to the arrangement for all relevant activities.

The joint arrangement is structured via a separate entity and provides the Group with the rights to the net assets of the entity under the arrangement. Therefore, this entity is classified as joint venture of the Group.

Details of the joint venture are as follows:

Name of Joint Venture	Country of incorporation	Principal activities	% of ownership interest held by the Group[ß] 2021 %	% of ownership interest held by the Group[ß] 2020 %	Accounting model applied
A&H Project Services Sdn. Bhd. **	Malaysia	Transportation and crane renting	50	50	Equity method

ß Equals to the proportion of voting right held

** Audited by firms of auditors other than Ernst & Young PLT, Malaysia.

Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information represents the amounts extracted from the financial statements of the joint venture prepared using the MFRS framework and not the Group's share of those amounts.

	Group 2021 RM	Group 2020 RM
(i) Summarised statements of financial position		
Assets and liabilities		
Current assets	1,330,762	835,589
Non-current assets	840	114,995
Total assets	1,331,602	950,584
Current liabilities	22,125	52,447
Total liabilities	22,125	52,447
Net assets	1,309,477	898,137

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17. INVESTMENT IN JOINT VENTURE (CONT'D)

(ii) Summarised statements of profit or loss and other comprehensive income

	Group	
	2021	2020
	RM	RM
Revenue	-	-
Profit/(loss) for the year	411,340	(56,838)
Profit/(loss) for the year representing total comprehensive income/(loss)	411,340	(56,838)

(iii) Reconciliation of net assets to carrying amount

As at 30 June

	Group	
	2021	2020
	RM	RM
Net assets	1,309,477	898,137
Effective interest in joint venture	50%	50%
Group's share of net assets	654,738	449,069

18. OTHER INVESTMENTS

	Group	
	2021	2020
	RM	RM
Unquoted shares at fair value through profit or loss	215,519	215,519

19. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 July 2020/2019	(14,511,785)	(15,451,741)	(71,323)	(55,804)
Disposal of subsidiaries (Note 15(b)(ii)	276,505	-	-	-
Recognised in profit or loss (Note 10)	(121,311)	939,926	4,854	(15,519)
Exchange difference	496	30	-	-
At 30 June 2021/2020	(14,356,095)	(14,511,785)	(66,469)	(71,323)

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cont'd

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

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Deferred tax assets	1,519,112	1,276,790	-	-
Deferred tax liabilities	(15,875,207)	(15,788,575)	(66,469)	(71,323)
	14,356,095	(14,511,785)	(66,469)	(71,323)

Group

	Inventories	Unutilised tax losses	Unabsorbed capital allowances	Trade receivables	Total
	RM	RM	RM	RM	RM
Deferred tax assets:					
At 1 July 2020	453,584	691,498	670,709	1,594,970	3,410,761
Recognised in profit or loss	222,643	(548,571)	520,903	13,721	208,696
At 30 June 2021	676,227	142,927	1,191,612	1,608,691	3,619,457
At 1 July 2019	453,584	217,740	3,295,404	1,020,014	4,986,742
Recognised in profit or loss	-	473,758	(2,624,695)	574,956	(1,575,981)
At 30 June 2020	453,584	691,498	670,709	1,594,970	3,410,761

	Property, plant and equipment	
	RM	RM
Group		
Deferred tax liabilities		
At 1 July 2020/2019	(17,922,546)	(20,438,483)
Disposal of subsidiaries (Note 15(b)(ii)	276,505	-
Recognised in profit or loss	(330,005)	2,515,964
Effect of foreign exchange	494	(27)
At 30 June 2021/2020	(17,975,552)	(17,922,546)
Company		
Deferred tax liabilities		
At 1 July 2020/2019	(71,323)	(55,804)
Recognised in profit or loss	4,854	(15,519)
At 30 June 2021/2020	(66,469)	(71,323)

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

	Group	
	2021	2020
	RM	RM
Deferred tax assets have not been recognised in respect of the following items:		
Unutilised tax losses	12,370,000	22,558,000
Unabsorbed capital allowances	9,549,000	13,617,000
Other deductible temporary differences	20,000	-
	21,939,000	36,175,000

Deferred tax assets were not recognised as it was not probable that future taxable profits will be available against which the unutilised tax losses, unabsorbed capital allowances and other deductible temporary difference can be utilised. The above benefits of the Group are available for offsetting against future taxable profits of the respective companies in Malaysia and are subject to no substantial changes in shareholdings under the Income Tax Act, 1967 ("the Act") and guidelines issued by the tax authority.

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

	Group	
	2021	2020
	RM	RM
Year of assessment 2025	5,090,000	5,387,000
Year of assessment 2026	1,987,000	12,672,000
Year of assessment 2027	5,293,000	4,499,000
	12,370,000	22,558,000

20. INVENTORIES

	Group	
	2021	2020
	RM	RM
Non-current		
At cost		
Land held for property development	44,078,076	43,647,566

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20. INVENTORIES (CONT'D)

	Group	
	2021	2020
	RM	RM
Current		
At cost		
Properties held for sale	16,976,585	18,757,976
Property development cost	5,340,541	3,920,502
Bunkers and lubricants	5,930,041	2,659,998
Spare parts	2,451,747	5,056,629
Consumable stores	785,794	780,535
Equipment	4,526,621	4,524,017
	36,011,329	35,699,657
	80,089,405	79,347,223
Cost of inventories recognised as expenses	102,824,512	74,942,120

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	159,990,512	132,628,842	-	-
Finance lease receivables	3,145,374	613,231	-	-
Less: Allowance for impairment Third parties	(11,498,861)	(11,479,087)	-	-
Trade receivables, net	151,637,025	121,762,986	-	-
Other receivables				
Deposits	3,100,962	3,460,729	37,679	32,850
Sundry receivables	1,772,826	1,946,828	46	2,855
	4,873,788	5,407,557	37,725	35,705
Less: Allowance for impairment	-	(783)	-	-
Other receivables, net	4,873,788	5,406,774	37,725	35,705
	156,510,813	127,169,760	37,725	35,705

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21. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current				
Trade receivables				
Third parties	448,400	1,571,810	-	-
Finance lease receivables	409,237	569,663	-	-
	857,637	2,141,473	-	-
Other receivables				
Amounts due from subsidiaries	-	-	16,954,763	36,490,828
	409,237	569,663	16,954,763	36,490,828
Less: Allowance for impairment	-	-	(7,604,947)	(7,604,947)
	409,237	569,663	9,349,816	28,885,881
	857,637	2,141,473	9,349,816	28,885,881
Total trade and other receivables	157,368,450	129,311,233	9,387,541	28,921,586

(a) Trade receivables

Credit terms of trade receivables range from payment in advance to 120 days (2020: range from payment in advance to 120 days).

Information on exposure to credit risk and its expected credit loss are disclosed in Note 34(d).

(b) Finance lease receivables

Finance lease receivables consist of the following:

	Gross receivables RM	Unearned interest RM	Net receivables RM
Group			
At 30 June 2021			
Less than 1 year	3,216,272	(70,898)	3,145,374
Between 1 and 5 years	419,397	(10,160)	409,237
	3,635,669	(81,058)	3,554,611
At 30 June 2020			
Less than 1 year	677,585	(64,354)	613,231
Between 1 and 5 years	602,125	(32,462)	569,663
	1,279,710	(96,816)	1,182,894

NOTES TO THE FINANCIAL STATEMENTS

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21. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Finance lease receivables (cont'd)

Related party balances

Amounts due from subsidiaries are unsecured, receivable on demand and non-interest bearing, except for amounts totaling RM2,750,000 (2020: RM7,664,000) which earn interest at rates ranging from 4.50% to 6.85% (2020: 4.50% to 6.85%) per annum.

