





# SUSTAINABILITY REPORT

## ABOUT THIS SUSTAINABILITY REPORT

This Sustainability Report (“the Report”) provides a comprehensive overview of Harbour-Link Group Berhad’s\* sustainability performance, focusing on key Economic, Environment and Social (“EES”) aspects. It offers an updated review of our sustainability initiatives for the financial year ended 30 June 2024, highlighting the risks and opportunities we face, as well as our forward-looking action plans. For a complete understanding of how we integrate financial and non-financial performance with sustainability objectives, this Report should be read alongside our 2024 Annual Report.



The Report is structured around the three (3) primary pillars of sustainable value creation with four (4) sustainability core areas:

Economic Pillar	Environment Pillar	Social Pillar	
Marketplace	Environment	Workplace	Community
Productivity & Innovations	Care for Environment	Invest in People	Returning to Community
			

We are grateful for the opportunity to share our sustainability commitments and the progress we have made in generating long-term value for our stakeholders through this Report.

## Reporting Period, Scope and Boundary

This Sustainability Report covers the reporting period from 1 July 2023 to 30 June 2024 (“FY2024”).

For FY2024, our Sustainability Report primarily focuses on the five (5) key divisions of Harbour-Link: Shipping and Marine, Integrated Logistics, Engineering, Machineries Trading, and Property Development, with particular emphasis on the Shipping and Marine Division in Malaysia. Unless otherwise stated, the information presented pertains to these five (5) key divisions in Malaysia.

## SUSTAINABILITY REPORT

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The Report reaffirms our commitment to transparency and responsible governance across economic, environmental, and social dimensions. Each entity included in the Report provides a detailed overview of its sustainability performance, addressing 11 material topics and four (4) core focus areas that align with the Group's overall sustainability approach.

The sustainability data presented in this Report are consistent with the Group's Annual Report, ensuring a cohesive and unified approach to reporting. By integrating data from across all Divisions, we provide an accurate and balanced representation of our sustainability performance. This reinforces Harbour-Link's dedication to offering stakeholders a clear, comprehensive view of our sustainability initiatives and ongoing progress.

### Reporting Standards, Guidelines and Indices

This Sustainability Report was prepared with reference to the following guidance and reporting standards, guidelines and indices, covering the reporting period of FY2024:

- The Main Market listing requirements of the Bursa Malaysia Securities Berhad Sustainability Reporting Guide 2022 (3rd edition)
- The 2021 Global Reporting Initiative (GRI) Standards
- Bursa Malaysia Main Market Listing Requirements (Enhanced Sustainability Reporting Requirements: Annexure A Practice Note 9)
- The Greenhouse Gas Protocol (GHG Protocol)
- FTSE4Good Bursa Malaysia Index (F4GBM)

### Assurance Statement

This Statement has not been subjected to an assurance process. Our current focus and commitment are to ensure its data collection and processes are continually being improved and as we progressively mature in our sustainability journey, we will also work towards strengthening the credibility of our reporting.

### Feedback

We value and appreciate all feedback that helps us enhance the relevance of our Reports to better meet the needs of our stakeholders. For any questions related to our sustainability initiatives or reporting, or if you have any queries, suggestions, comments, or feedback, please feel free to reach out to us at [info@harbour.com.my](mailto:info@harbour.com.my).

\* All references to "Company", "Organisation" or "Harbour-Link" are to Harbour-Link Group Berhad. All references to "Harbour-Link Group" or "our Group" are to our Company and our subsidiaries taken as a whole. All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, our Group.

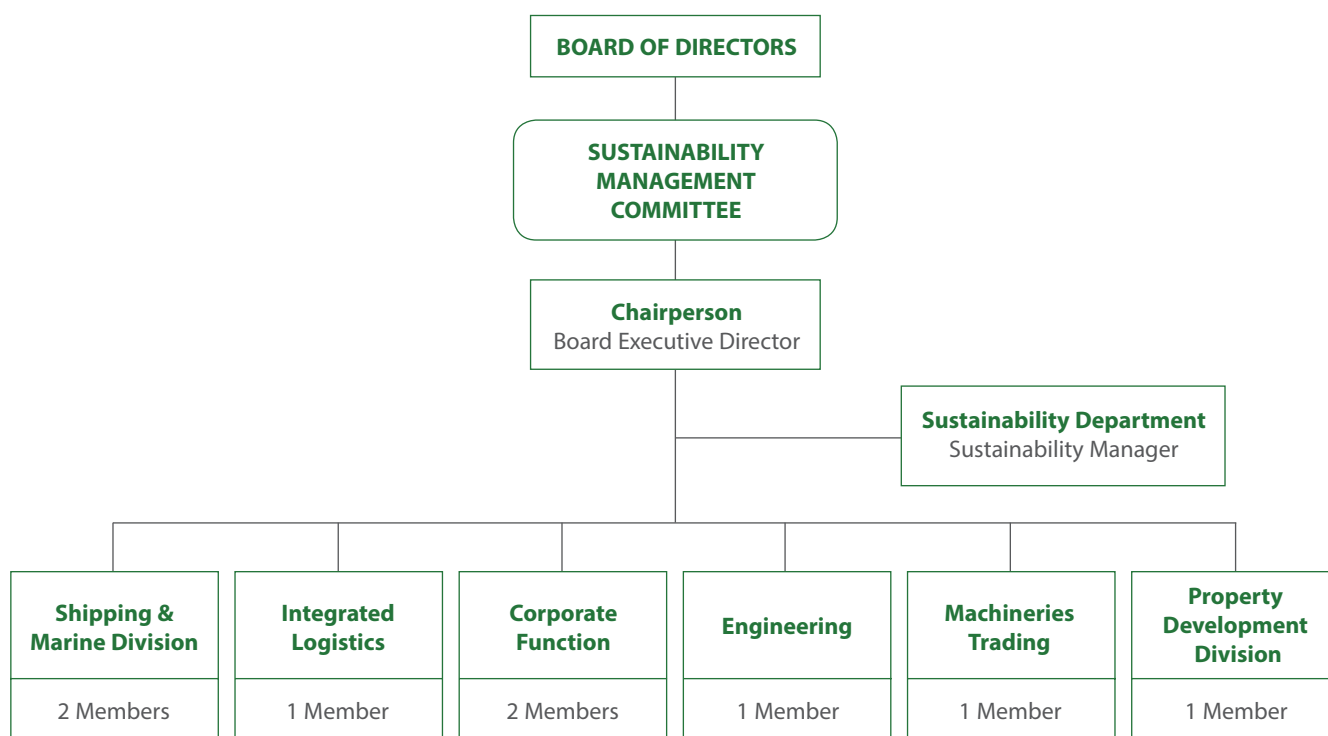
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## APPROACH TO SUSTAINABILITY

### Sustainability Governance

Strong leadership displayed through supervision and guidance at the Group enhances the flow of communication of values and practices concerning sustainability. The following pictorial displays the flow of leadership in the Group on matters relating to sustainability:



At Harbour-Link, sustainability governance is structured to ensure that material sustainability matters are effectively overseen and integrated into the core business strategy, operations, and decision-making processes. The governance framework is designed to ensure that sustainability efforts are collaboratively managed across all divisions, fostering a comprehensive approach to meeting the Group's sustainability commitments.

The Board of Directors of Harbour-Link Group Berhad ("the Board") holds the ultimate accountability for overseeing all sustainability-related matters. It sets the tone for sustainability from the top, approving strategies and policies to ensure they are incorporated into the Group's business decisions and processes. The Board also monitors sustainability performance, keeping a close watch on risks and opportunities that may arise in the context of sustainability matters.

The Sustainability Management Committee ("the Committee"), chaired by a Board Executive Director is composed of members from various divisions, ensuring a holistic representation. Operating under the Board's guidance, the Committee is responsible for the strategic management of sustainability efforts across Harbour-Link. The Committee's role includes formulating and recommending sustainability approaches and priorities to the Board and overseeing their effective implementation throughout the Group. Additionally, the Committee plays a pivotal role in driving Harbour-Link's sustainability performance and fostering a strong sustainability culture throughout the Group.

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The Sustainability Department ("the Department"), led by the Sustainability Manager, coordinates sustainability initiatives and works closely with committee members to implement and monitor the Group's sustainability strategies. The Department also acts as a coordinating body, working closely with various Divisions and Functions to identify and manage sustainability matters. It provides support and guidance on implementing sustainability initiatives and strategies, as well as monitoring and reporting on the progress. This Department ensures that sustainability is embedded across all areas of the Group's operations, helping to align departmental efforts with overall corporate sustainability goals.

This governance structure is designed to promote transparency, accountability, and continuous improvement in Harbour-Link's sustainability practices, reinforcing the Group's commitment to long-term, responsible business operations.

### Materiality Assessment Approach

In FY2024, Harbour-Link undertook an extensive engagement process with support from an external independent consultant to gain insights of stakeholders' primary concerns regarding sustainability. Understanding sustainability priorities and evolving concerns is crucial to our business. The process of compilation of these topics laid the groundwork for the development of our sustainability initiatives and future strategy and related goalsetting.

#### STEP 1 IDENTIFICATION

We first conducted a trends and peer analysis to identify possible sustainability matters for our business. Through a survey of desktop research into sustainability trends, and a review of global initiatives and frameworks, an initial list of 11 common sustainability matters was identified.

#### STEP 2 PRIORITISATION

To prioritise our sustainability issues, we engaged internal and external stakeholders across our value chain.

- Surveyed 82 key external stakeholders, including suppliers, customers, thought leaders and regulators.
- Workshops with top Management and Sustainability Committee.

Based on the stakeholder inputs, we refined our list to 11 material sustainability matters that were prioritised from "Moderate" to "High".

#### STEP 3 VALIDATION

In FY2024, we thoroughly reassessed our materiality to ensure it aligns with current internal and external concerns. We conducted a Materiality Workshop to review and validate key sustainability matters, focusing on their potential impacts on our business and stakeholders. Key sustainability matters such as "Supply Chain Management", "Employee Health & Safety", "Labour Practices & Standards", and "Data Privacy & Securities" were highlighted as critical areas, offering significant opportunities for positive impact.

In addition, these seven (7) other sustainability topics were validated as medium-priority matters:

- *Climate Change*
- *Energy Management*
- *Water Management*
- *Waste Management*
- *Diversity*
- *Local Community Engagement*
- *Business Ethics*

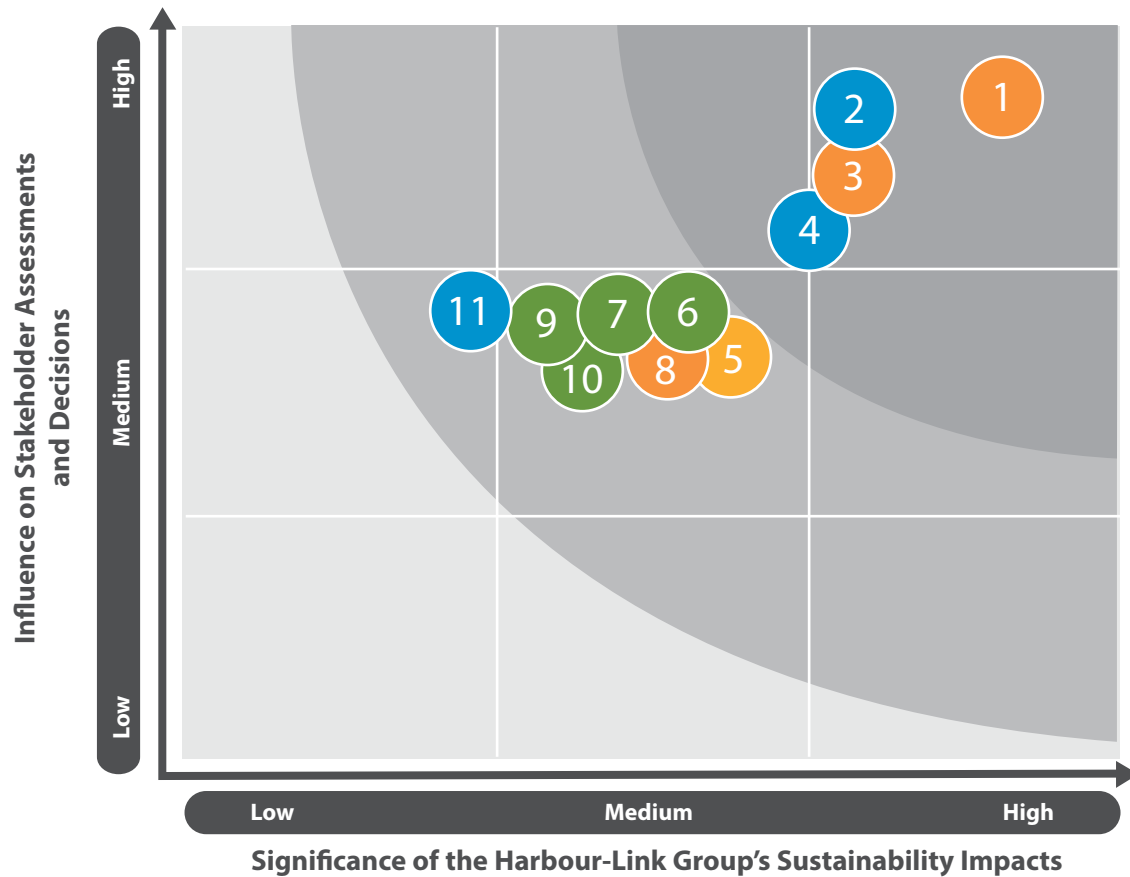
These topics are important but carry a medium level of significance in terms of their immediate impact on the business.

Through this validation process, we have ensured that our materiality matrix remains aligned with current internal priorities and external expectations, fully reflecting the areas that are most critical to our long-term sustainability approach.

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## Materiality Matrix



	<b>Productivity &amp; Innovations</b>	Supply Chain Management Data Privacy & Securities Business Ethics	2 4 11
	<b>Care for Environment</b>	Climate Change Energy Management Water Management Waste Management	6 7 9 10
	<b>Invest in People</b>	Employee Health & Safety Labour Practices & Standards Diversity	1 3 8
	<b>Returning to Community</b>	Local Community Engagement	5

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## Harbour-Link Group Berhad Sustainability Priorities

Sustainability Matters	Potential Risks	Potential Opportunities
<b>Economic</b>		
<b>Supply Chain Management</b> (page 32)  <i>Procurement Policy and Standard Operating Procedure to establish uniformity of procedures throughout the Group, which address Sustainability Matters across the supply chain.</i>	<ul style="list-style-type: none"> <li>Expose supply chain to various sustainability risks; unethical practice can lead to regulatory violations, monetary fines and reputational risk</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced supply chain efficiency and sustainability performance</li> <li>Achieve cost savings through stronger collaboration along the supply chain partners</li> </ul>
<b>Data Privacy &amp; Securities</b> (page 33)  <i>Places high priority on Data Privacy and Securities, ensuring that all sensitive information sourced, managed, and stored within the Group's databases is protected from unauthorized access, breaches, or misuse.</i>	<ul style="list-style-type: none"> <li>Data breaches and cyber-attacks could result in the loss of sensitive company and customer information, leading to significant reputational damage and loss of stakeholder trust</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened stakeholder trust by ensuring robust data security measures, which enhances the Company's reputation as a reliable and secure partner</li> </ul>
<b>Business Ethics</b> (page 34)  <i>Business regulatory compliance across our operations and engaging with policymakers in a responsible and transparent manner.</i>	<ul style="list-style-type: none"> <li>Reputational risks due to the absence of transparent and robust policies.</li> </ul>	<ul style="list-style-type: none"> <li>Crisis resilience</li> <li>Reduced operational costs</li> </ul>
<b>Environmental</b>		
<b>Climate Change</b> (page 37)  <i>Adapting our business activities to ensure resiliency to climate-related risks.</i>	<ul style="list-style-type: none"> <li>Failure to adapt to climate change increases the likelihood and impact of damages to our assets and cargo, disruption to our operations and safety concern for our employees</li> </ul>	<ul style="list-style-type: none"> <li>Lower resource and energy consumption enables cost savings and improved performance</li> <li>Effective climate change management and disclosure improves stakeholders' trust and perception</li> </ul>
<b>Energy Management</b> (page 39)  <i>The need to manage and reduce fossil-fuelled energy consumption of our vessels, buildings and site operations and switching to alternative fuels or renewable energy will reduce the impact of climate change.</i>	<ul style="list-style-type: none"> <li>Increased operational costs due to inefficient energy use, affecting profitability and carbon footprint</li> </ul>	<ul style="list-style-type: none"> <li>Lower energy costs through the adoption of renewable energy sources and energy-efficient technologies</li> </ul>

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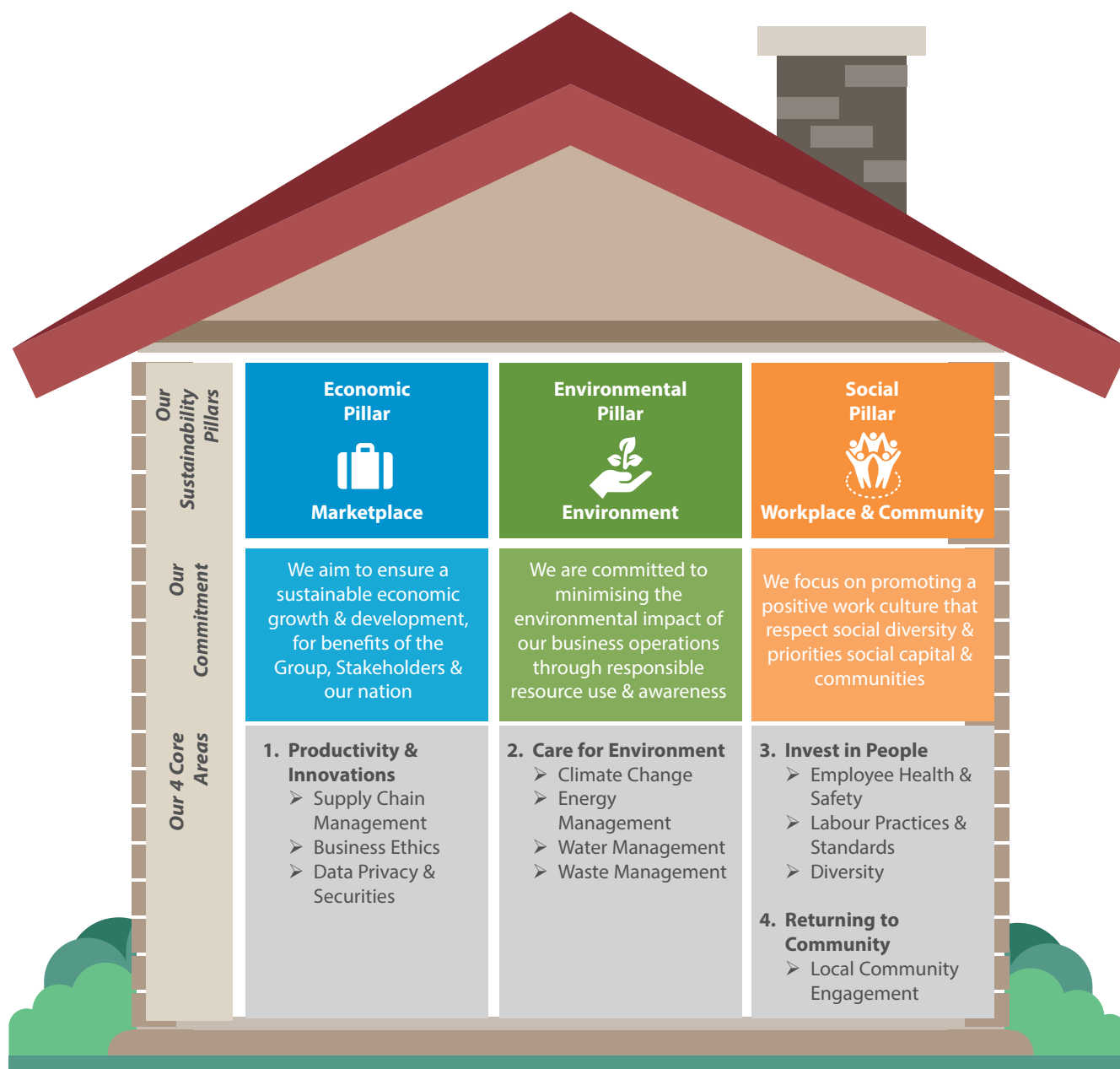
Sustainability Matters	Potential Risks	Potential Opportunities
<b>Environmental (con'td)</b>		
<b>Water Management</b> (page 42)  <i>Prioritize efficient water management practices, continuously seeking ways to minimize consumption while ensuring that all discharge meets statutory environmental regulations.</i>	<ul style="list-style-type: none"> <li>Risk of harming the environment and community relationships due to overconsumption of water resources</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with water regulations ensures operational continuity and reduces the risk of environmental damage</li> </ul>
<b>Waste Management</b> (page 43)  <i>Minimising waste and safely disposing of hazardous materials.</i>	<ul style="list-style-type: none"> <li>Legal and regulatory risks on non-compliance with waste-related regulations and standards Poor waste management practices lead to water and soil contamination</li> </ul>	<ul style="list-style-type: none"> <li>Inculcate sustainable practices and values in employees and communities through our 3Rs – Reduce, Reuse and Recycle initiatives and Sustainability Policy</li> <li>Manage our resources to minimise usage, dispose correctly of waste, reduce harmful emissions, and promote energy conservation and recycling</li> <li>Raise environmental awareness amongst our employees to enable them to carry out their work with due consideration for the environment</li> </ul>
<b>Social</b>		
<b>Employee Health &amp; Safety</b> (page 45)  <i>Improving and maintaining the health, safety and well-being of our employees.</i>	<ul style="list-style-type: none"> <li>Regulatory fines and reputation damage result from accidents and injuries</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on health and safety culture attracts and retains talent</li> </ul>
<b>Labour Practices &amp; Standards</b> (page 48)  <i>Attracting, developing, and retaining high performing employees, creating an inclusive and diverse culture.</i>	<ul style="list-style-type: none"> <li>Challenge in attracting and retaining talent</li> </ul>	<ul style="list-style-type: none"> <li>Effective training and upskilling programmes contribute to a high-performance culture</li> </ul>
<b>Diversity</b> (page 54)  <i>Places equal emphasis on addressing staff welfare</i>	<ul style="list-style-type: none"> <li>Challenges in recruiting qualified candidates</li> </ul>	<ul style="list-style-type: none"> <li>Gaining a competitive edge by employing a diverse group of people with a range of abilities and experiences</li> </ul>
<b>Local Community Engagement</b> (page 60)  <i>Supporting economic development and creating positive social impact for communities connected to our business activities</i>	<ul style="list-style-type: none"> <li>Estranged relationship with local community that leads to unawareness of the Group's noble courses for sustainable environment and future</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities to enhance the Company's visibility as a socially responsible organization, attracting positive media coverage and stakeholder trust</li> </ul>

# SUSTAINABILITY REPORT

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## Sustainability Focus Areas

The 11 materiality matters have been mapped onto the four (4) core areas of our Sustainability Commitment, enabling us to sharpen our focus on both sustainability and business goals, ensuring value generation from each material issue we address.






## Stakeholder Engagement

In driving an inclusive EES agenda, the Group must build a shared understanding of issues and consensus in the future due to the industry's challenges and required pace of change. Ongoing and inclusive stakeholder engagement is the best way to achieve this. A continuous dialogue with key groups helps identify areas where the Group can deliver the most significant impact and areas for improvement.






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Method of Engagement	Area of Interest/Concern	How Harbour-Link Creates Value for this Stakeholder
 <b>Shareholder/Investor</b>		
<ul style="list-style-type: none"> <li>➤ Annual general meetings</li> <li>➤ Annual Report</li> <li>➤ Financial performance announcement</li> <li>➤ Analyst briefing</li> <li>➤ Ongoing media release</li> <li>➤ Financial reports and announcements</li> <li>➤ Investor Relations section on Company website</li> </ul>	<ul style="list-style-type: none"> <li>➤ Financial and operational performance</li> <li>➤ Compliance with rules and regulations</li> <li>➤ Corporate governance and ethical management</li> <li>➤ Maximising shareholders' value</li> <li>➤ Sustainable marine practices</li> <li>➤ Return on investment/equity</li> </ul>	<ul style="list-style-type: none"> <li>➤ Managing resources effectively to maximise profits</li> <li>➤ Integration of business ethics into business activities and governance structure</li> </ul>
<b>Relevant Sections</b> <ul style="list-style-type: none"> <li>➤ Core Area: Productivity &amp; Innovations</li> <li>➤ Business Ethics</li> </ul>		
 <b>Employee</b>		
<ul style="list-style-type: none"> <li>➤ Internal and external training and development programmes</li> <li>➤ Electronic communication via Company intranet and email</li> <li>➤ Occupational safety and health programmes</li> <li>➤ Social and recreational events and activities</li> <li>➤ Operational and management meeting</li> <li>➤ Performance review</li> </ul>	<ul style="list-style-type: none"> <li>➤ Upskilling knowledge, skill and ability</li> <li>➤ Workplace safety</li> <li>➤ Workplace culture and business ethics</li> <li>➤ Health and wellbeing</li> <li>➤ Performance driven workforce</li> <li>➤ Career development and progression</li> </ul>	<ul style="list-style-type: none"> <li>➤ Offering opportunities for career advancement and personal development</li> <li>➤ Prioritizing workplace safety and promotes a strong ethical culture</li> <li>➤ Focusing on the health and wellbeing of employee</li> </ul>
<b>Relevant Sections</b> <ul style="list-style-type: none"> <li>➤ Diversity</li> <li>➤ Employee Health &amp; Safety</li> <li>➤ Labour Practices &amp; Standards</li> </ul>		
 <b>Customer</b>		
<ul style="list-style-type: none"> <li>➤ Electronic communication via email, social media and telephone</li> <li>➤ Company website</li> <li>➤ Meetings and discussions</li> <li>➤ Site visit with customer</li> <li>➤ Customer survey/feedback</li> </ul>	<ul style="list-style-type: none"> <li>➤ Quality service/products and delivery performance</li> <li>➤ Business sustainability</li> <li>➤ Equipment and cargo safety</li> <li>➤ Sustainable and ethical business practices</li> <li>➤ Customer service and experience</li> </ul>	<ul style="list-style-type: none"> <li>➤ By continuously optimizing operations</li> <li>➤ Commitment to ethical business practices ensures transparency, fairness, and integrity in all dealings with customers</li> </ul>
<b>Relevant Sections</b> <ul style="list-style-type: none"> <li>➤ Local Community Engagement</li> <li>➤ Customer Management</li> </ul>		

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Method of Engagement	Area of Interest/Concern	How Harbour-Link Creates Value for this Stakeholder
 <b>Supplier/Contractor</b>		
<ul style="list-style-type: none"> <li>➤ Electronic communication via email and telephone</li> <li>➤ Meetings and discussions</li> <li>➤ Supplier performance evaluation</li> </ul>	<ul style="list-style-type: none"> <li>➤ Sustainable supply chain management</li> <li>➤ Operational performance and customer satisfaction</li> <li>➤ Efficient and transparent procurement process</li> </ul>	<ul style="list-style-type: none"> <li>➤ Collaborates closely with suppliers and contractors to ensure that sustainability practices are integrated throughout the supply chain</li> </ul>
Relevant Sections <ul style="list-style-type: none"> <li>➤ Supply Chain Management</li> <li>➤ Business Ethics</li> </ul>		
 <b>Government/Regulator</b>		
<ul style="list-style-type: none"> <li>➤ Regulatory audits and reporting</li> <li>➤ Electronic communication via email and telephone</li> <li>➤ Participation in government and regulatory events</li> <li>➤ Dialogues and site inspections</li> </ul>	<ul style="list-style-type: none"> <li>➤ Compliance</li> <li>➤ Keeping updated on regulatory requirements and changes</li> <li>➤ Sustainable and ethical business practices</li> <li>➤ Emission and waste management</li> </ul>	<ul style="list-style-type: none"> <li>➤ Continuously monitors and adapts to evolving regulatory requirements</li> <li>➤ Integrates sustainability and ethical business practices into its operations, aligning with governmental goals of promoting environmentally and socially responsible industries</li> </ul>
Relevant Sections <ul style="list-style-type: none"> <li>➤ Business Ethics</li> <li>➤ Climate Change</li> <li>➤ Waste Management</li> <li>➤ Water Management</li> <li>➤ Energy Management</li> </ul>		
 <b>Community/NGO</b>		
<ul style="list-style-type: none"> <li>➤ Community/NGO engagement</li> <li>➤ Electronic communication via email and telephone</li> </ul>	<ul style="list-style-type: none"> <li>➤ Local recruitment and education</li> <li>➤ Health and well-being</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regularly engaging with them to understand their views, expectations and perspectives</li> </ul>
Relevant Sections <ul style="list-style-type: none"> <li>➤ Local Community Engagement</li> </ul>		

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*Promoting  
Business  
Excellence &  
Maintaining  
Highest Ethical  
Standards*

*ECONOMIC*

**Forbes Asia**  
**BEST** UNDER A  
**BILLION**

## HIGHLIGHTS AND ACHIEVEMENTS

## AWARDS

**Forbes Asia's Best Under a Billion**  
200 Top-Performing Public Companies  
in the Asia-Pacific Region

**Centurion Club Corporate Award 2024**

- Centurion of the Year 2024
- Transport & Logistics - Highest Return on Equity Over Three Years

## SUPPLY CHAIN MANAGEMENT

Partnering with

> **800**

Global And Local Suppliers



## SUSTAINABILITY REPORT

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### CORE AREA: PRODUCTIVITY & INNOVATIONS

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, Harbour-Link has grown steadily and built a diversified industry including engineering and construction, machineries trading and property development. This allows the Group to provide a comprehensive range of services to fulfil its clients' 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.



#### SHIPPING and MARINE

##### WHAT WE DO:

- Container shipping liner service
- Tugboats and barges operations
- Ship agency service
- Ship management service

##### SCALE OF OPERATION:

Revenue	RM548 million
Fleet of	12 container vessels/barges, total capacity of 7,727 TEUs
	4 tugboat and barges

#### INTEGRATED LOGISTICS

##### WHAT WE DO:

- Multimodal transportation
- Haulage activities
- Project cargo logistics
- Warehousing facilities

##### SCALE OF OPERATION:

Revenue	RM215 million
Fleet of	225 prime movers/lorries
	180 heavy equipments

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## ENGINEERING WORKS

### WHAT WE DO:

- EPCC contractor specialising in petroleum and chemical storage tanks, marine terminals and piping works.

### SCALE OF OPERATION:

Revenue	RM40 million
Order book (as at 30 June 2024)	RM79 million

## MACHINERIES TRADING

### WHAT WE DO:

- Sales and service of heavy machinery and port equipment

### SCALE OF OPERATION:

Revenue	RM131 million
Total Unit Sold	236 heavy equipments

## PROPERTY DEVELOPMENT

### WHAT WE DO:

- Property development in the prime industrial zone at Tanjung Kidurong, Bintulu

### SCALE OF OPERATION:

Revenue	RM8 million
Remaining landbank	72 acres

With a strong foundation rooted in decades of industry expertise, Harbour-Link Group remains a key player in the shipping, integrated logistics and engineering sectors, committed to continued growth and innovation in the region.

