

SHIN YANG GROUP BERHAD
(FORMERLY KNOWN AS SHIN YANG SHIPPING CORPORATION BERHAD)
Registration No.: 200401027554 (666062-A) (Incorporated in Malaysia)

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
(The figures have not been audited)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 9 months ended 31 March	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue		252,187	234,842	709,871	716,519
Cost of sales		(204,555)	(179,962)	(610,863)	(554,917)
Gross profit		<u>47,632</u>	<u>54,880</u>	<u>99,008</u>	<u>161,602</u>
Other income		1,105	4,234	20,110	13,807
Finance income		2,986	2,117	9,877	5,131
Administrative expenses		(12,173)	(10,544)	(36,674)	(33,148)
Other operating expenses		-	(394)	-	(1,531)
Impairment loss on trade receivables		-	-	(128)	-
Impairment loss on property, plant and equipment		-	-	-	(2,003)
Reversal of Impairment on financial asset		1,517	-	2,046	1,700
Operating Profit		<u>41,067</u>	<u>50,293</u>	<u>94,239</u>	<u>145,558</u>
Finance Costs		(1,014)	(2,108)	(4,372)	(6,245)
Shares of profit/(loss) of equity accounted associates		377	(2,182)	(546)	(2,312)
Profit before taxation		<u>40,430</u>	<u>46,003</u>	<u>89,321</u>	<u>137,001</u>
Tax expense	A12	(5,008)	(943)	(6,786)	(2,679)
Profit after taxation, representing total comprehensive income for the period		<u><u>35,422</u></u>	<u><u>45,060</u></u>	<u><u>82,535</u></u>	<u><u>134,322</u></u>
Profit after tax attributable to:					
Owners of the Company		34,659	44,818	80,227	133,004
Non controlling interests		763	242	2,308	1,318
		<u>35,422</u>	<u>45,060</u>	<u>82,535</u>	<u>134,322</u>
Total comprehensive income attributable to:					
Owners of the Company		34,659	44,818	80,227	133,004
Non controlling interests		763	242	2,308	1,318
		<u>35,422</u>	<u>45,060</u>	<u>82,535</u>	<u>134,322</u>
Earnings per share attributable to owners of the Company:					
Basic (sen)	B12	3.06	3.93	7.08	11.48
Diluted (sen)	B12	3.06	3.93	7.08	11.48

Notes:

(a) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this report.*

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited AS AT 31.03.2024 RM'000	Audited AS AT 30.06.2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
	Note		
Investment in associates		2,955	3,401
Property and equipment		889,423	931,364
Other receivables		-	954
Other investments		59	59
Goodwill		6,954	2,064
Deferred tax assets		913	836
		900,304	938,678
CURRENT ASSETS			
Inventories		45,245	33,901
Trade receivables		189,442	157,355
Other receivables and deposits		40,713	25,714
Contract assets		1,301	2,090
Current tax assets		2,995	3,566
Cash and bank balances		392,320	398,904
		672,016	621,530
Non-Current assets classified as held for sale		-	11,185
TOTAL ASSETS		1,572,320	1,571,393
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,216,972	1,216,972
Treasury shares		(28,079)	(24,776)
Retained profits		372,866	326,592
Other reserves		(297,861)	(297,861)
Equity attributable to owners of the Company		1,263,898	1,220,927
Non Controlling interests		5,983	4,560
TOTAL EQUITY		1,269,881	1,225,487
NON-CURRENT LIABILITIES			
Lease liabilities	B9	3,614	111
Bank Borrowings	B9	24,170	36,450
Deferred tax liabilities		50,822	51,064
		78,606	87,625
CURRENT LIABILITIES			
Trade payables		105,662	107,903
Contract liabilities		40,025	20,350
Other payables and accruals		25,596	24,734
Lease liabilities	B9	9,007	238
Bank Borrowings	B9	39,198	102,590
Current tax liabilities		4,345	2,094
Derivative liabilities		-	372
		223,833	258,281
Total liabilities		302,439	345,906
TOTAL EQUITY AND LIABILITIES		1,572,320	1,571,393
Net assets per shares (RM)		1.12	1.07