22. OTHER CURRENT ASSETS

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current				
Contract assets (Note 23)	3,832,062	1,652,242	-	-
Tax recoverable	4,050,825	2,596,719	63,535	100,321
Prepayments	7,486,248	4,859,081	672,637	39,604
	15,369,135	9,108,042	736,172	139,925

23. CONTRACT ASSETS/(LIABILITIES)

	Group	
	RM	RM
At 1 July 2020/2019	(3,731,669)	7,466,640
Revenue recognised during the year	38,567,606	85,472,952
Progress billings during the year	(35,694,007)	(96,671,261)
At 30 June 2021/2020	(858,070)	(3,731,669)
Analysed as follows:		
Contract assets (Note 22)	3,832,062	1,652,242
Contract liabilities (Note 30)	(4,690,132)	(5,383,911)
Retention sums on contracts, included within trade receivables	6,024,398	4,452,588

NOTES TO THE FINANCIAL STATEMENTS

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

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2021	2020
	RM	RM
Hire of plant and machinery	1,246,209	3,703,003
Depreciation of property, plant and equipment (Note 13)	1,888,450	1,838,494
Rental expense	217,672	316,826

24. INVESTMENT SECURITIES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Held for trading investments, at fair value				
Quoted money market funds	26,729,327	13,407,290	1,019,052	-

25. CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash at bank and on hand	156,963,013	133,195,955	612,137	1,522,877
Short-term deposits with licensed banks	18,004,588	13,200,879	-	-
	174,967,601	146,396,834	612,137	1,522,877

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods from 3 days to 12 months (2020: 3 days to 12 months) depending on the immediate cash requirements of the Group and earn interests at respective short-term deposit rates. The weighted average effective interest rates as at 30 June 2021 for the Group and the Company were 0.70% to 3.10% (2020: 1.60% to 3.35%) respectively. Short-term deposits with licensed banks of the Group amounting to RM3,646,227 (2020: RM1,641,787) are pledged as security for banking facilities utilised as disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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25. CASH AND BANK BALANCES (CONT'D)

For the purpose of statements of cash flow, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and short-term deposits	174,967,601	146,396,834	612,137	1,522,877
Bank overdrafts (Note 28)	(68,147)	-	-	-
Short-term deposits with maturity more than 3 months	(4,418,271)	(1,641,787)	-	-
Cash and cash equivalents	170,481,183	144,755,047	612,137	1,522,877

26. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	Number of Ordinary Shares		Amount	
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid)	Treasury shares
			RM	RM
At 1 July 2020	400,400,004	(706,700)	200,200,002	(354,028)
Acquisition of treasury shares	-	(1,116,600)	-	(532,923)
Exercise of warrants	4	-	6	-
At 30 June 2021	400,400,008	(1,823,300)	200,200,008	(886,951)
At 1 July 2019	400,400,004	-	200,200,002	-
Acquisition of treasury shares	-	(706,700)	-	(354,028)
At 30 June 2020	400,400,004	(706,700)	200,200,002	(354,028)

The issued and paid-up capital of the Company was increased from RM200,200,004 to RM200,200,008 pursuant to the exercise of 4 warrants out of a total 36,400,000 warrants at the exercise price of RM1.56 each.

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

Of the total 400,400,008 (2020: 400,400,004) issued and fully paid ordinary shares as at 30 June 2021, 1,823,300 (2020: 706,700) are held as treasury shares by the Company. As at 30 June 2021, the number of outstanding ordinary shares in issue after the set-off is therefore 398,576,708 (2020: 399,693,304) ordinary shares.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2021
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26. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

Warrants

Warrants were constituted under the Deed Poll dated 17 March 2016. Under the Deed Poll, a total of 36,400,000 warrants had been issued to the shareholders. On 9 April 2021, four warrants have been successfully exercised and four ordinary shares were issued at the exercise price of RM1.56. The remaining warrants expired on 2 April 2021.

27. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

28. LOANS AND BORROWINGS

		Group		Company	
	Maturity	2021	2020	2021	2020
		RM	RM	RM	RM
Current					
Secured:					
Lease liabilities	2022	13,480,506	14,615,431	-	-
Bank overdrafts (Note 27)	On demand	68,147	-	-	-
Term loans - RM loan:					
BLR - 0.5%	2022	770,103	745,852	-	-
BLR - 0.75%	2022	397,005	391,994	-	-
BLR - 1.5%	2022	422,944	399,711	-	-
Term Financing-i	2022	367,825	376,935	-	-
BLR + 0% (a)	2022	398,529	429,600	-	-
BLR + 0% (b)	2022	600,000	600,000	-	-
BLR + 0.25%	2022	-	445,985	-	-
BLR + 0.35%	2022	336,854	316,688	-	-
BLR + 0.5%	2022	1,646,193	1,654,931	-	-
3.38% p.a. fixed rate & BLR - 2%	2022	69,332	78,366	-	-
7.75% fixed rate	2022	-	203,516	-	-
		18,557,438	20,259,009	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
cont'd

28. LOANS AND BORROWINGS (CONT'D)

		Group		Company	
	Maturity	**2021**	**2020**	**2021**	**2020**
		RM	**RM**	**RM**	**RM**
Unsecured:					
Bankers' acceptances	2022	5,899,500	1,233,792	-	-
Invoice financing	2022	5,535,170	4,205,805	-	-
Revolving credit	2022	815,000	21,200,000	815,000	21,200,000
		12,249,670	26,639,597	815,000	21,200,000
Total short term borrowings		30,807,108	46,898,606	815,000	21,200,000
Non-current					
Secured:					
Lease liabilities	2023	20,900,607	28,908,995	-	-
Term loans - RM loan:					
BLR - 0.5%	2023 - 2025	3,234,486	4,017,640	-	-
BLR - 0.75%	2023 - 2026	1,611,535	2,040,499	-	-
BLR - 1.5%	2023 – 2025	2,132,350	2,600,564	-	-
Term Financing-i	2023 - 2029	2,844,393	3,220,902	-	-
BLR + 0% (a)	2022	-	400,612	-	-
BLR + 0% (b)	2023 - 2022	1,600,000	2,200,000	-	-
BLR + 0.35%	2023 - 2029	3,179,425	3,525,428	-	-
BLR + 0.5%	2023 - 2023	751,134	2,384,995	-	-
3.38% p.a. fixed rate & BLR - 2%	2022	-	71,012	-	-
Total long-term borrowings		36,253,930	49,370,647	-	-
Total loans and borrowings		67,061,038	96,269,253	815,000	21,200,000

Bank overdrafts

Bank overdrafts are secured by fixed and floating charges over certain landed properties of the Group (Note 13), short-term deposits of the Group and of the Company (Note 25) and against corporate guarantees from the Company. The effective interest rates as at reporting date ranged from BLR + 1% to BLR + 1.25% per annum.

Bankers' acceptances

Bankers' acceptances are secured against the corporate guarantee of the Company. The effective interest rate as at reporting date ranged from 3.82% to 4.50% (2020: 5.85% to 6.02%) per annum.

Revolving credit

The revolving credit bore interest at 4.22% (2020: 4.17%) per annum at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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28. LOANS AND BORROWINGS (CONT'D)

Invoice financing

Invoice financing are secured against the corporate guarantee of the Company. The effective interest rate as at reporting date is at 4.21% (2020:4.57%).

RM loan at BLR - 0.5%

This loan is secured by fixed charge over the leasehold land of a subsidiary, Harbour-Link (M) Sdn. Bhd. ("HLM") and a corporate guarantee from the Company.

