

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

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023
(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	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue		234,842	210,173	716,519	608,330
Cost of sales		(179,962)	(171,089)	(554,917)	(526,736)
Gross profit		<u>54,880</u>	<u>39,084</u>	<u>161,602</u>	<u>81,594</u>
Other income		4,234	605	13,807	6,110
Finance income		2,117	928	5,131	2,353
Administrative expenses		(10,544)	(7,797)	(33,148)	(22,571)
Other operating (expenses)/ income		(394)	104	(1,531)	(744)
Impairment loss on property and equipment		-	-	(2,003)	-
Reversal of impairment on financial asset		-	-	1,700	-
Operating Profit		<u>50,293</u>	<u>32,924</u>	<u>145,558</u>	<u>66,742</u>
Finance Costs		(2,108)	(2,279)	(6,245)	(6,923)
Shares of (loss)/profit of equity accounted associates		(2,182)	6	(2,312)	97
Profit before taxation		<u>46,003</u>	<u>30,651</u>	<u>137,001</u>	<u>59,916</u>
Income tax expense	A12	(943)	(471)	(2,679)	(2,117)
Profit after taxation, representing total comprehensive income for the period		<u><u>45,060</u></u>	<u><u>30,180</u></u>	<u><u>134,322</u></u>	<u><u>57,799</u></u>
Profit after tax attributable to:					
Owners of the Company		44,818	29,953	133,004	56,922
Non controlling interests		242	227	1,318	877
		<u>45,060</u>	<u>30,180</u>	<u>134,322</u>	<u>57,799</u>
Total comprehensive income attributable to:					
Owners of the Company		44,818	29,953	133,004	56,922
Non controlling interests		242	227	1,318	877
		<u>45,060</u>	<u>30,180</u>	<u>134,322</u>	<u>57,799</u>
Earnings per share attributable to owners of the Company:					
Basic (sen)	B12	3.93	2.59	11.48	4.89
Diluted (sen)	B12	3.93	2.59	11.48	4.89

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.*

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

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited AS AT 31.03.2023 RM'000	Audited AS AT 30.06.2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
	Note		
Investment in associates		2,693	5,005
Property and equipment		945,021	953,683
Other receivables		-	2,280
Other investments		59	59
Goodwill		2,064	2,064
Deferred tax assets		1,021	1,021
		950,858	964,112
CURRENT ASSETS			
Inventories		38,426	34,132
Trade receivables		164,989	181,564
Other receivables and deposits		26,376	19,126
Contract assets		-	2,455
Current tax assets		4,005	3,651
Cash and cash balances		367,672	283,173
		601,468	524,101
TOTAL ASSETS		1,552,326	1,488,213
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,216,972	1,216,972
Treasury share		(22,847)	(16,571)
Retained profits		278,673	159,984
Other reserve		(297,861)	(297,861)
Equity attributable to owners of the Company		1,174,937	1,062,524
Non Controlling interests		4,196	4,378
TOTAL EQUITY		1,179,133	1,066,902
NON-CURRENT LIABILITIES			
Lease liabilities	B9	7,906	9,115
Bank Borrowings	B9	31,915	41,320
Deferred tax liabilities		43,517	43,021
		83,338	93,456
CURRENT LIABILITIES			
Trade payables		107,920	128,324
Contract liabilities		5,423	8,050
Other payables and accruals		49,107	21,225
Provision for onerous contract		-	471
Lease liabilities	B9	9,392	8,922
Bank Borrowings	B9	105,388	147,247
Current tax liabilities		12,625	12,714
Derivative liabilities		-	902
		289,855	327,855
Total liabilities		373,193	421,311
TOTAL EQUITY AND LIABILITIES		1,552,326	1,488,213
Net assets per shares (RM)		1.01	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 SHIPPING CORPORATION BERHAD
Registration No.: 200401027554 (666062-A) (Incorporated in Malaysia)

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 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
Balance at 1 July 2021	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
Acquisition of non-controlling interests	1,216,972	(8,983)	(297,861)	159,984	1,070,112	7,319	1,077,431
	-	-	-	-	-	59	59
Contributions by and distributions to owners of the Company:							
- 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	-	(7,588)	-	-	(7,588)	(3,000)	(10,588)
Balance at 30 June 2022	1,216,972	(16,571)	(297,861)	159,984	1,062,524	4,378	1,066,902

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Registration No.: 200401027554 (666062-A) (Incorporated in Malaysia)