## MARKETPLACE

### Productivity & Innovations

Supply Chain Management

Data Privacy &amp; Securities

Business Ethics

As part of our mission to lead in the region, we are embedding Productivity and Innovations in all aspects of our operations. Our approach to sustainability is not only about complying with regulations but also about positioning ourselves as a regional leader in integrating sustainability into business strategies and decision-making processes.

Our unwavering commitment to productivity and innovation has not only enhanced our operational capabilities but has also garnered prestigious recognition. In 2024, we were honoured with the **Centurion Club Corporate Award for Centurion of the Year** and for achieving the **Highest Return on Equity Over Three Years** for the Transport & Logistics category. These accolades underscore our consistent financial performance and dedication to delivering long-term value to our stakeholders.

On a broader scale, **Forbes Asia** acknowledged Harbour-Link as one of the **Top 200 Best Under a Billion Companies** in the Asia-Pacific region, showcasing our consistent performance as one of the top-performing public companies in the region. This recognition reinforces our role in promoting business excellence while maintaining the highest ethical standards.

Through these accomplishments, Harbour-Link continues to demonstrate leadership in productivity, innovation, and ethical practices, driving growth and strengthening our position in the global marketplace.

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### MARKETPLACE

#### Productivity & Innovations

#### Supply Chain Management

### Why Is It Important

Effective supply chain management is crucial for Harbour-Link as it directly impacts operational efficiency, cost management, and overall business sustainability. A well-managed supply chain ensures the timely delivery of goods and services, promotes transparency, and mitigates risks such as supply disruptions or unethical sourcing. It also enables us to uphold high standards of environmental and social responsibility, ensuring that our suppliers adhere to ethical practices, including human rights, fair labour conditions and sustainable resource use. By optimizing our supply chain, we can reduce costs, improve quality, foster strong supplier relationships and support long-term business growth while contributing to a more responsible and sustainable value chain.

### Our Approach

At Harbour-Link, we offer highly customized and distinctive supply chain solutions to meet the unique needs of our customers. Our domestic clients span a wide range of industries, including wood-based products, oil and gas, and manufacturing. To successfully meet customer demand and deliver on our commitment to providing distinctive supply chain solutions, our suppliers and contractors, as upstream partners, play a vital role in our operations. Therefore, maintaining strong relationships with these partners is essential to Harbour-Link's supply chain management strategy. These partnerships offer valuable insights into our suppliers' practices, enabling us to integrate sustainability into our procurement decisions, ensuring that we not only meet our operational needs but also uphold environmental and social standards throughout our supply chain.

To manage the supply chain, Harbour-Link has in place a formalised Procurement Policy and Standard Operating Procedures ("the Policy") that provides the fundamental principles and guideline for the sourcing and purchasing of goods and services in the Group. The purpose of this Policy is to establish a consistent, transparent and responsible procurement practices across the Group. The Policy is periodically reviewed and subjected to audits.

A key focus for us in FY2024 was to strengthen our supplier registration and evaluation processes as we recognize the importance of partnering with suppliers who align with our commitment to responsible and ethical procurement. The steps we have taken include:

- **Revising our Policy:** The Policy's Vendor Registration Form has been updated to capture more comprehensive supplier information. In addition, the supplier evaluation process has been enhanced with additional criteria and clearer procedures allowing for a more structured and thorough assessment of our 800+ suppliers.
- **Adding new Policy:** We introduced the Third-Party Management Policy. This policy sets out the criteria used to manage the risks associated with engaging third parties which includes suppliers. A central part of this policy is the due diligence process which includes a questionnaire assessing suppliers' adherence to ethical standards, legal compliance and responsible business practices.

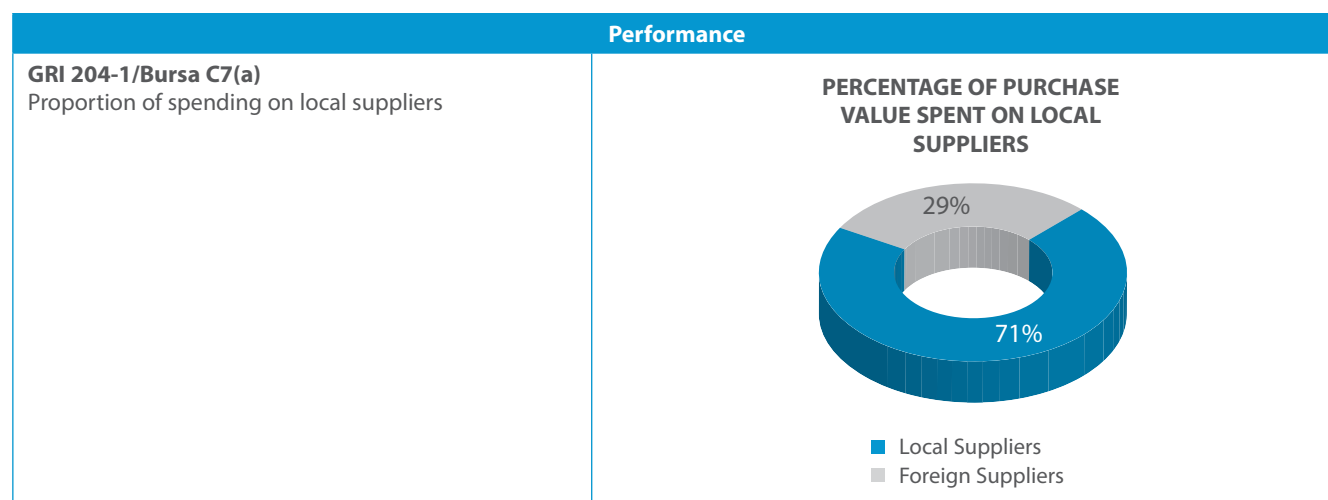
The following summarise the Group's integrated procurement process:



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Our supplier selection principle has always been to support local businesses in order to drive the economic growth of the region. While this can sometimes come at a higher cost to the Company, the upside is a reduced carbon emission. Our commitment to this principle is reflected in our performance this year, with the proportion of local spending at 71% compared to 67% in prior year.



## Why Is It Important

Given the widespread use and reliance that we have on IT system and the internet to conduct our business, a breach of security and data privacy could potentially lead to operational downtime, delays and the compromise of sensitive company information, employee and customer information. Such incident not only disrupts business continuity but can also erode stakeholder trust and confidence. Therefore, we must ensure that our security measures across our IT system and network are strong and that we have a robust data protection practice that complies with privacy regulation.

## Our Approach

We take a holistic and proactive approach in managing data privacy and securities i.e. committing to capital investment in newer technology for both hardware and software components, fortifying our IT controls and cultivating a culture of cybersecurity awareness throughout the Group. This is part of the digital transformation efforts that the Management has committed to in upgrading our system for better efficiency, agility and security across the Group. IT Department is working with the various business units on ways to integrate IT into our core operations, enabling for a more streamline workflows, improve decision making and optimizing performance. At the same time, the IT team is also improving and upgrading the IT infrastructure to not only be able to support this transformation but to ensure our data and system are secure and well equipped to handle evolving cyber risks and attacks and complies with privacy regulation. The Company also has in place IT policies that addresses IT control measures such as firewalls, encryption, access controls, regular system updates and patching and back-up.

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Additionally, we also place great emphasis on raising cybersecurity awareness among employees. We help them recognise threats like phishing attempts and keep them updated on emerging cybersecurity threats and risks. This awareness empowers our employees to stay informed and equipped to report suspicious activities or security incidents.

To safeguard and ensure the confidentiality of the data and information entrusted to us by our employees and customers, we maintain adequate procedures which are aligned with best practices in data protection and privacy regulations.

Performance	
<b>GRI 418-1/Bursa C8(a)</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	In FY2024, we received <b>0</b> complaints from external parties and no substantiated complaints internally or from regulatory bodies



### Why Is It Important

Business ethics, encompassing corporate governance, anti-bribery, and anti-corruption practice, is essential to maintaining trust and accountability within Harbour-Link and across the broader market. Upholding strong corporate governance and ethical practices promotes transparency, accountability, and fairness, which are crucial to sustaining long-term business success. Effective anti-bribery and anti-corruption measures help mitigate risks, protect our reputation, and ensure compliance with legal and regulatory requirements. By fostering a culture of integrity and ethical conduct, we create a more resilient business that attracts investment, enhances stakeholder confidence, and contributes to sustainable economic growth. Ensuring robust business ethics safeguards our operations and supports a fair, transparent, and accountable business environment.

### Our Approach

#### Anti-Bribery and Corruption

The Anti-Bribery and Corruption ("ABC") Policy was established to promote the Company's growth within a corruption-free environment by providing clear guidance and information to support this commitment. The ABC Policy clearly outlines expectations and requirements for all external entities involved in any form of business relationship with Harbour-Link Group. The scope of this policy extends to a wide network of partners, including vendors, suppliers, contractors, sub-contractors, consultants, agents, outsourcing providers, and other third-party intermediaries who offer services or conduct activities on our behalf. By establishing clear ethical guidelines, we aim to maintain lawful and fair business dealings while mitigating risks of unethical practices.

Our ABC Policy covers critical areas such as preventing conflicts of interest and ensuring all interactions with external partners are conducted with the highest ethical standards. This initiative is part of our broader strategy to foster a business environment rooted in fairness and mutual benefit, ensuring that risks related to unethical conduct are properly identified and managed.

To reinforce our commitment, all vendors are required to review and sign the Third-Party Anti-Bribery and Corruption Declaration Form before joining as a vendor. This ensures that all parties adhere to our ABC Policy and comply with applicable anti-bribery, fraud, and corruption laws and regulations. The latest version of our ABC Policy is readily available on our website, offering transparency and accessibility.

Through this approach, we aim to cultivate an ethical and sustainable supply chain, reinforcing our commitment to responsible business practices while enhancing the trust and collaboration with our partners.



# SUSTAINABILITY REPORT

cont'd

In this financial year, we conducted a comprehensive corruption risk assessment across all divisions to ensure we are upholding the highest standards of integrity and transparency. Additionally, we have enhanced our new joiner induction programme by incorporating a segment on ABC training. This ensures that new employees are well-acquainted with the Company's ABC Policy and fully understand the importance of adhering to these principles from the outset. We also actively encourage our employees to pursue continuous development by participating in relevant training programmes to stay informed about the latest industry developments and regulatory updates.

Looking ahead, our key target for FY2025 is to roll out mandatory ABC training for all employees. This initiative is part of our ongoing effort to reinforce our commitment to integrity, compliance, and a strong ethical culture throughout the Group.

Additionally, Harbour-Link maintains a strict apolitical stance and does not participate in or contribute to any political parties or activities.

## Corporate Governance

Harbour-Link's governance system is supported by policies and frameworks to ensure relevant controls and processes are in place. For more information, please refer to the Corporate Governance Overview Statement section of this Annual Report.

List of Harbour-Link Group Berhad's Policies	
<ul style="list-style-type: none"> <li>➤ Anti-Bribery and Anti-Corruption Policy</li> <li>➤ Human Rights and Labour Standards Policy</li> <li>➤ Sustainability Policy</li> <li>➤ Diversity Policy</li> <li>➤ Director's Fit and Proper Policy</li> </ul>	<ul style="list-style-type: none"> <li>➤ Board Charter</li> <li>➤ Whistleblowing Policy</li> <li>➤ Code of Ethics for Directors</li> <li>➤ Board Diversity Policy</li> <li>➤ Remuneration Policy</li> </ul>

The above policies are made accessible for all on our Harbour-Link's official website. Internal circulation via email, internal training sessions and new hire on-boarding sessions are avenues we use to communicate any changes or new policies in the Company.

Performance		
<b>Bursa C1(a)</b> Percentage of employees who have received training on anti-corruption by employee category	Management	56%
	Executive	21%
	Non-executive/Technical Staff	3%
<b>GRI 205-1/Bursa C1(b)</b> Operations assessed for risks related to corruption	100% of our operational locations assessed for corruption in FY2024	
<b>GRI 205-3/Bursa C1(c)</b> Confirmed incidents of corruption and actions taken	There was 0 reported incident of corruption in FY2024	

# SUSTAINABILITY REPORT

cont'd

## ENVIRONMENT

*Adopting  
Green Energy  
Solutions  
& Minimizing  
Carbon  
Emissions*

## HIGHLIGHTS AND ACHIEVEMENTS

### RECOGNISED PERFORMANCE



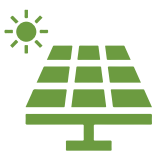
FTSE4Good

**FTSE4Good Bursa  
Malaysia (F4GBM)  
Index**

**ESG Grading Band:**



### CARE FOR ENVIRONMENT



**4%** of Our  
Electricity Supply  
is from **Renewable  
Sources** in FY2024

**0**

Environmental  
Fines & Penalties  
for FY2024



Powered by  
**Low  
Sulphur  
Fuels**

# SUSTAINABILITY REPORT

cont'd

## CORE AREA: CARE FOR ENVIRONMENT



At Harbour-Link, we acknowledge the critical responsibility we have in safeguarding the environment and the ecosystems that support our industry. Guided by our Sustainability Policy, we focus on responsible resource use, minimizing consumption, and improving operational efficiency. We are committed to creating awareness within our organization and, where feasible, promoting the use of renewable energy to reduce our environmental footprint. Additionally, we continuously assess and review climate-related risks to ensure our business remains resilient and adaptable in the face of environmental changes, benefiting both current and future generations.



### Why Is It Important

Addressing climate change and reducing emissions are vital to Harbour-Link's long-term sustainability and global environmental responsibility. As the shipping and logistics industry is a significant contributor to greenhouse gas emissions, managing and reducing our carbon footprint is critical to mitigating the impacts of climate change. Proactively managing our emissions not only strengthens our market position but also contributes to the global effort to combat climate change, ensuring a more sustainable future for the industry and the planet.



### Our Approach

A large part of our emissions originates from the Marine segment, which currently accounts for 94% of the Group's total emissions. As such, our emissions data collection effort for the past years has been concentrated on this segment. However, as part of our ongoing commitment to sustainability, we aim to expand our reporting scope to include carbon emissions data from all business segments starting next financial year. This will provide our stakeholders a more comprehensive view of our overall carbon footprint.




## SUSTAINABILITY REPORT

cont'd

Recognizing the impact our business has on climate change and the need to strategically plan for the future, we have conducted an assessment of climate-related risks and opportunities in FY2024. This is to ensure our current efforts and initiatives address the appropriate climate-related risks to build operational resilience for a sustainable future while also seizing opportunities that arises in the process. Harbour-Link faces the following climate-related risks and opportunities:

Climate-Related Risks		
Transition Risks	Physical Risks	
		
Keeping pace with technological advancements toward a low-carbon economy, complying with new climate-related regulations, and meeting reporting requirements present challenges. These factors can affect Harbour-Link's reputation and financial performance. We view these risks as short to medium term, particularly due to the rapid pace of regulatory changes aimed at decarbonization, to meet the global call towards net zero emissions.	The failure to adapt to climate change heightens the risk of damage to our assets and cargo, disrupts operations, and poses safety concerns for our employees. These risks, driven by extreme weather events and rising sea levels are considered medium to long-term threats.	

Opportunities		
Cost Savings & Performance	Stakeholder Trust	New Markets
		
Lower resource and energy consumption can lead to significant cost savings and improved operational performance.	Effectively managing climate change and disclosing our progress enhances stakeholder trust and perception.	Transitioning to greener, lower-emission technologies opens up new markets and business ventures, offering growth opportunities.

### Our Commitment

To combat climate change, our current efforts and initiatives are towards improving operational efficiencies, optimizing fuel usage and closely monitoring our resource consumption. While these steps have made a positive impact, we recognize that meaningful progress requires continual efforts and commitment. The following are some of the proactive steps and commitments we have made for FY2024:

- Fleet Renewal Programme:** We made a commitment to reduce our Marine segment Scope 1 carbon intensity emission per transport work by at least 30% by 2040. To solidify this commitment of ours, we have initiated a fleet renewal programme, approved by the Board to replace our older vessels with newer, more fuel-efficient models and of larger capacity. We have since took purchase of two (2) units of container vessels, two (2) tugboats and one (1) barge under this programme.
- Collaboration:** We believe that addressing climate change requires collaboration across the value chain. As such, we are actively working with different industry partners, suppliers, and our customers to explore innovative solutions and products for reducing emissions. One such collaboration is with Kuching Port Authority to source and supply two (2) electric powered quay cranes at Senari Port. Only by working together can we drive a meaningful change and contribute to a more sustainable future for the industry.

# SUSTAINABILITY REPORT

cont'd

- Monitoring and Reporting:** Accurate monitoring and reporting of our emissions are crucial for managing our sustainability performance. To support this, we have committed to a three (3) years subscription to Bursa's Centralised Sustainability Intelligence Solutions (CSI) programme. This automated tool will enhance the accuracy, efficiency and transparency of our emissions tracking, helping us meet regulatory requirements and better manage our environmental impact.

For the financial year under review, there were no environmental non-compliance or incidences reported that resulted in fines and penalties.

## ENVIRONMENT

### Care for Environment

#### Energy Management

### Why Is It Important

Energy management is a crucial aspect of Harbour-Link's sustainability efforts, as it directly influences operational efficiency, cost reduction, and environmental impact. Effective energy management allows us to optimize energy use.

### Our Approach

#### Electricity Consumption

At Harbour-Link, we are committed to saving energy, reducing carbon emissions and protecting the Earth. A big part of the saving energy initiative is on reducing electricity consumption across our corporate offices and operational facilities. Our initiatives include:

- Tracking and Monitoring:** We track and monitor electricity consumption across all facilities to identify areas for improvement and ensure efficient energy use.
- Energy-Saving Initiatives:**
  - Reminders for Energy Efficiency:** Regularly sending reminders to employees to switch off lights and electrical devices, especially during long holiday weekends.
  - Energy-Efficient Lighting:** Upgrading lighting systems to more energy-efficient options to reduce overall electricity consumption.
  - Environment Month Initiatives:** Celebrating Environment Month by switching off lights during lunch hours as part of our broader efforts to raise awareness about energy conservation.
- Solar Panel Installation:**
  - At the end of the last financial year, we completed the installation of a 160kWdc photovoltaic (PV) solar panel at our Negeri Sembilan engineering office and workshop.
  - In August 2023, we commissioned this solar PV system, which generated a total of 152.5 MWh of renewable solar energy.
  - This solar installation resulted in approximately RM49,861 in cost savings, representing a 25% reduction in purchased electricity consumption compared to previous year's total consumption.
  - 4% of our electricity supply is from renewable sources in FY2024.

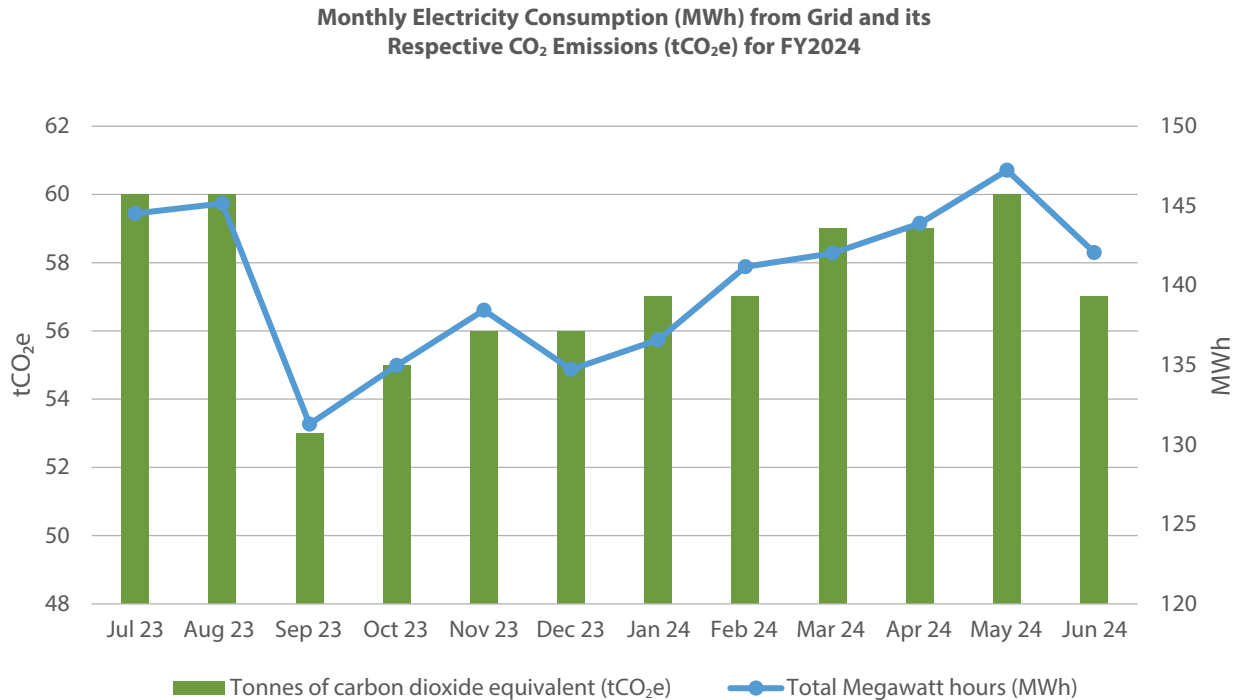


Through these combined efforts across the Group, we are making meaningful strides in reducing our carbon footprint and improving our overall energy efficiency.

## SUSTAINABILITY REPORT

cont'd

For FY2024, our electricity consumption (MWh) from grid and CO<sub>2</sub> emissions are as follows:



*Note: Emission factors used for Peninsular Malaysia, Sabah and Sarawak are sourced from 2017 CDM Electricity Baseline for Malaysia (Malaysian Green Technology and Climate Change Corporation).*

For FY2024, our total electricity consumption amounted to 1,759.03 MWh. As part of our ongoing commitment to environmental stewardship and tackling climate change, energy management plays a crucial role in our overall sustainability approach. Expanding the use of renewable and energy-efficient solutions is a priority as we aim to reduce our carbon footprint and mitigate the environmental impacts of our operations.

### Carbon Emission

At Harbour-Link, energy management is not only an operational focus but also an integral component of our broader efforts to address climate change. Our approach centres on reducing carbon emissions through optimized energy use across all our operations. By improving energy efficiency, we are making tangible progress towards minimizing our carbon emissions and contributing to global decarbonization goals.

At Harbour-Link, reducing CO<sub>2</sub> emissions and optimizing energy consumption are key priorities in our commitment to addressing climate change. As the shipping and logistics industry accounts for approximately 3% of global greenhouse gas (GHG) emissions, we recognize the importance of our role in mitigating this impact. We are dedicated to continuously improving operational efficiencies, optimizing fuel use, and exploring opportunities to expand into low-emission, green energy fleets where feasible.

**Shipping Operations Initiatives:** To reduce CO<sub>2</sub> emissions in our shipping operations, we are implementing the following actions:

- **Slow Steaming:** Reducing ship speed and sailing at lower speeds to cut fuel consumption.
- **Fuel and Engine Monitoring:** Continuously monitoring fuel consumption and the operation of the main engine to ensure optimal performance.

## SUSTAINABILITY REPORT

cont'd

- **Weather Navigation:** Utilizing real-time weather information to provide the fleet with optimal sailing routes, thereby enhancing fuel efficiency.
- **Efficient Cargo Operations:** Improving cargo loading and unloading processes to shorten port stay times and reduce emissions.
- **Optimized Loading Capacity:** Carefully planning ship loading to balance economic and fuel efficiency.
- **Specialized Paint:** Applying specialized anti-pollution coatings to ship hulls to reduce drag and improve fuel efficiency.
- **Fleet Modernization:** Replacing older ships with newer, more energy-efficient models that meet higher environmental standards.

Looking to the future, Harbour-Link is exploring various integration of alternative low-carbon fuels. These fuels offer lower carbon footprints and support our broader goal of transitioning to a low-carbon shipping fleet. Incorporating cleaner fuel alternatives into our energy management framework will be essential in further reducing our greenhouse gas emissions and addressing the climate challenges posed by our industry.

In our marine operations, our container vessels are being powered by low-sulfur fuel oil (LSFO), in line with global regulations such as the International Maritime Organization's (IMO) 2020 Sulfur Cap. This switch not only improves air quality by significantly reducing sulfur oxide (SOx) emissions but also aligns with our efforts to lower the carbon intensity of our shipping activities. By using LSFO on our container vessels, we are enhancing our energy efficiency while contributing to the reduction of GHG emissions, thus reinforcing our commitment to combat climate change.

**Energy and Carbon Emissions Management:** Harbour-Link actively collects and analyses energy consumption data to:

- Track progress towards corporate energy and carbon emission goals
- Identify opportunities for improvement
- Benchmark against past performance
- Identify best practices for application across our operations

This data is analysed quarterly within each business and functional unit and reported to the Sustainability Department at the corporate level. Through this rigorous approach, we continue to make informed decisions that drive our sustainability efforts forward.

Similarly for our Marines operations, we are also actively collecting and analysing our marine data and information. An assessment of our current data collection processes has been conducted to ensure our statistical methods meet the necessary requirements for implementing effective carbon reduction measures.

Our approach includes:

- **Carbon Emission Monitoring:** Monitor emissions for all ships operating under our fleet.
- **Setting Reduction Goals:** Establish specific emission reduction targets for the shipping industry.
- **Medium-Term to Long-Term Measures:** Implement more rigorous measures, including compulsory market-driven initiatives, to achieve meaningful carbon reduction.
- **Route and Vessel Data Collection:** We will maintain a detailed registry of all ship routes, lane, and vessel details. This provides a credible basis for sequential verification and allows for timely execution of audits and verification activities; and
- **Staff Training and Monitoring:** We will train all staff on Harbour-Link's carbon reduction objectives, establish clear guidelines for implementation, develop monitoring plans, and ensure timely reporting on progress.

Building on these foundational efforts, Harbour-Link is committed to further optimizing operational efficiency through two key focus areas: **Efficient Cargo Operations and Optimized Loading Capacity**. By improving cargo loading and unloading processes, we aim to shorten port stay times, which not only enhances operational speed but also significantly reduces emissions associated with idle time in ports. Additionally, through careful planning of ship loading, we can balance economic goals with fuel efficiency, ensuring that our ships operate at optimal capacity without unnecessary fuel consumption.



## SUSTAINABILITY REPORT

cont'd

In conclusion, energy management is one of the core aspects of our sustainability approach and is directly tied to our efforts in combating climate change. By focusing on energy efficiency, reducing carbon emissions, and integrating renewable energy and low-carbon solutions across our operations, we are making significant strides toward a more sustainable future.

These commitments have played a pivotal role in Harbour-Link's inclusion in the prestigious FTSE4Good Bursa Malaysia (F4GBM) Index in FY 2024, with an ESG Grading Band of 3 stars. This recognition reflects our ongoing dedication towards improving our sustainability performance, fostering responsible business practices, and creating long-term value for our stakeholders.

Performance				
GRI 302-1 Energy consumption within the organization	Source of Non-renewable Energy	Gigajoule (GJ)	Source of Renewable Energy	Gigajoule (GJ)
	Marine Fuel	1,568,559	Solar	277
	Electricity	6,055		
Bursa C4(a) Total energy consumption	Megawatt (MWh) 1,759			
GRI 305-1 Direct (Scope 1) GHG emissions			tCO <sub>2</sub> e	
			Marine Fuel	120,406
GRI 305-2 Energy indirect (Scope 2) GHG emissions			tCO <sub>2</sub> e	
			Electricity	688
Renewable Electricity 2024			Renewable	4% (77MWh)
			Non-renewable	96% (1,682MWh)

### ENVIRONMENT

#### Care for Environment

##### Water Management

#### Why Is It Important

With the increasing scarcity of clean water, we recognize the need for responsible water management to safeguard this essential resource. Our operations depend on water for a range of critical activities, including vessel maintenance, washing of equipment/assets, construction and domestic office use. By implementing measures to monitor water usage, prevent wastage and ensure efficient use in our operations, we contribute to the conservation of local water resources and reduce our environmental footprint. These efforts support long-term sustainability and demonstrate our dedication to minimizing operational impacts while safeguarding essential natural resources for future generations.

#### Our Approach

We continually manage and strive to reduce our corporate water footprint by enhancing our understanding of water usage patterns, promoting water reuse where feasible, closely monitoring consumption and conducting maintenance audits as a preventative measure.

An essential aspect of water management is also fostering awareness. In FY2024, we conducted water management awareness sessions with our administration teams to inculcate a culture of responsible water usage, share best practices for conservation, and assess the impact of climate change on water resources, ensuring that our teams are equipped to contribute to sustainable water management efforts.



# SUSTAINABILITY REPORT

cont'd

## Performance

### GRI 303-3/Bursa C9(a) Water withdrawal

In FY2024, Harbour-Link Group withdrew **47.87** megalitres of water from local municipal supplies.

There was no water withdrawn from other sources, and no additional data regarding water discharge or consumption was applicable for this reporting period.

## ENVIRONMENT

### Care for Environment

#### Waste Management



### Why Is It Important

We are taking initiatives to make waste management a voluntary part of Harbour-Link's sustainability efforts, as it plays a significant role in reducing environmental impact and promoting resource efficiency. Proper waste management minimizes the volume of waste sent to landfills, and supports the conservation of natural resources. By implementing effective waste reduction, recycling, and responsible disposal practices, we can lower operational costs, ensure regulatory compliance, and contribute to a cleaner environment. Additionally, fostering a culture of responsible waste management within our operations and among employees reinforces our commitment to sustainability and helps us align with global environmental goals.

### Our Approach

As part of our commitment to environmental sustainability, Harbour-Link has implemented a comprehensive recycling program, launched on Environment Day under the theme "Let's Take Care of Our Earth by Taking Care of Its Ecosystem." The primary objective of this program is to enhance waste management practices within the Company and to inculcate these practices in our employees so they are able practice them even outside of the office; inculcating good sustainable habits to be practiced in their homes and community. Central to this initiative is our adoption of the 3R (Reduce, Reuse, Recycle) practice. To support this program, we have introduced four (4) distinctly categorized recycling bins for cans, glass, plastic, and paper in all our offices across Malaysia, placed in an easily accessible location to encourage our employees to participate in waste segregation and recycling efforts. We are actively promoting awareness around the importance of waste segregation, with the goal of fostering a culture of sustainability throughout our organization.

Other ongoing initiatives include, transitioning from 80 gsm paper to 70 gsm for everyday use, reusing single-use printout and embracing digitalisation to reduce our paper consumption.