RM loan at BLR - 0.75%

This loan is secured by fixed charge over land and buildings of a subsidiary, Harbour-Link Logistics Sdn. Bhd. ("HLLG") and a corporate guarantee from the Company.

RM loan at BLR - 1.5%

This loan is secured by fixed charge over certain leasehold land of HLLG and a corporate guarantee from the Company.

Term Financing-i

This loan is secured by fixed charge over freehold land and buildings of a subsidiary, Eastern Soldar Engineering & Construction Sdn. Bhd. and a corporate guarantee from the Company.

RM loan at BLR + 0%

(a) This loan is secured by fixed charge over vessel of a subsidiary, Harbour-Link Shipping Sdn. Bhd. and a corporate guarantee from the Company.

(b) This loan is secured by fixed charge over leasehold land of a subsidiary, Harbour Services Corporation Sdn. Bhd. and a corporate guarantee from the Company.

RM loan at BLR + 0.25%

This loan is secured by fixed charge over the vessel of a subsidiary, Harbour Xtra Sdn. Bhd. and a corporate guarantee from the Company.

RM loan at BLR + 0.35%

This loan is secured by fixed charge over the leasehold land of a subsidiary, Harbour Logistics Sdn. Bhd. and a corporate guarantee from the Company.

RM loan at BLR + 0.5%

This loan is secured by fixed charge over the vessels of a subsidiary, Harbour Ruby Sdn. Bhd. and Harbour Zenith Sdn. Bhd. and a corporate guarantee from the Company.

RM bank loan at 3.38% fixed for the first year and BLR - 2% subsequently

The loan is secured by way of legal charges on investment properties of HLM and a corporate guarantee from the Company.

RM loan at 7.75% fixed rate

This loan is secured by fixed charge over the vessel of a subsidiary, Harbour Services (Kch) Sdn. Bhd. and a corporate guarantee from the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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28. LOANS AND BORROWINGS (CONT'D)

Lease liabilities

The movement of lease liabilities during the financial year is as follows:

	RM	RM
Group		
At 1 July 2020/2019	43,524,426	40,035,763
Additions (Note 13)	6,117,915	18,875,093
Interest charged (Note 6)	2,268,482	2,755,401
Payments	(17,052,953)	(18,141,831)
Disposal of subsidiaries (Note 15(b)(ii))	(663,926)	-
Exchange difference	828,723	-
Modification of lease	(641,555)	-
At 30 June 2021/2020	34,381,113	43,524,426

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:

	2021 RM	2020 RM
Group		
Depreciation of right-of-use assets (Note 13(e))	10,085,608	9,811,989
Interest expense on lease liabilities (Note 6)	2,268,482	2,755,401
Short term leases (Note 7)	10,644,786	22,724,745

The Group had total cash outflows for leases amounting to RM27,697,739 (2020: RM40,866,576) during the financial year.

There were no leases with residual value guarantee or leases which have yet to commence of which the Group have committed.

The effective interest rate as at reporting date ranged from 2.18% to 7.75% (2020: 2.18% to 7.75%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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29. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade payables				
Third parties	68,296,657	54,039,892	-	-
Accruals	3,812,465	1,507,191	-	-
	72,109,122	55,547,083	-	-
Other payables				
Accrued operating expenses	10,697,402	9,894,829	379,376	425,226
Sundry payables	9,921,151	6,400,098	754,494	91,941
Amounts due to subsidiaries	-	-	13,074,571	14,933,384
Deposit received	1,458,406	914,938	-	-
	22,076,959	17,209,865	14,208,441	15,450,551
Total trade and other payables	94,186,081	72,756,948	14,208,441	15,450,551

(a) Trade and other payables

These amounts are non-interest bearing. Credit terms of trade and other payables ranged from 30 to 120 days (2020: ranged from 30 to 120 days).

(b) Amounts due to subsidiaries

These amounts are unsecured, repayable on demand and bear interest of 4.5% (2020: 4.5%) per annum.

30. OTHER CURRENT LIABILITIES

	Group	
	2021	2020
	RM	RM
Contract liabilities (Note 23)	4,690,132	5,383,911

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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31. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities RM	Term loan RM	Revolving credit RM	Bankers' acceptance RM	Invoice financing RM	Total RM
Group						
At 1 July 2020	43,524,426	26,105,230	21,200,000	1,233,792	4,205,805	96,269,253
New leases	6,117,915	-	-	-	-	6,117,915
Cashflows	(14,784,471)	(5,743,121)	(20,385,000)	4,665,708	1,329,365	(34,917,519)
Disposal of subsidiaries	(663,926)	-	-	-	-	(663,926)
Exchange differences	828,723	-	-	-	-	828,723
Modification of leases	(641,555)	-	-	-	-	(641,555)
At 30 June 2021	34,381,113	20,362,109	815,000	5,899,500	5,535,170	66,992,891
At 1 July 2019	40,035,763	29,238,131	14,220,000	6,374,364	-	89,868,258
New leases	18,875,093	-	-	-	-	18,875,093
Cashflows	(15,386,430)	(3,132,901)	6,980,000	(5,140,572)	4,205,805	(12,474,098)
At 30 June 2020	43,524,426	26,105,230	21,200,000	1,233,792	4,205,805	96,269,253
Company						
At 1 July 2020	-	-	21,200,000	-	-	21,200,000
Cashflows	-	-	(20,385,000)	-	-	(20,385,000)
At 30 June 2021	-	-	815,000	-	-	815,000
At 1 July 2019	-	-	14,220,000	-	-	14,220,000
Cashflows	-	-	6,980,000	-	-	6,980,000
At 30 June 2020	-	-	21,200,000	-	-	21,200,000

32. COMMITMENTS

Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2021 RM	2020 RM
Approved and contracted for:		
Property, plant and equipment	7,345,691	2,445,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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33. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the parties during the financial year:

	Balance outstanding		Transaction values	
	2021	2020	2021	2020
	RM	RM	RM	RM
Group				
Related Parties				
Income				
Sales of services				
- Azam Teroka Sdn. Bhd.	24,643	18,917	162,774	87,875
- Herdsen Corporation Sdn. Bhd.	-	-	2,217,633	12,780
- Herdsen Quarry Sdn. Bhd.	35,485	500	126,963	35,515
- Herdsen Sago Industrial Sdn. Bhd.	30,879	10,812	64,740	85,274
- Magna Goldenway Sdn. Bhd.	-	-	30,202	-
- Marup Quarry Sdn. Bhd.	17,050	5,500	49,283	16,415
- Slingtex Industrial Sdn. Bhd.	-	-	-	1,228
- Sri Minah Enterprise Sdn. Bhd.	-	-	-	500
- Y C Freight Sdn. Bhd.	-	-	-	9,152
Sales of property, plant and equipment				
- Herdsen Quarry Sdn. Bhd.	-	-	-	8,000
- Marup Quarry Sdn. Bhd.	-	551,888	-	513,555
Sales of equipment and spare parts				
- Herdsen Quarry Sdn. Bhd.	133,303	-	1,515,498	-
- Marup Quarry Sdn. Bhd.	5,212	-	23,893	-

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33. RELATED PARTY DISCLOSURES (CONT'D)

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the parties during the financial year: (cont'd)