Notes:

(a) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this report.*

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Attributable To Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 July 2022	1,216,972	(16,571)	(297,861)	159,984	1,062,524	4,378	1,066,902
Profit after taxation for the financial year	-	-	-	180,923	180,923	1,682	182,605
	<u>1,216,972</u>	<u>(16,571)</u>	<u>(297,861)</u>	<u>340,907</u>	<u>1,243,447</u>	<u>6,060</u>	<u>1,249,507</u>
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	-	(8,205)	-	-	(8,205)	-	(8,205)
- Dividends							
-by the Company	-	-	-	(14,315)	(14,315)	-	(14,315)
-by subsidiaries to non-controlling interests	-	-	-	-	-	(1,500)	(1,500)
Total transactions with owners	<u>-</u>	<u>(8,205)</u>	<u>-</u>	<u>(14,315)</u>	<u>(22,520)</u>	<u>(1,500)</u>	<u>(24,020)</u>
Balance at 30 June 2023	<u>1,216,972</u>	<u>(24,776)</u>	<u>(297,861)</u>	<u>326,592</u>	<u>1,220,927</u>	<u>4,560</u>	<u>1,225,487</u>

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Attributable To Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 July 2023	1,216,972	(24,776)	(297,861)	326,592	1,220,927	4,560	1,225,487
Profit after taxation for the financial period	-	-	-	80,227	80,227	2,308	82,535
	<u>1,216,972</u>	<u>(24,776)</u>	<u>(297,861)</u>	<u>406,819</u>	<u>1,266,496</u>	<u>6,868</u>	<u>1,308,022</u>
Acquisition of non-controlling interest	-	-	-	-	-	615	615
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	-	(4,503)	-	-	(4,503)	-	(4,503)
- Sale and cancellation of treasury shares	-	1,200	-	-	1,200	-	1,200
- Dividend paid							
-by the Company	-	-	-	(33,953)	(33,953)	-	(33,953)
-by subsidiaries to non-controlling interests	-	-	-	-	-	(1,500)	(1,500)
Total transactions with owners	<u>-</u>	<u>(3,303)</u>	<u>-</u>	<u>(33,953)</u>	<u>(37,256)</u>	<u>-</u>	<u>(38,756)</u>
Balance at 31 March 2024	<u>1,216,972</u>	<u>(28,079)</u>	<u>(297,861)</u>	<u>372,866</u>	<u>1,263,898</u>	<u>5,983</u>	<u>1,269,881</u>