## SUSTAINABILITY REPORT

cont'd

*Engaging with  
Community &  
Exemplifying  
Corporate  
Responsibility*

*SOCIAL*

### HIGHLIGHTS AND ACHIEVEMENTS

#### INVEST IN PEOPLE

Total Workforce  
**2,002**  
employees



**1,812** employees

Completed **HSE** Training



1,401

**70%**



601

**30%**

**0**

work-related  
fatalities

**Total Training  
Hours:**

**11,369**

#### RETURNING TO COMMUNITY

**Harbour Club**

Community Programme &  
Engagement Club

**~770**

Beneficiaries from Our Program in FY2024



**Encompasses of**

**11** Educational Programmes

**2** Charity Events

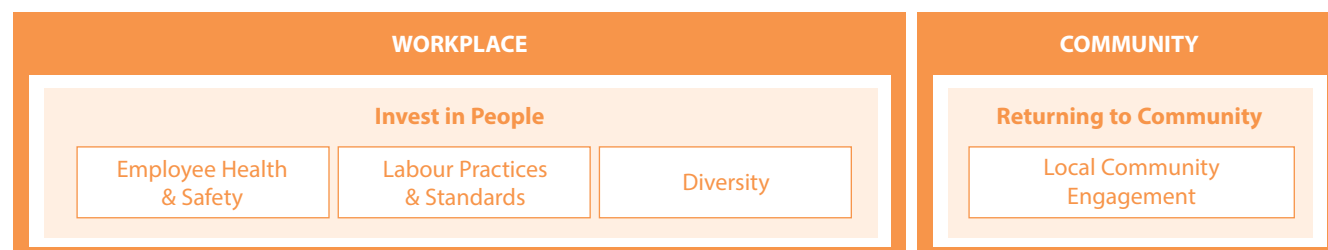
**5** Community Events

**3** Health Programmes

# SUSTAINABILITY REPORT

cont'd

## CORE AREA: INVEST IN PEOPLE



### Why Is It Important

Across all segments of our business, whether on land or at sea, we want our employees to THINK SAFE, WORK SAFE and get HOME SAFE. As such, it is our commitment to create a healthy, safe and conducive workplace to prevent injuries and accidents and minimize workplace hazards and cultivating a safety culture which is deeply embedded across all our operations.

### Our Approach

At Harbour-Link, the safety and health of our employees, contractors, customers, and the communities in which we operate are of utmost importance to us. Our Group Health, Safety, and Environment (HSE) Policy outlines our unwavering commitment to fostering a workplace that prioritizes health, safety, security, and environmental responsibility, with the ultimate goal of achieving "Zero Harm - No Loss."

We are dedicated to attaining a **Zero Lost Time Injury Rate (LTIR)** across all segments of our business, underscoring our commitment to ensuring the well-being of our workforce. Whether on land or at sea, we encourage all employees to **THINK SAFE, WORK SAFE, and get HOME SAFE**. Our commitment is clear; we strive to create a healthy, safe, and conducive workplace that actively prevents injuries, minimizes workplace hazards, and fosters a deeply embedded safety culture across all operations.

To this end, workplace health and safety are not merely policies but are seamlessly integrated into our daily operations. Our procedures are meticulously designed to safeguard the physical well-being of our on-site teams, while we also emphasize the importance of mental health support, recognizing that the holistic well-being of our employees is essential for maintaining a productive and resilient workforce.

Our commitment is underpinned by rigorous HSE guidelines that are aligned with OSHA 1994, ensuring we comply with national safety standards. To reinforce these standards, we carry out regular risk assessments on both existing and potential projects, identifying hazards and implementing control measures to prevent incidents. In addition, we conduct HSE audits to ensure that our safety measures are effective and continuously improved.

## SUSTAINABILITY REPORT

cont'd

Creating awareness of health and safety is another critical component of our approach. We actively promote HSE awareness through multiple channels such as e-bulletins, banners, and posters placed in prominent locations visible to all employees. We also organize various programmes and activities to engage our workforce and instil a strong safety culture throughout the organization. The following are some of our HSE programmes for FY2024:

Programme & Campaign	Drill Exercise Programme
Annual Housekeeping Campaign	<u>Group Level</u>
Emergency Response Towards Fire Outbreak at Workplace	Chemical Spillage Drill Exercise
Environment Day 2023	Emergency Fire Drill Exercise
E-Waste Campaign	<u>Marine Segment</u>
Falling Object Awareness	Abandon Ship Drill
Fire Prevention Awareness (Building & Vehicle)	Fire/Serious Injury Drill
Fruit Day 2024	Steering Gear/Gyro Failure Drill
Hand & Finger Injuries Awareness	Oil Spill Drill
Health Mind Awareness	Loss of Engine/Propulsion Drill
HSE Day 2023	Man Overboard/Search & Rescue Drill
HSE Recognition Award	Collision Drill
HSE Survey 2024	Grounding/Sanding Drill
Membudayakan Mindset Bekerja Tanpa Kemalangan	
Monsoon Season Awareness Campaign	
OSH World Day Programme	
PPE Awareness	
Safe Handling of Scheduled Waste and Chemical Awareness	
Slip, Trip & Fall Awareness	
Strengthen NADOPOD Regulation at Workplace	
Workplace Safety & Security: Threat and Mitigation	

To sustain and advance our safety initiatives, we continue to invest resources into building up our HSE Department. This includes establishing working committees across our offices and operations, alongside a central HSE committee, to provide consistent support across the Group. We also place significant emphasis on providing ongoing HSE training for all employees, ensuring that they are equipped with the knowledge and skills to contribute to a safe working environment.

Together, these efforts form a comprehensive approach to health, safety, and environmental management, ensuring that every individual at Harbour-Link is empowered to work safely and securely, while protecting the environment and the communities in which we operate.

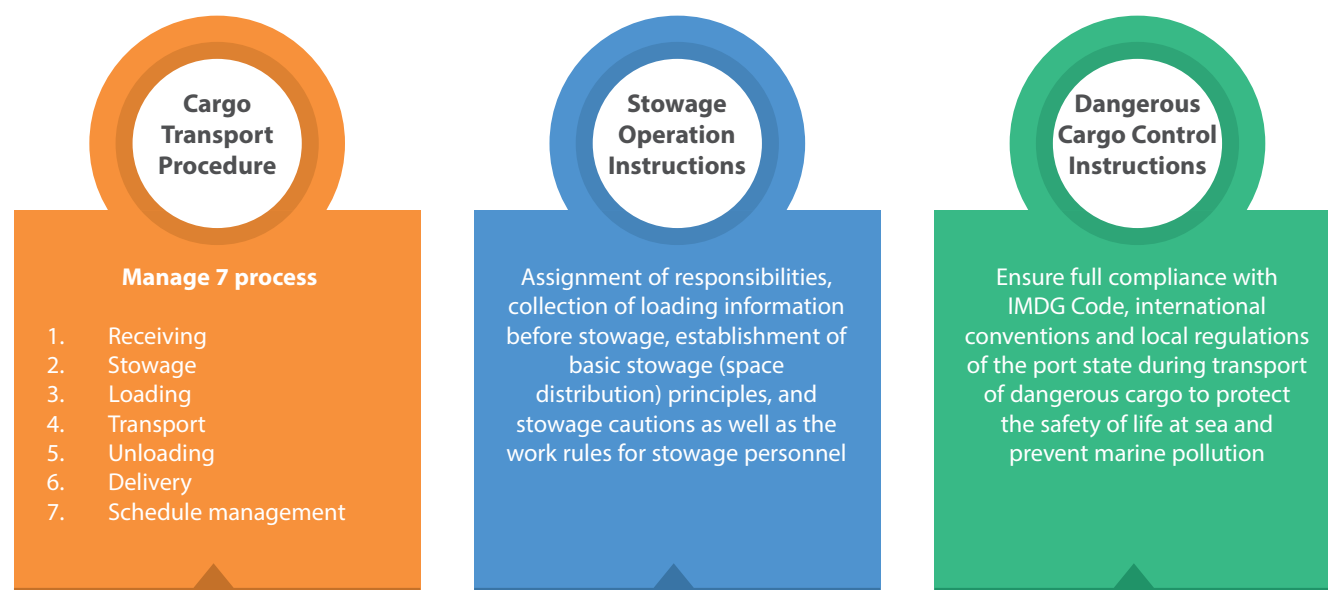


# SUSTAINABILITY REPORT

cont'd

## Equipment and Cargo Safety

Harbour-Link aims to ensure not only the safety of our employees, but of our customers' cargo and the vessel it travels in, by complying with all the regulations set for freight transportation. We execute regular training sessions of personnel and reduce the likelihood of accidents by implementing effective risk management measures to ensure a perfectly safe transportation. We establish three loading instructions to optimise potential risks management as shown below:



Our management of dangerous cargo includes correct labelling and proper handling of the cargo. Doing it right is a two-pronged advantage to us as it prevents us from being fined by the port administration during the transport and it improves our image on the market. Harbour-Link will continue to ensure all vessels comply with the necessary manifest when transporting dangerous cargo. Harbour-Link reported no untoward accident for FY2024.

Performance		
<b>GRI 403-10</b> Work-related ill health	We achieved <b>0</b> work-related illness for both employees and non-employees this year.	
<b>Bursa C5(a)</b> Number of work-related fatalities	Number	0
<b>Bursa C5(b)</b> Lost time incident rate ("LTIR")	Rate	0
<b>Bursa C5(c)</b> Number of employees trained on health and safety standards	Number	1,812



## SUSTAINABILITY REPORT

cont'd



### WORKPLACE

#### Invest in People

##### Labour Practices & Standards

#### Why Is It Important

At Harbour-Link, we recognize that our employees are the cornerstone of our success and the key to our continued growth. As such, upholding fair labour practices and standards as well as protecting human rights is not only a fundamental responsibility but also a testament to our unwavering commitment to building a responsible and sustainable business which is in line with the core value of the Group. By fostering safe, fair, and equitable working conditions, we protect the rights and well-being of our employees while empowering them with the necessary skills to excel in their roles. This enables them to contribute not only to the Company's productivity and operational excellence but also to the broader community by creating a highly skilled and capable workforce for the market. Compliance with labour laws and standards also mitigates the risk of legal and reputational issues, ensuring we meet our stakeholder expectation for responsible employment practices.

# SUSTAINABILITY REPORT

cont'd

## Our Approach

The Company's Human Rights and Labour Standards Policy ("the Policy") sets out the human rights and fair labour principles that the Company practices and is aligned with Malaysia's labour and employment-related laws and guided principles in the Universal Declaration of Human Rights and the ILO's Core Conventions. The Policy was first established in September 2022 and was updated this financial year to ensure the human rights aspects are covered in our policy. The updated Policy is made available for all on the Company's website and also communicated to new hire through the induction training. The following are our approach to human rights and labour practices guided by the principles in the Policy:

### *Fair Compensation, Employment Condition and Work-Life Balance*

We value the contributions of our diverse workforce and continuously seek to attract and retain talents by offering competitive wages, favourable employment conditions and reasonable work hours for all employees. We offer compensation packages that are competitive and regularly reviewed to reflect industry benchmarks. Our employment conditions and benefits are designed to be fair, inclusive and provides equal opportunities for all. Below is a summary of the key benefits we provide to our employees:

Types of benefits	Descriptions
<b>Leave</b>	Annual Leave, Medical Leave, Hospitalization Leave, Maternity Leave, Paternity Leave (only for West Malaysia and Federal Territory of Labuan), Matrimonial Leave, Compassionate Leave and Unpaid Leave
<b>Public Holiday</b>	Gazetted public holidays as specified by law and any declared additional public holidays by the Federal and State Government
<b>Medical</b>	Medical insurance and expense claims for all employees regardless of rank
<b>Uniform</b>	All employees are provided uniform for work related purposes to promote unity
<b>Others</b>	Monetary gift for Marriage and Newborn, Donation of death of immediate family member, Long Service Award, Subsidized Harbour Club social fund



We also support our employees in achieving a healthy work-life balance by establishing reasonable working hours and various holiday and leave entitlement. This ensures that employees have the necessary time to recharge, prevents excessive overtime and provide paid leave for families with newborn, allowing them to take time off and return to their roles without barriers.

## SUSTAINABILITY REPORT

cont'd



### Employee Wellbeing

In addition to maintaining a safe healthy work environment through our HSE programmes, we also prioritise the physical and mental well-being of our employees. Each year, we offer health screenings and influenza vaccinations to support their health. In FY2024, we further focused on raising awareness about mental health through various training sessions and monthly infographic bulletins.

### Equal Employment Opportunity

The Group is committed to providing equal employment opportunities to all. The basis of recruitment, hiring, placement, development, training, compensation and advancement are justified through qualifications, performance, skills and experience, regardless of religious belief, age, gender, nationality, marital status, family status, disabilities or sexual orientation.

### Prohibition of Harassment

Our goal to create a working environment that is safe and conducive includes maintaining a workplace that is free from discrimination, harassment and retaliation. The Group views any form of harassment as a serious violation of our code of conduct and work ethics. We communicate our stance on this to all our employees through the Workplace Sexual Harassment Policy. An employee can raise their concerns of any discrimination and/or harassment through our grievance procedure or whistleblowing channel in a safe and anonymous manner. For FY2024, there were no recorded instances of discrimination/harassment. Any employee found guilty of such misconduct will be subjected to disciplinary actions that may include dismissal.

### Prohibition of Forced Labour, Human Trafficking and Child Labour

Harbour-Link strictly prohibits any form of forced labour, human trafficking and child exploitation. This prohibition is also expected of our third parties, who must confirm their compliance as part of our third-party due diligence process.

### Grievance Mechanism

The Company has put in place a grievance mechanism that allows employees to raise concerns or report unethical behaviour, workplace misconduct or safety issues with confidentiality and without fear of retaliation. The process is clearly documented in the Grievance Reporting and Management Procedure which is overseen by the Human Resources Department to ensure fair handling of complaints received. Additionally, a whistleblowing channel is also available for employee to report anonymously, any serious concern or violations.

In addition to the principles outlined in the Policy, we are also committed to upholding the following human rights and labour practices which we strive to establish to further safeguard the fundamental rights of our employees:



## SUSTAINABILITY REPORT

cont'd

### Training and Development

In building a strong and skilled workforce, we are committed to providing an environment for our employees to enhance their skills and advance their career through training and continuous competency development programme. Employee training begins with onboarding, where all new hires are required to complete an induction training program. This covers key topics like the employee code of conduct and anti-bribery and corruption policies, helping them understand the Group's policies and values. Training for employees does not stop here, as annually each employee is assessed for training needs through a training need analysis that identifies the type of competency development most suited for their level and job role.

The training and development programme is structured into four (4) components based on category of competencies i.e.

- Personal Development competency;
- People Management & Leadership competency;
- Business Management competency; and
- Organizational Development competency.

In FY2024, the Company invested a total of 11,369 hours in both in-house and external training programme, which is doubled the hours from last financial year. The significant increase is primarily due to our enhanced focus on developing technical skills and leadership capabilities of our employees. Additionally, the increase is also driven by an increased emphasis on compliance training necessitated by evolving regulatory requirements and changes. This reflects on Harbour-Link's heightened commitment to employee development and capacity building.

### Employee Engagement

We believe that a strong connection with our workforce is essential to the success of the Group. One way of engagement with our employees is through the annual performance appraisal. It is through the appraisal interview sessions that we engage with our employees; to allow them to provide feedback, share ideas and career goals. This also provide Management and Human Resource the opportunity to identify and nurture talent for succession planning.

In FY2024, the shipping and marine division organised a conference gathering and team building for all our shipping offices from all locations for two (2) days in Samalaju Resort, Bintulu.

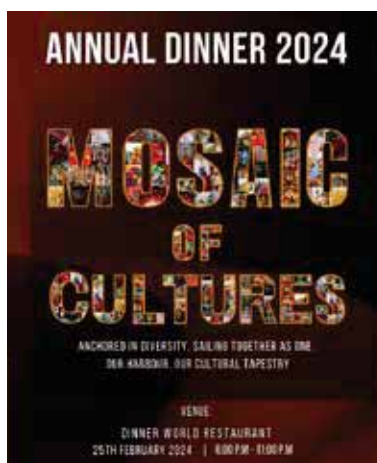


## SUSTAINABILITY REPORT

cont'd

Another avenue for employee engagement is through Harbour Club, an employee-run social club that organizes various social, community, and sports activities, encouraging active participation from both employees and management. Amongst some of the employee engagements organised by Harbour Club for FY2024 included:

- Harbour Annual Dinner
- Harbour Run;
- Weight Loss Challenge;
- Festive celebrations for Lunar New Year and Hari Raya.



# SUSTAINABILITY REPORT

cont'd

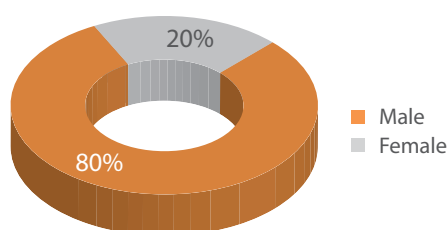
During the reporting period, we recorded no instances of non-compliance or violations with labour standards, nor any violations, incidents or risks of non-force labour, human trafficking, child labour or human rights violations. Accordingly, no mitigation or remediation actions related to human rights were required.

## Performance

### GRI 401-1

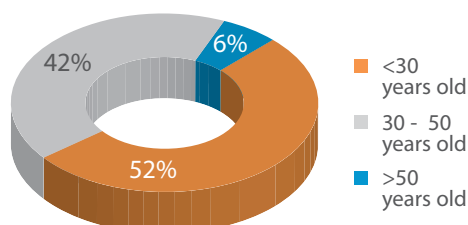
New employee hires and employee turnover

#### NEW EMPLOYEE HIRES BY GENDER IN MALAYSIA



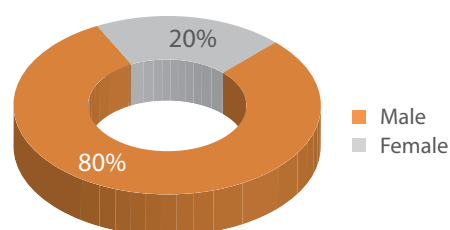
Gender	Pax
Male	523
Female	134

#### NEW EMPLOYEE HIRES BY AGE GROUP IN MALAYSIA



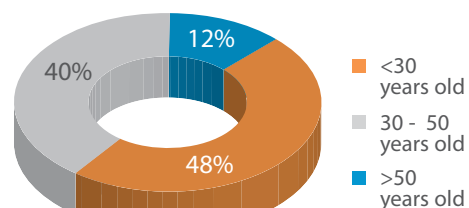
Age Range	Pax
< 30 years old	340
30 - 50 years old	277
> 50 years old	40

#### EMPLOYEE TURNOVER BY GENDER IN MALAYSIA



Gender	Pax
Male	362
Female	89

#### EMPLOYEE TURNOVER BY AGE GROUP IN MALAYSIA

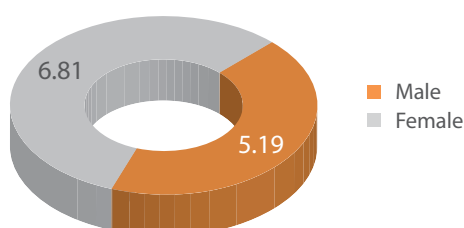


Age Range	Pax
< 30 years old	216
30 - 50 years old	179
> 50 years old	56

### GRI 404-1

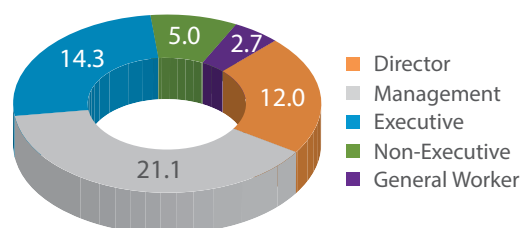
Average hours of training per year per employee

#### AVERAGE TRAINING HOURS BY GENDER IN MALAYSIA



Average training hours per employee is **5.68** hours.

#### AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY IN MALAYSIA





## SUSTAINABILITY REPORT

cont'd

<b>Bursa C6(a)</b>		
Total hours of training by employee category		
Management	Hours	1,034
Executive	Hours	960
Non-executive/Technical Staff	Hours	9,287
General Workers	Hours	16
Director	Hours	72
<b>Bursa C6(b)</b>		
Percentage of employees that are contractors or temporary staff	Percentage	57%

<b>Bursa C6(c)</b>		
Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	5
Non-executive/Technical Staff	Number	436
General Workers	Number	10
<b>Bursa C6(d)</b>		
Number of substantiated complaints concerning human rights violations	Number	0

### WORKPLACE

#### Invest in People

#### Diversity

#### Why Is It Important

We are aware of the importance of diversity as part of Harbour-Link's sustainability approach, as it encourages innovation, improves decision-making, and strengthens our organizational culture. A diverse workforce brings a variety of perspectives, skills, and experiences, enabling us to better understand and serve the needs of our stakeholders. By promoting inclusivity and equal opportunities, regardless of race, gender, religion, or background, we create a workplace where all employees feel valued and empowered. Embracing diversity supports business performance and employee satisfaction while reflecting our commitment to social responsibility and ethical business practices, contributing to sustainable long-term growth.

#### Our Approach

Building a company that our clients choose and trust requires a deep understanding of the diverse and culturally rich societies we serve. At Harbour-Link, we are committed to celebrating and promoting diversity and inclusion at all levels of our Company. Our goal is to foster a genuinely diverse workforce and cultivate an inclusive culture where every team member feels valued, engaged, and provided with equal opportunities—free from bias, regardless of personal characteristics.

## SUSTAINABILITY REPORT

cont'd



Our annual dinner theme this year, **Mosaic of Cultures - "Anchored in Diversity, Sailing Together as One: Our Harbour, Our Cultural Tapestry"**, encapsulates our commitment to fostering unity in diversity. Just as a harbour welcomes ships from various parts of the world, Harbour-Link seeks to welcome and embrace individuals from all walks of life. The theme symbolizes our belief that by weaving together the unique experiences, cultures, and perspectives of our employees, we create a stronger, more vibrant organizational tapestry. Through events like annual dinners, we reaffirm our dedication to creating an environment where everyone is appreciated, where diverse perspectives are valued, and where all employees feel part of a larger, united team. The **Harbourian** identity serves as a symbol of unity and inclusivity, connecting our employees and their families under a shared sense of belonging within the Harbour-Link. This unique identity represents the collective strength of our diverse workforce and embodies our commitment to fostering a workplace that celebrates both individuality and togetherness. It serves as a reminder that while our employees may come from diverse backgrounds, we are united by our shared goals and values. The celebration highlights the beauty of our differences and the strength of our collective efforts, much like the intricate patterns of a rich cultural tapestry.



## SUSTAINABILITY REPORT

cont'd

Apart from annual dinners, the Company also celebrates the festive season together with the employees and this year we took pride in organizing the Jom Sungkei Harbourian Fiesta, which brought together not only our employees but their families in a celebration of unity and respect. Jom Sungkei, which translates to "Let's Break Fast Together," represents far more than a communal meal; it symbolizes unity, understanding, and the collective joy of gathering after a day of fasting. This event perfectly captured our Harbourian community spirit of togetherness and mutual respect, making it an exceptionally meaningful day for all involved. The Jom Sungkei Harbourian Fiesta not only fostered communal bonding but also highlighted our dedication to cultivating a keen sense of togetherness within the communities we serve. What makes this event particularly special is that the Harbourian identity, which represents the only unified ethnic group that includes all our employees and their families, truly reflects the family spirit of the Company. By bringing people from diverse backgrounds together to share in the tradition of breaking fast, we were able to strengthen community ties and demonstrate our commitment to inclusivity and cultural respect. This event served as a beautiful reminder that, through shared experiences, we can build stronger, more unified communities, and the Harbourian spirit that we celebrate is a testament to our unwavering commitment to unity, respect, and family within Harbour-Link.

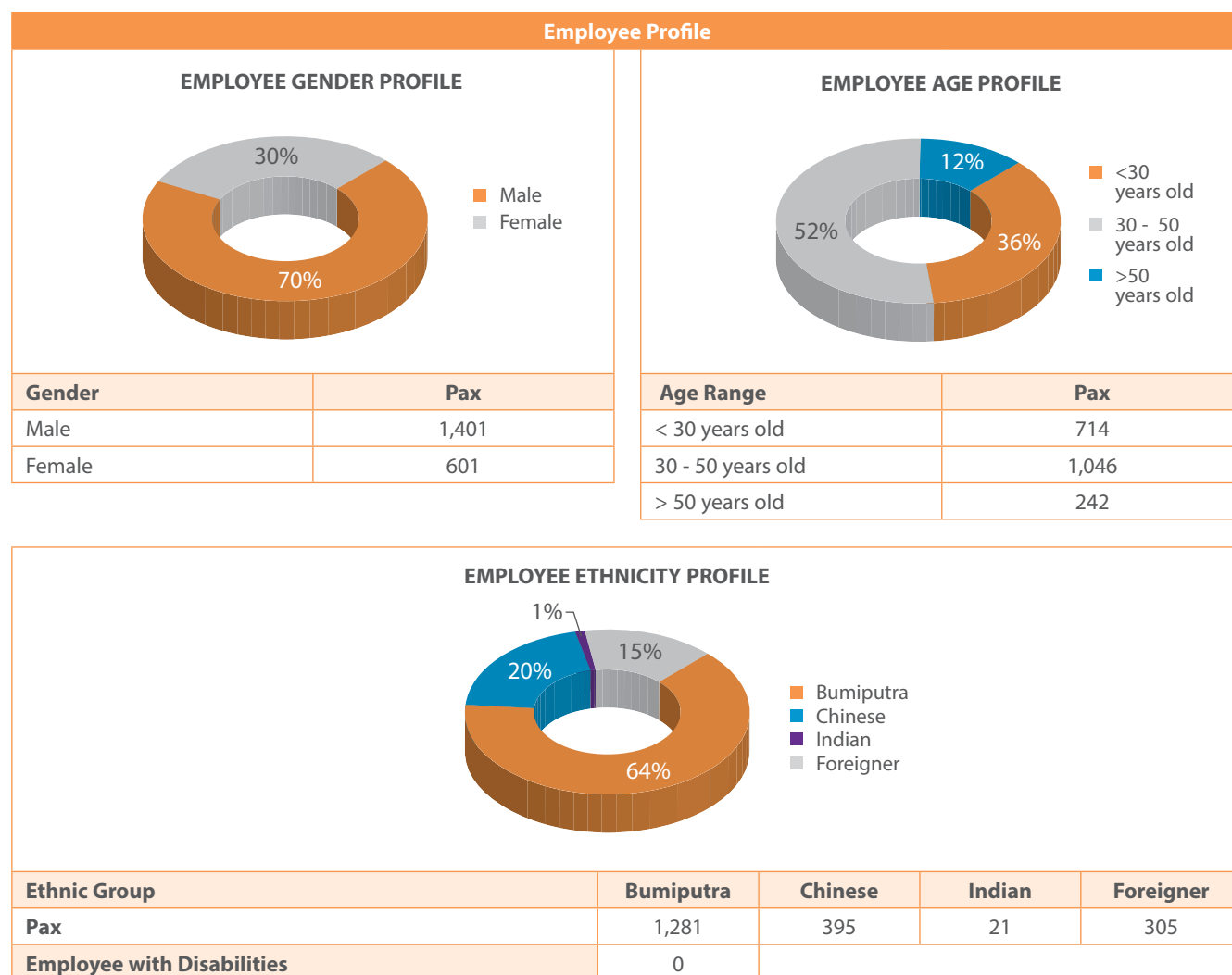


# SUSTAINABILITY REPORT

cont'd

In recent years, we have sustained steady progress in promoting gender equality within our workforce. Women currently represent 30% of our total employee base, an increase of 1% from the previous year. This reflects the challenges inherent in our industry, which has traditionally been male-dominated and difficult to break into for women. Our forward-looking plan includes targeted initiatives to support the advancement of women in the Company, as well as actively recruiting and retaining more women across all levels of the Company. These efforts aim to ensure that we continue building a balanced workforce.

As of FY2024, our total workforce stands at 2,002 employees, reflecting a balanced representation of gender, age, and ethnicity, as shown in the following performance table:





# SUSTAINABILITY REPORT

cont'd

## Performance

### GRI 405-1

Diversity of governance bodies and employees

### Bursa C3(a)

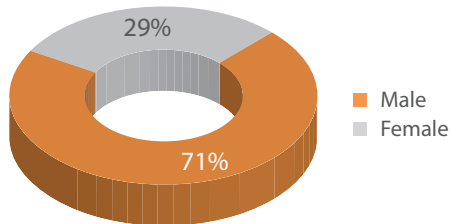
Percentage of employees by gender and age group, for each employee category

### Bursa C3(b)

Percentage of directors by gender and age group

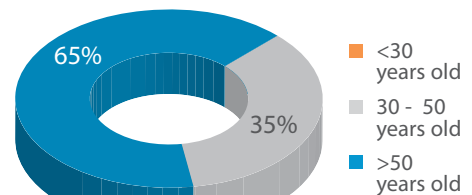
## Management

### GENDER PROFILE



Gender	Pax
Male	35
Female	14

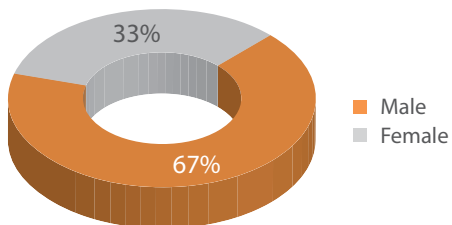
### AGE PROFILE



Age Range	Pax
< 30 years old	0
30 - 50 years old	17
> 50 years old	32

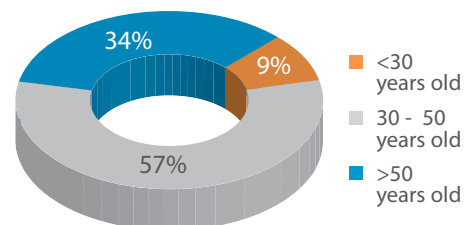
## Executive

### GENDER PROFILE



Gender	Pax
Male	45
Female	22

### AGE PROFILE



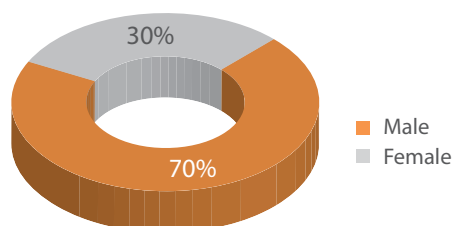
Age Range	Pax
< 30 years old	6
30 - 50 years old	38
> 50 years old	23

## SUSTAINABILITY REPORT

cont'd

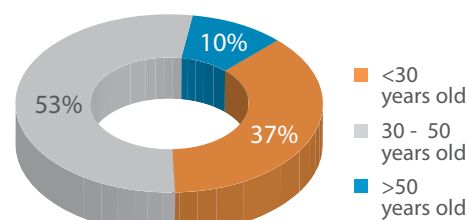
## Non-Executive

GENDER PROFILE



Gender	Pax
Male	1,316
Female	558

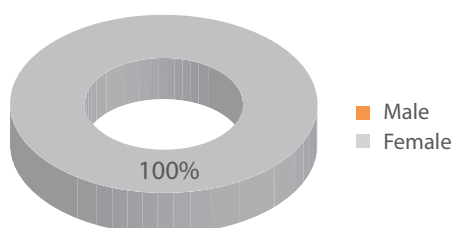
AGE PROFILE



Age Range	Pax
< 30 years old	702
30 - 50 years old	991
> 50 years old	181

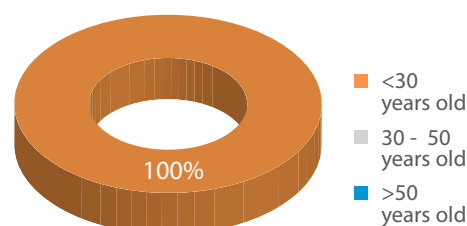
## General Worker

GENDER PROFILE



Gender	Pax
Male	0
Female	6

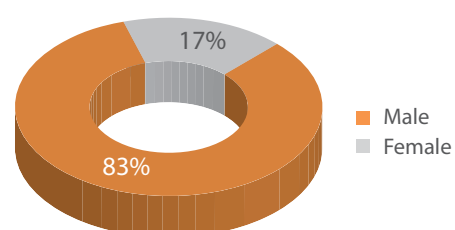
AGE PROFILE



Age Range	Pax
< 30 years old	6
30 - 50 years old	0
> 50 years old	0

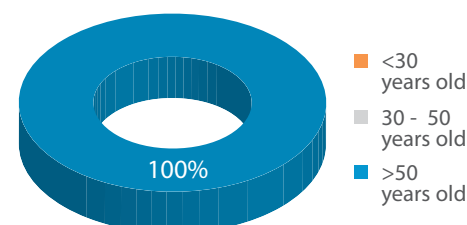
## Director

GENDER PROFILE



Gender	Pax
Male	5
Female	1

AGE PROFILE



Age Range	Pax
< 30 years old	0
30 - 50 years old	0
> 50 years old	6

Note: General workers include non-executive employees such as interns, casual workers, and temporary workers.