	Balance outstanding		Transaction values	
	2021	2020	2021	2020
	RM	RM	RM	RM
Group (cont'd)				
Related Parties (cont'd)				
Expenditure				
Purchase of services				
- Azam Teroka Sdn. Bhd.	(7,000)	-	69,280	452,460
- Herdsen Quarry Sdn. Bhd.	(120,791)	(502,578)	915,061	1,846,902
- Ricardon Sdn. Bhd.	(1,500)	-	7,000	16,000
- Y C Logistic Sdn. Bhd.	-	-	335,426	580,194
Purchase of parts, tyres, materials and equipment				
- Herdsen Quarry Sdn. Bhd.	-	-	69,854	183,691
- Marup Quarry Sdn. Bhd.	-	-	-	20,000
- Slingtex Industrial Sdn. Bhd.	-	-	-	43,222
- Sri Minah Enterprise Sdn. Bhd.	-	-	-	26,882
Rental of equipment and premises				
- Herdsen Quarry Sdn. Bhd.	-	-	-	10,368
- Herdsen Corporation Sdn. Bhd.	-	-	931	-
- Magna Goldenway Sdn. Bhd.	(415,530)	-	877,513	859,888
- Marup Quarry Sdn. Bhd.	-	-	3,372	6,900
- Sri Minah Enterprise Sdn. Bhd.	(340,952)	(256,026)	829,905	581,548
- Director of the subsidiaries				
- Lee Jia Yen	-	-	14,400	14,400
- Lee Yeong Shing	-	-	19,200	19,200

Related parties represent companies/persons connected to the directors of the Company namely Dato Yong Piaw Soon, Wong Siong Seh and directors of subsidiaries namely Lee Seng Chiong, Hii Kwong Wui, Yong Leong Mew and Yong Leong Hua.

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33. RELATED PARTY DISCLOSURES (CONT'D)

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions at terms agreed between the parties during the financial year: (cont'd)

	Transaction values	
	2021	2020
	RM	RM
Associates		
Income		
Sales of services	(37,045)	(578,601)
Dividend income	171,500	171,500
Expenditure		
Purchase of services	2,016,046	2,428,733
Company		
Transactions with subsidiaries:		
Income		
Dividend income	10,671,500	29,100,000
Interest income	405,921	553,541
Management fee income	1,176,600	1,194,600
Rental income	835,433	665,600
Expenditure		
Interest expense	311,971	979,553

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Short-term employee benefits	11,641,980	10,708,792	1,808,764	1,497,405
Post-employment benefits: Defined contribution plan	844,583	1,387,137	123,263	112,051
Benefits-in-kind	112,531	100,660	-	-
	12,599,094	12,196,589	1,932,027	1,609,456
Included in the total key management personnel are:				
Directors' remuneration (Note 9)	3,355,267	2,573,781	1,083,341	1,058,344

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to foreign currency exchange risk, interest rate risk, liquidity risk and credit risk. The Group's overall financial risk management objective is to minimise any potential adverse effects from the unpredictability of financial markets on the Group's financial performance in order to ensure the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risk and the objectives, policies and processes for the management of these risks.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risks as defined by MFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

The Group is exposed to currency translation risk arising from its net investments in foreign operations, including Singapore, Brunei Darussalam and Hong Kong.

As at 30 June 2021, the Group's and Company's Ringgit Malaysia ("RM") operating entities had United States Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Yuan ("CNY") and Hong Kong Dollar ("HKD") denominated net monetary liabilities. Impact of fluctuation of currency is shown below:

	Group	
	2021	2020
	RM	RM
RM / USD - Strengthen 3% (2020: 4%)	1,445,080	294,988
RM / USD - Weaken 3% (2020: 5%)	(1,541,419)	(368,748)
RM / SGD - Strengthen 1% (2020: 2%)	131,957	3,007
RM / SGD - Weaken 2% (2020: 3%)	(194,842)	(9,002)
RM / CNY - Strengthen 1% (2020: 3%)	7,490	12,463
RM / CNY - Weaken 6% (2020: 3%)	(44,720)	(12,463)
RM / HKD - Strengthen 3% (2020: 4%)	(111,323)	(76,300)
RM / HKD - Weaken 3% (2020: 6%)	107,176	114,450
RM / BND - Strengthen 1% (2020: 1%)	8,731	(1,417)
RM / BND - Weaken 2% (2020: 3%)	(12,892)	4,250

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign currency risk (cont'd)

The currency exposure profile of the Group's financial assets and liabilities is disclosed as follows:

	Net financial receivables/(payables) and cash and bank balances held in non-functional currencies				
	USD	SGD	CNY	HKD	Total
	RM	RM	RM	RM	RM
Functional currency of Group - RM					
At 30 June 2021	10,704,298	3,436,375	1,101,485	(6,044,896)	9,197,262
At 30 June 2020	7,374,959	300,750	415,442	(1,907,492)	6,183,659

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest bearing assets are primarily short-term bank deposits with financial institutions. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on deposits to be unlikely.

The Group's primary interest rate risk relates to interest-bearing debts. The Group manages its interest rate exposure by keep closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings and a mix of interest revision dates. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and to achieve a certain level of protection against rate hikes.

If the Group's borrowings at variable rates on which hedges have not been entered into changes in the following basis points, with all other variables being held constant, the effects on profit before tax would be as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Borrowings based on cost of funds (KLIBOR):				
- Increase by 25 basis points	(2,038)	(53,000)	(2,038)	(53,000)
- Decrease by 25 basis points	2,038	53,000	2,038	53,000
Borrowings based on base lending rate (BLR):				
- Increase by 25 basis points	(50,902)	(64,381)	-	-
- Decrease by 25 basis points	50,902	64,381	-	-

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	5 years and more	Total
	RM	RM	RM	RM	RM
Group					
At 30 June 2021					
Financial liabilities					
Trade and other payables	94,186,081	-	-	-	94,186,081
Loans and borrowings	38,252,756	15,656,434	18,779,905	5,046,551	77,735,646
Total undiscounted financial liabilities	132,438,837	15,656,434	18,779,905	5,046,551	171,921,727
At 30 June 2020					
Financial liabilities					
Trade and other payables	72,756,948	-	-	-	72,756,948
Loans and borrowings	50,753,277	20,662,732	24,923,082	9,560,111	105,899,202
Total undiscounted financial liabilities	123,510,225	20,662,732	24,923,082	9,560,111	178,656,150

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	5 years and more	Total
	RM	RM	RM	RM	RM
Company					
At 30 June 2021					
Financial liabilities					
Trade and other payables	14,294,601	-	-	-	14,294,601
Loans and borrowings	843,036	-	-	-	843,036
Financial guarantee contracts *	49,840,000	-	-	-	49,840,000
Total undiscounted financial liabilities	64,977,637	-	-	-	64,977,637
At 30 June 2020					
Financial liabilities					
Trade and other payables	15,533,968	-	-	-	15,533,968
Loans and borrowings	21,971,680	-	-	-	21,971,680
Financial guarantee contracts *	56,802,000	-	-	-	56,802,000
Total undiscounted financial liabilities	94,307,648	-	-	-	94,307,648

* *Based on the maximum amount that be called under financial guarantee contracts.*

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

For trade and other receivables, the Group controls these risk by the application of credit approvals, limits and monitoring procedures. The Group also minimises its exposure through analysing the counterparties' financial condition prior to entering into any services/contracts where appropriate to mitigate credit risk. Trade receivables are monitored on an ongoing basis via Group's management reporting procedures. For other financial assets (deposits, cash and bank balances with financial institutions) the Group adopts the policy of dealing only with counterparties of high credibility (i.e. banks and financial institutions).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events and current and forecasted industries' conditions including the effects of COVID-19. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in below. The Group does not hold any collateral as security.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance; and
- a nominal amount of RM49,840,000 (2020: RM56,802,000) relating to corporate guarantees provided by the Company to banks on the subsidiaries' borrowings.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the trade and other receivables on an ongoing basis. At the reporting date, approximately 18% (2020: 14%) of the Group trade receivables are two major customers located in Malaysia.