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this report.*

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2024 RM'000	Preceding year 31.03.2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	89,321	137,001
Adjustment for:		
Depreciation	67,982	69,324
Fair value change on forward contracts	(372)	(902)
Gain on bargain purchase	-	(1,271)
Net gain on disposal of property, plant and equipment	(15,075)	(7,184)
Interest expenses	4,372	6,245
Interest income	(9,877)	(5,131)
Impairment loss on property, plant and equipment	-	2,003
Impairment loss on trade receivables	128	-
Written off of property, plant and equipment	-	1
Net changes in provision for onerous contract	-	(470)
Reversal of impairment loss on financial assets	(2,046)	(1,700)
Loss retained in associates	546	2,312
Unrealised (gain)/ loss on foreign exchange	(2,248)	1,225
Operating profit before working capital changes	132,731	201,452
<u>Working Capital Changes</u>		
Increase in inventories	(11,299)	(4,294)
(Increase)/Decrease in trade and other receivables	(31,184)	27,227
(Decrease)/ Increase in trade and other payables	(9,230)	3,747
Decrease in contract assets	742	2,455
Increase/ (Decrease) in contract liabilities	19,367	(2,627)
Net changes in related companies balances	(10,073)	4,685
Net changes in holding company balances	(111)	(24)
Total changes in working capital	(41,788)	31,169
CASH FROM OPERATIONS	90,943	232,621
Interest income received	9,877	5,131
Interest expenses paid	(4,372)	(6,245)
Income tax refunded	678	-
Income tax paid	(3,996)	(3,422)
Total interest and tax received/ (paid)	2,187	(4,536)
NET CASH FROM OPERATING ACTIVITIES	93,130	228,085
CASH FLOW FROM/ (FOR) INVESTING ACTIVITIES		
Acquisition of subsidiaries	(1,730)	(20,032)
Acquisition of associate	(100)	-
Purchase of property and equipment	(26,959)	(68,590)
Proceeds from disposal of property and equipment	40,708	19,606
NET CASH FROM/ (FOR) INVESTING ACTIVITIES	11,919	(69,016)
CASH FLOW FOR FINANCING ACTIVITIES		
Net movement of treasury shares	(3,303)	(6,276)
Dividend paid on ordinary shares	(33,953)	(14,315)
Dividend paid to non-controlling interest in subsidiaries	(1,500)	(1,500)
Proceeds from lease liabilities	2,400	6,523
Repayment of principal portion of lease liabilities	(7,240)	(7,740)
Repayment of term loans	(26,371)	(12,919)
Repayment of revolving credit	(2,000)	-
Net movement in trade financing	(38,860)	(32,754)
Net movement in fixed and treasury deposit	(4,000)	-
NET CASH FOR FINANCING ACTIVITIES	(114,827)	(68,981)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(9,778)	90,088
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	393,118	265,391
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	383,340	355,479

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2024 RM'000	Preceding year 31.03.2023 RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	92,549	117,723
Deposit with licensed banks	299,772	249,949
Bank overdrafts	(8,981)	(12,193)
Cash and cash equivalents	383,340	355,479

Notes:

(a) *The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this report.*



INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the annual audited financial statements of Shin Yang Group Berhad (“SYGROUP” or “the Company”) (Formerly known as Shin Yang Shipping Corporation Berhad) and its subsidiaries (“the Group”) for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the audited financial statements.

The accounting policies and methods of computations used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2023.

A2. Auditor’s report on preceding annual financial statements

There was no qualification to the audited financial statements of the Group on the preceding annual financial statements.

A3. Seasonal or cyclical factors

The Group’s operations were not significantly affected by seasonal or cyclical factors.

A4. Unusual items

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current interim quarter under review.

A5. Material changes in estimates

There were no changes in estimates of amounts that have had a material effect in the current interim quarter under review.



INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A6. Debt and equity securities

Repurchase of shares as Treasury Shares

On 24 November 2023, shareholders of the Company had approved and renewed their approval authority for the Company’s plan to repurchase its own ordinary shares. The Company had repurchased 2,105,000 its own ordinary shares at the average price of RM 0.62918 per share during the current quarter.

As at 31 March 2024, the Company had repurchased and held a cumulative total of 69,359,700 of its issued ordinary shares from the open market at an overall average price at RM0.40484 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016. The number of ordinary shares in issue after deduction of treasury shares is 1,130,640,300.

Other than the above, there were no issuance and repayments of debt and equity securities during the current interim quarter under review.

A7. Dividends

There were no dividends paid during the current interim quarter under review.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A8. Segmental reporting

	Shipping RM'000	Shipbuilding, Ship repair and Metal Fabrication RM'000	Service providers RM'000	Gas RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000
For 9 months ended 31 March 2024							
Segment Revenue							
External revenue	527,839	110,088	58,799	12,498	647	-	709,871
Inter-segment revenue	6,998	33,429	30,682	3,241	7,058	(81,408)	-
Total	<u>534,837</u>	<u>143,517</u>	<u>89,481</u>	<u>15,739</u>	<u>7,705</u>	<u>(81,408)</u>	<u>709,871</u>
Profit from operations	64,902	15,100	13,443	2,755	(1,961)	-	94,239
Finance costs							(4,372)
Share of loss of associates							(546)
Profit before taxation							<u>89,321</u>
Income tax expense							(6,786)
Profit for the period							<u><u>82,535</u></u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A8. Segmental reporting (cont’)