# SUSTAINABILITY REPORT

cont'd

## CORE AREA: RETURNING TO COMMUNITY

### COMMUNITY

#### Returning to Community

#### Local Community Engagement

### Why Is It Important

Harbour-Link understands the importance of engaging with local communities as part of our sustainability efforts. By building strong relationships with the communities in which we operate, we contribute to their social and economic development while fostering goodwill and mutual respect. Local community engagement enables us to address social needs, support local economies, and create shared value through initiatives such as employment opportunities, education programmes, and environmental stewardship. This commitment not only strengthens our reputation but also promotes long-term business sustainability by aligning our operations with the needs and well-being of the communities we serve.

### Our Approach

At Harbour-Link, we are dedicated to enhancing the local community through meaningful community engagement. We believe that as our Company grows, we carry a social responsibility to contribute to the well-being of the communities we serve, embodying the principle of "Returning to the Community." Our initiatives are strategically focused on two (2) key areas: **Health and Wellness**, and **Education and Youth Development**.

#### Health & Wellness

In FY2024, we were proud to bring back the much-anticipated community charity run. Now in its 4<sup>th</sup> edition since it first launched in 2016, the **Harbour Hustle and Energy Run** ("the Harbour Run") continues to attract increasing number of participants, with over 600 joining this year. The Harbour Run serves multiple objectives:

- **Promoting Health and Vitality:** Encouraging physical fitness and a commitment to a healthy lifestyle. Prize money were offered to incentivize participants to this cause;
- **Fostering Community Engagement:** Strengthening connections between the Company and the wider community through participation and interaction; and
- **Supporting Charitable Causes:** Channeling proceeds to local charities that provide essential social services to the community i.e. Advocacy Association of Early Childhood Educators, Bintulu (AECE), Street Animal Rescuers Association (Sara), Peryatim, Bintulu and St. John Ambulance-KPS Haemodialysis Centre, Bintulu. These contributions help support critical social services, ranging from special needs early childhood education, orphanage, healthcare and animal rescue initiatives, reflecting our dedication to enhancing community welfare has no bounds.



# SUSTAINABILITY REPORT

cont'd



Other contributions we made towards health-focused initiatives:

- Pink October Charity Run: The Company had actively promoted and supported Columbia Asia Hospital, Bintulu's. In supporting and ensuring the success of this event, Columbia Asia were able to raise vital funds to assist women battling breast cancer.
- Malaysia AIDS Foundation's Sarawak Health Access Programme
- Palliative Care Conference 2023, Bintulu

## Education and Youth Development

At Harbour-Link, we recognize that education is a cornerstone of community development and a vital tool in shaping the future of society. Through our commitment to education, we supported various programmes aimed at fostering the growth and development of young minds in our local communities. Notably, our support of the **SMK Bintulu Marching Band** and their participation in the International Marching Band Competition 2024 in Indonesia, highlights our dedication to fostering students' artistic talents and encouraging cultural expression. Additionally, we continued our annual support for the **Lions Club International Youth Camps**, demonstrating our long-standing commitment to youth development.

Beyond financial contributions, Harbour-Link also volunteered in one of our customer's CSR project to provide manpower and equipment for the relocation of **Legacy of Hope Early Intervention Centre**, which serves children with developmental disabilities. Our volunteers, along with the provision of logistics support, ensured a smooth transition for the centre, reflecting our ongoing commitment to enhancing educational opportunities and supporting those in need.

For FY2024, Harbour-Link Group Berhad contributed a total of **RM71,088** across various initiatives which included:

- **11** Educational Programmes aimed at enhancing knowledge and skills within the community;
- **2** Charity Events supporting those in need and promoting social welfare;
- **5** Community Events fostering social cohesion and engagement; and
- **3** Health Programmes focused on improving the well-being and health of local residents

While we take pride in our contributions, we recognize the need to move beyond philanthropic donations i.e. initiatives that not only addresses immediate needs but also foster long term positive change within the community we serve. We are actively exploring opportunities to engage in initiatives that align with our values and allow for long-term commitment, ensuring that our growth benefits the communities that support us.

Performance		
<b>Bursa C2(a)</b>		
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	71,088
<b>Bursa C2(b)</b>		
Total number of beneficiaries of the investment in communities	Number	770

# SUSTAINABILITY REPORT

cont'd

## ADDITIONAL INFORMATION

### Sustainability Performance Data Table (9 Common Indicators)

Indicator	Measurement Unit	2024
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	71.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	56.00
Executive	Percentage	21.00
Non-executive/Technical Staff	Percentage	3.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,759.00
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	47.870000
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,812
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	1,034
Executive	Hours	960
Non-executive/Technical Staff	Hours	9,287
General Workers	Hours	16
Director	Hours	72
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	57.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	5
Non-executive/Technical Staff	Number	436
General Workers	Number	10
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Internal assurance

External assurance

No assurance

(\*)Restated

# SUSTAINABILITY REPORT

cont'd

Indicator	Measurement Unit	2024
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	35.00
Management Above 50	Percentage	65.00
Executive Under 30	Percentage	9.00
Executive Between 30-50	Percentage	57.00
Executive Above 50	Percentage	34.00
Non-executive/Technical Staff Under 30	Percentage	37.00
Non-executive/Technical Staff Between 30-50	Percentage	53.00
Non-executive/Technical Staff Above 50	Percentage	10.00
General Workers Under 30	Percentage	100.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	71.00
Management Female	Percentage	29.00
Executive Male	Percentage	67.00
Executive Female	Percentage	33.00
Non-executive/Technical Staff Male	Percentage	70.00
Non-executive/Technical Staff Female	Percentage	30.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	100.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.00
Female	Percentage	17.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	71,088.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	770



# SUSTAINABILITY REPORT

cont'd

## Sustainability Performance Summary (GRI Related Disclosure)

Performance	Disclosure	UOM	FY2024
Economic	Disclosure	UOM	FY2024
<b>Material Topic: Supply Chain Management</b>			
<b>GRI 204-1</b> Proportion of spending on local suppliers	Percentage of purchase value spent on local suppliers	%	<b>71</b>
<b>Material Topic: Data Privacy and Securities</b>			
<b>GRI 418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	<b>Total number of substantiated complaints received concerning breaches of customer privacy</b>	Case	<b>0</b>
	• Complaints received from outside parties and substantiated by the organization;		0
	• Complaints from regulatory bodies		0
	<b>Total number of identified leaks, thefts, or losses of customer data</b>	Case	<b>0</b>
<b>Material Topic: Business Ethics</b>			
<b>GRI 205-1</b> Operations assessed for risks related to corruption	Percentage of operations assessed for risks related to corruption	%	<b>100</b>
<b>GRI 205-3</b> Confirmed incidents of corruption and actions taken	Total number of confirmed incidents of corruption	Case	<b>0</b>
<b>Environmental</b>	<b>Disclosure</b>	<b>UOM</b>	<b>FY2024</b>
<b>Material Topic: Energy Management</b>			
<b>GRI 302-1</b> Energy consumption within the organisation	<b>Total energy consumption within the organisation</b>	GJ	<b>1,574,891</b>
	• Marine Fuel	GJ	1,568,559
	• Electricity		6,055
	• Solar		277
<b>GRI 305-1</b> Direct (Scope 1) GHG emissions (CO <sub>2</sub> e) ^	<b>Total Direct GHG emissions (equivalent)</b>	MTCO <sub>2</sub> e	<b>120,406</b>
	Direct (Scope 1) GHG emissions (CO <sub>2</sub> e)		
	• Marine Gas Oil	MTCO <sub>2</sub> e	34,692
	• Marine Fuel Oil		85,714
<b>GRI 305-2</b> Energy indirect (Scope 2) GHG emissions (CO <sub>2</sub> e)	<b>Total Indirect GHG emissions (equivalent)</b>	MTCO <sub>2</sub> e	<b>688</b>
	Indirect (Scope 2) GHG emissions (CO <sub>2</sub> e)		
	• Electricity	MTCO <sub>2</sub> e	688
<b>Material Topic: Water Management</b>			
<b>GRI 303-3</b> Water withdrawal by source	<b>Total volume of water withdrawal</b>	ML	<b>47.87</b>
	• Municipal water supplies or other water utilities	ML	47.87

## SUSTAINABILITY REPORT

cont'd

Performance	Disclosure	UOM	FY2024
Social	Disclosure	UOM	FY2024
Material Topic: Employee Health and Safety			
GRI 403-10 Work-related ill-health	Employee recordable work-related ill health	Case	0
	Work-related fatalities		0
	Work-related ill health rate		0
	Group Work-related Ill Health Rate	Case	0
	Non-employee recordable work-related ill health	Case	0
	Work-related fatalities		0
	Work-related ill health rate		0
Material Topic: Labour Practices and Standards			
GRI 401-1 New employee hires and employee turnover	Total new employee hires	Pax	657
	• < 30 years old		340
	• 30 – 50 years old		277
	• > 50 years old		40
	• Male		523
	• Female		134
	Total employee turnover		451
	• < 30 years old		216
	• 30 – 50 years old		179
	• > 50 years old		56
	• Male		362
	• Female		89
GRI 404-1 Average hours of training per year per employee	Average hours of training per employee per year	Hours	5.68
	• Average training hours per male		5.19
	• Average training hours per female		6.81
	Average training hours per employee category		
	• Director	Hours	12.0
	• Management		21.1
	• Executive		14.3
	• Non-Executive		5.0
• General Worker	2.7		

# SUSTAINABILITY REPORT

cont'd

Performance	Disclosure	UOM	FY2024	
Social (cont'd)	Disclosure	UOM	FY2024	
Material Topic: Diversity				
GRI 405-1 Diversity of governance bodies and employees	Management	Pax	55	
	• < 30 years old		0	
	• 30 – 50 years old		17	
	• > 50 years old		38	
	• Male		40	
	• Female		15	
	Non-Management		1,947	
	• < 30 years old		714	
	• 30 – 50 years old		1,029	
	• > 50 years old		204	
	• Male		1,361	
	• Female		586	
	Employee category			
	Director	Pax	6	
	• < 30 years old		0	
	• 30 – 50 years old		0	
	• > 50 years old		6	
	• Male		5	
	• Female		1	
	Management		49	
	• < 30 years old		0	
	• 30 – 50 years old		17	
	• > 50 years old		32	
	• Male		35	
	• Female		14	
	Executive		67	
	• < 30 years old		6	
	• 30 – 50 years old		38	
	• > 50 years old		23	
	• Male		45	
	• Female		22	
	Non-Executive-Internship/Casual Worker		1,880	
	• < 30 years old		708	
	• 30 – 50 years old		991	
	• > 50 years old		181	
	• Male		1,316	
	• Female		564	
	Material Topic: Community Engagement			
	GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Percentage of operations with implemented local community engagement, impact assessment, or development programme	%	100

^ The data received only covers the Marine Division in Malaysia.

## SUSTAINABILITY REPORT

cont'd

## GRI Content Index

<b>Statement of use</b>	Harbour-Link Group Berhad has reported the information cited in this GRI content index for the period 1 July 2023 - 30 June 2024 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Corporate Information @Annual Report 2024, page 1 Core Area : Productivity & Innovations, page 30-31
	2-2 Entities included in the organization's sustainability reporting	Corporate Structure @ Annual Report 2024, page 2-3 About this Sustainability Report, page 19-20
	2-3 Reporting period, frequency and contact point	About this Sustainability Report, page 19-20
	2-4 Restatements of information	-
	2-5 External assurance	-
	2-6 Activities, value chain and other business relationships	-
	2-7 Employees	Social, page 48-59
	2-8 Workers who are not employees	-
	2-9 Governance structure and composition	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85 Sustainability Governance, page 21-22
	2-15 Conflicts of interest	Board of Directors and Key Senior Management @ Annual Report, page 4-9 Audit and Risk Management Committee Report @ Annual Report 2024, page 87-88
	2-16 Communication of critical concerns	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85 Corporate Corporate Governance Report 2024 @ Harbour website - <a href="https://www.harbour.com.my/annual-reports/">https://www.harbour.com.my/annual-reports/</a>
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement @ Annual Report 2024, page 73-85 Sustainability Governance, page 21-22

## SUSTAINABILITY REPORT

cont'd

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021 (cont'd)</b>	2-19 Remuneration policies	Remuneration Policy @ Harbour website - <a href="https://www.harbour.com.my/corporate-governance-meeting/">https://www.harbour.com.my/corporate-governance-meeting/</a>
	2-20 Process to determine remuneration	Remuneration Policy @ Harbour website - <a href="https://www.harbour.com.my/corporate-governance-meeting/">https://www.harbour.com.my/corporate-governance-meeting/</a>
	2-21 Annual total compensation ratio	-
	2-22 Statement on sustainable development strategy	Approach to Sustainability, page 21-28
	2-23 Policy commitments	Sustainability Report, page 19-61 Harbour website - <a href="https://www.harbour.com.my/csr-introduction/our-commitment/">https://www.harbour.com.my/csr-introduction/our-commitment/</a>
	2-24 Embedding policy commitments	Sustainability Report, page 19-61 Harbour website - <a href="https://www.harbour.com.my/csr-introduction/our-commitment/">https://www.harbour.com.my/csr-introduction/our-commitment/</a>
	2-25 Processes to remediate negative impacts	-
	2-26 Mechanisms for seeking advice and raising concerns	-
	2-27 Compliance with laws and regulations	<a href="https://www.harbour.com.my/corporate-governance-meeting/">https://www.harbour.com.my/corporate-governance-meeting/</a>  <a href="https://www.harbour.com.my/csr-introduction/our-commitment/">https://www.harbour.com.my/csr-introduction/our-commitment/</a>
	2-28 Membership associations	-
	2-29 Approach to stakeholder engagement	Approach to Sustainability, page 26-28
	2-30 Collective bargaining agreements	-
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Approach to Sustainability, page 22-23
	3-2 List of material topics	Approach to Sustainability, page 22-23
	3-3 Management of material topics	Sustainability Report, page 19-61
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	-
	201-2 Financial implications and other risks and opportunities due to climate change	-
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from government	-
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-
	202-2 Proportion of senior management hired from the local community	-

## SUSTAINABILITY REPORT

cont'd

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	-
	203-2 Significant indirect economic impacts	-
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Economic, page 32-33
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Economic, page 34-35
	205-2 Communication and training about anti-corruption policies and procedures	Economic, page 34-35
	205-3 Confirmed incidents of corruption and actions taken	Economic, page 34-35
<b>GRI 206: Anti-competitive Behaviour 2016</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	-
	207-2 Tax governance, control, and risk management	-
	207-3 Stakeholder engagement and management of concerns related to tax	-
	207-4 Country-by-country reporting	-
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	-
	301-2 Recycled input materials used	-
	301-3 Reclaimed products and their packaging materials	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Environment, page 39-42
	302-2 Energy consumption outside of the organization	-
	302-3 Energy intensity	-
	302-4 Reduction of energy consumption	-
	302-5 Reductions in energy requirements of products and services	-
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	-
	303-2 Management of water discharge-related impacts	-
	303-3 Water withdrawal	Environment, page 42-43
	303-4 Water discharge	-
	303-5 Water consumption	-



## SUSTAINABILITY REPORT

cont'd

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
	304-2 Significant impacts of activities, products and services on biodiversity	-
	304-3 Habitats protected or restored	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environment, page 39-42
	305-2 Energy indirect (Scope 2) GHG emissions	Environment, page 39-42
	305-3 Other indirect (Scope 3) GHG emissions	-
	305-4 GHG emissions intensity	-
	305-5 Reduction of GHG emissions	-
	305-6 Emissions of ozone-depleting substances (ODS)	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	-
	306-2 Management of significant waste-related impacts	-
	306-3 Waste generated	-
	306-4 Waste diverted from disposal	-
	306-5 Waste directed to disposal	-
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Economic, page 32-33
	308-2 Negative environmental impacts in the supply chain and actions taken	-
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Social, page 48-54
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social, page 48-54
	401-3 Parental leave	-
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	-

## SUSTAINABILITY REPORT

cont'd

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Social, page 45-47
	403-2 Hazard identification, risk assessment, and incident investigation	-
	403-3 Occupational health services	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	-
	403-5 Worker training on occupational health and safety	-
	403-6 Promotion of worker health	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-
	403-8 Workers covered by an occupational health and safety management system	-
	403-9 Work-related injuries	-
	403-10 Work-related ill health	Social, page 45-47
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Social, page 48-54
	404-2 Programmes for upgrading employee skills and transition assistance programmes	-
	404-3 Percentage of employees receiving regular performance and career development reviews	-
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Social, page 54-59
	405-2 Ratio of basic salary and remuneration of women to men	-
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	-
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labour	-
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	-
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	-
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	-

## SUSTAINABILITY REPORT

cont'd

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	Social, page 60-61
	413-2 Operations with significant actual and potential negative impacts on local communities	-
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	-
	414-2 Negative social impacts in the supply chain and actions taken	-
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	-
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-
<b>GRI 417: Marketing and Labelling 2016</b>	417-1 Requirements for product and service information and labelling	-
	417-2 Incidents of non-compliance concerning product and service information and labelling	-
	417-3 Incidents of non-compliance concerning marketing communications	-
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Economic, page 33-34

### List of Abbreviations

ABC	Anti-Bribery & Anti-Corruption
CO <sub>2</sub> e	Carbon dioxide equivalent
EES	Economic, Environmental, and Social
EPCC	Engineering, Procurement, Construction, and Commissioning
ESG	Environmental, Social, and Governance
F4GBM	FTSE4Good Bursa Malaysia
FY	Financial Year
GHG	Greenhouse Gas
GJ	Gigajoules
GRI	Global Reporting Initiative
HSE	Health, Safety, and Environmental
ILO	International Labour Organisation
IMDG	International Maritime Dangerous Goods
ML	Megalitres
OSH	Occupational Safety and Health
RM	Malaysian Ringgit
RMC	Risk Management Committee
SR	Sustainability Report
TEUs	Twenty-foot Equivalent Units

## 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 (4<sup>th</sup> 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.

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 2024 except for:

Practice 1.3	The positions of Chairman and CEO are held by different individuals
Practice 1.4	Chairman is not a member of any of the committees, but the board allows the Chairman to participate in any or all of the committees' meetings
Practice 5.4 (Step Up)	The Board has a policy which limits the tenure of its independent directors to nine years without further extension
Practice 5.9	The board comprises at least 30% women directors
Practice 8.2	Disclosure on a named basis of the top five Senior Management personnel's remuneration
Practice 8.3 (Step Up)	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis
Practice 12.2	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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## 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:

- (a) To review and adopt Harbour-Link's strategic plans to ensure that the plans support long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (b) To oversee the conduct of the Group's business and to evaluate whether the business is being properly managed;
- (c) Be accountable to the shareholders to ensure the Group has good corporate governance culture that operates efficiently and transparently as well as reinforces ethical, prudent and professional behaviour;
- (d) Establishing a succession plan;
- (e) Working together with the management to take responsibility for the governance of sustainability in Harbour-Link including setting the Group's sustainability strategies, priorities and targets;
- (f) To approve annual budget;
- (g) To review budgetary control and conformance strategies;
- (h) To review and approve annual reports to the shareholders;
- (i) To ensure the integrity of the Group's financial and non-financial reporting;
- (j) To identify principal risks and to ensure the implementation of appropriate systems that encourage enhancement of effectiveness in Board and management;
- (k) To keep pace with the modern risks of business and other aspects of governance that address material environmental, social and governance risks and opportunities relevant to the Group;
- (l) To review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (m) To oversee the development and implementation of an effective communication with stakeholders; and
- (n) To work with senior management team on Sustainability Report. Sustainability issues has been an agenda in the notice of the Board meetings where the Board proactively discusses on the Group's ESG issue, progress and performance.

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 October 2024. 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](http://www.harbour.com.my).

The Board has also adopted the Directors' Fit and Proper Policy in line with MMLR of Bursa Securities.

# 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)

##### 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 administering 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](http://www.harbour.com.my).

##### Anti-Bribery & Anti-Corruption Policy

The Group has adopted and implemented the anti-bribery and anti-corruption policy on 24 February 2020 and revised on 2 November 2022 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.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

### 1. THE BOARD OF DIRECTORS (CONT'D)

#### 1.2 Board Balance and Composition

The Board currently consists of six (6) members, comprising of the Executive Chairman and Group Managing Director, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The Board has achieved the target of at least half of the board comprises independent directors in compliance with the MCGG 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 MCGG 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 through the two-tier voting process at the annual general meeting if the Board intends to retain the Directors as Independent Non-Executive Director.

Independent Non-Executive Director who has served for a cumulative period of more than 12 years should resign or be re-designated as a Non-Independent Director.

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 Roles and Responsibilities of the Chairman and Group Managing Director

Dato Yong Piau Soon was appointed as the Chairman of the Company on 25 May 2022. Dato Yong Piau Soon is the founder and major shareholder of Harbour-Link.

The position of Chairman and Group Managing Director are held by the same person as the Board believes that for its current size, it is more expedient for the two roles to be held by the same person with clear defining role to ensure no overlapping. As long as there is pertinent check and balance by the Independent Non-Executive Directors which made up of 50% of the current Board's size, no one person in the Board has unfettered powers to make major decision for the Company.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

### 1. THE BOARD OF DIRECTORS (CONT'D)

#### 1.3 Roles and Responsibilities of 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, to lead the Group to achieve its mission and vision. The Chairman is in a better position in this aspect for he has many years of experience and in-depth industrial knowledge in its group of businesses. 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 Group Managing Director 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 Chairman and Group Managing Director are prescribed in the Company's Board Charter which can be assessed at the corporate website at [www.harbour.com.my](http://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

cont'd

## 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	Chairman and 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	1/1	1/1
Datuk Pau Chiong Ung	Independent Non-Executive Director	4/4	5/5	1/1	1/1
Khoi Hoay Ling	Independent Non-Executive Director	4/4	5/5	1/1	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 Secretaries who are Fellow and Associate members 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 advises the Board on the corporate governance, rules and regulations to observe and ensure 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 2024 are as follows:

Gender		Age		Ethnicity (Malaysia)	
Male	5	40 – 50	0	Chinese	6
		Above 50	5		
Female	1	40 – 50	0		
		Above 50	1		

During the financial year, the Nomination Committee met once and 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 according to the Company's Director's Fit and Proper Policy;
- Review performance of Audit and Risk Management Committee and each of its members; and
- Review and evaluate the level of independence of a Director who has served more than nine years;

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.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

### 3. BOARD SELECTION AND ASSESSMENT (CONT'D)

TRAINING DETAILS FROM 1ST JULY 2023-JUNE 2024			
Director name	Training	Date	Training Provider
Dato Yong Piaw Soon	Webinar: Conflict of Interest and Governance Of Conflict of Interest	15-Aug-23	Suruhanjaya Syarikat Malaysia
	Mandatory Accreditation Programme Part II	10-11 July 2024	Institute Directors of corporate Malaysia
	Webinar: Pathway for Beginners Series on Company Law and Company Secretarial Practice	10-Jan-24	Suruhanjaya Syarikat Malaysia
	Webinar: Companies Act 2016, Practical Guide for Company Secretaris	09-Jan-24	Suruhanjaya Syarikat Malaysia
Wong Siong Seh	SSM National Conference 2023	25-26 July 2023	Suruhanjaya Syarikat Malaysia
	Webinar: Roadmap to Fund Raising Via Interest Scheme Act 2016	24-Aug-23	Suruhanjaya Syarikat Malaysia
	Mandatory Accreditation Programme Part II	10-11 June 2024	Institute Directors of corporate Malaysia
	Webinar: Corporate Directors Training Programme Fundamental 5.0	04-Jan-24	Suruhanjaya Syarikat Malaysia
Datuk Pau Chiong Ung	Webinar : AMLA : Protect Your Organisation by Raising STR	26th June 2024	Malaysia Institute of Accountants
Khoi Hoay Ling	Webinar: Conflict of Interest and Governance Of Conflict of Interest	27-Jul-23	Suruhanjaya Syarikat Malaysia
	Mandatory Accreditation Programme Part II	12-13 June 2024	Institute Directors of corporate Malaysia
Bin Lay Thiam	Webinar: Conflict of Interest and Governance Of Conflict of Interest	27-Jul-23	Suruhanjaya Syarikat Malaysia

Dato' Toh Guan Seng was not able to attend any training programmes and/or seminars during the financial year due to his busy work schedules. With over 20 years of serving in the Board, he has a robust understanding of the principles involve. He has kept himself abreast on financial and other business aspects through readings and meetings to enable him to effectively discharge his duties and contribute to the Board.

# 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 once and attended by all members to review the remuneration package for Executive Directors and key senior management.

Details of Directors' remuneration for the financial year ended 30 June 2024 are as follows:

Directors	Salaries	Fees	Allowances	Benefits-in-kind	Contribution to defined contribution plan and social security contributions	Total
<b>Executive Directors</b>						
Dato Yong Piaw Soon	905,013	6,000	11,000	-	36,944	958,957
Wong Siong Seh	-	-	4,000	-	-	4,000
Dato' Toh Guan Seng	-	-	4,000	-	-	4,000
<b>Non-Executive Directors</b>						
Bin Lay Thiam	-	60,000	11,000	-	-	71,000
Datuk Pau Chiong Ung	-	58,000	11,000	-	-	69,000
Khoi Hoay Ling	-	55,000	11,000	-	-	66,000
<b>Subsidiaries</b>						
<b>Executive Directors</b>						
Dato Yong Piaw Soon	3,674,085	-	-	-	-	3,674,085
Wong Siong Seh	4,241,553	-	-	9,900	23,451	4,274,904
Dato' Toh Guan Seng	448,795	-	-	17,174	18,700	484,669
<b>Total</b>	<b>9,269,446</b>	<b>179,000</b>	<b>52,000</b>	<b>27,074</b>	<b>79,095</b>	<b>9,606,615</b>

The Company has on the 21<sup>st</sup> Annual General Meeting ("AGM") held on 27 November 2023 obtained the shareholders' mandate on payment of Director fees and allowance up to RM350,000 from 27 November 2023 to the next AGM of the Company.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

### 4. BOARD REMUNERATION (CONT'D)

The aggregate remuneration of the top five (5) Senior Management staff of the Group during the financial year ended 30 June 2024 categorised into bands of RM50,000 are as follows:

Amount	Number of Key Senior Management	
	Subsidiary	Company
Above RM400,001 to RM450,000	1	-
Above RM450,001 to RM500,000	-	-
Above RM500,001 to RM550,000	1	-
Above RM550,001 to RM600,000	-	-
Above RM600,001 to RM650,000	-	-
Above RM650,001 to RM700,000	2	-
Above RM700,001 to RM750,000	-	-
Above RM750,001 to RM800,000	-	-
Above RM800,001 to RM850,000	-	-
Above RM850,001 to RM900,000	-	-
Above RM900,001 to RM950,000	-	-
Above RM950,001 to RM1,000,000	-	-
Above RM2,000,001 to RM5,700,000	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.

## PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

### 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

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

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.

Having satisfied itself with Messrs Ernst & 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.

## PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### 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 on going process to manage and mitigate key businesses risk 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

### PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### 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 21<sup>st</sup> AGM were voted by way of poll and duly passed. The outcome of the 21<sup>st</sup> AGM was announced to Bursa Securities on the same meeting day.

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

The 21<sup>st</sup> AGM was conducted on a fully virtual basis on 27 November 2023. All the Directors together with the Senior Management team and External Auditors attended the 21<sup>st</sup> AGM to answer any queries from the shareholders.

The Notice of the 21<sup>st</sup> AGM was issued on 26<sup>th</sup> October 2023 and published in the 2023 Annual Report, The Star 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 21<sup>st</sup> 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 2024, 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 25 October 2024.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. NON-AUDIT FEES

Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 30 June 2024 to the External Auditors are set out below: -

Description	Fees paid/payable to Messrs Ernst and Young PLT (RM)		
	Company	Subsidiary	Total
Audit fees	119,000	936,000	1,055,000
Non-Audit Fees	16,100	-	16,100
	135,100	936,000	1,071,100

Description	Fees paid/payable to other auditors (SGD/BND)		
	Company	Subsidiary	Total
Audit fees	-	25,900	25,900
Non-Audit Fees	-	1,500	1,500

Description	Fees paid/payable to other auditors (HKD)		
	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 other recurrent related party transactions transacted by the Company and its subsidiaries except for those disclosed under related party transactions on page 173.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The principal objective of the Audit and Risk Management Committee (“**ARMC**”) is to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of Harbour-Link Group Berhad and its subsidiaries (“**Group**”).

### MEMBERS AND MEETINGS

The ARMC comprise of three (3) members, all of whom are Independent Non-Executive Directors. Two 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.

During the financial year ended 30 June 2024 (“**FY2024**”), the ARMC held five (5) meetings and the records of the attendance of the ARMC members are as follow:

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 Chairman and Group Managing Director, Financial Controller and Compliance Officer were invited to attend all the meetings to provide clarification on matters within their purview. The external auditors responsible for the Group’s financial audit were present at three (3) out of five (5) meetings held during FY2024.

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

The full Terms of Reference of the ARMC is available on Harbour-Link’s website at [www.harbour.com.my](http://www.harbour.com.my).

### SUMMARY OF ACTIVITIES OF THE ARMC

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 annual audited financial statements to ensure the Group’s compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 with the Management and external auditors, the appropriateness of the Group’s accounting policies and adequacy of financial reporting and disclosure requirements with particular focus on key audit matters and the reasonableness of judgments and projections made in connection with the preparation of the financial statements.



