

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

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**  
**(The figures have not been audited)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 12 months ended 30 June	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue</b>		227,607	289,351	944,126	897,682
Cost of sales		(175,406)	(177,342)	(730,323)	(704,078)
<b>Gross profit</b>		<u>52,201</u>	<u>112,009</u>	<u>213,803</u>	<u>193,604</u>
Other income		21,525	2,787	35,331	8,897
Finance income		2,855	1,234	7,986	3,587
Administrative expenses		(11,400)	(8,950)	(44,548)	(31,522)
Other operating expenses		(533)	(738)	(2,064)	(1,483)
Impairment loss on property and equipment		(1,180)	-	(3,183)	-
Impairment loss on financial asset		(12,868)	(9,676)	(11,168)	(9,676)
<b>Operating Profit</b>		<u>50,600</u>	<u>96,666</u>	<u>196,157</u>	<u>163,407</u>
Finance Costs		(2,052)	(2,178)	(8,297)	(9,101)
Shares of profit /(loss) of equity accounted associates		161	30	(2,150)	128
<b>Profit before taxation</b>		<u>48,709</u>	<u>94,518</u>	<u>185,710</u>	<u>154,434</u>
Tax income /(expense)	A12	3,772	(9,631)	1,093	(11,749)
<b>Profit after taxation, representing total comprehensive income for the period</b>		<u><u>52,481</u></u>	<u><u>84,887</u></u>	<u><u>186,803</u></u>	<u><u>142,685</u></u>
<b>Profit after tax attributable to:</b>					
Owners of the Company		52,132	84,880	185,135	141,801
Non controlling interests		349	7	1,668	884
		<u><u>52,481</u></u>	<u><u>84,887</u></u>	<u><u>186,803</u></u>	<u><u>142,685</u></u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		52,132	84,880	185,135	141,801
Non controlling interests		349	7	1,668	884
		<u><u>52,481</u></u>	<u><u>84,887</u></u>	<u><u>186,803</u></u>	<u><u>142,685</u></u>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic (sen)	B12	4.59	7.38	16.20	12.23
Diluted (sen)	B12	4.59	7.38	16.20	12.23

**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 2022 and the accompanying explanatory notes attached to this report.*

(b) *The name of the Company has been changed to "SHIN YANG GROUP BERHAD" from "SHIN YANG SHIPPING CORPORATION BERHAD", which was approved by shareholders during the Extraordinary General Meeting on 30 June 2023, and received Companies Commission of Malaysia's notification letter on 4 July 2023.*

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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<b>Unaudited AS AT 30.06.2023 RM'000</b>	<b>Audited AS AT 30.06.2022 RM'000</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
	Note		
Investment in associates		2,854	5,005
Property and equipment		946,783	953,683
Other receivables		-	2,280
Other investments		59	59
Goodwill		2,064	2,064
Deferred tax assets		1,021	1,021
		<b>952,781</b>	<b>964,112</b>
<b>CURRENT ASSETS</b>			
Inventories		34,501	34,132
Trade receivables		157,511	181,564
Other receivables and deposits		28,993	19,126
Contract assets		1,307	2,455
Current tax assets		3,705	3,651
Cash and bank balances		398,904	283,173
		<b>642,921</b>	<b>524,101</b>
<b>TOTAL ASSETS</b>		<b>1,577,702</b>	<b>1,488,213</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		1,216,972	1,216,972
Treasury shares		(24,776)	(16,571)
Retained profits		330,805	159,984
Other reserves		(297,861)	(297,861)
<b>Equity attributable to owners of the Company</b>		<b>1,225,140</b>	<b>1,062,524</b>
Non Controlling interests		4,546	4,378
<b>TOTAL EQUITY</b>		<b>1,229,686</b>	<b>1,066,902</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	B9	7,610	9,115
Bank Borrowings	B9	28,980	41,320
Deferred tax liabilities		47,294	43,021
		<b>83,884</b>	<b>93,456</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		108,153	128,324
Contract liabilities		19,609	8,050
Other payables and accruals		25,112	21,225
Provision for onerous contract		-	471
Lease liabilities	B9	9,359	8,922
Bank Borrowings	B9	94,087	147,247
Current tax liabilities		7,440	12,714
Derivative liabilities		372	902
		<b>264,132</b>	<b>327,855</b>
<b>Total liabilities</b>		<b>348,016</b>	<b>421,311</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,577,702</b>	<b>1,488,213</b>
Net assets per shares (RM)		1.07	0.92