(i) Exposure to credit risk for trade receivables

Recognition and measurement of impairment loss

The following table provides information about exposure to credit risk and expected credit loss for trade receivables of the Group as at 30 June 2021 and 30 June 2020:

	Expected credit loss rate in %	Total gross carrying amount RM	Expected credit loss RM
Group			
30 June 2021			
Current (not past due)	2.70	83,815,590	2,262,825
Days past due:			
1-90 days	2.14	54,540,827	1,168,993
91-180 days	28.91	9,549,805	2,761,147
181-360 days	22.41	7,601,976	1,703,416
More than 360 days	42.46	8,485,325	3,602,480
		163,993,523	11,498,861

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2021
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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

(i) Exposure to credit risk for trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The following table provides information about exposure to credit risk and expected credit loss for trade receivables of the Group as at 30 June 2021 and 30 June 2020: (cont'd)

	Expected credit loss rate in	Total gross carrying amount	Expected credit loss
	%	RM	RM
Group (cont'd)			
30 June 2020			
Current (not past due)	0.54	57,201,130	311,224
Days past due:			
1-90 days	1.16	42,112,561	489,772
91-180 days	8.11	18,061,329	1,465,614
181-360 days	47.36	15,733,349	7,450,608
More than 360 days	77.44	2,275,177	1,761,869
		135,835,546	11,479,087

The movement in allowance for expected credit losses ("ECL") during the year for the Group and the Company are shown below:

	RM	RM
Group		
At 1 July 2020/2019	11,479,107	4,918,462
Charge for the year (Note 7)	4,556,528	7,354,162
Reversal of impairment losses (Note 5)	(4,533,047)	(797,786)
Net impairment losses	23,481	6,556,376
Exchange differences	(3,727)	4,269
At 30 June 2021/2020	11,498,861	11,479,107

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for the financial year ended 30 June 2021
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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

(ii) Other receivables that are impaired

Movement in allowance accounts:

	Group		Company	
	RM	RM	RM	RM
At 1 July 2020/2019	783	3,343	7,604,947	5,677,614
Written off	-	-	-	(70,964)
Charge for the year (Note 7)	-	-	-	2,204,926
Reversal of impairment loss (Note 5)	(783)	(2,560)	-	(206,629)
At 30 June 2021/2020	-	783	7,604,947	7,604,947

35. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments, categories as follows:

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")

		30 June 2021				30 June 2020			
		Group		Company		Group		Company	
	Note	AC	FVTPL	AC	FVTPL	AC	FVTPL	AC	FVTPL
		RM	RM	RM	RM	RM	RM	RM	RM
Financial assets									
Trade and other receivables	21	157,368,450	-	9,387,541	-	129,311,233	-	28,921,586	-
Investment securities	24	-	26,729,327	-	1,019,052	-	13,407,290	-	-
Other investments	18	-	215,519	-	-	-	215,519	-	-
Cash and bank balances	25	174,967,601	-	612,137	-	146,396,834	-	1,522,877	-
		332,336,051	26,944,846	9,999,678	1,019,052	275,708,067	13,622,809	30,444,463	-
Financial liabilities									
Loans and borrowings	28	67,061,038	-	815,000	-	96,269,253	-	21,200,000	-
Trade and other payables	29	94,186,081	-	14,208,441	-	72,756,948	-	15,450,551	-
		161,247,119	-	15,023,441	-	169,026,201	-	36,650,551	-

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36. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	21
Trade and other payables	29
Loans and borrowings	28

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

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37. FAIR VALUE MEASUREMENT (CONT'D)

Fair value hierarchy (cont'd)

The following table provides the fair value measurement hierarchy of the Group's and Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2021 and 2020:

	Note	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group						
Assets measured at fair value						
Investment securities	24	30 June 2021	26,729,327	-	-	26,729,327
Other investments	18	30 June 2021	-	-	215,519	215,519
			26,729,327	-	215,519	26,944,846
Assets for which fair values are disclosed						
Investment properties	14	30 June 2021	-	-	28,253,000	28,253,000
Assets measured at fair value						
Investment securities	24	30 June 2020	13,407,290	-	-	13,407,290
Other investments	18	30 June 2020	-	-	215,519	215,519
			13,407,290	-	215,519	13,622,809
Assets for which fair values are disclosed						
Investment properties	14	30 June 2020	-	-	27,248,000	27,248,000
Company						
Assets measured at fair value						
Investment securities	24	30 June 2021	1,019,052	-	-	1,019,052
	24	30 June 2020	-	-	-	-

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38. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, obtain new financing facilities or dispose assets to reduce borrowings.

Management monitors capital based on the Group's and the Company's gearing ratios. The Group and the Company are also required by certain banks to maintain a gearing ratio of not exceeding certain percentage varying between 100% and 200%. The Group's and the Company's strategies are to maintain gearing ratio of not exceeding 100%.

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

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Loans and borrowings	28	67,061,038	96,269,253	815,000	21,200,000
Trade and other payables	29	94,186,081	72,756,948	14,208,441	15,450,551
Less:					
Investment securities	24	(26,729,327)	(13,407,290)	(1,019,052)	-
Cash and bank balances	25	(174,967,601)	(146,396,834)	(612,137)	(1,522,877)
Net (cash)/debt		(40,449,809)	9,222,077	13,392,252	35,127,674
Equity attributable to the owners of the Company		475,202,624	419,346,323	239,139,688	236,713,421
Capital and net debt		434,752,815	428,568,400	252,531,940	271,841,095
Gearing ratio		N/A	2.15%	5.30%	12.92%

39. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services provided. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that serves different markets.

(b) Business segments

The Group is organised into five major business segments:

(i) Investment holding
(ii) Shipping and marine services
(iii) Integrated logistics
(iv) Engineering works
(v) Property development

NOTES TO THE FINANCIAL STATEMENTS

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39. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Investment holding	Shipping and marine services	Integrated logistics	Engineering works	Property development	Elimination adjustments	Note	Total
	RM	RM	RM	RM	RM	RM		RM
30 June 2021								
Revenue								
External sales	-	396,014,375	168,982,869	35,665,782	8,338,426	-		609,001,452
Inter-segment sales	12,775,533	8,295,083	10,353,314	-	194,900	(31,618,830)	A	-
Total revenue	12,775,533	404,309,458	179,336,183	35,665,782	8,533,326	(31,618,830)		609,001,452
Segment results								
Profit before tax	7,197,943	68,407,006	14,228,032	4,248,468	3,225,993	(14,364,046)	A	82,943,395
Depreciation	292,106	8,690,986	16,678,227	4,323,864	175,659	(8,743)	A	30,152,099
Impairment loss	-	-	1,176,463	-	-	-		1,176,463
Finance costs	712,974	1,527,828	2,200,783	187,450	405,501	(1,003,620)	A	4,030,916
Income tax expense	252,991	4,888,254	1,935,231	1,249,806	(12,687)	(108,724)		8,204,871
Share of results of associates	-	(1,956,156)	116,049	-	-	-		(1,840,107)
Share of results of joint venture	-	-	205,671	-	-	-		205,671
Assets								
Investment in associates	-	10,772,322	-	-	-	-		10,772,322
Investment in joint venture	-	-	654,738	-	-	-		654,738
Addition to non-current assets	57,455	16,442,333	6,347,256	128,803	466,616	-	B	23,442,463
Segment assets	18,878,266	293,197,925	266,273,634	87,494,882	76,369,536	(8,900,642)	C	733,313,601
Liabilities								
Segment liabilities	3,588,150	97,962,181	74,010,489	10,145,613	5,115,987	(6,492,366)	D	184,330,052