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

## SUMMARY OF ACTIVITIES OF THE ARMC (CONT'D)

### 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' audit planning memorandum which outlined its engagement team, audit approach, audit timeline and areas of audit emphasis for financial year prior to the commencement of audit.
- Discussed with the external auditors on 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 of the ARMC Report and Statement on Risk Management and Internal Control for inclusion in the 2024 Annual Report.

### Related Party Transactions/Conflict of Interest

- Reviewed the related party transactions, conflict of interest ("COI") and potential COI situations 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. The activities of the internal audit function during the FY2024 are summarized 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.
- 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 FY2024 was approximately RM93,234.41.

## 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' investments and the Group's assets as well as reviewing the adequacy and effectiveness of the Group's risk management practices and internal control system. 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 the Management, respectively.

The Group's risk management practices and internal control system do not apply to its joint venture and associate companies where the Group does not have full management control over them. 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 the business continues to grow, the emphasis is on the importance of maintaining sound risk management practices and establishing a sustainable risk management governance framework. This is achieved through ongoing commitment to integrate the risk management framework and policy into the Group's culture and operations. The risk management process involves the continuous process of identifying, evaluating and managing the Group's material risks which is guided by the globally accepted standard for risk management, ISO 31000 Risk Management – Principles and Guidelines.

The risk management structure spans the entire organization, from the Board right down to the operational level that comprises 12 Risk Management Committees ("**RMC**"). This structure ensures material risks from each segment of the business are represented and escalated to respective Division Head and ultimately to the Board, providing a more rounded and all-inclusive approach in capturing and managing the Group's risks. The activities of the RMC are monitored by the Division Head with the assistance of the Risk Officer. The above process and structure have been in place for the financial under review and up to the date of the approval of this Statement.

Key risks identified that are pertinent to the current business environment are as follows:

- Digital transformation risk – In a rapidly evolving technological landscape, there is a risk of not keeping pace with new technologies needed to meet customer expectations and maintain operational efficiency amidst growing business complexity. To address this risk, the Management has allocated resources for ongoing technological upgrades and is committed in upskilling its workforce to adapt to these technological changes.
- Sustainability risk – Environmental, Social and Governance (ESG) issues that needs to be managed and balanced to keep the Group economically resilient, compliant with regulations and maintain stakeholder trust. The Management mitigates this risk by integrating ESG criteria into decision-making, ensuring ethical governance, enhancing sustainability efforts throughout its operations and improving its reporting.

# 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 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 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;
- Provide recommendations to improve on the effectiveness of controls and operations and conduct follow-up reviews to ensure that appropriate actions are being taken where applicable, to address internal control weaknesses highlighted; and
- Promote risk awareness, value and nature of an effective internal control system.

The internal audit reviews conducted are performed according to the Internal Audit Plan which is approved by the ARMC annually. The results of the internal audit reviews were discussed with the respective unit heads and subsequently, the audit findings including recommendations for improvements were presented to the ARMC as per the audit plan. In addition, follow-up reviews were conducted to ensure that corrective actions have been implemented accordingly. There were some internal control weaknesses identified from the review, all of which have been or are being addressed. None of these weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

## 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 the executive 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 unit within the Group prepares its budget for the following financial year. The budget is then reviewed by the Management after which, the budget is submitted to the Board for approval;
- 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;
- 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;

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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

- Organization structure with clearly defined lines of responsibility, delegation of authority and a process of hierarchical reporting;
- Employment of qualified and capable work force to enable the Group to achieve its vision and mission;
- 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;
- Continuous development and improvement on the information technology systems and platforms to support the operational efficiency in various operational activities;
- Established 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 Chairman and 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 2024 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 system 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 ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 30 June 2024, and reported to the Board that nothing has come to their attention that 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 25 October 2024 based on the recommendation of the ARMC.

# FINANCIAL STATEMENTS

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## 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 2024.

### 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	106,613,755	74,470,829
Attributable to:		
Owners of the Company	86,188,932	74,470,829
Non-controlling interest	20,424,823	-
	106,613,755	74,470,829

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 amounts of dividends paid by the Company since 30 June 2023 were as follows:

	RM
In respect of the financial year ended 30 June 2023:	
Final tax exempt (single-tier) dividend of 3.0 sen per share on 398,576,708 ordinary shares, declared on 30 November 2023 and paid on 29 December 2023	11,957,301
In respect of the financial year ended 30 June 2024:	
First interim tax exempt (single-tier) dividend of 3.0 sen per share on 398,576,708 ordinary shares, declared on 15 March 2024 and paid on 1 April 2024	11,957,301
	23,914,602



## DIRECTORS' REPORT

cont'd

### DIVIDENDS (CONT'D)

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 30 June 2024 of 3.0 sen per share on 398,576,708 ordinary shares, amounting to a dividend payable of RM11,957,301 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

### 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 (Resigned on 2 September 2023)

\*\* *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  
Choo Wai Teck  
Haji Abdul Saman Bin Ahmad  
Hii Kwong Wui  
Hooi Yen Peng  
Kok Giok Huat  
Lau Chii Hung  
Lee Seng Chiong  
Lim Sin Sang  
Lim Yan Peng  
Mohd Irwan Bin Abdullah  
Ong Khoon Seng  
Pau Chong Dak  
Sandra Chan Lee Hung  
Ngui Moh Yee  
Tan Tiong Pan  
Tang Kie Ung  
Wong King Hie  
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 a full-time employee of the Company as shown below) 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 32 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 RM17,325. No payment was made for any indemnity during the financial year and up to the date of this report.

## DIRECTORS' REMUNERATION

Details of directors' remunerations in accordance with the requirements of Companies Act 2016 are as follows:

	Group 2024 RM	Company 2024 RM
<b>Executive:</b>		
Salaries and other emoluments	9,115,330	830,800
Bonus	179,116	99,213
Contributions to defined contribution plan and social security contributions	79,095	36,944
Total executive directors' remuneration (excluding benefits-in-kind)	9,373,541	966,957
Estimated money value of benefits-in-kind	27,074	-
Total executive directors' remuneration (including benefits-in-kind)	9,400,615	966,957
<b>Non-executive:</b>		
Allowance	35,000	35,000
Fees	182,990	182,990
Total non-executive directors' remuneration	217,990	217,990
Total directors' remuneration (Note 9)	9,618,605	1,184,947

## DIRECTORS' REPORT

cont'd

### DIRECTORS' INTERESTS

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

	<b>Number of ordinary shares As at 01.07.2023 and 30.06.2024</b>
<b>Direct interest</b>	
Dato Yong Piau Soon	39,826,599
Wong Siong Seh	22,274,360
Dato'Toh Guan Seng	5,060,000
<b>Deemed interest</b>	
Dato Yong Piau Soon	212,819,726
Wong Siong Seh	212,819,726

By virtue of their substantial interest in shares in the Company, Dato Yong Piau 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.

### 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 have 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.

## DIRECTORS' REPORT

cont'd

### OTHER STATUTORY INFORMATION (CONT'D)

- (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.

### AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office. The remuneration of the auditors for financial year on a Group and Company basis amounted to RM1,071,100 and RM135,100, respectively.

To the extent permitted by law, the Company has agreed to indemnify their auditors, Ernst & Young PLT, as part of the terms of their audit engagements against claims by third parties arising from their audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 30 June 2024.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 October 2024.

**Dato Yong Piau 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 103 to 189 are drawn up in accordance with the 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 2024 and of their financial performances and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 October 2024.

**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 103 to 189 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 25 October 2024

**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 2024 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 material accounting policy information, as set out on pages 103 to 189.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the year then ended in accordance with the 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) and (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 RM721 million from freight and freight forwarding services which accounted for 77% 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 - significant accounting judgements and estimates on provision for expected credit losses of trade receivables, Note 20 - trade and other receivables and Note 33(d) - Credit risk)

As at the reporting date, the Group's trade receivables stood at RM216 million which is stated net of provision for expected credit losses ("ECL") of RM14 million. Trade receivables account for 19% of the Group's total assets. We focused on this area due to the significant estimation required to assess the provision for ECL including forward-looking factors.

Our procedures include the following:

- (i) obtained and reperformed management's ECL computation;
- (ii) assessed the reasonableness of historical loss rates applied in the ECL computation;
- (iii) obtained understanding 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.

*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 made available to us after the date of this auditors' report.

# 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 (cont'd)*

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 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.

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.

## 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)*

- 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.

### 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

**AU YONG SWEE YIN**

No. 03101/02/2026 J

Chartered Accountant

Kuching, Malaysia

Date: 25 October 2024

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue</b>	4	941,631,295	1,006,956,289	81,864,500	34,214,500
Cost of sales		(751,221,539)	(746,645,748)	-	-
<b>Gross profit</b>		190,409,756	260,310,541	81,864,500	34,214,500
<b>Other items of income</b>					
Other income	5	21,853,680	16,408,943	1,146,233	10,114,622
<b>Other items of expenses</b>					
Administrative and other expenses		(84,414,905)	(81,865,429)	(8,161,448)	(8,013,396)
<b>Operating profit</b>		127,848,531	194,854,055	74,849,285	36,315,726
Finance costs	6	(2,539,212)	(3,161,514)	(74,751)	(249,118)
Share of results of associates		419,873	3,344,578	-	-
Share of results of joint venture		(600)	(9,557)	-	-
<b>Profit before tax</b>	7	125,728,592	195,027,562	74,774,534	36,066,608
Income tax expense	10	(19,114,837)	(19,956,517)	(303,705)	(239,497)
<b>Profit net of tax</b>		106,613,755	175,071,045	74,470,829	35,827,111
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Share of associates' other comprehensive income/(loss)		195,695	(975,616)	-	-
Foreign currency translation		(49,765)	1,852,223	-	-
Other comprehensive income, net of tax		145,930	876,607	-	-
<b>Total comprehensive income for the year</b>		106,759,685	175,947,652	74,470,829	35,827,111
<b>Profit net of tax attributable to:</b>					
Owners of the Company		86,188,932	147,831,814	74,470,829	35,827,111
Non-controlling interests		20,424,823	27,239,231	-	-
		106,613,755	175,071,045	74,470,829	35,827,111
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		86,331,930	148,670,679	74,470,829	35,827,111
Non-controlling interests		20,427,755	27,276,973	-	-
		106,759,685	175,947,652	74,470,829	35,827,111
<b>Earnings per share attributable to the owners of the Company (sen per share)</b>					
Basic	11	21.62	37.09		
Diluted	11	21.62	37.09		

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

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	401,448,115	328,889,092	5,135,544	4,980,189
Investment properties	14	12,405,928	12,767,545	-	-
Investment in subsidiaries	15	-	-	296,085,893	240,695,328
Investment in associates	16	7,023,542	6,581,474	752,200	752,200
Investment in joint venture	17	-	29,269	-	-
Deferred tax assets	18	672,586	1,338,220	-	-
Inventories	19	47,061,860	45,750,442	-	-
Trade and other receivables	20	920,264	352,274	4,004,627	4,955,859
		469,532,295	395,708,316	305,978,264	251,383,576
Current assets					
Inventories	19	44,918,387	39,289,131	-	-
Trade and other receivables	20	222,734,908	183,540,928	306,383	43,064
Other current assets	21	29,383,314	46,703,225	227,478	144,833
Investment securities	23	115,779,410	135,957,370	46	2,311,085
Cash and bank balances	24	283,376,851	287,077,123	12,050,456	13,070,362
		696,192,870	692,567,777	12,584,363	15,569,344
TOTAL ASSETS		1,165,725,165	1,088,276,093	318,562,627	266,952,920
EQUITY AND LIABILITIES					
Current liabilities					
Loans and borrowings	27	19,396,142	19,550,636	3,400,000	1,400,000
Trade and other payables	28	154,719,308	150,527,550	1,392,426	2,352,885
Other current liabilities	29	4,280,759	3,965,847	-	-
Income tax payable		7,052,959	6,198,551	13,939	-
		185,449,168	180,242,584	4,806,365	3,752,885
Net current assets		510,743,702	512,325,193	7,777,998	11,816,459

## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

cont'd

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>EQUITY AND LIABILITIES (CONT'D)</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities	18	16,465,726	16,513,008	70,399	70,399
Loans and borrowings	27	29,891,748	29,774,311	-	-
		46,357,474	46,287,319	70,399	70,399
<b>TOTAL LIABILITIES</b>		231,806,642	226,529,903	4,876,764	3,823,284
<b>Net assets</b>		933,918,523	861,746,190	313,685,863	263,129,636
<b>Equity attributable to the owners of the Company</b>					
Share capital	25	200,200,008	200,200,008	200,200,008	200,200,008
Treasury shares	25	(886,951)	(886,951)	(886,951)	(886,951)
Retained earnings		602,056,768	539,308,309	114,372,806	63,816,579
Foreign currency translation reserve	26	4,626,591	4,483,593	-	-
		805,996,416	743,104,959	313,685,863	263,129,636
<b>Non-controlling interests</b>		127,922,107	118,641,231	-	-
<b>TOTAL EQUITY</b>		933,918,523	861,746,190	313,685,863	263,129,636
<b>TOTAL EQUITY AND LIABILITIES</b>		1,165,725,165	1,088,276,093	318,562,627	266,952,920

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 2024

← Attributable to the owners of the Company →								
Note	Share capital (Note 25) RM	Treasury shares (Note 25) RM	Retained earnings RM	Foreign currency translation reserve (Note 26) RM	Total equity attributed to the owners of the Company RM	Non-controlling interests RM	Total equity RM	
<b>Group</b>								
<b>At 1 July 2023</b>	200,200,008	(886,951)	539,308,309	4,483,593	743,104,959	118,641,231	861,746,190	
Profit net of tax	-	-	86,188,932	-	86,188,932	20,424,823	106,613,755	
Other comprehensive income	-	-	-	142,998	142,998	2,932	145,930	
Total comprehensive income	-	-	86,188,932	142,998	86,331,930	20,427,755	106,759,685	
<b>Transactions with owners</b>								
Dividends	12	-	-	(23,914,602)	-	(23,914,602)	-	(23,914,602)
Acquisition of non-controlling interests	15(b)	-	-	474,129	-	474,129	(3,109,879)	(2,635,750)
Subscription of new ordinary shares from non-controlling interests	15(d)	-	-	-	-	-	9,750,000	9,750,000
Dividends paid to non-controlling interests in subsidiaries		-	-	-	-	-	(17,787,000)	(17,787,000)
Total transactions with owners		-	-	(23,440,473)	-	(23,440,473)	(11,146,879)	(34,587,352)
<b>At 30 June 2024</b>	200,200,008	(886,951)	602,056,768	4,626,591	805,996,416	127,922,107	933,918,523	
<b>At 1 July 2022</b>								
Profit net of tax	-	-	147,831,814	-	147,831,814	27,239,231	175,071,045	
Other comprehensive income	-	-	-	838,865	838,865	37,742	876,607	
Total comprehensive income	-	-	147,831,814	838,865	148,670,679	27,276,973	175,947,652	
<b>Transactions with owners</b>								
Dividends	12	-	-	(21,928,175)	-	(21,928,175)	-	(21,928,175)
Acquisition of non-controlling interests		-	-	256,440	-	256,440	(2,428,440)	(2,172,000)
Dividends paid to non-controlling interest in subsidiaries		-	-	-	-	-	(4,970,000)	(4,970,000)
Total transactions with owners		-	-	(21,671,735)	-	(21,671,735)	(7,398,440)	(29,070,175)
<b>At 30 June 2023</b>	200,200,008	(886,951)	539,308,309	4,483,593	743,104,959	118,641,231	861,746,190	

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2024  
cont'd

	Note	Share capital (Note 25) RM	Treasury shares (Note 25) RM	Retained earnings RM	Total equity RM
<b>Company</b>					
<b>At 1 July 2023</b>		200,200,008	(886,951)	63,816,579	263,129,636
Profit net of tax, representing total comprehensive income		-	-	74,470,829	74,470,829
<b>Transactions with owners</b>					
Dividends	12	-	-	(23,914,602)	(23,914,602)
<b>At 30 June 2024</b>		200,200,008	(886,951)	114,372,806	313,685,863
<b>At 1 July 2022</b>		200,200,008	(886,951)	49,917,643	249,230,700
Profit net of tax, representing total comprehensive income		-	-	35,827,111	35,827,111
<b>Transactions with owners</b>					
Dividends	12	-	-	(21,928,175)	(21,928,175)
<b>At 30 June 2023</b>		200,200,008	(886,951)	63,816,579	263,129,636

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 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Operating activities</b>					
Profit before tax		125,728,592	195,027,562	74,774,534	36,066,608
Adjustments for:					
(Reversal of)/allowance for impairment, net					
- trade receivables	5,7	(195,233)	190,395	-	-
- other receivables	5,7	-	-	200,435	1,455,152
Reversal of impairment on investment in subsidiaries	5	-	-	(140,565)	(5,203,174)
Bad debts written off	7	22,407	57,710	-	-
Depreciation of property, plant and equipment	7	44,995,146	41,628,515	285,603	268,696
Depreciation of investment properties	7	491,493	610,617	-	-
Dividend income	4	-	-	(78,891,500)	(32,081,500)
Dividend income from investment securities	5	(1,252,863)	(614,500)	-	-
Fair value gain on investment securities, net	5,7	(4,180,801)	(2,400,425)	(230,765)	(190,934)
Gain on disposal of property, plant and equipment, net	7	(896,737)	(294,532)	(12,999)	-
Gain on termination of right-of-use assets	5	(2,216)	-	-	-
Loss/(gain) on partial disposal of investment in associate	5,7	-	1,802,949	-	(4,264,129)
Loss upon winding up of joint venture	7	630	-	-	-
Inventories written off	7	325,109	-	-	-
(Reversal of impairment loss)/impairment loss on property, plant and equipment, net	5,7	(769,344)	1,322,853	-	-
Interest expense	6	2,539,212	3,161,514	74,751	249,118
Interest income	5	(4,626,770)	(3,208,943)	(347,425)	(416,399)
Property, plant and equipment written off	7	1,016,795	264,905	2,691	1,162
Share of results of associates		(419,873)	(3,344,578)	-	-
Share of results of joint venture		600	9,557	-	-
Unrealised foreign exchange (gain)/loss, net	7	(579,237)	294,998	-	-
Total adjustments		36,468,318	39,481,035	(79,059,774)	(40,182,008)
<b>Operating cash flows before changes in working capital</b>		162,196,910	234,508,597	(4,285,240)	(4,115,400)

# STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024  
cont'd

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Operating activities (cont'd)</b>					
<u>Changes in working capital</u>					
Inventories		(7,265,783)	(4,086,816)	-	-
Trade and other receivables		(39,589,144)	22,098,916	487,478	1,218,176
Other current assets		19,157,988	(19,419,998)	(89,613)	541,711
Trade and other payables		4,150,626	59	(960,459)	(7,041,638)
Other current liabilities		314,912	(2,062,063)	-	-
<b>Total changes in working capital</b>		(23,231,401)	(3,469,902)	(562,594)	(5,281,751)
Taxes paid, net of refund		(19,442,625)	(23,414,829)	(282,798)	(217,039)
Interest received		4,626,770	3,208,943	347,425	416,399
Interest paid		(2,539,212)	(3,161,514)	(74,751)	(249,118)
<b>Net cash flows generated from/(used in) operating activities</b>		121,610,442	207,671,295	(4,857,958)	(9,446,909)
<b>Investing activities</b>					
Acquisition of property, plant and equipment	13(a)	(107,602,973)	(48,664,206)	(443,650)	(113,398)
Acquisition of non-controlling interest	15(b)	(2,635,750)	(2,172,000)	-	-
Redemption/(acquisition) of investment securities		25,611,624	(89,138,922)	2,541,804	6,409,353
Subscription of additional shares in a subsidiary	15(d)	-	-	(55,250,000)	-
Dividends received		173,500	113,500	78,891,500	32,081,500
Net cash inflow from disposal of investment in an associate		-	4,978,129	-	4,978,129
Capital distribution from winding up of joint venture		28,039	-	-	-
Proceeds from disposal of property, plant and equipment		3,891,318	898,186	13,000	-
<b>Net cash flows (used in)/generated from investing activities</b>		(80,534,242)	(133,985,313)	25,752,654	43,355,584
<b>Financing activities</b>					
Decrease/(increase) in short-term deposits with maturity more than 3 months		1,766,060	(13,817,718)	-	-
Increase in short term deposits pledged with banks		(171,827)	(1,768,095)	-	-
Dividends paid to non-controlling interests in subsidiaries		(17,787,000)	(4,970,000)	-	-
Dividends paid on ordinary shares	12	(23,914,602)	(21,928,175)	(23,914,602)	(21,928,175)
Proceeds from issuance of new ordinary shares to non-controlling interests	15(d)	9,750,000	-	-	-

## STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2024  
cont'd

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financing activities (cont'd)</b>					
Repayment of principal portion of lease liabilities	27	(14,267,517)	(16,419,855)	-	-
Repayment of loans and borrowings		(546,774)	(31,970,755)	-	(25,102,000)
Proceeds from loans and borrowings		2,000,000	26,542,000	2,000,000	24,672,000
<b>Net cash flows used in financing activities</b>		(43,171,660)	(64,332,598)	(21,914,602)	(22,358,175)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(2,095,460)	9,353,384	(1,019,906)	11,550,500
<b>Effects of exchange rate changes on cash and cash equivalents</b>		(49,765)	1,904,224	-	-
<b>Cash and cash equivalents at the beginning of the year</b>		266,884,002	255,626,394	13,070,362	1,519,862
<b>Cash and cash equivalents at the end of the year</b>	24	264,738,777	266,884,002	12,050,456	13,070,362

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 2024

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business 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 25 October 2024.

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

### 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 that, in the current financial year, the Group and the Company adopted the standards and amended MFRSs (collectively referred to as "pronouncements"), which are effective for annual financial periods as follows:

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts (including amendments on Initial Application of MFRS 17 and MFRS 9 - Comparative Information)	1 January 2023
Amendments to MFRS 101 and 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 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

The 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 2024

cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.3 Pronouncements issued but not yet effective

The 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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 financial statements from the adoption of the above pronouncements in the period of initial application.

### 2.4 Basis of consolidation

The consolidated financial statements incorporated the financial statements of the Company and of all the subsidiaries controlled by the Company made up to the end of the financial year.

The Company controls an entity if and only if the Company has all the following:

- (a) power over the entity;
- (b) exposure, or rights, to variable returns from its involvement with the entity; and
- (c) the ability to use its power over the entity to affect the amount of the returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

All subsidiaries are consolidated using the acquisition method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.4 Basis of consolidation (cont'd)

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Change in the ownership interest, which does not result in a loss of control is accounted for within equity. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is remeasured at fair value and a gain or loss is recognised in the statement of profit or loss.

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer from former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

- (a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination is achieved in stages.
- (b) The net fair value of the identifiable assets acquired and the liabilities assumed.

If a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised and is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

### 2.5 Subsidiaries

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.6 Investments in associates and joint venture

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.

In the Company's separate financial statements, investments in associates and joint venture 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.7 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify 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 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.

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).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.8 Foreign currencies (cont'd)

##### (a) Transactions and balances (cont'd)

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 Company 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 and the Company recognise 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 property, 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, equipment and others	5% to 20%

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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.

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-of-use asset.

### 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%
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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 properties only when there is a change in use. For a transfer from an 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 an 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 and the Company assess 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 and the Company make 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 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (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 include:

- Freehold and leasehold rights for land
- Amount paid to contractors for construction
- Borrowing costs (in accordance with accounting policy Note 2.17), 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 completed within normal operating cycle.

##### (b) Maintenance consumables

Maintenance consumables consist 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 costs 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 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (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 they manage their 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, all financial assets are classified at amortised cost (debt instruments) and at fair value through profit or loss.

##### (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 rate ("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 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (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 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. This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statements 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 contract assets. 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 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).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.13 Financial instruments (cont'd)

#### Financial assets (cont'd)

#### (iii) Impairment of financial assets (cont'd)

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 and the Company 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 60-120 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 are 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.

#### (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 their rights to receive cash flows from the asset or have 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 have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have 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 their 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.13 Financial instruments (cont'd)

##### 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

All financial liabilities are subsequently measured at amortised cost.

##### Amortised cost

After initial recognition, trade and other payables, and 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 statements of profit or loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements 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 statements 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 and the Company's cash management.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.15 Treasury shares

When shares of the Company that have not been cancelled 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.

#### 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	2 to 6 years
Plant, machinery and containers	2 to 10 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.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.16 Leases (cont'd)

##### As a lessee (cont'd)

##### (b) Lease liabilities (cont'd)

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.

##### 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. 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 and the Company have 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 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 and the Company 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) sale of equipment.

The Group and the Company have generally concluded that they are the principal in their revenue arrangements because they typically control 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.

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

Freight services for air, land and sea 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, customs clearance, import and export documentation, port related services rendered. 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 over time 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.19 Revenue (cont'd)

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

##### (v) Maintenance services (cont'd)

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.

##### (vi) Sale of equipment

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

##### (vii) Sale of completed properties

The sale of completed property constitutes a single performance obligation and the Group has determined that it is satisfied at a 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.

##### (viii) Management fees

Management fees are recognised over time as services are rendered.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.19 Revenue (cont'd)

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

##### Contract balances

##### (i) Trade receivables

A receivable represents the Group's and the Company'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.

##### (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) Interest income

Interest income is recognised using the effective interest rate method.

##### (ii) Dividend income

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

##### (iii) Hiring of vehicles and equipment, and rental income

The Group and the Company enter 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 year 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 and the Company operate and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate or joint venture on distributions of retained earnings to companies within the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (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 investment in subsidiaries, associates and joint venture, 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 investment in subsidiaries, associates and joint venture, 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 and the Company offset deferred tax assets and deferred tax liabilities if and only if they have 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 2024  
cont'd

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.20 Taxes (cont'd)

#### (c) Sales and Services Tax ("SST")

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

- Where the amount of SST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST 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 included.

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

### 2.21 Employee benefits

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay 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 their 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 37, 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 and the Company.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (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 2024  
cont'd

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period, and reported amount of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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. The Group and the Company based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group and of the Company. Such changes are reflected in the assumptions when they occur.

#### Provision for expected credit losses ("ECL") of trade receivables

The provision of ECL is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the ECL to adjust the historical credit loss experience with forward-looking information. 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 and the Company'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 and the Company's trade receivables is disclosed in Note 33(d).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 4. REVENUE

Revenue comprised the following:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Revenue from contracts with customers</b>	899,630,005	967,828,321	2,136,600	1,296,600
<b>Revenue from other sources:</b>				
Dividend income				
- associates (Note 16(i)(b))	-	-	141,500	81,500
- subsidiaries	-	-	78,750,000	32,000,000
Hiring of vehicles and equipment	37,551,174	34,517,650	-	-
Rental income				
- land	365,300	564,600	-	-
- premises	28,000	88,116	836,400	836,400
- warehouse	3,238,698	3,280,294	-	-
Others	818,118	677,308	-	-
	42,001,290	39,127,968	79,727,900	32,917,900
<b>Total revenue</b>	<b>941,631,295</b>	<b>1,006,956,289</b>	<b>81,864,500</b>	<b>34,214,500</b>

#### (a) Disaggregation of revenue from contracts with customers:

	Group	
	2024	2023
	RM	RM
Freight services		
- air freight	2,537,663	1,532,537
- land transportation	48,720,098	13,021,322
- ocean freight	513,857,653	446,150,245
Freight forwarding services	155,607,354	325,520,373
Engineering works	80,113,524	80,801,148
Maintenance services	5,753,561	5,969,366
Manpower supply	1,078,787	4,443,566
Sale of completed properties	-	2,264,800
Sale of land	7,450,000	-
Sale of equipment	84,511,365	88,124,964
	<b>899,630,005</b>	<b>967,828,321</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 4. REVENUE (CONT'D)

### (a) Disaggregation of revenue from contracts with customers: (cont'd)

	Group	
	2024	2023
	RM	RM
<b>Timing of revenue recognition:</b>		
- At a point of time	288,592,118	417,442,674
- Over time	611,037,887	550,385,647
	899,630,005	967,828,321

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

	Company	
	2024	2023
	RM	RM
Management fees	2,136,600	1,296,600
<b>Timing of revenue recognition:</b>		
- Over time	2,136,600	1,296,600

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

	Group	
	2024	2023
	RM	RM
<b>Within one year</b>		
- Engineering works	65,860,725	32,439,888

Remaining unsatisfied performance obligations ("RUPO") represent the transaction price for goods and services for which the Group and the Company have material rights but work has not been performed.

Transaction price of the RUPO includes the base transaction price, variable consideration and changes in transaction price. As a practical expedient, the RUPO does not include contracts for which the Group and the Company have recognised revenue at the amount to which the Group and the Company have the right to invoice for services performed or the performance obligation is part of a contract that has an original expected duration of one year or less.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 5. OTHER INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Dividend income from investment securities	1,252,863	614,500	-	-
Fair value gain on investment securities	4,180,801	2,413,224	230,765	190,934
Gain on disposal of property, plant and equipment	977,154	813,027	12,999	-
Interest income	4,626,770	3,208,943	347,425	416,399
Gain on partial disposal of investment in associate	-	-	-	4,264,129
Gain on termination of right-of-use assets	2,216	-	-	-
Reversal of allowance for impairment on				
- trade receivables (Note 33(d)(i))	6,232,871	3,586,389	-	-
- other receivables (Note 33(d)(ii))	-	-	398,619	-
Reversal of impairment loss on property, plant and equipment (Note 13)	1,364,363	-	-	-
Rental income	357,959	121,580	-	-
Realised foreign exchange gain	374,494	3,905,154	-	-
Unrealised foreign exchange gain	595,687	371,820	-	-
Sundry income	1,888,502	1,374,306	15,860	39,986
Reversal of impairment on investment in subsidiaries (Note 15)	-	-	140,565	5,203,174
	21,853,680	16,408,943	1,146,233	10,114,622

### 6. FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest expense on:				
Interest paid to subsidiaries	-	-	-	112,578
Lease liabilities (Note 27)	1,773,195	2,465,069	-	-
Bank overdrafts/revolving credit	100,701	136,540	74,751	136,540
Term loans	665,316	559,905	-	-
	2,539,212	3,161,514	74,751	249,118

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 7. PROFIT BEFORE TAX

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Employee benefits expense (Note 8)	117,883,448	107,892,722	4,882,004	4,310,462
Non-executive directors' remuneration (Note 9)	217,990	247,324	217,990	247,324
Auditors' remuneration				
- statutory audit	1,055,000	992,500	119,000	110,000
- non-audit services	16,100	39,000	16,100	39,000
Other auditors' remuneration				
- statutory audit	111,191	107,989	-	-
- non-audit services	5,223	-	-	-
Allowance for impairment				
- trade receivables (Note 33(d)(i))	6,037,638	3,776,784	-	-
- other receivables (Note 33(d)(ii))	-	-	599,054	1,455,152
Bad debts written off	22,407	57,710	-	-
Depreciation of property, plant and equipment (Note 13)	44,995,146	41,628,515	285,603	268,696
Depreciation of investment properties (Note 14)	491,493	610,617	-	-
Fair value loss on investment securities	-	12,799	-	-
Short term leases (Note 27)				
- hiring of equipment	1,287,799	3,372,344	-	44,022
- rental of premises	1,799,752	2,393,782	65,100	60,100
Impairment loss on property, plant and equipment (Note 13)	595,019	1,322,853	-	-
Gain on disposal of property, plant and equipment, net	(896,737)	(294,532)	(12,999)	-
Property, plant and equipment written off	1,016,795	264,905	2,691	1,162
Inventories written off	325,109	-	-	-
Realised foreign exchange (gain)/loss, net	(809,082)	552,193	-	-
Unrealised foreign exchange (gain)/loss, net	(579,237)	294,998	-	-
Loss on partial disposal of investment in associate	-	1,802,949	-	-
Loss upon winding up of joint venture	630	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries and wages	91,886,458	83,423,783	3,866,109	3,559,588
Allowances	8,544,014	7,659,374	60,122	35,628
Bonus	6,788,874	6,875,045	438,309	262,287
Contributions to defined contribution plan and social security contributions	9,917,968	9,305,176	512,457	448,497
Other benefits	746,134	629,344	5,007	4,462
	117,883,448	107,892,722	4,882,004	4,310,462

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM9,373,541 (2023: RM10,942,206) and RM966,957 (2023: RM897,622) respectively, as further disclosed in Note 9.