**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 2022 and the accompanying explanatory notes attached to this report.*

**SHIN YANG GROUP BERHAD**  
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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**  
**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
<b>Balance at 1 July 2021</b>	1,216,972	(8,983)	(297,861)	18,062	928,190	6,399	934,589
Profit after taxation for the financial year	-	-	-	141,922	141,922	920	142,842
	<u>1,216,972</u>	<u>(8,983)</u>	<u>(297,861)</u>	<u>159,984</u>	<u>1,070,112</u>	<u>7,319</u>	<u>1,077,431</u>
Acquisition of non-controlling interests	-	-	-	-	-	59	59
<b>Contributions by and distributions to owners of the Company:</b>							
- Purchase of treasury shares	-	(7,588)	-	-	(7,588)	-	(7,588)
- Dividends							
-by subsidiaries to non-controlling interests	-	-	-	-	-	(3,000)	(3,000)
Total transactions with owners	<u>-</u>	<u>(7,588)</u>	<u>-</u>	<u>-</u>	<u>(7,588)</u>	<u>(3,000)</u>	<u>(10,588)</u>
<b>Balance at 30 June 2022</b>	<u><b>1,216,972</b></u>	<u><b>(16,571)</b></u>	<u><b>(297,861)</b></u>	<u><b>159,984</b></u>	<u><b>1,062,524</b></u>	<u><b>4,378</b></u>	<u><b>1,066,902</b></u>

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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**  
**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
<b>Balance at 1 July 2022</b>	1,216,972	(16,571)	(297,861)	159,984	1,062,524	4,378	1,066,902
Profit after taxation for the financial year	-	-	-	185,136	185,136	1,668	186,804
	<u>1,216,972</u>	<u>(16,571)</u>	<u>(297,861)</u>	<u>345,120</u>	<u>1,247,660</u>	<u>6,046</u>	<u>1,253,706</u>
<b>Contributions by and distributions to owners of the Company:</b>							
- Purchase of treasury shares	-	(8,205)	-	-	(8,205)	-	(8,205)
- Dividend paid	-	-	-	(14,315)	(14,315)	-	(14,315)
- Dividends -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>-</u>	<u>(24,020)</u>
<b>Balance at 30 June 2023</b>	<u><b>1,216,972</b></u>	<u><b>(24,776)</b></u>	<u><b>(297,861)</b></u>	<u><b>330,805</b></u>	<u><b>1,225,140</b></u>	<u><b>4,546</b></u>	<u><b>1,229,686</b></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 2022 and the accompanying explanatory notes attached to this report.*