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2021
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39. SEGMENT INFORMATION (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (cont'd)

	Investment holding	Shipping and marine services	Integrated logistics	Engineering works	Property development	Elimination adjustments	Note	Total
	RM	RM	RM	RM	RM	RM		RM
30 June 2020								
Revenue								
External sales	-	371,611,745	157,839,837	86,138,874	1,659,767	-		617,250,223
Inter-segment sales	31,031,700	8,207,379	10,403,076	-	132,100	(49,774,255)	A	-
Total revenue	31,031,700	379,819,124	168,242,913	86,138,874	1,791,867	(49,774,255)		617,250,223
Results								
Profit before tax	22,355,115	1,182,296	21,174,285	12,733,945	(822,047)	(21,585,662)	A	35,037,932
Depreciation	310,755	13,284,788	16,706,376	462,691	167,687	(336,530)	A	30,595,767
Impairment loss	-	8,300,000	-	-	-	-		8,300,000
Finance costs	1,915,324	2,584,549	3,060,399	248,733	564,521	(2,190,657)	A	6,182,869
Income tax expense	262,792	3,797,898	4,210,238	3,148,384	(11,453)	(8,704)		11,399,155
Share of results of associates	-	1,214,330	-	-	-	-		1,214,330
Share of results of joint venture	-	-	(53,228)	-	-	-		(53,228)
Assets								
Investment in associates	-	12,841,143	-	-	-	-		12,841,143
Investment in joint venture	-	-	449,069	-	-	-		449,069
Addition to non-current assets	67,643	25,874,888	12,919,731	2,795,496	31,117	79,486	B	41,768,361
Segment assets	37,943,141	212,886,284	262,225,080	94,384,640	76,554,430	(10,163,457)	C	673,830,119
Liabilities								
Segment liabilities	36,721,874	59,848,590	81,151,099	19,104,801	8,373,745	(11,530,066)	D	193,670,043

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39. SEGMENT INFORMATION (CONT'D)

A Elimination of inter-segment unrealised profit at consolidation.

B Additions to non-current assets consists of:

	2021 RM	2020 RM
Property, plant and equipment (Note 13)	23,432,461	41,755,444
Investment properties (Note 14)	10,002	12,917
	23,442,463	41,768,361

C The following items deducted from segment assets to arrive at total assets reported in the consolidated statement of financial positions.

	2021 RM	2020 RM
Inter-segment assets elimination	(7,096,076)	(8,273,523)
Unrealised gain on inter-segment transactions	(1,804,566)	(1,889,934)
	(8,900,642)	(10,163,457)

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

	2021 RM	2020 RM
Inter-segment liabilities elimination	(6,492,366)	(11,530,066)

(e) Geographical segments

Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's five business segments operate in following geographical areas:

	Total revenue from external customers 2021 RM	2020 RM
(i) Malaysia	505,982,889	533,527,297
(ii) Singapore	1,450,639	3,311,117
(iii) Brunei	1,380,410	2,126,086
(iv) Hong Kong/China	100,187,514	78,285,723
Consolidated	609,001,452	617,250,223

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40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO, which has been further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved. Whilst the world is experiencing a prolonged economic downturn due to COVID-19 global pandemic which had caused demand disruptions of petroleum products, the Group has maintained a very prudent approach and taken proactive steps in managing the Group's finances. Capital expenditure and operating expenses have been reviewed and cost reduction measures are ongoing without jeopardizing our operations and service delivery to customers.

The Group has also continued to prioritise the health and safety of its employees and implemented necessary COVID-19 mitigation measures such as physical distancing at work, workplace segregation, flexible working arrangements including working from home, virtual meetings, temperature checks and regular workplace sanitisation. As at the reporting date, the Group has achieved approximately 99% vaccinated workforce. Given the continued uncertainty posed by the COVID-19 pandemic, the Group continues to monitor both local and global developments closely and remains proactive and vigilant in mitigating any potential impact to the Group's businesses.

The carrying amounts of the Group's assets and liabilities as at the balance sheet date have been reviewed and found to be appropriate taking into consideration of any possible impact of COVID-19 pandemic. However, as the global COVID-19 situation remains fluid at the date of the financial statements, management cannot reasonably ascertain the full extent of the probable impact, if any, to the Group's financial results for future periods.

ANALYSIS OF SHAREHOLDING
as at 12 October 2021

Total number of Issued Shares	:	400,400,008
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

SIZE OF SHAREHOLDINGS
as at 12 October 2021

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100 shares	11,163	404,561	0.10
100 to 1,000 shares	3,209	918,034	0.23
1,001 to 10,000 shares	1,788	7,919,716	1.98
10,001 to 100,000 shares	603	18,189,359	4.54
100,001 to less than 5% of issued shares	129	137,922,013	34.45
5% and above of issued shares	6	235,046,325	58.70
	16,898	400,400,008	100.00

DIRECTORS' SHAREHOLDINGS
as at 12 October 2021

		Direct Interest		Indirect Interest	
No.	Name	Shares	%#	Shares	%#
1.	Dato Yong Piaw Soon	39,826,599	9.99	212,819,726*	53.40
2.	Wong Siong Seh	22,274,360	5.59	212,819,726*	53.40
3.	Dato' Toh Guan Seng	5,060,000	1.27	-	-
4.	Datuk Pau Chiong Ung	-	-	-	-
5.	Datu Ir. Haji Mohidden Bin Haji Ishak	-	-	-	-
6.	Bin Lay Thiam	-	-	-	-
7.	Khoi Hoay Ling	-	-	-	-

ANALYSIS OF SHAREHOLDING

as at 12 October 2021
cont'd

SUBSTANTIAL SHAREHOLDERS
as at 12 October 2021

		Direct Interest		Indirect Interest	
No.	Name	Shares	%#	Shares	%#
1.	Enricharvest Sdn Bhd	126,258,306	31.68	-	-
2.	United Joy Sdn Bhd	86,561,420	21.72	-	-
3.	Dato Yong Piaw Soon	39,826,599	9.99	212,819,726*	53.40
4.	Wong Siong Seh	22,274,360	5.59	212,819,726*	53.40

Excluding a total of 1,823,300 shares bought-back by the Company and retained as treasury shares.
* *Deemed interest through shareholdings in Enricharvest Sdn Bhd and United Joy Sdn Bhd by virtue of Section 8 of the Companies Act 2016.*

THIRTY (30) LARGEST SHAREHOLDERS
as at 12 October 2021

No.	Names	No. of Shares held	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR UNITED JOY SDN BHD*	47,665,420	11.96
2	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ENRICHARVEST SDN BHD*	47,458,400	11.91
3	ENRICHARVEST SDN BHD	40,402,340	10.14
4	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YONG PIAW SOON*	39,826,599	9.99
5	UNITED JOY SDN BHD	31,196,000	7.83
6	ENRICHARVEST SDN BHD	28,497,566	7.15
7	HSBC NOMINEES (ASING) SDN BHD *QUINTET LUXEMBOURG FOR SAMARANG UCITS - SAMARANG ASIAN PROSPERITY*	15,981,200	4.00
8	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG SIONG SEH*	11,617,400	2.91
9	ENRICHARVEST SDN BHD	9,900,000	2.48
10	LEE POH IM	8,355,440	2.09
11	UNITED JOY SDN BHD	7,700,000	1.93
12	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG SIONG SEH*	7,356,960	1.85
13	TOH GUAN SENG	4,600,000	1.15
14	CITIGROUP NOMINEES (ASING) SDN BHD *UBS AG*	4,505,800	1.13
15	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CITIBANK NEW YORK*	4,078,000	1.02
16	HII ING KWONG	3,609,360	0.91
17	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG SIONG SEH*	3,300,000	0.83