### 9. DIRECTORS' REMUNERATION

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Executive:</b>				
Salaries and other emoluments	9,115,330	10,731,410	830,800	800,400
Bonus	179,116	136,176	99,213	62,988
Contributions to defined contribution plan and social security contributions	79,095	74,620	36,944	34,234
Total executive directors' remuneration (excluding benefits-in-kind)	9,373,541	10,942,206	966,957	897,622
Estimated money value of benefits-in-kind	27,074	29,996	-	-
Total executive directors' remuneration (including benefits-in-kind)	9,400,615	10,972,202	966,957	897,622
<b>Non-executive directors' remuneration:</b>				
Allowance	35,000	44,000	35,000	44,000
Fees	182,990	203,324	182,990	203,324
Total non-executive directors' remuneration (Note 7)	217,990	247,324	217,990	247,324
Total directors' remuneration (Note 32(b))	9,618,605	11,219,526	1,184,947	1,144,946

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 10. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 30 June 2024 and 2023 are:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current income tax:				
Malaysian income tax	18,825,211	19,265,209	277,442	230,793
(Over)/under provision in prior years	(328,728)	213,402	26,263	8,253
	18,496,483	19,478,611	303,705	239,046
Deferred income tax (Note 18):				
Relating to origination and reversal of temporary differences	2,331,751	836,903	-	451
Over provision in prior years	(1,713,397)	(358,997)	-	-
	618,354	477,906	-	451
Total income tax recognised in profit or loss	19,114,837	19,956,517	303,705	239,497

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 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 rates applicable to the Singapore, Hong Kong and Brunei subsidiaries of the Group are 17%, 16.5% and 18.5% (2023: 17%, 16.5% and 18.5%), respectively.

Section 54A of the Income Tax Act, 1967 was amended 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 was deferred and on 10 July 2020, the Ministry of Finance issued an approval letter for the extension of the 100% shipping tax exemption up to YA 2023. On 5 July 2024, the Income Tax (Exemption for Malaysian Ship) Order 2024 was gazetted which provides for the exemption on shipping profits from YA 2024 until YA 2026.

The exemption is subject to each qualifying entity obtaining annual verification from the Ministry of Transport that the following conditions have been fulfilled:

- (a) incurs annual operating expenditure of at least RM250,000 for each Malaysian ship; and
- (b) has met the minimum prescribed number of full-time employees for each Malaysian ship.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

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

Reconciliations 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 are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit before tax	125,728,592	195,027,562	74,774,534	36,066,608
Tax at Malaysian statutory tax rate of 24%	30,174,862	46,806,615	17,945,888	8,655,986
Effect of different tax rates in other countries	(93,930)	(167,025)	-	-
Expenses not deductible for tax purposes	6,772,249	5,023,275	1,265,514	1,546,971
Income not subject to tax	(17,256,960)	(31,330,363)	(18,933,960)	(9,971,713)
Share of results of associates and joint venture	(100,626)	(800,405)	-	-
Deferred tax assets not recognised during the year	1,783,739	617,988	-	-
Utilisation of previously unrecognised unutilised tax losses and unabsorbed capital allowances	(122,372)	(47,973)	-	-
(Over)/under provision of tax expense in prior years	(328,728)	213,402	26,263	8,253
Over provision of deferred tax in prior years	(1,713,397)	(358,997)	-	-
Income tax expense for the year	19,114,837	19,956,517	303,705	239,497

### 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, excluding treasury shares held by the Company. The Company does not have any dilutive instruments as at reporting date and therefore, diluted earnings per share is presented as equal to basic earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 11. EARNINGS PER SHARE (CONT'D)

The following table reflects the profit and share data used in the computation of basic earnings per share for the years ended 30 June 2024 and 2023:

	Group	
	2024	2023
Profit net of tax attributable to the owners of the Company used in the computation of basic earnings per share (RM)	86,188,932	147,831,814
Weighted average number of ordinary shares in issue	398,576,708	398,576,708
Basic earnings per share (sen)	21.62	37.09

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

## 12. DIVIDENDS

	Group/Company	
	2024	2023
	RM	RM
<b>Recognised during the year:</b>		
<b>Dividends on ordinary shares</b>		
First interim tax exempt single-tier dividend in respect of 2024: 3.0 sen per share	11,957,301	-
Final tax exempt single-tier dividend in respect of 2023: 3.0 sen per share	11,957,301	-
First interim tax exempt single-tier dividend in respect of 2023: 3.0 sen per share	-	11,960,551
Final tax exempt single-tier dividend in respect of 2022: 2.5 sen per share	-	9,967,624
	23,914,602	21,928,175

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 30 June 2024 of 3.0 sen per share on 398,576,708 ordinary shares, amounting to a dividend payable of RM11,957,301 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 13. PROPERTY, PLANT AND EQUIPMENT

	* Land and buildings RM	Plant, machinery and containers RM	Vessels RM	Motor vehicles RM	Furniture, fittings, equipment, and others RM	Total RM
<b>Group</b>						
<b>Cost</b>						
<b>At 1 July 2022</b>	104,832,009	279,543,114	165,767,382	17,258,727	20,767,989	588,169,221
Additions	7,056,040	20,806,232	23,444,265	1,855,117	2,945,572	56,107,226
Disposals/written off	(805,965)	(1,422,989)	(7,201,841)	(1,084,883)	(680,062)	(11,195,740)
Exchange differences	34,802	-	-	-	49,274	84,076
Reclassification	(783,372)	1,741,966	-	-	(958,594)	-
<b>At 30 June 2023/1 July 2023</b>	110,333,514	300,668,323	182,009,806	18,028,961	22,124,179	633,164,783
Additions	15,053,954	31,596,114	70,675,892	1,803,411	1,850,843	120,980,214
Disposals/written off	(2,667,899)	(8,595,033)	(9,668,976)	(1,476,347)	(1,024,615)	(23,432,870)
Exchange differences	3,885	-	-	-	5,281	9,166
Reclassification	(26,545)	-	-	-	26,545	-
Transfer to investment properties (Note 14)	-	-	-	-	(138,184)	(138,184)
Derecognition upon expiry of leases	(2,064,956)	(3,336,106)	-	-	-	(5,401,062)
Derecognition upon termination of leases	(57,450)	-	-	-	-	(57,450)
<b>At 30 June 2024</b>	120,574,503	320,333,298	243,016,722	18,356,025	22,844,049	725,124,597
<b>Accumulated depreciation and impairment</b>						
<b>At 1 July 2022</b>	23,716,898	167,108,555	48,491,669	14,241,718	15,816,211	269,375,051
Depreciation charge for the year	6,085,053	18,794,980	16,024,486	1,140,564	1,786,816	43,831,899
Recognised in profit or loss (Note 7)	5,883,056	16,861,543	16,024,486	1,112,047	1,747,383	41,628,515
Recognised in construction contracts (Note 22)	201,997	1,933,437	-	28,517	39,433	2,203,384
Disposals/written off	(792,267)	(840,347)	(6,965,442)	(1,084,867)	(644,258)	(10,327,181)
Impairment loss (Note 7)	-	1,322,853	-	-	-	1,322,853
Reclassification	510,106	478,306	(147)	-	(988,265)	-
Exchange differences	27,948	-	-	-	45,121	73,069
<b>At 30 June 2023/1 July 2023</b>	29,547,738	186,864,347	57,550,566	14,297,415	16,015,625	304,275,691

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 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	Total RM
<b>Group (cont'd)</b>						
<b>Accumulated depreciation and impairment (cont'd)</b>						
Depreciation charge for the year	5,822,831	18,480,585	17,954,843	1,142,814	1,631,602	45,032,675
Recognised in profit or loss (Note 7)	5,822,831	18,443,056	17,954,843	1,142,814	1,631,602	44,995,146
Recognised in construction contracts (Note 22)	-	37,529	-	-	-	37,529
Disposals/written off	(2,325,237)	(7,772,010)	(6,894,256)	(1,457,040)	(972,951)	(19,421,494)
Reversal of impairment loss (Note 5)	-	(1,364,363)	-	-	-	(1,364,363)
Impairment loss (Note 7)	-	595,019	-	-	-	595,019
Exchange differences	4,280	-	-	-	4,737	9,017
Transfer to investment properties (Note 14)	-	-	-	-	(8,308)	(8,308)
Derecognition upon expiry of leases	(2,064,956)	(3,336,106)	-	-	-	(5,401,062)
Derecognition upon termination of leases	(40,693)	-	-	-	-	(40,693)
<b>At 30 June 2024</b>	<b>30,943,963</b>	<b>193,467,472</b>	<b>68,611,153</b>	<b>13,983,189</b>	<b>16,670,705</b>	<b>323,676,482</b>
<b>Net carrying amount</b>						
At 30 June 2023	80,785,776	113,803,976	124,459,240	3,731,546	6,108,554	328,889,092
At 30 June 2024	89,630,540	126,865,826	174,405,569	4,372,836	6,173,344	401,448,115

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

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

#### \* Land and buildings of the Group

	Freehold land RM	Leasehold land RM	Buildings and office space RM	Total RM
<b>Cost</b>				
<b>At 1 July 2022</b>	10,104,310	27,117,817	67,609,882	104,832,009
Additions	-	644,864	6,411,176	7,056,040
Disposals/written off	-	-	(805,965)	(805,965)
Reclassification	-	795,385	(1,578,757)	(783,372)
Exchange differences	-	-	34,802	34,802
<b>At 30 June 2023/1 July 2023</b>	10,104,310	28,558,066	71,671,138	110,333,514
Additions	-	8,500,000	6,553,954	15,053,954
Disposals/written off	-	(626,790)	(2,041,109)	(2,667,899)
Reclassification	-	-	(26,545)	(26,545)
Derecognition upon expiry of leases	-	-	(2,064,956)	(2,064,956)
Derecognition upon termination of leases	-	-	(57,450)	(57,450)
Exchange differences	-	-	3,885	3,885
<b>At 30 June 2024</b>	10,104,310	36,431,276	74,038,917	120,574,503
<b>Accumulated depreciation</b>				
<b>At 1 July 2022</b>	-	8,463,785	15,253,113	23,716,898
Depreciation charge for the year	-	1,927,917	4,157,136	6,085,053
Disposals/written off	-	-	(792,267)	(792,267)
Exchange differences	-	-	27,948	27,948
Reclassification	-	-	510,106	510,106
<b>At 30 June 2023/1 July 2023</b>	-	10,391,702	19,156,036	29,547,738
Depreciation charge for the year	-	1,540,150	4,282,681	5,822,831
Disposals/written off	-	(626,790)	(1,698,447)	(2,325,237)
Derecognition upon expiry of leases	-	-	(2,064,956)	(2,064,956)
Derecognition upon termination of leases	-	-	(40,693)	(40,693)
Exchange differences	-	-	4,280	4,280
<b>At 30 June 2024</b>	-	11,305,062	19,638,901	30,943,963
<b>Net carrying amount</b>				
<b>At 30 June 2023</b>	10,104,310	18,166,364	52,515,102	80,785,776
<b>At 30 June 2024</b>	10,104,310	25,126,214	54,400,046	89,630,540

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

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

	Land and buildings RM	Motor vehicles RM	Furniture, fitting and equipment and others RM	Total RM
<b>Company</b>				
<b>Cost</b>				
<b>At 1 July 2022</b>	6,482,834	1,320,639	2,332,408	10,135,881
Additions	-	-	113,398	113,398
Disposals/written off	-	-	(16,338)	(16,338)
Reclassification	377,798	-	(377,798)	-
<b>At 30 June 2022/1 July 2023</b>	6,860,632	1,320,639	2,051,670	10,232,941
Additions	-	331,345	112,305	443,650
Disposals/written off	-	(428,000)	(92,435)	(520,435)
<b>At 30 June 2024</b>	6,860,632	1,223,984	2,071,540	10,156,156
<b>Accumulated depreciation</b>				
<b>At 1 July 2022</b>	1,778,199	1,320,633	1,900,400	4,999,232
Depreciation charge for the year (Note 7)	133,671	-	135,025	268,696
Disposals/written off	-	-	(15,176)	(15,176)
Reclassification	377,794	-	(377,794)	-
<b>At 30 June 2023/1 July 2023</b>	2,289,664	1,320,633	1,642,455	5,252,752
Depreciation charge for the year (Note 7)	130,115	13,900	141,588	285,603
Disposals/written off	-	(427,999)	(89,744)	(517,743)
<b>At 30 June 2024</b>	2,419,779	906,534	1,694,299	5,020,612
<b>Net carrying amount</b>				
<b>At 30 June 2023</b>	4,440,853	317,450	377,241	5,135,544
<b>At 30 June 2024</b>	4,570,968	6	409,215	4,980,189

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash	107,602,973	48,664,206	443,650	113,398
Lease arrangements (Note 27)	13,377,241	7,443,020	-	-
	120,980,214	56,107,226	443,650	113,398

- (b) The net carrying amount of property, plant and equipment pledged for loans and borrowings (Note 27) are as follows:

	Group	
	2024 RM	2023 RM
Buildings	7,156,897	7,358,891
Freehold land	10,054,310	10,054,310
Leasehold land	9,442,052	8,676,417
Vessels	6,387,067	6,387,067
	33,040,326	32,476,685

- (c) Titles of certain leasehold land and buildings of the Group and of the Company with the following net carrying amounts have yet to be issued by the relevant authority:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Land and buildings	7,195,334	8,342,487	4,440,853	4,570,968

- (d) The Group has estimated the recoverable amounts of certain machinery during the financial year. The assessment has led to the recognition of net reversal of impairment losses of RM769,344 (2023: impairment losses of RM1,322,853).

In determining the recoverable amounts of the machinery, the Group obtained market quotation from an independent second-hand equipment dealer. The recoverable amounts were determined using fair value less costs of disposal ("FVLCD") based on their present conditions, following the equipment dealer's inspection.

Impairment loss of RM595,019 was recorded in administrative and other expenses, as disclosed in Note 7, due to FVLCD of certain machinery amounting to RM7,000,000 which is below their carrying amounts.

A reversal of impairment loss of RM1,364,363 was recorded in other income, as disclosed in Note 5, due to FVLCD of certain machinery amounting to RM9,160,000 which exceeds their carrying amounts, net of previously recognised impairment loss.

The above fair value measurements are classified in Level 3 of the fair value hierarchy.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 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 RM	Buildings and office space RM	Plant, machinery and containers RM	Motor vehicles RM	Total RM
<b>Group</b>					
<b>At 1 July 2023</b>	16,804,096	4,614,491	59,660,155	366,465	81,445,207
Additions	8,500,000	1,265,079	14,367,454	-	24,132,533
Depreciation charge for the year (Note 27)	(1,259,587)	(2,735,529)	(8,009,987)	(88,636)	(12,093,739)
Exchange difference	-	(397)	-	-	(397)
Derecognition upon termination of leases	-	(16,757)	-	-	(16,757)
Derecognition upon settlement of leases	-	-	(7,399,128)	(21,381)	(7,420,509)
Reversal of impairment loss	-	-	599,358	-	599,358
<b>At 30 June 2024</b>	24,044,509	3,126,887	59,217,852	256,448	86,645,696
<b>At 1 July 2022</b>	17,902,825	5,293,208	74,252,384	399,170	97,847,587
Additions	135,255	2,607,265	3,511,874	344,515	6,598,909
Depreciation charge for the year (Note 27)	(1,233,984)	(3,292,836)	(9,003,634)	(228,004)	(13,758,458)
Exchange difference	-	6,854	-	-	6,854
Derecognition upon settlement of leases	-	-	(7,981,902)	(149,216)	(8,131,118)
Impairment loss	-	-	(1,118,567)	-	(1,118,567)
<b>At 30 June 2023</b>	16,804,096	4,614,491	59,660,155	366,465	81,445,207

The Group has lease contracts for land, buildings, plant, machinery and containers as well as 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 judgement in determining whether these extension and termination options are reasonably certain to be exercised.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 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 statement of financial position:

	Land RM	Buildings and office space RM	Plant, machinery and containers RM	Motor vehicles RM
<b>Group</b>				
<b>At 30 June 2024</b>				
No. of right-of-use assets leased	15	33	135	4
No. of leases with extension options	3	11	1	-
No. of leases with termination options	3	10	1	-
<b>At 30 June 2023</b>				
No. of right-of-use assets leased	9	32	150	5
No. of leases with extension options	2	12	3	-
No. of leases with termination options	2	12	3	-

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

### 14. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 July	15,911,946	15,911,946
Transfer from property, plant and equipment (Note 13)	138,184	-
At 30 June	16,050,130	15,911,946
<b>Accumulated depreciation and impairment</b>		
At 1 July	3,144,401	2,533,784
Transfer from property, plant and equipment (Note 13)	8,308	-
Depreciation for the year (Note 7)	491,493	610,617
At 30 June	3,644,202	3,144,401
<b>Net carrying amount</b>	12,405,928	12,767,545
<b>Fair value of the investment properties</b>	45,257,476	42,492,370

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 14. INVESTMENT PROPERTIES (CONT'D)

Investment properties with aggregate carrying amount of RM565,885 (2023: RM579,451) are pledged as security for borrowings as disclosed in Note 27. Investment properties comprise a number of commercial properties leased to third parties.

As at 30 June 2023, the fair values of the properties are based on a combination of external valuations performed by accredited independent valuers and directors' valuation. As at 30 June 2024, 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.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Rental income from investment properties	1,911,534	1,816,225
Direct operating expenses from:		
- income generating properties	(501,364)	(509,764)

## 15. INVESTMENT IN SUBSIDIARIES

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares at cost	296,085,893	240,835,893
Less: Accumulated impairment losses	-	(140,565)
	296,085,893	240,695,328

Movement in accumulated impairment losses are as follows:

	<b>RM</b>	<b>RM</b>
As at 1 July 2023/2022	140,565	5,343,739
Reversal of impairment during the year (Note 5)	(140,565)	(5,203,174)
As at 30 June 2024/2023	-	140,565

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of Incorporation	Principal activities	% of ownership interest held by Group <sup>B</sup>		% of ownership interest held by non-controlling interest <sup>B</sup>	
			2024	2023	2024	2023
			%	%	%	%
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.*	Malaysia	Ship owning and ship operator services	85	85	15	15
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
<b>Subsidiaries of HLM</b>						
HLG Engineering Sdn. Bhd.*	Malaysia	Consultancy services and provision of engineering works	100	100	-	-
Harbour Services Corporation Sdn. Bhd.*	Malaysia	Freight forwarding, transportation and material handling	100	100	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 15. INVESTMENT 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 <sup>a</sup>		% of ownership interest held by non-controlling interest <sup>b</sup>	
			2024	2023	2024	2023
			%	%	%	%
<b>Subsidiaries of HLM (cont'd)</b>						
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 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
HLM Machinery Sdn. Bhd.*	Malaysia	Provision of heaping, transportation services	-	100	-	-
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
<b>Subsidiaries of HLLogistics</b>						
Siong Jaya Sdn. Bhd.*	Malaysia	Ceased operation	100	100	-	-
<b>Subsidiaries of HAS</b>						
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	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 15. INVESTMENT 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 <sup>B</sup>		% of ownership interest held by non-controlling interest <sup>B</sup>	
			2024	2023	2024	2023
			%	%	%	%
<b>Subsidiaries of ESEC</b>						
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, construction and procurement	100	100	-	-
<b>Subsidiaries of HLN</b>						
Harbour Eagle Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
Harbour Challenger Sdn. Bhd.*	Malaysia		100	100	-	-
Satun Shipping Sdn. Bhd.*	Malaysia		100	100	-	-
Harbour Gemini Sdn. Bhd.*	Malaysia		100	100	-	-
Harbour Services (Kuching) Sdn. Bhd.*	Malaysia		100	100	-	-
Harbour Agencies (Sibu) Sdn. Bhd.*	Malaysia		100	100	-	-
Navasco Shipping Sdn. Bhd.*	Malaysia		100	100	-	-
Harbour Xtra Sdn. Bhd.*	Malaysia		100	100	-	-
Harbour Ruby Sdn. Bhd.*	Malaysia		85	85	15	15
Harbour Zenith Sdn. Bhd.*	Malaysia		85	85	15	15
AM Lines Sdn. Bhd.*	Malaysia		85	85	15	15
Harbour-Link Shipping Sdn. Bhd.*	Malaysia		85	85	15	15
Harbour Adventure Sdn. Bhd.*	Malaysia		85	-	15	-
Harbour Zircon Sdn. Bhd.*	Malaysia		85	-	15	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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## 15. INVESTMENT 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 <sup>a</sup>		% of ownership interest held by non-controlling interest <sup>b</sup>	
			2024	2023	2024	2023
			%	%	%	%
<b>Subsidiaries of HLN (cont'd)</b>						
Harbour-Link Marine Services Sdn. Bhd.*	Malaysia	Ship management and consultancy services	100	100	-	-
Harbour Frida Sdn. Bhd. *	Malaysia	Ship owning and ship management	85	85	15	15
<b>Subsidiaries of HLLines</b>						
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		100	100	-	-
Harbour-Link Lines (KK) Sdn. Bhd.*	Malaysia		100	100	-	-
Harbour-Link Lines (PK) Sdn. Bhd.*	Malaysia		60	60	40	40
Harbour-Link Lines Ltd.**	Hong Kong		100	100	-	-
Harbour-Link Lines (S) Pte. Ltd.**	Singapore		100	100	-	-
Harbour-Link Lines (B) Sdn. Bhd.**	Brunei Darussalam		55	55	45	45
Harbour Jupiter Sdn. Bhd.*	Malaysia	Ship owning and ship management	100	100	-	-
<b>Subsidiaries of HLG Resources</b>						
HLG Equipment Sdn. Bhd.* ("HLG Equipment")	Malaysia	Provision of port related services	80	80	20	20
HLM Machinery Sdn. Bhd.*	Malaysia	Selling of construction engineering machineries, heavy lifting machineries, common equipment, mechanical and electrical equipment products	100	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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### 15. INVESTMENT 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 <sup>β</sup>		% of ownership interest held by non-controlling interest <sup>β</sup>	
			2024	2023	2024	2023
			%	%	%	%
<b>Subsidiaries of HLG Resources (cont'd)</b>						
Harbour-Link Trading Pte. Ltd.**	Singapore	General importer, exporter, traders and commission agents	100	100	-	-
<b>Subsidiary of HLG Equipment</b>						
HLG Equipment (B) Sdn. Bhd.**	Brunei Darussalam	Provision of port related services	99	99	1	1
<b>Subsidiary of APSB</b>						
Sarawak Edible Oils Sdn. Bhd.*	Malaysia	Property developer	100	100	-	-
<b>Subsidiary of HLG Petroleum</b>						
Advance Mariner Lines Sdn. Bhd.* (Note 15(b))	Malaysia	Port agent, ship operator and provision of freighting and marine services	62.02	54.79	37.98	45.21
<b>Subsidiaries of Advance Mariner Lines Sdn. Bhd.</b>						
AML Shipping Sdn. Bhd.*	Malaysia	Port agent, ship operator and provision of freight and marine services	100	100	-	-
AML Shipping (Singapore) Pte. Ltd.**	Singapore		100	100	-	-
AML Shipping (Sabah) Sdn. Bhd.*	Malaysia		51	51	49	49

\* Audited by Ernst & Young PLT, Malaysia.

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

β Equal to proportion of voting rights held

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

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

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

- (a) Although the Group owns 47% (2023: 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.
- (b) On 28 June 2024, HLG Petroleum Sdn. Bhd. ("HLG Petroleum"), a subsidiary of the Company, acquired 1,054,300 ordinary shares, representing 7.23% equity interest in Advance Mariner Lines Sdn. Bhd. ("AMLSB") for a cash consideration of RM2,635,750. Following the acquisition of shares, AMLSB became a 62.02% owned subsidiary of HLG Petroleum.
- (c) On 20 September 2023, Harbour-Link (M) Sdn. Bhd. ("HLM") disposed 100% interest in HLM Machinery Sdn. Bhd. to HLG Resources Sdn. Bhd. for RM1.
- (d) On 27 January 2024 and 22 March 2024, the Company subscribed for additional 8,500,000 ordinary shares and 46,750,000 ordinary shares, respectively, in Harbour-Link Navigation Sdn. Bhd. ("HLN") for a total cash consideration of RM55,250,000. The other corporate shareholder had also subscribed to additional shares of 9,750,000 ordinary shares for a cash consideration of RM9,750,000. Accordingly, there was no change in the effective interest in HLN. The additional investments in HLN by the abovementioned shareholder had resulted in an increase in non-controlling interest of RM9,750,000 which is recognised directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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### 15. INVESTMENT 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. Group						Harbour Services Sdn. Bhd.				Harbour-Link Lines Sdn. Bhd. Group				Advance Mariner Lines Sdn. Bhd. Group				HLG Equipment Sdn. Bhd.			
	2024		2023		2024		2024		2023		2024		2023		2024		2023		2024		2023	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	53,520	52,608			594		4,001				167,718				8,798				2,191			1,980
Current assets	26,214	23,406			22,413		41,923				273,827				51,885				21,511			41,467
Total assets	79,734	76,014			23,007		45,924				441,545				60,683				23,702			43,447
Current liabilities	1,449	2,408			14,432		34,883				114,070				13,494				7,081			30,177
Non-current liabilities	-	-			85		2,534				48,330				615				417			326
Total liabilities	1,449	2,408			14,517		37,417				162,400				14,109				7,498			30,503
Equity attributable to owners of the Company	39,925	37,539			3,990		3,998				234,263				29,313				12,964			10,355
Non-controlling interests	38,360	36,067			4,500		4,508				44,882				17,262				3,241			2,589
Total equity	78,285	73,606			8,490		8,506				279,145				46,575				16,205			12,944

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

## 15. INVESTMENT 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									
	Properties Sdn. Bhd. Group		Harbour Services Sdn. Bhd.		Harbour-Link Lines Sdn. Bhd. Group		Advance Mariner Lines Sdn. Bhd. Group		HLG Equipment Sdn. Bhd.	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	8,575	5,902	75,179	62,761	428,003	484,589	103,651	94,834	58,951	50,246
Profit for the year	4,680	1,932	16	1,951	59,784	114,609	12,147	11,334	3,260	2,586
Profit attributable to:										
Owners of the Company	2,387	985	7	917	49,727	96,144	6,471	5,965	2,608	2,069
Non-controlling interest	2,293	947	9	1,034	10,057	18,465	5,676	5,369	652	517
	4,680	1,932	16	1,951	59,784	114,609	12,147	11,334	3,260	2,586
Dividends paid to non-controlling interests	-	-	-	-	13,350	880	4,137	690	-	500

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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### 15. INVESTMENT 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 statement of cash flows

	Arcadia Properties Sdn. Bhd. Group		Harbour Services Sdn. Bhd.		Harbour-Link Lines Sdn. Bhd. Group		Advance Mariner Lines Sdn. Bhd. Group		HLG Equipment Sdn. Bhd.	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from/(used in) operating activities	5,314	1,396	3,357	(525)	111,823	155,713	11,392	8,916	(1,270)	5,188
Net cash generated from/(used in) investing activities	31	-	(379)	(481)	35,576	(99,402)	540	(13,817)	(431)	(309)
Net cash (used in)/generated from financing activities	(4,012)	299	239	(114)	(120,536)	(65,952)	(9,577)	(1,388)	(224)	(696)
Net increase/(decrease) in cash and cash equivalents	1,333	1,695	3,217	(1,120)	26,863	(9,641)	2,355	(6,289)	(1,925)	4,183
Effects of exchange rate changes	-	-	-	-	5	102	(68)	253	-	4
Cash and cash equivalents at the beginning of the year	2,751	1,056	3,113	4,233	87,640	97,179	17,748	23,784	6,580	2,393
Cash and cash equivalents at the end of the year	4,084	2,751	6,330	3,113	114,508	87,640	20,035	17,748	4,655	6,580

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unquoted shares in Malaysia, at cost	1,570,468	1,570,468	1,052,200	1,052,200
Share of post-acquisition reserves	5,453,074	5,011,006	-	-
Accumulated impairment losses	-	-	(300,000)	(300,000)
	7,023,542	6,581,474	752,200	752,200

Details of the associates are as follows:

Name of associates	Country of incorporation	Principal activities	Ownership of interest held by the Group <sup>β</sup>	
			2024	2023
			%	%
<b>Held by the Company</b>				
ECL (Malaysia) Sdn. Bhd. <sup>**</sup>	Malaysia	Shipping and services related	19	19
HKK Jaya Sdn. Bhd. <sup>**</sup>	Malaysia	Ship owning and operator services	25 <sup>#</sup>	25 <sup>#</sup>
Poseidon Autoliners Sdn. Bhd. <sup>**</sup>	Malaysia	Ship owning and operator services	25 <sup>#</sup>	25 <sup>#</sup>
Regional Car Liner Sdn. Bhd. <sup>**</sup>	Malaysia	Transport of freight over seas and coastal waters	10 <sup>α</sup>	10 <sup>α</sup>
<b>Held through Harbour-Link Lines (PK) Sdn. Bhd.</b>				
Smart Shipping Sdn. Bhd. <sup>**</sup>	Malaysia	Shipping and services related	40	40
<b>Held through Harbour-Link Logistics Sdn. Bhd.</b>				
Harbour-Link Logistics (S) Sdn. Bhd. <sup>*</sup>	Malaysia	Shipping and services related	30	30
<b>Held through AML Shipping Sdn. Bhd.</b>				
T & T Forwarding Sdn. Bhd. <sup>*</sup>	Malaysia	Custom declaration, handling and forwarding	49	49
<b>Held through Harbour Link (M) Sdn. Bhd.</b>				
Harbour Global Logistics Co. Ltd <sup>**</sup>	South Korea	Global professional project forwarding business	19	19

\* Audited by Ernst & Young PLT, Malaysia.