**SHIN YANG GROUP BERHAD**  
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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date 30.06.2023 RM'000	Preceding year 30.06.2022 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	185,710	154,434
Adjustment for:		
Depreciation	93,452	91,261
Dividend income	(2)	(69)
Fair value change on forward contracts	(530)	(102)
Gain on bargain purchase price allocation on acquisition	(14,820)	(12)
Net gain on disposal of property and equipment	(13,409)	(2,675)
Interest expenses	8,297	9,101
Interest income	(7,986)	(3,587)
Impairment loss on property and equipment	3,183	-
Written off of property and equipment	2	-
Net changes in provision for onerous contract	(471)	(361)
Impairment loss on financial assets	13,244	9,676
Reversal of impairment loss on financial assets	(2,076)	-
Loss / (Profit) retained in associates	2,150	(128)
Unrealised loss/ (gain) on foreign exchange	1,981	(210)
<b>Operating profit before working capital changes</b>	<b>268,725</b>	<b>257,328</b>
<u>Working Capital Changes</u>		
(Increase)/ Decrease in inventories	(369)	6,754
Decrease/ (Increase) in trade and other receivables	23,395	(20,453)
Decrease in trade and other payables	(16,890)	(742)
Decrease in contract assets	1,148	1,051
Increase/ (Decrease) in contract liabilities	11,559	(3,585)
Net changes in related companies balances	(9,432)	(6,202)
Net changes in holding company balances	(20)	320
Total changes in working capital	9,391	(22,857)
<b>CASH FROM OPERATIONS</b>	<b>278,116</b>	<b>234,471</b>
Interest income received	7,986	3,587
Interest expenses paid	(8,297)	(9,101)
Income tax paid	(4,495)	(3,704)
<b>Total interest and tax paid</b>	<b>(4,806)</b>	<b>(9,024)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>273,310</b>	<b>225,447</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Acquisition of subsidiary	(20,032)	(7,119)
Dividend received	2	69
Purchase of property and equipment	(76,907)	(32,532)
Proceeds from disposal of property and equipment	31,333	10,810
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(65,604)</b>	<b>(28,772)</b>
<b>CASH FLOW (FOR)/FROM FINANCING ACTIVITIES</b>		
Acquisition of treasury shares	(8,205)	(7,588)
Dividend paid	(14,315)	-
Dividend paid to minority interest	(1,500)	(3,000)
Proceeds from lease liabilities	8,648	-
Proceeds from term loan	-	10,000
Repayment of principal portion of lease liabilities	(10,112)	(5,332)
Repayment of term loans	(16,969)	(18,533)
Net movement in fixed and treasury deposit with maturity dates more than 3 months	-	76,600
Net movement in trade financing	(37,526)	(42,503)
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<b>(79,979)</b>	<b>9,644</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>127,727</b>	<b>206,319</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>265,391</b>	<b>59,072</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>393,118</b>	<b>265,391</b>



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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date 30.06.2023 RM'000	Preceding year 30.06.2022 RM'000
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	107,656	93,723
Deposit with licensed banks	291,248	189,450
Bank overdrafts	(5,786)	(17,782)
<b>Cash and cash equivalents</b>	<b>393,118</b>	<b>265,391</b>

**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 2022 and the accompanying explanatory notes attached to this report.*



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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**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 2022 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 2022.

**A2. Auditor’s report on preceding annual financial statements**

There was no qualification to the audited financial statements of the Company and of its subsidiaries 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.

**A6. Debt and equity securities**

Repurchase of shares as Treasury Shares

On 6 December 2022, shareholders of the Company had approved and renewed their approval authority for the Company’s plan to repurchase its own ordinary shares. The Company has purchased 3,260,000 its own ordinary shares at average price of RM 0.59156 per share during the current quarter. As at 30 June 2023, the Company had purchased and hold a cumulative total 64,169,700 of its issued ordinary shares repurchased from open market at an overall average price at RM0.3861 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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

**A7. Dividends**

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

**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
<b>For 12 months ended 30 June 2023</b>							
<b>Segment Revenue</b>							
External revenue	809,158	61,414	60,319	12,371	864	-	944,126
Inter-segment revenue	8,496	53,089	30,648	3,768	8,249	(104,250)	-
Total	<u>817,654</u>	<u>114,503</u>	<u>90,967</u>	<u>16,139</u>	<u>9,113</u>	<u>(104,250)</u>	<u>944,126</u>
Profit from operations	166,601	767	14,710	2,588	11,491	-	196,157
Finance costs							(8,297)
Share of loss of associates							<u>(2,150)</u>
Profit before taxation							185,710
Tax income							<u>1,093</u>
Profit for the period							<u>186,803</u>