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Service providers RM’000	Gas RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 9 months ended 31 March 2023							
Segment Revenue							
External revenue	620,550	40,935	45,431	8,955	648	-	716,519
Inter-segment revenue	5,965	37,971	23,150	2,918	7,062	(77,066)	-
Total	626,515	78,906	68,581	11,873	7,710	(77,066)	716,519
Profit from operations	132,321	255	11,748	1,796	(562)	-	145,558
Finance costs							(6,245)
Share of loss of associates							(2,312)
Profit before taxation							137,001
Income tax expense							(2,679)
Profit for the period							134,322

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A8. Segmental reporting (cont’)

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Service providers RM’000	Gas RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 3 months ended 31 March 2024							
Segment Revenue							
External revenue	182,816	45,467	19,747	3,942	215	-	252,187
Inter-segment revenue	2,668	11,529	10,435	1,045	4,685	(30,362)	-
Total	185,484	56,996	30,182	4,987	4,900	(30,362)	252,187
Profit from operations	27,543	9,662	3,461	912	(511)	-	41,067
Finance costs							(1,014)
Share of profit of associates							377
Profit before taxation							40,430
Income tax expense							(5,008)
Profit for the period							35,422

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A8. Segmental reporting (cont’)

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Service providers RM’000	Gas RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 3 months ended 31 March 2023							
Segment Revenue							
External revenue	200,046	17,935	14,851	1,794	216	-	234,842
Inter-segment revenue	2,466	10,428	6,577	980	1,188	(21,639)	-
Total	202,512	28,363	21,428	2,774	1,404	(21,639)	234,842
Profit from operations	43,214	1,621	5,878	(264)	(156)	-	50,293
Finance costs							(2,108)
Share of loss of associates							(2,182)
Profit before taxation							46,003
Income tax expense							(943)
Profit for the period							45,060

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A8. Segmental reporting (Cont’)

Group	3Q 2024 (RM'000)	3Q 2023 (RM'000)	Changes (%)
Revenue	252,187	234,842	7.4%
Profit before tax	40,430	46,003	-12.1%

Revenue of the Group for the third quarter ended 31 March 2024 had increased by 7.4% to RM252.2 million as compared to RM234.8 million in the previous corresponding quarter.

The increase in revenue was mainly due to the higher revenue generated from the shipbuilding and ship repair segments as well as the additional revenue from the newly acquired subsidiary, Mewah Exim Sdn Bhd, in the current quarter as compared to the last preceding quarter.

The decrease in profit before tax in the current quarter was mainly due to the decrease of freight margin and shipment volume in the shipping segments.

Performance and prospects of each operating segment are discussed below:

Shipping

	3Q 2024 (RM'000)	3Q 2023 (RM'000)	Changes (%)
Revenue	182,816	200,046	-8.6%
Profit before tax	27,622	40,412	-31.6%

For the current quarter, the shipping segment’s revenue of RM182.8 million decreased by 8.6% as compared to RM 200.0 million revenue recorded in the corresponding quarter.

The decrease in revenue was mainly due to the normalization of freight rates coupled with lower fleet load factors in the shipping segment. The decrease in profit before tax in the shipping segment was mainly due to the decrease of freight margin and shipment volume in the shipping segments.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	3Q 2024 (RM'000)	3Q 2023 (RM'000)	Changes (%)
Revenue	45,467	17,935	153.5%
Profit before tax	9,018	359	2,412.0%

For the current quarter, the revenue generated from the shipbuilding and ship repair segments stand at RM45.5 million, an increase of 153.5% as compared to RM17.9 million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to an increase in ship repair work for external parties in the current quarter.