ANALYSIS OF SHAREHOLDING

as at 12 October 2021
cont'd

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)
as at 12 October 2021

No.	Names	No. of Shares held	%
18	CIMB GROUP NOMINEES (ASING) SDN. BHD. *EXEMPT AN FOR DBS BANK LTD*	3,246,828	0.81
19	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEOH KIAT KIONG*	2,520,000	0.63
20	SHIN KAO JACK	2,510,000	0.63
21	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEE SENG CHIONG*	2,499,000	0.63
22	LAU CHII HUNG	1,960,000	0.49
23	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG SING KUOK*	1,753,260	0.44
24	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND*	1,482,700	0.37
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD *ETIQA LIFE INSURANCE BERHAD (LIFE PAR)*	1,453,300	0.36
26	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG LING POH (MQ0287)*	1,336,000	0.34
27	DB (MALAYSIA) NOMINEE (ASING) SDN BHD *THE BANK OF NEW YORK MELLON FOR ENSIGN PEAK ADVISORS INC.*	1,292,800	0.32
28	LOH CHAI KIAM	1,150,000	0.29
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD *ETIQA LIFE INSURANCE BERHAD*	1,122,500	0.28
30	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD *KAF TACTICAL FUND*	993,000	0.25

Note: Excluding a total of 1,823,300 shares bought-back by the Company and retained as treasury shares.

LIST OF PROPERTIES

as at 30 June 2021

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2021 (RM'000)	Date of acquisition
Harbour-Link Group Bhd						
Unit 6-12, Lot 2646, Parkcity Commerce Square, Jalan Tun Ahmad Zaidi, Bintulu, Sarawak	Leasehold land expiring on 18.02.2057	Office	2,561.7 sq metres	14 years	4,834	18 August 2006
Harbour-Link (M) Sdn Bhd						
Lot 3064, Block 26, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 11.10.2062	Workshop, storage area and warehouse	20,240.0 sq metres	19 years	3,828	20 February 1998
Lot 3065, Block 26, Kemena Land District, Bintulu Sarawak	Leasehold land expiring on 11.10.2066	Workshop, storage area and warehouse	8,096.0 sq metres	19 years	392	29 March 2000
Lot 4010, Block 26, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 24.01.2067	Workshop, storage area and warehouse	12,139.0 sq metres	19 years	1,869	2 August 2002
Lot 4052, Block 26, Kemena Land District, Kidurong Industrial Area, Bintulu, Sarawak	Leasehold land expiring on 25.03.2067	Workshop and storage Storage area	2,902.0 sq metres	15 years	465	5 July 2005
Block 5, 3rd Floor, Unit 1 of Lot 1079, Block 31, Kemena Land District, Bintulu, Sarawak	Leasehold land 60 years from the date of registration of the lease	Residential apartment used as staff quarters	74.3 sq metres	22 years	48	7 October 1998
Lot 2525, Block 32, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 06.05.2059	Residential double-storey semi-detached house used as staff quarters	383.1 sq metres	19 years	105	18 June 2002
Lot 2526 Block 32 Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 06.05.2059	Residential double-storey semi-detached house used as staff quarters	397.1 sq metres	19 years	105	18 June 2002
Lot 660, Block 4, Muara Tebas Land District, Kuching, Sarawak	Leasehold land expiring on 31.12.2036	Container storage yard	28,730.0 sq metres	14 years	1,278	28 January 2004
		Office Cum Warehouse		3 year	8,450	01 May 2019
Lot 4054, Block 26, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 08.02.2070	Storage yard rented to 3rd party	5,798 sq metres	12 years	1,685	11 March 2009

LIST OF PROPERTIES
as at 30 June 2021
cont'd

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2021 (RM'000)	Date of acquisition
Harbour Agencies (Sarawak) Sdn Bhd						
Lot 3429, Block 32, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 06.09.2058	Double-storey semi-detached house rented to third party	305.8 sq metres	22 years	130	19 February 2004
Sublot 32 (Survey Lot 8099) of Parent Lots 1559 and 1561, Lambir Land District, Miri, Sarawak	Leasehold land (corner) house Vacant	Double-storey terraced	349.3 sq metres	6 years	526	9 March 2016
Lot 1684, Block 11, Seduan Land District, Sibu, Sarawak	Leasehold land expiring on 03.12.2034	Vacant Agriculture land	9,220.0 sq metres	-	465	2 October 2003
Harbour Agencies (Sibu) Sdn Bhd						
Lot 2553, Block 7, Sibu Town District, Sibu, Sarawak	Leasehold land expiring on 28.09.2052	Office 3-storey corner shophouse	123.8 sq metres	29 years	140	25 October 1995
Harbour Services (Miri) Sdn Bhd						
Lot 2132, Kuala Baram Land District, Miri, Sarawak	Leasehold land expiring on 05.02.2064	Single storey warehouse industrial building	5,260.0 sq metres	15 years	485	6 February 2004
Harbour-Link Logistics Sdn Bhd						
Lot 3120, Block 26, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 16.01.2058	Warehouse and office	39,580.0 sq metres	5 years	13,482	26 October 2010
Lot 19, Industrial Zone 4, Kota Kinabalu Industrial Park Jalan Sepanjar, Kota Kinabalu, Sabah	Leasehold land expiring on 31.12.2098	Workshop and storage yard	12,205.8 sq metres	14 years	4,053	11 July 2005
Lot 317, Block 1, Kemena Land District at Samalaju Industrial Park, Bintulu, Sarawak	Leasehold land expiring on 20.01.2079	Storage yard	38,910.53 sq metres	3 years	3,478	1 May 2019
Lot 31, Phase 3A, Lahad Datu,Sabah	Leasehold land 99 years from the date of Registration of Lease	Vacant industrial land	4.49 acres	-	4,301	30 November 2019

LIST OF PROPERTIES

as at 30 June 2021
cont'd

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2021 (RM'000)	Date of acquisition
Eastern Soldar Engineering & Construction Sdn Bhd						
Lot 17239, Jalan Haruan 2, Oakland Industrial Park, 70200 Seremban	Freehold	Factory and office	10,219.0 sq metres	27 years	3,946	10 November 1992
Lot No. 14849, Town of Seremban, District of Seremban, Negeri Sembilan	Freehold storey shophouse rented to third party	Intermediate double-	153.0 sq metres	32 years	160	30 June 1994
Lot No. 11441, No. 1, Jalan Kesuma 3/7, Bandar Tasik Kesuma, 43700 Beranang, Selangor	Freehold Corner lot three-storey shopoffice	Vacant	224 sq metres	19 years	116	20 April 1999
PT 11643, Jalan Techvalley 1/2, Sendayan Techvalley 2, 71950 Bandar Sri Sendayan, Negeri Sembilan	Freehold building	Workshop	28,329.0 sq metres	4 years	13,872	22 May 2013
ESE Energy Sdn Bhd						
Lot No. 21953, Pekan of Bukit Kepayang, District of Seremban, Negeri Sembilan	Freehold Intermediate three-storey shopoffice	Staff house and store	92.9 sq metres	21 years	231	24 June 1996
Sarawak Edible Oils S/B						
Lot 1218, Block 20, Kemena Land District, Bintulu, Sarawak.	Leasehold land expiring on 31.10.2071	Vacant/ Industrial Land	312,579.19 sq metres	-	43,887	26 April 2010
Lot 2701, Block 2545, Block 20, Kemena Land District, Bintulu, sarawak.	Leasehold land 60 years from the date of registration of lease	Industrial Building	814.3 sq metres	5 years	958	01 April 2018