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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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
<b>For 12 months ended 30 June 2022</b>							
<b>Segment Revenue</b>							
External revenue	704,607	137,550	54,610	-	915	-	897,682
Inter-segment revenue	5,001	29,786	10,401	-	24,660	(69,848)	-
Total	<u>709,608</u>	<u>167,336</u>	<u>65,011</u>	-	<u>25,575</u>	<u>(69,848)</u>	<u>897,682</u>
Profit from operations	114,070	41,960	8,306	-	(929)	-	163,407
Finance costs							(9,101)
Share of profit of associates							128
Profit before taxation							<u>154,434</u>
Income tax expense							<u>(11,749)</u>
Profit for the period							<u>142,685</u>



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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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
<b>For 3 months ended 30 June 2023</b>							
<b>Segment Revenue</b>							
External revenue	188,608	20,479	14,888	3,416	216	-	227,607
Inter-segment revenue	2,531	15,118	7,498	850	1,187	(27,184)	-
Total	<u>191,139</u>	<u>35,597</u>	<u>22,386</u>	<u>4,266</u>	<u>1,403</u>	<u>(27,184)</u>	<u>227,607</u>
Profit from operations	34,280	513	2,962	792	12,053	-	50,600
Finance costs							(2,052)
Share of profit of associates							161
Profit before taxation							<u>48,709</u>
Tax income							<u>3,772</u>
Profit for the period							<u>52,481</u>



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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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
<b>For 3 months ended 30 June 2022</b>							
<b>Segment Revenue</b>							
External revenue	228,462	47,056	13,562	-	271	-	289,351
Inter-segment revenue	1,894	11,442	4,516	-	18,931	(36,783)	-
Total	<u>230,356</u>	<u>58,498</u>	<u>18,078</u>	-	<u>19,202</u>	<u>(36,783)</u>	<u>289,351</u>
Profit from operations	67,876	28,849	783	-	(842)	-	96,666
Finance costs							(2,178)
Share of profit of associates							30
Profit before taxation							<u>94,518</u>
Income tax expense							<u>(9,631)</u>
Profit for the period							<u>84,887</u>



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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

**A8. Segmental reporting (Cont’)**

<b>Group</b>	<b>4Q 2023 (RM'000)</b>	<b>4Q 2022 (RM'000)</b>	<b>Changes (%)</b>
Revenue	227,607	289,351	-21.3%
Profit before tax	48,709	94,518	-48.5%

Revenue of the Group for the fourth quarter ended 30 June 2023 decreased by 21.3% to RM227.6 million as compared to RM289.4 million in the previous corresponding quarter.

The decrease in revenue was mainly due to the lower revenue generated from the shipping segments in the current quarter as compared to last preceding quarter.

The decrease in profit before tax in the current quarter were mainly due to the decrease of margin and shipment volume in shipping segments on bulk carriers and container sectors as well as low margin on shipbuilding’s work in progress under construction and slow demand in ship repair segments.

Performance and prospects of each operating segment are discussed below:

**Shipping**

	<b>4Q 2023 (RM'000)</b>	<b>4Q 2022 (RM'000)</b>	<b>Changes (%)</b>
Revenue	188,608	228,462	-17.4%
Profit before tax	33,678	67,281	-49.9%

For the current quarter, the shipping segment’s revenue of RM188.6 million decreased by 17.4% as compared to RM 228.5 million revenue recorded in the corresponding quarter.

The decrease in revenue was mainly due to the lower fleet load factor in shipping segment. The decrease in profit before tax in shipping segment were mainly due to the decrease of margin and shipment volume in shipping segments on bulk carriers and container sectors.

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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

**A8. Segmental reporting (Cont’)**

**Shipbuilding and Ship repair**

	<b>4Q 2023 (RM'000)</b>	<b>4Q 2022 (RM'000)</b>	<b>Changes (%)</b>
Revenue	20,479	47,056	-56.5%
(Loss)/ Profit before tax	(730)	27,332	-102.7%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM20.5 million, decreased by 56.5% as compared to RM47.1 million revenue recorded in the corresponding quarter. The decrease in revenue was mainly due lesser shipbuilding work for external parties in the current quarter.