The increase in profit before tax in the shipbuilding and ship repair segments was mainly due to the increased in profit margin and the number of vessels delivered under ship repair and maintenance works in the shipbuilding and ship repair segments.

Service providers

	3Q 2024 (RM'000)	3Q 2023 (RM'000)	Changes (%)
Revenue	19,747	14,851	33.0%
Profit before tax	3,455	5,876	-41.2%

For the current quarter, the revenue from service providers segment increased by 33.0% compared to the preceding year’s corresponding quarter. The newly acquired subsidiary company, Mewah Exim Sdn Bhd, has contributed RM 4.8 million revenue under this segment to the Group in the current quarter.

The decrease in profit before tax in the service providers segment was mainly due to the decrease in profit margin and trip volumes in the logistics and transportation sectors.

Gas

	3Q 2024 (RM'000)	3Q 2023 (RM'000)	Changes (%)
Revenue	3,942	1,794	119.7%
Profit / (Loss) before tax	910	(267)	440.8%

For the current quarter, the revenue from the gas segment increased by 119.7% compared to the preceding year’s corresponding quarter.

The increase in profit before tax in the service providers segment was mainly in line with the increase of demand in gas volume sale for the ship repair segment and the export markets in the gas segment.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A8. Segmental reporting (Cont’)

Investment Holding

	3Q 2024 (RM'000)	3Q 2023 (RM'000)	Changes (%)
Revenue	215	216	-0.5%
Loss before tax	(575)	(377)	-52.5%

Revenue from the Investment Holding segment was derived from rental income and interest income from the financial institutions. For the current quarter, the loss in investment holding segment mainly resulted from the administrative expenses incurred during the current quarter.

A9. Valuation of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment brought forward from previous annual financial statements.

A10. Material events subsequent to the end of the quarter period

There were no significant material events arising during the interval between the end of the current interim quarter and the date of this announcement that have not been reflected in the current interim quarter.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for current interim quarter under review.

A12. Income tax expense

The taxation of the Group for the current interim quarter under review is as follows:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	4,815	1,120	7,105	2,183
Deferred tax	193	(177)	(319)	496
	5,008	943	6,786	2,679

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 31 March 2024 are as follows:

	As at 31.03.2024 RM’000
Corporate guarantees given to licensed banks in consideration of credit facilities granted to subsidiaries and associates	<u>45,920</u>

The Group does not have any contingent assets.

A14. Material commitments

There were no material commitments during the current interim quarter under review.

A15. Significant related party transactions

Related parties are those defined under FRS 124: Related Party Disclosures. The Directors are of the opinion that the related party’s transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current Quarter to date 31.03.2024 RM’000	Balance due from/(to) As at 31.03.2024 RM’000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	26,803	43,904
Purchase of goods and services	(6,614)	(7,834)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	3,125	6,114
Purchase of goods and services	(880)	(3,642)

The related party transactions reflect transactions of all the subsidiaries with the respective group of companies.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A16. Other Comprehensive Income

Foreign exchange translation gain/(loss) represents the surplus/(shortfall) arising from restating payables, receivables and bank balances denominated in foreign currency to Ringgit using foreign exchange rates prevailing at period end rate.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of performance

Explanatory comment on the performance of each of the Group’s business activities is provided in Note A8.

B2. Material changes in the profit before tax for the current quarter as compared with the immediate preceding quarter

	3Q 2024 (RM'000)	2Q 2024 (RM'000)	Changes (%)
Revenue	252,187	235,274	7.2%
Profit before tax	40,430	21,556	87.6%

As compared to the immediate preceding quarter, the Group’s current quarter’s revenue has increased by 7.2% to RM252.2 million from RM235.3 million recorded in the immediate preceding quarter.

The increase in profit before tax in the current quarter as compared to the immediate preceding quarter was mainly due to the increase in the shipment volume in shipping segments and the increase in profit margin and the number of vessels delivered under ship repair and maintenance works in the shipbuilding and ship repair segments.