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

β Equal to proportion of voting rights held.

# Represents effective interest i.e. 15% directly held by the Company and 55% (2023: 55%) held through ECL (Malaysia) Sdn. Bhd..

α Represents effective interest i.e. 55% (2023: 55%) held through ECL (Malaysia) Sdn. Bhd..

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

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

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

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

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.

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

	ECL (Malaysia) Sdn. Bhd. Group	
	2024	2023
	RM	RM
<b>(a) Summarised statement of financial position</b>		
<b>Assets and liabilities</b>		
Current assets	44,707,369	45,547,433
Non-current assets	180,326,970	226,081,896
Total assets	225,034,339	271,629,329
Current liabilities	44,831,125	28,914,146
Non-current liabilities	154,419,151	216,005,814
Total liabilities	199,250,276	244,919,960
Net assets	25,784,063	26,709,369

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

	ECL (Malaysia) Sdn. Bhd. Group	
	2024	2023
	RM	RM
<b>Revenue</b>	122,649,335	127,633,580
Profit before tax	1,398,378	7,398,095
Income tax expense	(1,379,833)	(1,665,275)
Other comprehensive income	332,377	1,749,906
<b>Total comprehensive income</b>	350,922	7,482,726
Dividend received from the associates during the year (Note 4)	141,500	81,500



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

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

(i) The following table summarises the financial information in respect of the Group's material associate: (cont'd)

### (c) Reconciliation of net assets to carrying amount

	ECL (Malaysia) Sdn. Bhd. Group	
	2024	2023
	RM	RM
<b>As at 30 June</b>		
Net assets	25,784,063	26,709,369
Less: Non-controlling interest	(135,747)	(1,974,614)
Net assets attributable to shareholders of the Company	25,648,316	24,734,755
Effective interest in associates	19%	19%
Group's share of net assets	4,873,180	4,699,603

(ii) The summarised aggregate financial information of the Group's share in other individually non-material associates as 30 June are as follows:

	2024	2023
	RM	RM
Profit net of tax, representing total comprehensive income for the year	2,566,886	1,374,870
Carrying amount of the Group's interests in other associates	2,150,362	1,881,871

The Group received dividends from non-material associate in the current financial year amounting to RM32,000 (2023: RM32,000).

## 17. INVESTMENT IN JOINT VENTURE

	Group	
	2024	2023
	RM	RM
Unquoted shares at cost	-	32,500
Share of post-acquisition reserve	-	(3,231)
	-	29,269

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 17. INVESTMENT IN JOINT VENTURE (CONT'D)

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 <sup>β</sup>		Accounting model applied
			2024 %	2023 %	
A&H Project Services Sdn. Bhd.**	Malaysia	Transportation and crane renting	-	50	Equity method

<sup>β</sup> Equals to the proportion of voting right held

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

On 22 March 2024, the Group received cash consideration of RM28,039 as a capital contribution resulting from the winding up of A&H Project Services Sdn. Bhd.. The Group recognised a loss upon winding up of RM630. On completion, A&H Project Services Sdn. Bhd. ceased to be joint venture of the Group.

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

	Group		Company	
	RM	RM	RM	RM
<b>At 1 July 2023/2022</b>	(15,174,788)	(14,696,621)	(70,399)	(69,948)
Recognised in profit or loss (Note 10)	(618,354)	(477,906)	-	(451)
Exchange difference	2	(261)	-	-
<b>At 30 June 2024/2023</b>	(15,793,140)	(15,174,788)	(70,399)	(70,399)

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	672,586	1,338,220	-	-
Deferred tax liabilities	(16,465,726)	(16,513,008)	(70,399)	(70,399)
	(15,793,140)	(15,174,788)	(70,399)	(70,399)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

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

		Property, plant and equipment	
		RM	RM
<b>Group</b>			
<b>Deferred tax liabilities</b>			
At 1 July 2023/2022		(23,171,502)	(19,341,880)
Recognised in profit or loss		(3,513,469)	(3,829,361)
Exchange difference		2	(261)
At 30 June 2024/2023		(26,684,969)	(23,171,502)

	Inventories	Unutilised tax losses	Unabsorbed capital allowances	Trade receivables	Lease liabilities and others	Group Total
	RM	RM	RM	RM	RM	RM
<b>Group</b>						
<b>Deferred tax assets:</b>						
At 1 July 2023	453,588	337,050	2,806,841	2,975,771	1,423,464	7,996,714
Recognised in profit or loss	(366,720)	212,739	4,639,356	(757,530)	(832,730)	2,895,115
At 30 June 2024	86,868	549,789	7,446,197	2,218,241	590,734	10,891,829
At 1 July 2022	453,588	182,312	525,456	2,292,015	1,191,888	4,645,259
Recognised in profit or loss	-	154,738	2,281,385	683,756	231,576	3,351,455
At 30 June 2023	453,588	337,050	2,806,841	2,975,771	1,423,464	7,996,714

<b>Deferred tax liabilities</b>		<b>Company</b>	
		RM	RM
At 1 July 2023/2022		(70,399)	(69,948)
Recognised in profit or loss (Note 10)		-	(451)
At 30 June 2024/2023		(70,399)	(70,399)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

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

#### Deferred tax liabilities (cont'd)

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

	Group	
	2024	2023
	RM	RM
Unutilised tax losses	16,028,509	13,483,779
Unabsorbed capital allowances	7,172,070	4,414,856
Other deductible temporary differences	3,118,142	1,497,724
	26,318,721	19,396,359

Deferred tax assets were not recognised as it was not probable that future taxable profits will be available against which the above benefits 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	
	2024	2023
	RM	RM
Year of assessment 2028	5,594,570	6,612,353
Year of assessment 2029	1,073,776	2,535,993
Year of assessment 2030	727,936	727,936
Year of assessment 2031	1,999,089	1,999,089
Year of assessment 2032	474,478	474,478
Year of assessment 2033	1,133,930	1,133,930
Year of assessment 2034	5,024,730	-
	16,028,509	13,483,779

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 19. INVENTORIES

	Group	
	2024	2023
	RM	RM
<b>Non-current</b>		
<b>At cost</b>		
Land held for property development	47,061,860	45,750,442
<b>Current</b>		
<b>At cost</b>		
Properties held for sale	12,559,036	12,594,081
Property development cost	3,433,787	3,433,787
Bunkers and lubricants	9,537,395	7,403,232
Spare parts and consumable stores	8,977,596	7,987,405
Equipment	10,410,573	7,870,626
	44,918,387	39,289,131
	91,980,247	85,039,573
Cost of inventories recognised as expenses	201,922,754	205,484,780

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	228,574,801	185,479,712	-	-
Finance lease receivables	68,172	109,231	-	-
Associate	701,330	787,540	-	-
Trade receivables	229,344,303	186,376,483	-	-
Less: Allowance for impairment - third parties (Note 33(d)(i))	(13,840,689)	(14,023,547)	-	-
Trade receivables, net	215,503,614	172,352,936	-	-
<b>Other receivables</b>				
Deposits	4,707,178	8,689,758	41,550	41,550
Sundry receivables	2,524,116	2,498,234	264,833	1,514
	7,231,294	11,187,992	306,383	43,064
<b>Total current</b>	222,734,908	183,540,928	306,383	43,064
<b>Non-current</b>				
<b>Trade receivables</b>				
Third parties	920,264	284,102	-	-
Finance lease receivables	-	68,172	-	-
	920,264	352,274	-	-
<b>Other receivables</b>				
Amounts due from subsidiaries	-	-	13,757,903	14,508,700
Less: Allowance for impairment (Note 33(d)(ii))	-	-	(9,753,276)	(9,552,841)
Other receivables, net	-	-	4,004,627	4,955,859
<b>Total non-current</b>	920,264	352,274	4,004,627	4,955,859
<b>Total trade and other receivables</b>	223,655,172	183,893,202	4,311,010	4,998,923

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 20. TRADE AND OTHER RECEIVABLES (CONT'D)

### (a) Trade receivables

Credit terms of trade receivables range from cash terms to 120 days (2023: range from cash terms to 120 days).

Information on exposure to credit risk and its expected credit loss are disclosed in Note 33(d).

### (b) Finance lease receivables

Finance lease receivables consist of the following:

	Gross receivables RM	Unearned interest RM	Net receivables RM
<b>Group</b>			
<b>At 30 June 2024</b>			
Less than 1 year	70,300	(2,128)	68,172
<b>At 30 June 2023</b>			
Less than 1 year	121,200	(11,969)	109,231
1 to 5 years	70,300	(2,128)	68,172
	191,500	(14,097)	177,403

### (c) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, receivable on demand and are non-interest bearing, except for an amount of RM2,750,000 which bore interest at rates ranging from 4.50% to 6.85% per annum in prior year.

## 21. OTHER CURRENT ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current</b>				
Contract assets (Note 22)	4,689,913	26,139,970	-	-
Tax recoverable	8,799,337	6,998,789	-	6,968
Prepayments	15,894,064	13,564,466	227,478	137,865
	29,383,314	46,703,225	227,478	144,833

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 22. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024	2023
	RM	RM
<b>At 1 July 2023/2022</b>	22,174,123	(156,571)
Revenue recognised during the year	611,037,887	550,385,647
Billings during the year	(632,802,856)	(528,054,953)
<b>At 30 June 2024/2023</b>	409,154	22,174,123
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Analysed as follows:</b>		
Contract assets (Note 21)	4,689,913	26,139,970
Contract liabilities (Note 29)	(4,280,759)	(3,965,847)
Retention sums on contracts, included within trade receivables	1,350,763	3,568,114

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

	Group	
	2024	2023
	RM	RM
Depreciation of property, plant and equipment (Note 13)	37,259	2,203,384
Expenses related to short term leases (Note 27)	2,109,993	2,854,673

### 23. INVESTMENT SECURITIES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Held for trading investments, at fair value through profit or loss:				
Quoted unit trusts	115,779,410	135,957,370	46	2,311,085



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 24. CASH AND BANK BALANCES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash at bank and on hand	249,944,719	256,486,076	12,050,456	13,070,362
Short-term deposits with licensed banks	33,432,132	30,591,047	-	-
	283,376,851	287,077,123	12,050,456	13,070,362

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods from 1 day to 12 months (2023: 3 days to 12 months) depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The weighted average effective interest rates as at 30 June 2024 for the Group were 1.4% to 4.75% (2023: 1.56% to 4.75%). Short-term deposits with licensed banks of the Group amounting to RM5,428,943 (2023: RM5,257,116) are pledged as security for banking facilities utilised as disclosed in Note 27.

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and short-term deposits	283,376,851	287,077,123	12,050,456	13,070,362
Bank overdrafts (Note 27)	(156,497)	(117,311)	-	-
Short-term deposits pledged with banks	(5,428,943)	(5,257,116)	-	-
Short-term deposits with maturity more than 3 months	(13,052,634)	(14,818,694)	-	-
Cash and cash equivalents	264,738,777	266,884,002	12,050,456	13,070,362

### 25. 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 2023/2022 and 30 June 2023/2024	400,400,008	(1,823,300)	200,200,008	(886,951)

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 25. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

Of the total 400,400,008 (2023: 400,400,008) issued and fully paid ordinary shares as at 30 June 2024, 1,823,300 (2023: 1,823,300) are held as treasury shares by the Company. As at 30 June 2024, the number of outstanding ordinary shares in issue after the set-off is therefore 398,576,708 (2023: 398,576,708) 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.

### 26. 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.

### 27. LOANS AND BORROWINGS

	Maturity	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Current</b>					
<b>Secured:</b>					
Lease liabilities	2025	12,362,356	14,457,538	-	-
Bank overdrafts (Note 24)	On demand	156,497	117,311	-	-
Term loans - RM loan:					
BLR - 0.5%	2025	936,452	885,208	-	-
BLR - 0.75%		-	450,340	-	-
BLR - 1.5%	2025	505,475	480,370	-	-
Term Financing-i	2025	478,585	530,089	-	-
BLR + 0%	2025	400,000	600,000	-	-
BLR + 0.35%	2025	423,277	395,780	-	-
BLR + 1.0%		-	234,000	-	-
ECOF + 1.0%	2025	499,500	-	-	-
COF + 1.0%	2025	234,000	-	-	-
		15,996,142	18,150,636	-	-
<b>Unsecured:</b>					
Revolving credit	2025	3,400,000	1,400,000	3,400,000	1,400,000
<b>Total current</b>		19,396,142	19,550,636	3,400,000	1,400,000

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 27. LOANS AND BORROWINGS (CONT'D)

	Maturity	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-current</b>					
<b>Secured:</b>					
Lease liabilities	2026 - 2043	22,265,627	21,699,914	-	-
Term loans - RM loan:					
BLR - 0.5%	2026	565,900	1,492,891	-	-
BLR - 0.75%	2026	229,553	708,026	-	-
BLR - 1.5%	2026	657,512	1,163,453	-	-
Term Financing-i		-	345,412	-	-
BLR + 0%		-	400,000	-	-
BLR + 0.35%	2030	2,026,272	2,426,115	-	-
BLR + 1.0%		-	1,538,500	-	-
ECOF + 1.0%	2031	2,842,384	-	-	-
COF + 1.0%	2031	1,304,500	-	-	-
<b>Total non-current</b>		29,891,748	29,774,311	-	-
<b>Total loans and borrowings</b>		49,287,890	49,324,947	3,400,000	1,400,000

#### 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 (Note 24) 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 (2023: BLR + 1% to BLR + 1.25% per annum).

#### Revolving credit

The revolving credit bears interest at a range of 4.96% to 5.48% (2023: 3.45%) per annum at the reporting date.

#### RM loan at BLR - 0.5%

This loan is secured by a 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 a fixed charge over land and buildings of a subsidiary, Harbour-Link Logistics Sdn. Bhd. ("HLLG") and a corporate guarantee from the Company.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 27. LOANS AND BORROWINGS (CONT'D)

#### RM loan at BLR - 1.5%

This loan is secured by a fixed charge over certain leasehold land of HLLG and a corporate guarantee from the Company.

#### Term Financing-i

This loan is secured by a 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%

This loan is secured by a fixed charge over leasehold land of a subsidiary, Harbour Services Corporation Sdn. Bhd. and a corporate guarantee from the Company.

#### RM loan at BLR + 0.35%

This loan is secured by a fixed charge over the leasehold land of a subsidiary, HLLG, and a corporate guarantee from the Company.

#### RM loan at BLR + 1%

The loan is secured by way of legal charges on investment properties of HLM and a corporate guarantee from the Company. The loan has been fully repaid during the year.

#### RM loan at ECOF + 1%

This loan is secured by a fixed charge over the leasehold land of a subsidiary, HLLG, and a corporate guarantee from the Company.

#### RM loan at COF + 1%

This loan is secured by a fixed charge over land and buildings of a subsidiary, HLLG and a corporate guarantee from the Company.

#### Lease liabilities

The movement of lease liabilities during the financial year is as follows:

	Group	
	RM	RM
<b>At 1 July 2023/2022</b>	36,157,452	44,051,410
Additions (Note 13(a))	13,377,241	7,443,020
Interest charged (Note 6)	1,773,195	2,465,069
Payments	(16,040,712)	(18,884,924)
Exchange difference	(620,220)	1,082,877
Termination of lease	(18,973)	-
<b>At 30 June 2024/2023</b>	<b>34,627,983</b>	<b>36,157,452</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

### 27. LOANS AND BORROWINGS (CONT'D)

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:

	Group	
	2024 RM	2023 RM
Depreciation of right-of-use assets (Note 13(d))	12,093,739	13,758,458
Interest expense on lease liabilities (Note 6)	1,773,195	2,465,069
Short term leases:		
- recognised in profit or loss (Note 7)	3,087,551	5,766,126
- recognised in contract assets (Note 22)	2,109,993	2,854,673

The Group had total cash outflows for leases amounting to RM21,238,256 (2023: RM27,505,723) 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.

### 28. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade payables</b>				
Third parties	125,760,457	122,221,032	-	-
Accruals	665,151	2,186,116	-	-
Amount due to subsidiaries	-	-	-	946,138
Amount due to associate	783,120	35,377	-	-
	127,208,728	124,442,525	-	946,138
<b>Other payables</b>				
Accrued operating expenses	11,957,946	13,587,285	514,000	478,115
Sundry payables	11,845,011	8,357,518	878,426	143,632
Amounts due to subsidiaries	-	-	-	785,000
Deposit received	3,707,623	4,140,222	-	-
	27,510,580	26,085,025	1,392,426	1,406,747
<b>Total trade and other payables</b>	154,719,308	150,527,550	1,392,426	2,352,885

#### (a) Trade and sundry payables

These amounts are non-interest bearing. Credit terms of trade and sundry payables ranged from 30 to 180 days (2023: ranged from 30 to 180 days).

#### (b) Amounts due to subsidiaries

In the prior year, these amounts were unsecured, bore interest of 4.5% per annum and were repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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### 29. OTHER CURRENT LIABILITIES

	Group	
	2024	2023
	RM	RM
Contract liabilities (Note 22)	4,280,759	3,965,847

### 30. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities RM	Term loans RM	Revolving credit RM	Invoice financing RM	Total RM
<b>Group</b>					
At 1 July 2023	36,157,452	11,650,184	1,400,000	-	49,207,636
New leases	13,377,241	-	-	-	13,377,241
Cashflows	(14,267,517)	(546,774)	2,000,000	-	(12,814,291)
Exchange differences	(620,220)	-	-	-	(620,220)
Termination of lease	(18,973)	-	-	-	(18,973)
At 30 June 2024	34,627,983	11,103,410	3,400,000	-	49,131,393
At 1 July 2022	44,051,410	15,231,695	1,830,000	1,417,244	62,530,349
New leases	7,443,020	-	-	-	7,443,020
Cashflows	(16,419,855)	(3,581,511)	(430,000)	(1,417,244)	(21,848,610)
Exchange differences	1,082,877	-	-	-	1,082,877
At 30 June 2023	36,157,452	11,650,184	1,400,000	-	49,207,636
<b>Company</b>					
At 1 July 2023	-	-	1,400,000	-	1,400,000
Cashflows	-	-	2,000,000	-	2,000,000
At 30 June 2024	-	-	3,400,000	-	3,400,000
At 1 July 2022	-	-	1,830,000	-	1,830,000
Cashflows	-	-	(430,000)	-	(430,000)
At 30 June 2023	-	-	1,400,000	-	1,400,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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## 31. COMMITMENTS

### Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2024 RM	2023 RM
<b>Approved and contracted for:</b>		
Property, plant and equipment	719,640	25,896,109

## 32. 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	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Group</b>				
<b>Related parties:</b>				
<b>Income</b>				
<b>Sales of services</b>				
- Azam Teroka Sdn. Bhd.	30,724	30,606	150,605	150,605
- Herdsen Corporation Sdn. Bhd.	-	-	500	500
- Herdsen Quarry Sdn. Bhd.	313,200	166,217	536,836	399,200
- Herdsen Sago Industrial Sdn. Bhd.	-	-	-	60,526
- Magna Goldenway Sdn. Bhd.	212,800	30,630	320,156	320,156
- Marup Quarry Sdn. Bhd.	17,000	1,000	4,000	4,000
- YC Logistics Sdn. Bhd.	8,952	13,895	687,313	687,313
- Harbour-Link Agencies Sdn. Bhd.	2,700	-	-	-
<b>Sales of property, plant and equipment</b>				
- Herdsen Quarry Sdn. Bhd.	-	155,721	903,000	903,000

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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### 32. 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	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Group</b> (cont'd)				
<b>Related parties:</b> (cont'd)				
<b>Income</b> (cont'd)				
<b>Sales of equipment and spare parts</b>				
- Herdsen Quarry Sdn. Bhd.	-	-	277,672	602,181
- Marup Quarry Sdn. Bhd.	-	-	19,018	19,018
<b>Expenditure</b>				
<b>Purchase of services</b>				
- Azam Teroka Sdn. Bhd.	421	11,560	70,560	70,560
- Herdsen Quarry Sdn. Bhd.	37,290	-	21,371	21,371
- YC Logistics Sdn. Bhd.	-	4,638,640	9,214,686	9,214,686
- Harbour - Link Agencies Sdn. Bhd.	-	-	43,227	-
<b>Purchase of parts, tyres, materials and equipment</b>				
- Herdsen Quarry Sdn. Bhd.	-	-	1,332	1,332
<b>Rental of equipment and premises</b>				
- Magna Goldenway Sdn. Bhd.	960,000	129,479	960,000	960,000
- Marup Quarry Sdn. Bhd.	2,226	-	4,181	4,181
- Sri Minah Enterprise Sdn. Bhd.	792,339	212,661	883,996	883,996
- Director of the subsidiaries				
- Lee Yeong Shing	-	-	40,000	20,800



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 32. 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)

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.

	Transaction values	
	2024	2023
	RM	RM
<b>Group</b>		
<b>Transactions with associates</b>		
<b>Income</b>		
Sales of services	-	1,559,136
Dividend income	173,500	113,500
<b>Expenditure</b>		
Purchase of services	69,967	3,858,991
<b>Company</b>		
<b>Transactions with subsidiaries:</b>		
<b>Income</b>		
Dividend income	78,750,000	32,000,000
Interest income	153,283	392,267
Management fee income	2,136,600	1,296,000
Rental income	836,400	836,400
<b>Expenditure</b>		
Interest expense	-	112,578

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

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

#### (b) Compensation of key management personnel

Key management personnel represent those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group and certain members of senior management of the Group.

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Short-term employee benefits	12,516,340	14,104,521	1,436,141	1,129,476
Post-employment benefits:				
Defined contribution plan	310,724	333,484	72,679	67,284
Benefits-in-kind	68,774	86,846	-	-
	12,895,838	14,524,851	1,508,820	1,196,760
Included in the total key management personnel are:				
Directors' remuneration (Note 9)	9,618,605	11,219,526	1,184,947	1,144,946

### 33. 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 and the Company's overall financial risk management objective is to minimise any potential adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance in order to ensure the Group and the Company creates value for the shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's and the Company'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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (a) Foreign currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonable possible change in United States Dollar ("USD"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY") exchange rates, with all other variables held constant. The impact on the Group's profit before tax are shown below:

	Group	
	2024 RM	2023 RM
RM / USD - Strengthen 5% (2023: 5%)	1,639,945	2,509,039
RM / USD - Weaken 5% (2023: 5%)	(1,639,945)	(2,509,039)
RM / SGD – Strengthen 5% (2023: 5%)	2,331,161	1,227,727
RM / SGD – Weaken 5% (2023: 5%)	(2,331,161)	(1,227,727)
RM / CNY - Strengthen 5% (2023: 5%)	(681,590)	28,538
RM / CNY – Weaken 5% (2023: 5%)	681,590	(28,538)

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 RM	SGD RM	CNY RM	Total RM
<b>Functional currency of Group - RM</b>				
At 30 June 2024	32,798,902	46,623,228	(13,631,807)	65,790,323
At 30 June 2023	50,180,784	24,554,540	570,753	75,306,077

#### (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 and the Company'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 and the Company consider the risk of significant changes to interest rates on deposits to be low.

The Group's and the Company's primary interest rate risk relates to interest-bearing debts. The Group and the Company manage their interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. This strategy allows the Group and the Company to capitalise on cheaper funding in a low interest rate environment and to achieve a certain level of protection against rate hikes.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (b) Interest rate risk (cont'd)

If the Group's and the Company'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	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Borrowings based on base lending rate (BLR):</b>				
- Increase by 100 basis points (2023: 100 basis points)	(112,599)	(117,675)	(34,000)	(14,000)
- Decrease by 100 basis points (2023: 100 basis points)	112,599	117,675	34,000	14,000

#### (c) Liquidity risk

The Group and the Company manage their 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 the overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from both capital markets and financial institutions and balances their 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
<b>Group</b>					
<b>Financial liabilities</b>					
<b>At 30 June 2024</b>					
Trade and other payables	154,719,308	-	-	-	154,719,308
Loans and borrowings	21,395,427	14,945,089	14,892,141	3,542,487	54,775,144
Total undiscounted financial liabilities	176,114,735	14,945,089	14,892,141	3,542,487	209,494,452

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (c) Liquidity risk (cont'd)

#### Analysis of financial instruments by remaining contractual maturities (cont'd)

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. (cont'd)

	On demand or within one year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	5 years and more RM	Total RM
<b>Group (cont'd)</b>					
<b>Financial liabilities (cont'd)</b>					
<b>At 30 June 2023</b>					
Trade and other payables	150,527,550	-	-	-	150,527,550
Loans and borrowings	21,159,386	13,785,930	14,575,799	3,899,980	53,421,095
Total undiscounted financial liabilities	171,686,936	13,785,930	14,575,799	3,899,980	203,948,645
<b>Company</b>					
<b>Financial liabilities</b>					
<b>At 30 June 2024</b>					
Trade and other payables	1,392,426	-	-	-	1,392,426
Loans and borrowings	3,407,073	-	-	-	3,407,073
Financial guarantee contracts	69,892,433	-	-	-	69,892,433
Total undiscounted financial liabilities	74,691,931	-	-	-	74,691,931
<b>At 30 June 2023</b>					
Trade and other payables	2,352,885	-	-	-	2,352,885
Loans and borrowings	1,403,749	-	-	-	1,403,749
Financial guarantee contracts	41,210,160	-	-	-	41,210,160
Total undiscounted financial liabilities	44,966,794	-	-	-	44,966,794

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (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 and the Company are exposed to credit risk from their 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 and the Company control these risk by the application of credit approvals, limits and monitoring procedures. The Group and the Company also minimise their 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 and the Company's management reporting procedures. For other financial assets (deposits, cash and bank balances with financial institutions) the Group and the Company adopt the policy of dealing only with counterparties of high credibility (i.e. banks and financial institutions).

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 customer type and rating). 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 industry conditions. 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 and the Company do 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 statements of financial position after deducting any impairment allowance; and
- a nominal amount of RM69,892,433 (2023: RM41,210,160) relating to corporate guarantees provided by the Company to banks on the subsidiaries' borrowings.

#### Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the trade and other receivables on an ongoing basis. At the reporting date, approximately 12% (2023: 18%) of the Group's trade receivables are two major customers located in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (d) Credit risk (cont'd)

#### (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 2024 and 30 June 2023:

	Expected credit loss rate in %	Total gross carrying amount RM	Expected credit loss RM
<b>Group</b>			
<b>At 30 June 2024</b>			
Current (not past due)	0.11	124,143,579	137,298
Days past due:			
1-90 days	0.43	71,585,769	308,911
91-180 days	8.25	20,742,135	1,710,774
181-360 days	74.57	6,933,763	5,170,853
More than 360 days	94.95	6,859,321	6,512,853
		<u>230,264,567</u>	<u>13,840,689</u>
<b>At 30 June 2023</b>			
Current (not past due)	0.45	86,067,891	387,609
Days past due:			
1-90 days	1.04	73,376,351	761,390
91-180 days	9.54	14,972,904	1,428,058
181-360 days	85.95	5,007,936	4,304,524
More than 360 days	97.79	7,303,675	7,141,966
		<u>186,728,757</u>	<u>14,023,547</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (d) Credit risk (cont'd)

##### (i) Exposure to credit risk for trade receivables (cont'd)

##### Recognition and measurement of impairment loss (cont'd)

The movement in allowance for expected credit losses ("ECL") during the year for the Group is shown below:

	Group	
	2024	2023
	RM	RM
<b>At 1 July 2023/2022</b>	14,023,547	13,770,142
Charge for the year (Note 7)	6,037,638	3,776,784
Reversal of impairment losses (Note 5)	(6,232,871)	(3,586,389)
Net impairment losses	(195,233)	190,395
Exchange differences	12,375	63,010
<b>At 30 June 2024/2023</b>	<b>13,840,689</b>	<b>14,023,547</b>

##### (ii) Other receivables that are impaired

Movement in allowance accounts:

	Company	
	2024	2023
	RM	RM
<b>At 1 July 2023/2022</b>	9,552,841	8,097,689
Charge for the year (Note 7)	599,054	1,455,152
Reversal of impairment losses (Note 5)	(398,619)	-
<b>At 30 June 2024/2023</b>	<b>9,753,276</b>	<b>9,552,841</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
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## 34. 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 2024				30 June 2023			
Note		Group		Company		Group		Company	
		AC	FVTPL	AC	FVTPL	AC	FVTPL	AC	FVTPL
		RM	RM	RM	RM	RM	RM	RM	RM
<b>Financial assets</b>									
Trade and other receivables	20	223,655,172	-	4,311,010	-	183,893,202	-	4,998,923	-
Investment securities	23	-	115,779,410	-	46	-	135,957,370	-	2,311,085
Cash and bank balances	24	283,376,851	-	12,050,456	-	287,077,123	-	13,070,362	-
		507,032,023	115,779,410	16,361,466	46	470,970,325	135,957,370	18,069,285	2,311,085
<b>Financial liabilities</b>									
Loans and borrowings	27	49,287,890	-	3,400,000	-	49,324,947	-	1,400,000	-
Trade and other payables	28	154,719,308	-	1,392,426	-	150,527,550	-	2,352,885	-
		204,007,198	-	4,792,426	-	199,852,497	-	3,752,885	-

## 35. 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	20
Trade and other payables	28
Loans and borrowings	27

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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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### 35. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

#### Fair value hierarchy

The Group and the Company classify 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).

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 2024 and 2023:

	Note	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>						
<b>Assets measured at fair value</b>						
Investment securities	23	30 June 2024	115,779,410	-	-	115,779,410
Investment securities	23	30 June 2023	135,957,370	-	-	135,957,370
<b>Assets for which fair values are disclosed</b>						
Investment properties	14	30 June 2024	-	-	45,257,476	45,257,476
Investment properties	14	30 June 2023	-	-	42,378,634	42,378,634
<b>Company</b>						
<b>Assets measured at fair value</b>						
Investment securities	23	30 June 2024	46	-	-	46
Investment securities	23	30 June 2023	2,311,085	-	-	2,311,085

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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### 36. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company'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 and the Company 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.

	Note	Group		Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
Loans and borrowings	27	49,287,890	49,324,947	3,400,000	1,400,000
Trade and other payables	28	154,719,308	150,527,550	1,392,426	2,352,885
Less:					
Investment securities	23	(115,779,410)	(135,957,370)	(46)	(2,311,085)
Cash and bank balances	24	(283,376,851)	(287,077,123)	(12,050,456)	(13,070,362)
Net cash		(195,149,063)	(223,181,996)	(7,258,076)	(11,628,562)
Equity attributable to the owners of the Company		805,996,416	743,104,959	313,685,863	263,129,636
Capital and net debt		N/A*	N/A*	N/A*	N/A*
Gearing ratio		N/A*	N/A*	N/A*	N/A*

\* Not applicable as the Group and the Company are in a net cash position.