The loss before tax in Shipbuilding and ship repair segment were due to low margin on shipbuilding’s work in progress under construction and slow demand in ship repair segments.

**Service providers**

	<b>4Q 2023 (RM'000)</b>	<b>4Q 2022 (RM'000)</b>	<b>Changes (%)</b>
Revenue	14,888	13,562	9.8%
Profit before tax	2,893	861	236.0%

For the current quarter, the revenue from service providers segment increased by 9.8% compared to the preceding year’s corresponding quarter.

The increase in profit before tax in service providers segment were mainly due to the increase in profit margin in shipping agency sector.

**Gas**

	<b>4Q 2023 (RM'000)</b>	<b>4Q 2022 (RM'000)</b>	<b>Changes (%)</b>
Revenue	3,416	-	N/A
Profit before tax	791	-	N/A

The group has expanded its business activity in industrial gas segment by acquiring a subsidiary, namely Piasau Gas Sdn Bhd.

This segment has contributed RM 3.4 million revenue to the group in the current quarter.

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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

**A8. Segmental reporting (Cont’)**

**Investment Holding**

	<b>4Q 2023 (RM’000)</b>	<b>4Q 2022 (RM’000)</b>	<b>Changes (%)</b>
Revenue	216	271	-20.3%
Profit / (Loss) before tax	12,077	(956)	1,363.3%

The revenue from Investment Holding segment was derived from the rental income and interest income from the financial institutions. For the current quarter, the gain in investment holding segment was mainly resulted from the gain on bargain purchase price allocation on acquisition of a subsidiary, Piasau Gas Sdn Bhd.

**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 have arisen 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 except that:

- i) Shin Yang Group Berhad (“**SYGROUP**”) (Formerly known as Shin Yang Shipping Corporation Berhad) has on 31 May 2023 entered into a conditional share sale and purchase agreement (“**SSPA**”) with the respective Vendors (as defined below) to purchase 600,000 ordinary shares in Mewah Exim Sdn Bhd (“Mewah Exim”), representing 60% equity interest in Mewah Exim for a purchase consideration of RM9,538,200.00. (“Proposed Acquisition”)

<b>Vendors</b>	<b>No. of Sale Shares</b>
Lim Miang Chiang	225,000
K.Purushothaman A/L Kunjamboo	150,000
Lee Sai Kiau	135,000
Lilah A/P Nanu	90,000
<b>Total :</b>	<b>600,000</b>

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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

The purchase consideration will be settled by SYGROUP to the Vendors in their respective proportion under the SSPA, in the following manner:

- (a) Payment in cash of RM953,820.00, being equivalent to 10% of the purchase consideration, upon the execution of the SSPA;
- (b) Payment of RM8,584,380.00, being equivalent to 90% of the purchase consideration within 30 days from the fulfilment of all conditions precedent of the SSPA as follows:-
  - (i) Payment in cash of the sum of RM 7,384,380.00; and
  - (ii) Utilisation of 2,000,000 existing treasury shares of SYGROUP to be allotted and issued to the Vendors to satisfy the final balance of RM 1,200,000.00

As at 30 August 2023, all of the Conditions Precedent as set out in the SSPA have been fulfilled.

**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. Tax (income)/ 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
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	(7,549)	10,262	(5,366)	12,368
Deferred tax	3,777	(631)	4,273	(619)
	<u>(3,772)</u>	<u>9,631</u>	<u>(1,093)</u>	<u>11,749</u>



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

**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 30 June 2023 are as follows:

	<b>As at 30.06.2023 RM’000</b>
Corporate guarantees given to licensed banks in consideration of credit facilities granted to subsidiaries and associates	<b>91,660</b>

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 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.