B3. Commentary on Prospects

The performance of the Group is largely dependent on the volatility of the world’s fuel market price, standard of skill and experience of ship crews, domestic and regional demand for transportation of dry bulk and general cargoes, movement of the Malaysian Ringgit and the world economic situation, all of which significantly affect business operations and margins.

While the prospects for the shipping industry continue to remain challenging with the slight hike in crude oil price and decline in the Baltic Dry Index, the Group is prepared to weather this challenge with selective market driven routes based on fleet load utilization. The Group is confident in the stability of the domestic, bulk carrier and container shipping operations given the stable lifting volume and market demands. The continuous improvement in operational costs management, fleet efficiency and routes enhancement would be an important priority in the next few quarters.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B3. Commentary on Prospects (Cont')

Other factors contributing to the prospects of the shipbuilding and ship repair operations include the price movements of marine mild steel plates, other heavy equipment, machinery and the global trend of demand for newly constructed vessels especially from the niche market segments in the oil and gas industry. In order to improve performance and manage the operating expenditures of the shipbuilding sector, the Group is taking initiatives such as focusing on improving the Group's ship repair operations to meet the requirements of the niche market segments in the oil and gas industry. With the gradual recovery of charter rates in the offshore vessels (OSV) segment and the current gap in new building orders for different OSV over the past few years, and recycling of ageing OSV as well, the Group foresees a steady and healthy increase in orders for replenishment of OSV for next few years to come.

B4. Statements by Directors

The Group did not disclose or announce any profit forecast or projection in any public document in the current quarter or prior financial year.

B5. Profit forecast or profit guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B6. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the current interim quarter under review.

B7. Quoted securities

There were no purchases or disposal of quoted securities during the current interim quarter under review.

B8. Corporate proposals

There was no corporate proposal announced at the date of this quarterly report.

B9. Borrowings and debt securities

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	39,808	8,397	48,205
Long-term borrowings	27,761	23	27,784
	<u>67,569</u>	<u>8,420</u>	<u>75,989</u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 30 May 2024.

B11. Changes in material litigation

There are no material litigations during the current interim quarter up to the date of this interim report.

B12. Earnings per share

(a) Basic

The basic earnings per share for the current interim quarter and current financial year-to-date are computed as follows:

	Current year quarter 31.03.2024	Current year to date 31.03.2024
Profit attributable to equity holders of the Company (RM'000)	34,659	80,227
Weighted average number of ordinary shares in issue ('000)	1,1131,337	1,132,645
Basic earnings per share (sen)	<u>3.06</u>	<u>7.08</u>

Earnings per share is computed based on the weighted average number of ordinary shares in issue (net of treasury shares).

(b) Diluted

The Group has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted earnings per share are presented as equal to basic earnings per share.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

The profit before tax of the Group for the interim quarter is arrived at after charging/(crediting):-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(2,986)	(2,117)	(9,877)	(5,131)
Sundry income	(192)	(909)	(2,703)	(2,379)
Interest expenses	1,014	2,108	4,372	6,245
Depreciation	22,159	23,253	67,982	69,324
Fair value change in forward contract	-	-	(372)	(902)
Net Gain on disposal of property and equipment	(399)	(2,740)	(15,075)	(7,184)
Net change in provision for onerous contract	-	-	-	(470)
Impairment loss on trade receivables	-	-	128	-
Impairment loss on property and equipment	-	-	-	2,003
Reversal of impairment loss on financial asset	(1,517)	-	(2,046)	(1,700)
Realised foreign exchange loss/ (gain)	32	257	(234)	800
Unrealised foreign exchange (gain)/ loss	(28)	203	(2,248)	1,225

Unless otherwise indicated above, there were no gains or losses on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives or exceptional items for the current quarter and financial period ended 31 March 2024.

B14. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2023 was not qualified.

Authorised for issue

The interim report for the third quarter ended 31 March 2024 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2024.

By order of the Board

Richard Ling Peng Liing
 Company Secretary
 30 May 2024