### 37. 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 37. SEGMENT INFORMATION (CONT'D)

#### (b) Business segments

The Group is organised into six major business segments:

- (i) Investment holding
- (ii) Shipping and marine services
- (iii) Integrated logistics
- (iv) Machineries trading
- (v) Engineering works
- (vi) Property development

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	Machineries trading	Engineering works	Property development	Elimination adjustments	Note	Total
	RM	RM	RM	RM	RM	RM	RM		RM
<b>At 30 June 2024</b>									
<b>Revenue</b>									
External sales	-	547,710,391	215,224,075	130,717,658*	40,182,938	7,796,233	-		941,631,295
Inter-segment sales	81,723,000	22,876,304	9,060,334	3,481,505	2,241,090	333,400	(119,715,633)	A	-
Total revenue	81,723,000	570,586,695	224,284,409	134,199,163	42,424,028	8,129,633	(119,715,633)		941,631,295
<b>Segment results</b>									
Profit/(loss) before tax	74,639,834	73,050,279	46,147,636	8,043,489	(3,121,871)	6,165,279	(79,196,054)	A	125,728,592
Depreciation	286,104	25,475,013	15,828,953	1,008,429	2,442,367	539,644	(93,871)	A	45,486,639
Impairment loss	-	-	595,019	-	-	-	-		595,019
Reversal of impairment loss	-	-	(1,361,181)	(3,182)	-	-	-		(1,364,363)
Finance costs	74,751	4,052,750	1,058,227	200,674	52,612	12,532	(2,912,334)	A	2,539,212
Income tax expense	303,705	8,117,251	6,455,804	2,757,308	(429,703)	1,910,472	-		19,114,837
Share of results of associates	-	(23,797)	443,670	-	-	-	-		419,873
Share of results of joint venture	-	-	(600)	-	-	-	-		(600)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 37. 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	Machineries trading	Engineering works	Property development	Elimination adjustments	Note	Total
	RM	RM	RM	RM	RM	RM	RM		RM
<b>At 30 June 2024</b> (cont'd)									
<b>Assets</b>									
Investment in associates	4,916,416	153,229	1,953,897	-	-	-	-		7,023,542
Investment in joint venture	-	-	-	-	-	-	-		-
Addition to non-current assets	443,649	76,947,040	40,296,653	1,800,696	1,470,836	21,340	-	B	120,980,214
Segment assets	22,636,323	573,832,112	336,180,878	72,161,459	82,580,365	80,432,262	(2,098,234)	C	1,165,725,165
<b>Liabilities</b>									
Segment liabilities	5,146,438	112,393,113	65,199,255	40,025,669	8,772,554	1,298,544	(1,028,931)	D	231,806,642

\* Included herein is revenue from engineering works amounting to RM40 million.

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	Machineries trading	Engineering works	Property development	Elimination adjustments	Note	Total
	RM	RM	RM	RM	RM	RM	RM		RM
<b>At 30 June 2023</b>									
<b>Revenue</b>									
External sales	-	608,421,426	216,663,667	126,109,938*	50,802,940	4,958,318	-		1,006,956,289
Inter-segment sales	34,214,500	26,972,856	12,022,943	1,884,938	-	2,651,350	(77,746,587)	A	-
Total revenue	34,214,500	635,394,282	228,686,610	127,994,876	50,802,940	7,609,668	(77,746,587)		1,006,956,289

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

cont'd

### 37. SEGMENT INFORMATION (CONT'D)

	Investment holding RM	Shipping and marine services RM	Integrated logistics RM	Machineries trading RM	Engineering works RM	Property development RM	Elimination adjustments RM	Note	Total RM
<b>At 30 June 2023</b>									
(cont'd)									
<b>Segment results</b>									
Profit before tax	28,086,904	138,874,015	47,056,167	5,963,822	2,263,327	2,683,458	(29,900,131)	A	195,027,562
Depreciation	268,696	23,477,531	17,074,560	879,362	334,507	333,252	(128,776)	A	42,239,132
Impairment loss	-	-	1,322,853	-	-	-	-		1,322,853
Finance costs	249,118	4,288,506	1,300,451	85,411	138,115	143,833	(3,043,920)	A	3,161,514
Income tax expense	239,498	10,697,808	5,333,361	2,316,606	613,702	755,542	-		19,956,517
Share of results of associates	3,290,548	16,701	37,329	-	-	-	-		3,344,578
Share of results of joint venture	-	-	(9,557)	-	-	-	-		(9,557)
<b>Assets</b>									
Investment in associates	5,534,275	209,026	838,173	-	-	-	-		6,581,474
Investment in joint venture	-	-	29,269	-	-	-	-		29,269
Addition to non- current assets	113,397	38,462,491	16,273,379	1,300,770	1,173,489	-	(1,216,300)	B	56,107,226
Segment assets	31,039,666	544,197,943	289,369,338	76,595,622	88,413,640	75,944,895	(17,285,011)	C	1,088,276,093
<b>Liabilities</b>									
Segment liabilities	4,110,364	99,881,505	61,837,753	50,428,994	10,938,121	1,213,765	(1,880,599)	D	226,529,903

\* Included herein is revenue from engineering works amounting to RM30 million.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024  
cont'd

## 37. SEGMENT INFORMATION (CONT'D)

**A** Elimination of inter-segment unrealised profit at consolidation.

**B** Additions to non-current assets consists of:

	2024 RM	2023 RM
Property, plant and equipment (Note 13)	120,980,214	56,107,226

**C** The following items deducted from segment assets to arrive at total assets reported in the consolidated statement of financial positions.

	2024 RM	2023 RM
Inter-segment assets elimination	(1,271,758)	(16,117,582)
Unrealised gain on inter-segment transactions	(826,476)	(1,167,429)
	(2,098,234)	(17,285,011)

**D** The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	2024 RM	2023 RM
Inter-segment liabilities elimination	(1,028,931)	(1,880,599)

### (c) 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	
	2024 RM	2023 RM
Malaysia	806,000,612	848,626,109
Hong Kong/China	130,961,848	154,251,521
Singapore	3,306,258	2,744,219
Brunei	1,362,577	1,334,440
Consolidated	941,631,295	1,006,956,289

## ANALYSIS OF SHAREHOLDING

As at 30 September 2024

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 30 September 2024

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100 shares	11,106	383,437	0.10
100 to 1,000 shares	2,966	833,985	0.21
1,001 to 10,000 shares	1,839	8,242,928	2.06
10,001 to 100,000 shares	761	23,893,178	5.97
100,001 to less than 5% of issued shares	118	103,807,555	25.92
5% and above of issued shares	7	263,238,925	65.74
	16,797	400,400,008	100.00

### DIRECTORS' SHAREHOLDINGS as at 30 September 2024

No.	Name	Direct Interest		Indirect Interest	
		Shares	% <sup>#</sup>	Shares	% <sup>#</sup>
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.	Bin Lay Thiam	-	-	-	-
6.	Khoi Hoay Ling	-	-	-	-

<sup>#</sup> Excluding a total of 1,823,000 shares bought-back by the Company and retained as treasury shares.

<sup>\*</sup> Deemed interest through shareholdings in Enricharvest Sdn. Bhd. and United Joy Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.



## ANALYSIS OF SHAREHOLDING

As at 30 September 2024  
cont'd

### SUBSTANTIAL SHAREHOLDERS as at 30 September 2024

No.	Name	Direct Interest		Indirect Interest	
		Shares	% <sup>#</sup>	Shares	% <sup>#</sup>
1.	Enricharvest Sdn. Bhd.	126,258,306	31.68	-	-
2.	United Joy Sdn. Bhd.	86,561,420	21.72	-	-
3.	Dato Yong Piau 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
5.	Quintet Luxembourg for Samarang Ucits - Samarang Asian Prosperity	28,192,600	7.07	-	-

# 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 30 September 2024

No.	Names	No. of Shares held	% <sup>#</sup>
1	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR UNITED JOY SDN. BHD.</i>	47,665,420	11.96
2	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR ENRICHARVEST SDN. BHD.</i>	47,458,400	11.91
3	ENRICHARVEST SDN. BHD.	40,402,340	10.14
4	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR YONG PIAW SOON</i>	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. <i>QUINTET LUXEMBOURG FOR SAMARANG UCITS - SAMARANG ASIAN PROSPERITY</i>	28,192,600	7.07
8	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR WONG SIONG SEH</i>	11,617,400	2.91
9	ENRICHARVEST SDN. BHD.	9,900,000	2.48
10	UNITED JOY SDN. BHD.	7,700,000	1.93
11	RHB NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR WONG SIONG SEH</i>	7,356,960	1.85
12	LEE POH IM	7,149,140	1.79
13	TOH GUAN SENG	5,060,000	1.27
14	WONG NGUOK SIONG	3,654,400	0.92
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR HII KWONG WUI</i>	3,601,500	0.90

## ANALYSIS OF SHAREHOLDING

As at 30 September 2024

cont'd

### THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

as at 30 September 2024

No.	Names	No. of Shares held	% <sup>#</sup>
16	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR WONG SIONG SEH</i>	3,300,000	0.83
17	CIMB GROUP NOMINEES (ASING) SDN. BHD. <i>EXEMPT AN FOR DBS BANK LTD</i>	3,246,828	0.81
18	LAU CHII HUNG	2,569,200	0.64
19	RHB NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LEE SENG CHIONG</i>	2,028,600	0.51
20	LIEW KIM MAN	1,650,000	0.41
21	CARTABAN NOMINEES (ASING) SDN. BHD. <i>THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND</i>	1,482,200	0.37
22	RHB NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI</i>	1,406,800	0.35
23	LOH CHAI KIAM	1,110,000	0.28
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LAU SII HIN</i>	992,300	0.25
25	WONG LING POH	984,000	0.25
26	MOHAMED SALLEH BIN BAJURI	901,560	0.23
27	CHONG CHIEW TSHUNG	850,000	0.21
28	LIM SIN SANG	827,600	0.21
29	HLB NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR GOH CHU YONG</i>	813,000	0.20
30	RHB NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR FELIX WONG KHUNG CHUI</i>	778,000	0.20

# 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 2024

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2024 (RM'000)	Date of acquisition
<b>Harbour-Link Group Bhd</b>						
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	17 years	4,441	18 August 2006
<b>Harbour-Link (M) Sdn Bhd</b>						
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	22 years	4,364	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	22 years	325	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	22 years	1,500	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	18 years	426	5 July 2005
Block 5, 3rd Floor, Unit 1 of Lot 1079, Block 31, Kemena Land District, Bintulu, Sarawak	Strata title with leasehold land expiring on 26.10.2064	Residential apartment used as staff quarters	74.3 sq metres	25 years	33	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	22 years	92	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	22 years	92	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	17 years	1,182	28 January 2004
		Office Cum Warehouse		6 years	7,922	1 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	15 years	1,552	11 March 2009

## LIST OF PROPERTIES

As at 30 June 2024

cont'd

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2024 (RM'000)	Date of acquisition
No.56, Lot 2630, Block 20, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 12.07.2082	3-storey intermediate shophouse	139.9 sq metres	8 years	1,057	26 July 2022
No.57, Lot 2631, Block 20, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 12.07.2082	3-storey intermediate shophouse	139.9 sq metres	8 years	1,057	26 July 2022
<b>Harbour Agencies (Sarawak) Sdn Bhd</b>						
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	25 years	118	19 February 2004
Lot 1684, Block 11, Seduan Land District, Sibul, Sarawak	Leasehold land expiring on 03.12.2034	Vacant Agriculture land	9,220.0 sq metres	-	405	2 October 2003
<b>Harbour Agencies (Sibu) Sdn Bhd</b>						
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	32 years	121	25 October 1995
<b>Harbour Services (Miri) Sdn Bhd</b>						
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	18 years	309	6 February 2004
<b>Harbour-Link Logistics Sdn Bhd</b>						
Lot 3120, Block 26, Kemena Land District, Bintulu, Sarawak	Leasehold land expiring on 16.01.2058	Warehouse and office	39,580.0 sq metres	8 years	14,718	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	17 years	3,764	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	6 years	2,226	1 May 2019
Lot 31, Phase 3A, Lahad Datu, Sabah	Vacant Industrial Land	Industrial	4.49 acres	-	2,754	30 November 2019

# LIST OF PROPERTIES

As at 30 June 2024  
cont'd

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2024 (RM'000)	Date of acquisition
<b>Eastern Solder Engineering &amp; Construction Sdn Bhd</b>						
Lot 17239, Jalan Haruan 2, Oakland Industrial Park, 70200 Seremban	Freehold	Factory and office	10,219.0 sq metres	30 years	3,717	10 November 1992
Lot No. 14849, Town of Seremban, District of Seremban, Negeri Sembilan	Freehold	Intermediate double-storey shophouse rented to third party	153.0 sq metres	35 years	151	30 June 1994
Lot No. 11441, No. 1, Jalan Kesuma 3/7, Bandar Tasik Kesuma, 43700 Beranang, Selangor	Freehold	Vacant Corner lot three-storey shopoffice	224 sq metres	22 years	115	20 April 1999
PT 11643, Jalan Techvalley 1/2, Sendayan Techvalley 2, 71950 Bandar Sri Sendayan, Negeri Sembilan	Freehold	Workshop building	28,329.0 sq metres	7 years	13,495	22 May 2013
<b>ESE Energy Sdn Bhd</b>						
Lot No. 21953, Pekan of Bukit Kepayang, District of Seremban, Negeri Sembilan	Freehold	Staff house and store Intermediate three-storey shopoffice	92.9 sq metres	24 years	213	24 June 1996
<b>Sarawak Edible Oils S/B</b>						
Lot 1218, Block 20, Kemena Land District, Bintulu, Sarawak.	Leasehold land expiring on 31.10.2071	Vacant/ Industrial Land	294,813.49 sq metres	-	47,410	26 April 2010
Lot 2701, Block 2545, Block 20, Kemena Land District, Bintulu, Sarawak.	Leasehold land expiring on 31.10.2071	Industrial Building	814.3 sq metres	8 years	1,024	01 April 2018
Lot 7 (2581), Lot 2535, Block 20, Kemena Land District, Bintulu, Sarawak.	Leasehold land expiring on 12.07.2082	Office 3-storey shophouse	222.8 sq metres	8 years	749	23 March 2016
Lot 59 (2633) Lot 2535, Block 20, Kemena Land District, Bintulu, Sarawak.	Leasehold land expiring on 12.07.2082	Office 3-storey shophouse	140 sq metres	8 years	498	1 April 2017

## LIST OF PROPERTIES

As at 30 June 2024

cont'd

Description	Tenure	Existing use	Land area/ Built-up area	Approximate age of building	Net book value at 30 June 2024 (RM'000)	Date of acquisition
<b>Harbour Services Corporation Sdn Bhd</b>						
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	4 years	5,547	6 January 2015
<b>Harbour-Link Logistics Sdn Bhd</b>						
Lot No. 015677291 Telipok, Kota Kinabalu, Sabah.	Leasehold land expiring on 31.12.2099	Vacant Land	4,720.4	-	3,362	8 May 2023
Lot No. 015677308 Telipok, Kota Kinabalu, Sabah.	Leasehold land expiring on 31.12.2099	Vacant Land	2,761.8	-	2,043	8 May 2023
Lot No. 015677317 Telipok, Kota Kinabalu, Sabah.	Leasehold land expiring on 31.12.2099	Vacant Land	4,100.6	-	3,025	8 May 2023

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Second (“22<sup>nd</sup>”) Annual General Meeting (“AGM”) of the Company will be conducted on a virtual basis at the Broadcast Venue at Wisma Harbour, Parkcity Commerce Square, Jalan Tun Ahmad Zaidi, 97000 Bintulu, Sarawak on Tuesday, 26 November 2024 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 2024 together with the Directors’ and Auditors’ Reports thereon.
2. To approve a final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2024. **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ fees and allowances up to RM350,000.00 for the period from this AGM until the next AGM of the Company. **(Ordinary Resolution 2)**
4. To re-elect the following Directors retiring in accordance with Article 86 of the Company’s Constitution and being eligible, offer themselves for re-election:-
  - i) Mr. Wong Siong Seh **(Ordinary Resolution 3)**
  - ii) Ms. Khoi Hoay Ling **(Ordinary Resolution 4)**
5. 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. **(Ordinary Resolution 5)**

### AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions: -

6. **RETENTION OF INDEPENDENT DIRECTOR** **(Ordinary Resolution 6)**  
 “THAT Mr. Bin Lay Thiam, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years be and is hereby retained as Independent Non-Executive Director of the Company.”
7. **RETENTION OF INDEPENDENT DIRECTOR** **(Ordinary Resolution 7)**  
 “THAT Datuk Pau Chiong Ung, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years be and is hereby retained as Independent Non-Executive Director of the Company.”
8. **AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS** **(Ordinary Resolution 8)**  
 “THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”) 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.”

## NOTICE OF ANNUAL GENERAL MEETING

cont'd

AND THAT pursuant to Section 85 of the Act to be read together with Article 3 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act."

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

**(Ordinary Resolution 9)**

"THAT the mandate granted by the shareholders of the Company at the 21<sup>st</sup> AGM held on 27 November 2023 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 28 October 2024 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 28 October 2024, which are necessary for HLG Group's day-to-day operations.

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 22<sup>nd</sup> 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) 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 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."



# NOTICE OF ANNUAL GENERAL MEETING

cont'd

## 10. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

(Special Resolution)

"THAT the proposed amendments to the existing Constitution of the Company as set out in Appendix A be and is hereby approved and adopted with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts things and take all such steps as may be considered necessary to give full effect to the foregoing."

11. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the 22<sup>nd</sup> AGM, a final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2024 will be paid on 27 December 2024 to depositors whose names appear in the Record of Depositors on 29 November 2024.

A Depositor shall qualify for entitlement to the Dividend only in respect of: -

- a) Shares transferred to the Depositor's securities account before 4.30 p.m. on 29 November 2024 in respect of transfers.
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**LIM SECK WAH (MAICSA NO. 0799845)**  
**TANG CHI HOE (KEVIN) (MAICSA NO. 7045754)**  
 Company Secretaries  
 Sarawak

Dated: 28 October 2024

Notes :-

1. *For the purpose of determining a member who shall be entitled to attend, speak and vote at the 22<sup>nd</sup> AGM, the Company shall be requesting the Record of Depositors as at 19 November 2024. Only a depositor whose name appears on the Record of Depositors as at 19 November 2024 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.*

## NOTICE OF ANNUAL GENERAL MEETING

cont'd

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](mailto: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/NV5zNW> to submit the proxy appointment electronically not later than Sunday, 24 November 2024 at 10.00 a.m. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Notes.*

### **Explanatory Notes to Special Business**

#### **i) Ordinary Resolutions 6 & 7 – Retention of Independent Director**

*The Board of Directors has vide the Nomination Committee conducted an assessment of independence of Mr. Bin Lay Thiam and Datuk Pau Chiong Ung who have served as an Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years and recommended that Mr. Bin Lay Thiam and Datuk Pau Chiong Ung be retained as Independent Non-Executive Directors of the Company based on the following justifications:*

- i) *They have fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*
- ii) *They remain independent and actively participate in the Board's deliberations and provide independent and constructive opinions to the Board.*
- iii) *They have in depth knowledge of the Company's business operations and they are committed to devote sufficient time and attention to the Company.*

#### **ii) Ordinary Resolution 8 – Authority to issue shares and waiver of pre-emptive rights**

*The effect of the Ordinary Resolution if passed, will give the Directors of the Company, from the date of the 22<sup>nd</sup> 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.*

#### **iii) Ordinary Resolution 9 – Proposed Shareholders' Mandate**

*The explanatory note on Ordinary Resolution 9 is set out in the Circular to Shareholders dated 28 October 2024.*

#### **iv) Special Resolution – Proposed Amendments to the Constitution of the Company**

*The proposed amendments to the existing Constitution of the Company are made mainly to provide clarity and consistency with the Companies Act 2016.*

## APPENDIX A

### PROPOSED AMENDMENTS TO THE CONSTITUTION OF HARBOUR-LINK GROUP BERHAD

Article No.	Existing Articles	Amended Articles*	Rationale
5 Repayment of Preference capital.	Notwithstanding Article 7 hereof the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholder rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.	Notwithstanding Article 7 hereof the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholder rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of <del>three-fourths (3/4)</del> <b>seventy-five per centum (75%)</b> of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.	The replacement of the term “three-fourths (3/4)” with “seventy-five per centum (75%)” is to be consistent with the Companies Act, 2016 (“CA 2016”)
7 Modification of class rights.	Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of the Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth (1/10) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively.	Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of the Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of <del>three-quarters (3/4)</del> <b>seventy-five per centum (75%)</b> of the issued shares of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth (1/10) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively.	The replacement of the term “three-fourths (3/4)” with “seventy-five per centum (75%)” is to be consistent with Section 91 of the CA 2016

\* Additions as bold and deletions as struck through

## APPENDIX A

### PROPOSED AMENDMENTS TO THE CONSTITUTION OF HARBOUR-LINK GROUP BERHAD

cont'd

Article No.	Existing Articles	Amended Articles*	Rationale
19 Directors may make calls.	The Directors may, subject to the provision of the Constitution, from time to time make such calls upon the Members in respect of any money unpaid on their shares as they think fit (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.	The Directors may, subject to the provision of the Constitution, from time to time make such calls upon the Members in respect of any money unpaid on their shares as they think fit <del>(whether on account of the nominal value of the shares or by way of premium)</del> and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days notice specifying the <b>date</b> , time and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.	The amendment is made in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016.  This amendment is consistent with Section 82(3) of the CA 2016, which states that the notice shall specify the date, time and place of payment.
21 Interest on unpaid calls	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent (10%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest wholly or in part.	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest <b>or compensation</b> on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding <b>ten eight</b> per cent <del>(108%)</del> per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest <b>or compensation</b> wholly or in part.	The inclusion of the word "compensation" is to reflect the wording used in Section 82(6) of the CA 2016.  The reduction in the interest rate that the Company may impose from 10% to 8% per annum is in line with the maximum interest rate chargeable under Section 82(7) of the CA 2016.
22 Sum payable on allotment	Any sum which by the terms of issue of a share is payable on allotment on a fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue of the same become payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses forfeiture and the like, and all the relevant provisions of this Constitution shall apply as if the sum had become payable by virtue of a call duly made and notified.	Any sum which by the terms of issue of a share is payable on allotment on a fixed date, <del>whether on account of the nominal value of the share or by way of premium</del> , shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue of the same become payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses forfeiture and the like, and all the relevant provisions of this Constitution shall apply as if the sum had become payable by virtue of a call duly made and notified.	The amendment is made in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016.

\* Additions as bold and deletions as struck through

## APPENDIX A

## PROPOSED AMENDMENTS TO THE CONSTITUTION OF HARBOUR-LINK GROUP BERHAD

cont'd

Article No.	Existing Articles	Amended Articles*	Rationale
56 Power to reduce capital	The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and any consent required by law. The Company shall give notice to the Registrar in accordance with the Act of such alteration in capital.	The Company may by special resolution reduce its share capital <del>and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and any consent required by law.</del> <b>permitted or authorised under and in compliance with the Applicable Laws.</b> The Company shall give notice to the Registrar in accordance with the Act of such alteration in capital.	The deletion of the terms “capital redemption reserve fund” and “share premium account” in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016.  Under the CA 2016, the Company may reduce its share capital either by special resolution and confirmation by the Court in accordance with Section 116 or by special resolution supported by a solvency statement in accordance with Section 117. The extension of capital reduction to such manner as may be permitted under any Applicable Law is to enable the Company to carry out such reduction of share capital so long as it is permitted under the Applicable Laws.
58 Annual general meeting	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, the declaration of dividend (if any) and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special.	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, <del>the declaration of dividend (if any)</del> and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special.	The phrase “the declaration of dividend (if any)” is deleted as the declaration of dividend no longer requires the approval of shareholders in the annual general meeting under Section 132 of the CA 2016.

\* Additions as bold and deletions as struck through

## APPENDIX A

### PROPOSED AMENDMENTS TO THE CONSTITUTION OF HARBOUR-LINK GROUP BERHAD

cont'd

Article No.	Existing Articles	Amended Articles*	Rationale
141 To whom copies of profit and loss account etc may be sent	The Directors shall from time to time in accordance with the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Act. The interval between the close of a financial year of the Company and the issue of audited financial statements relating to it together with the reports of the Directors and the Auditors thereon shall not exceed four (4) months. The interval between the close of a financial year of the Company and the issue of annual report relating to it shall not exceed six (6) months. A copy of each such documents shall be served not be less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 62 be sent to every Member of, and to every holder of debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or the Constitution).	The Directors shall from time to time in accordance with the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the Act. The interval between the close of a financial year of the Company and the issue of audited financial statements relating to it together with the reports of the Directors and the Auditors thereon shall not exceed four (4) months. The interval between the close of a financial year of the Company and the issue of annual report relating to it shall not exceed <del>six (6)</del> <b>four (4)</b> months. A copy of each such documents shall be served not be less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting pursuant to Article 62 be sent to every Member of, and to every holder of debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or the Constitution).	The amendment is in line with paragraph 9.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

\* Additions as bold and deletions as struck through

## ADMINISTRATIVE NOTES

For the Twenty-Second Annual General Meeting ("22<sup>nd</sup> AGM")



Date : **Tuesday, 26 November, 2024**  
 Time : **10.00 a.m.**  
 Broadcast Venue : **Wisma Harbour, Parkcity Commerce Square, Jalan Tun Ahmad Zaidi, 97000 Bintulu, Sarawak**

### Voting via Digital Ballot Form at a Virtual 22<sup>nd</sup> AGM ("The Meeting")

1. Harbour-Link Group Berhad ("**the Company**") will conduct its 22<sup>nd</sup> AGM on a virtual basis through remote participation and electronic voting from the Broadcast Venue.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members will not be allowed to be physically present at the Broadcast Venue on the day of the meeting.
3. Shareholders who wish to participate at the Meeting will therefore have to do so remotely. Pre-registration of attendance is required via the link at <https://vps.megacorp.com.my/NV5zNW> (please refer to paragraph 6 for further details). After the registration is validated and accepted, shareholders will receive an email with the Meeting link and access to the **Digital Ballot Form ("DBF")**.
4. With the DBF and Meeting Link, you may exercise your right as a shareholder of the Company to participate (including to pose questions to the Board / Management of the Company) and vote during the Meeting, at the comfort of your home or from any location.
5. Shareholders may use the *Questions' Pane* facility (located at the top right corner of the screen) to submit questions in real time during the meeting via the Live-Streaming solution. Shareholders may also submit questions before the meeting via email to the following e-mail address in relation to the agenda items for the Meeting :  
**[AGM-support.HLGB@megacorp.com.my](mailto:AGM-support.HLGB@megacorp.com.my)**

### Registration Procedure

6. Kindly follow the steps below to ensure that you are able to obtain your DBF and details to log in to the Live-Streaming session to participate and vote remotely during the Meeting online:
  - a. Open this <https://vps.megacorp.com.my/NV5zNW> or scan the QR code at the top right corner of this document, and submit all requisite details at least forty-eight (48) hours before the date of the Meeting.
  - b. Only shareholders are allowed to register their details online. Shareholders can also appoint proxies or Chairman of the meeting as proxy via online, as in step (a) above. Please ensure that your details are accurate as non-compliance would result in you not being able to participate in the Meeting.
  - c. Alternatively, you may deposit your Proxy Form, duly completed with the proxy's email address and mobile phone number, at the office of the Poll Administrator at least 48 hours before the date of the Meeting at:  
**Mega Corporate Services Sdn. Bhd.**  
 Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan **or**;  
 Submit via e-mail to:  
**[AGM-support.HLGB@megacorp.com.my](mailto:AGM-support.HLGB@megacorp.com.my)**
  - d. For corporate shareholders/nominee accounts, please execute Form of Proxy as per step (c) above.
  - e. Upon verification on your registration, the Poll Administrator, Mega Corporate Services Sdn. Bhd., will send the following via email:
    - i. **Meeting Link** - for the Live-Streaming Session
    - ii. **DBF** - for Voting Purposes

## ADMINISTRATIVE NOTES

For the Twenty-Second Annual General Meeting ("22<sup>nd</sup> AGM")  
cont'd

### Record of Depositors ("ROD") for the 22<sup>nd</sup> AGM

7. The date of ROD for the Meeting is set on Tuesday, 19 November, 2024. As such, only shareholders whose name appear in the ROD shall be entitled to participate, speak and vote at the Meeting or appoint proxy(ies)/corporate representative(s) to participate and vote on his/her behalf.

### Poll Voting

8. The voting of the 22<sup>nd</sup> AGM will be conducted by poll. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the polling process by way of e-voting, and Cygnus Technology Solutions Sdn. Bhd. as Scrutineers to verify the poll results.
9. Shareholders can proceed to vote on the resolutions and submit your votes during the voting period as stipulated in the DBF. Upon completion of the voting session for the 22<sup>nd</sup> AGM, the Scrutineers will verify the poll results after which the Chairman will announce the poll results of the resolutions.

### Enquiry

If you have any enquiries on the above, please contact the Poll Administrator during office hours (Monday to Friday):

#### Mega Corporate Services Sdn. Bhd.

Email : [AGM-support.HLGB@megacorp.com.my](mailto:AGM-support.HLGB@megacorp.com.my)  
Tel : +60 (3) 2692 4271/2694 8984  
Alfred : +60 (12) 912 2734  
Hisham : +60 (12) 252 9136



**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.	Percentage of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

and/or\*

Full Name (in Block)	NRIC/Passport No.	Percentage of Shareholdings
		%
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 on my/our behalf at the 22<sup>nd</sup> Annual General Meeting ("AGM") of the Company to be conducted on a virtual basis at the Broadcast Venue at Wisma Harbour, Parkcity Commerce Square, Jalan Tun Ahmad Zaidi, 97000 Bintulu, Sarawak on Tuesday, 26 November 2024 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.

NO.	RESOLUTIONS	FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
Ordinary Resolution 1	To approve a final single tier dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2024				
Ordinary Resolution 2	To approve the payment of Directors' fees and allowances up to RM350,000.00 for the period from this AGM until the next AGM of the Company				
Ordinary Resolution 3	To re-elect the director, Mr. Wong Siong Seh				
Ordinary Resolution 4	To re-elect the director, Ms. Khoi Hoay Ling				
Ordinary Resolution 5	To re-appoint the retiring auditors, Messrs. Ernst & Young PLT				
Ordinary Resolution 6	Retention of Independent Director – Mr. Bin Lay Thiam				
Ordinary Resolution 7	Retention of Independent Director – Datuk Pau Chiong Ung				
Ordinary Resolution 8	Authority to Issue Shares and Waiver of Pre-Emptive Rights				
Ordinary Resolution 9	Proposed renewal of shareholders' mandate and proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature				
Special Resolution	Proposed Amendments to the Constitution of the Company				

\* delete whichever is not applicable.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature of Member(s) / Common Seal

**Notes:-**

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 22<sup>nd</sup> AGM, the Company shall be requesting the Record of Depositors as at 19 November 2024. Only a depositor whose name appears on the Record of Depositors as at 19 November 2024 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.

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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

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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](mailto: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/NV5zNW> to submit the proxy appointment electronically not later than Sunday, 24 November 2024 at 10.00 a.m. For further information on the electronic submission of proxy form, kindly refer to the annexure of the Administrative Notes.

**PERSONAL DATA NOTICE**

By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.

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**HARBOUR-LINK GROUP BERHAD**

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