	<b>Current Quarter to date 30.06.2023 RM’000</b>	<b>Balance due from/(to) As at 30.06.2023 RM’000</b>
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	31,119	41,768
Purchase of goods and services	(7,017)	(13,139)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	3,005	4,973
Purchase of goods and services	(1,350)	(4,107)

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





**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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**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 FOURTH QUARTER ENDED 30 JUNE 2023**

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**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**

	<b>4Q 2023 (RM'000)</b>	<b>3Q 2023 (RM'000)</b>	<b>Changes (%)</b>
Revenue	227,607	234,842	-3.1%
Profit before tax	48,709	46,003	5.9%

As compared to the immediate preceding quarter, the Group's current quarter's revenue has decreased by 3.1% to RM227.6 million from RM234.8 million recorded in the immediate preceding quarter.

The increase in profit before tax in current quarter as compared to the immediate preceding quarter were mainly due to the gain on bargain purchase price allocation on acquisition of a subsidiary, Piasau Gas Sdn Bhd. The gain reduced by the lower profit margin generated from shipping segments on bulk carriers and container sectors and shipbuilding and ship repair segments.

**B3. Commentary on Prospects**

The performance of the Group is largely dependent on the volatility of world fuel market price, standard of skills and experiences 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 may significantly disrupt business operations.

While the prospects for the shipping industry continue to remain challenging with the recent stabilisation in crude oil price and positive improvement 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 FOURTH QUARTER ENDED 30 JUNE 2023**

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**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 equipments, machineries 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 the 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 which had showed sign of higher utilisation rate of offshore supply vessels and also the requirements of other potential markets from the resource-based sectors.

**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 purchase 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**

	<b>Secured RM'000</b>	<b>unsecured RM'000</b>	<b>Total RM'000</b>
<b>1. Total borrowings</b>			
Short-term borrowings	37,531	65,915	103,446
Long-term borrowings	36,590	-	36,590
	<u>74,121</u>	<u>65,915</u>	<u>140,036</u>



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

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

**B9. Borrowings and debt securities (Cont’)**

Included in the total borrowings are borrowings denominated in USD as follows:

	Secured USD’000	unsecured USD’000	Total USD’000
<b>2. Borrowings denominated in USD</b>			
Short-term borrowings	3,600	-	3,600
Long-term borrowings	-	-	-
	<u>3,600</u>	<u>-</u>	<u>3,600</u>

**B10. Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at 30 August 2023.

**B11. Changes in material litigation**

There were 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 30.06.2023	Current year to date 30.06.2023
Profit attributable to equity holders of the Company (RM’000)	52,132	185,135
Weighted average number of ordinary shares in issue (’000)	1,136,814	1,142,528
Basic earnings per share (sen)	<u>4.59</u>	<u>16.20</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 is presented as equal to basic earnings per share.



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

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

**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
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(2,855)	(1,234)	(7,986)	(3,587)
Sundry income	(2,744)	(692)	(5,123)	(2,144)
Interest expenses	2,052	2,178	8,297	9,101
Depreciation	24,128	23,617	93,452	91,261
Fair value change in forward contract	372	-	(530)	-
Gain on disposal of property and equipment	(6,225)	(712)	(13,409)	(2,675)
Net change in provision for onerous contract	-	-	(471)	-
Reversal of impairment loss on financial asset	(376)	-	(2,076)	-
Impairment loss on financial asset	13,244	9,676	13,244	9,676
Impairment loss on property and equipment	1,180	-	3,183	-
Realised foreign exchange (gain)/ loss	(327)	(202)	473	446
Unrealised foreign exchange loss/ (gain)	756	(294)	1,981	(210)

**B14. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 30 June 2022 was not qualified.

**Authorised for issue**

The interim report for the fourth quarter ended 30 June 2023 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 August 2023.

By order of the Board

Richard Ling Peng Liing  
 Company Secretary  
 30<sup>th</sup> August 2023