LIST OF PROPERTIES
as at 30 June 2021
cont'd

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2021 (RM'000)	Date of acquisition
Lot 7 (2581), Lot 2535, Block 20, Kemena Land District, Bintulu, Sarawak.	Leasehold land 60 years from the date of registration of the lease	Office 3-storey shophouse	222.8 s q metres	5 years	803	23 Mar 2016
Lot 59 (2633) Lot 2535, Block 20, Kemena Land District, Bintulu, Sarawak.	Leasehold land 60 years from the date of registration of the lease	Office 3-storey shophouse	140 sq metres	5 years	533	1 April 2017
Harbour Services Corporation Sdn Bhd						
PN 5048, Lot 205310934 at Kg. Bukit Kalam, Wilayah Persekutuan Labuan	Leasehold land expiring on 13.01.2056	Single storey house	17,377.2 sq metres	1 year	6,010	6 January 2015

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting ("**AGM**") of the Company will be held fully virtually and entirely via remote participation and voting through meeting platform of GoToWebinar hosted by megacorp.com.my (MYNIC Registration Number D1A018851) on Monday, 29 November 2021 at 10.00 a.m. for the purpose of transacting the following businesses: -

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Directors' and Auditors' Reports thereon.

2. To approve the payment of Directors' fees and allowances up to RM250,000.00 for the period from this AGM until the next AGM of the Company. ***(Resolution 1)***

3. To re-elect the following Directors retiring in accordance the Company's Constitution and being eligible, offer themselves for re-election:-

   i) Wong Siong Seh (Article 86) ***(Resolution 2)***
   ii) Khoi Hoay Ling (Article 86) ***(Resolution 3)***
   iii) Datu Ir. Haji Mohidden Bin Haji Ishak (Article 92) ***(Resolution 4)***

4. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Board of Directors to fix their remuneration. ***(Resolution 5)***

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following as ordinary resolutions: -

5. **AUTHORITY TO ISSUE SHARES** ***(Resolution 6)***

   "THAT pursuant to Section 75 and 76 of the Companies Act, 2016 and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** ***(Resolution 7)***

   "THAT the mandate granted by the shareholders of the Company at the Eighteenth AGM held on 23 November 2020 pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorizing the Company and its subsidiary ("**HLG Group**") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(i) of the Circular to Shareholders dated 29 October 2021 with the related parties mentioned therein which are necessary for HLG Group's day-to-day operations, be and is hereby renewed.

   THAT approval be and is hereby given for HLG Group to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(ii) of the Circular to Shareholders dated 29 October 2021, which are necessary for HLG Group's day-to-day operations.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

THAT the HLG Group be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that: -

a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year based on the type of Recurrent Related Party Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

THAT authority conferred shall continue to be in force until:-

i) the conclusion of the next AGM of the Company following the forthcoming Nineteenth AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;

ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2)(b) of the Companies Act, 2016 (the "**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier;

AND THAT the Directors of the Company be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

7. **AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK")** ***(Resolution 8)***

"THAT, subject always to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase 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 may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits: and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the forthcoming Nineteenth AGM, at which the ordinary resolution for the Proposed Share Buy-Back is passed, at which time it will lapse, unless by a resolution passed at the meeting, the Proposed Share Buy-Back authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2)(6) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991 of Malaysia, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares or to resell the shares or distribute the shares as dividends) in accordance with the provisions of the Constitution of the Company and the requirements and/or guidelines of Main Market Listing Requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities."

8. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA NO. 0799845)
M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA NO. 0781031)
Company Secretaries
Sarawak

Dated: 29 October 2021

Notes :-

1. *For the purpose of determining a member who shall be entitled to attend, speak and vote at the Nineteenth AGM, the Company shall be requesting the Record of Depositors as at 23 November 2021. Only a depositor whose name appears on the Record of Depositors as at 23 November 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.*

2. *A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*

NOTICE OF ANNUAL GENERAL MEETING
cont'd

3. (i) *Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

   (ii) *Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*

4. *The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.*

5. *The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.HLGB@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. You also have the option to register directly at https://vps.megacorp.com.my/iiF966 to submit the proxy appointment electronically not later than Saturday, 27 November 2021 at 10.00 a.m. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Guides.*

   Explanatory Notes to Special Business

   i) *Ordinary Resolution 6 – Authority to issue shares*

      The effect of the Ordinary Resolution if passed, will give the Directors of the Company, from the date of the Nineteenth AGM, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

      The mandate obtained last year was not exercised and hence no proceed was raised therefrom.

      The Board would like to renew the mandate to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost consuming to organise a general meeting. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital, repayment of bank borrowings and/or acquisitions.

   ii) *Ordinary Resolution 7 – Proposed Shareholders' Mandate*

      The explanatory note on Ordinary Resolution 7 is set out in the Circular to Shareholders dated 29 October 2021.

   iii) *Ordinary Resolution 8 – Proposed Share Buy-back*

      The explanatory note on Ordinary Resolution 8 is set out in the Circular to Shareholders dated 29 October 2021.

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HARBOUR-LINK GROUP BERHAD
Registration No. 200201025239 (592902-D)
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing this form please refer to the notes below)

No. of shares held	:	
CDS Account No.	:	

I/We ______________________________ NRIC/Passport/Registration No.* ____________________
(Full name in block)

of ____
(Address)

with email address ______________________________ Mobile phone no. ____________________

being a member/members* of **Harbour-Link Group Berhad** ("the Company") hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

and/or*

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend, speak and vote for *me/us and on my/our behalf at the Nineteenth Annual General Meeting ("**AGM**") of the Company to be held fully virtually and entirely via remote participation and voting through meeting platform of GoToWebinar hosted by megacorp.com.my (MYNIC Registration Number D1A018851) on Monday, 29 November 2021 at 10.00 a.m. or at any adjournment thereof.

Please indicate with an "x" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the proxy will vote or abstain from voting at his/her discretion.

		FIRST PROXY		**SECOND PROXY**	
ORDINARY RESOLUTIONS		**FOR**	**AGAINST**	**FOR**	**AGAINST**
1.	To approve the payment of Directors' fees and allowances up to RM250,000.00 for the period from this AGM until the next AGM of the Company				
2.	To re-elect the director, Wong Siong Seh				
3.	To re-elect the director, Khoi Hoay Ling				
4.	To re-elect the director, Datu Ir. Haji Mohidden Bin Haji Ishak				
5.	To re-appoint the retiring auditors, Messrs. Ernst & Young PLT				
6.	Authority to Issue Shares				
7.	Proposed renewal of shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature				
8.	Proposed renewal of share buy-back authority				

** delete whichever is not applicable.*

Dated this __________ day of ______________________ 2021

____
Signature of Member(s) / Common Seal

Fold This Flap For Sealing

Notes:-

1. *For the purpose of determining a member who shall be entitled to attend, speak and vote at the Nineteenth AGM, the Company shall be requesting the Record of Depositors as at 23 November 2021. Only a depositor whose name appears on the Record of Depositors as at 23 November 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.*
2. *A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*
3. *(i) Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

   *(ii) Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.*
5. *The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn Bhd situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.HLGB@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. You also have the option to register directly at https://vps.megacorp.com.my/iiF966 to submit the proxy appointment electronically not later than Saturday, 27 November 2021 at 10.00 a.m. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Guides.*

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Please Affix
Stamp

The Company Secretary

HARBOUR-LINK GROUP BERHAD
(Registration No. 200201025239 (592902-D)

c/o **Mega Corporate Services Sdn Bhd**
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur,
Wilayah Persekutuan

Fold along this line (2)

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