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 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
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	-	-	-	133,004	133,004	1,318	134,322
	<u>1,216,972</u>	<u>(16,571)</u>	<u>(297,861)</u>	<u>292,988</u>	<u>1,195,528</u>	<u>5,696</u>	<u>1,201,224</u>
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	-	(6,276)	-	-	(6,276)	-	(6,276)
- Dividend paid	-	-	-	(14,315)	(14,315)	-	(14,315)
- Dividends -by subsidiaries to non-controlling interests	-	-	-	-	-	(1,500)	(1,500)
Total transactions with owners	-	(6,276)	-	(14,315)	(20,591)	-	(22,091)
Balance at 31 March 2023	<u>1,216,972</u>	<u>(22,847)</u>	<u>(297,861)</u>	<u>278,673</u>	<u>1,174,937</u>	<u>4,196</u>	<u>1,179,133</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 SHIPPING CORPORATION BERHAD – 666062-A
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2023 RM'000	Preceding year 31.03.2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	137,001	59,916
Adjustment for:		
Depreciation	69,324	67,644
Fair value change on forward contracts	(902)	-
Gain on bargain purchase	(1,271)	-
Net gain on disposal of property and equipment	(7,184)	(1,963)
Interest expenses	6,245	6,923
Interest income	(5,131)	(2,353)
Impairment loss on property and equipment	2,003	-
Written off of property and equipment	1	-
Net changes in provision for onerous contract	(471)	-
Reversal of impairment loss on trade receivable	(1,700)	-
Loss / (Profit) retained in associates	2,312	(97)
Unrealised loss on foreign exchange	1,225	84
Operating profit before working capital changes	201,452	130,154
<u>Working Capital Changes</u>		
(Increase)/ Decrease in inventories	(4,294)	2,833
Decrease/ (Increase) in trade and other receivables	27,227	(319)
Increase in trade and other payables	3,747	8,204
Decrease/ (Increase) in contract assets	2,455	(8,068)
(Decrease)/ increase in contract liabilities	(2,627)	21,258
Net changes in related companies balances	4,685	11,882
Net changes in holding company balances	(24)	42
Total changes in working capital	31,169	35,832
CASH FROM OPERATIONS	232,621	165,986
Interest income received	5,131	2,353
Interest expenses paid	(6,245)	(6,923)
Income tax paid	(3,422)	(2,589)
Total interest and tax paid	(4,536)	(7,159)
NET CASH FROM OPERATING ACTIVITIES	228,085	158,827
CASH FLOW FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries	(20,032)	-
Purchase of property and equipment	(68,590)	(22,774)
Proceeds from disposal of property and equipment	19,606	8,818
NET CASH FOR INVESTING ACTIVITIES	(69,016)	(13,956)
CASH FLOW (FOR)/FROM FINANCING ACTIVITIES		
Acquisition of treasury shares	(6,276)	(6,503)
Dividend paid	(14,315)	-
Dividend paid to minority interest	(1,500)	(1,500)
Proceeds from lease liabilities	6,523	10,013
Proceeds from term loan	-	10,000
Repayment of principal portion of lease liabilities	(7,740)	(2,744)
Repayment of term loans	(12,919)	(14,226)
Net movement in fixed and treasury deposit with maturity dates more than 3 months	-	76,600
Net movement in trade financing	(32,754)	(40,375)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(68,981)	31,265
NET INCREASE IN CASH AND CASH EQUIVALENTS	90,088	176,136
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	265,391	59,072
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	355,479	235,208

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2023 RM'000	Preceding year 31.03.2022 RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	117,723	75,437
Deposit with licensed banks	249,949	177,600
Bank overdrafts	(12,193)	(17,829)
Cash and cash equivalents	355,479	235,208

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 THIRD QUARTER ENDED 31 MARCH 2023

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 Shipping Corporation Berhad (“SYSCORP” or “the Company”) 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 4,595,000 its own ordinary shares at average price of RM 0.65452 per share during the current quarter. As at 31 March 2023, the Company had purchased and hold a cumulative total 60,909,700 of its issued ordinary shares repurchased from open market at an overall average price at RM0.37510 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

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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

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
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

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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 9 months ended 31 March 2022							
Segment Revenue							
External revenue	476,144	90,507	41,035	-	644	-	608,330
Inter-segment revenue	3,107	18,344	5,885	-	5,729	(33,065)	-
Total	<u>479,251</u>	<u>108,851</u>	<u>46,920</u>	-	<u>6,373</u>	<u>(33,065)</u>	<u>608,330</u>
Profit from operations	46,194	13,111	7,523	-	(86)	-	66,742
Finance costs							(6,923)
Share of profit of associates							97
Profit before taxation							<u>59,916</u>
Income tax expense							<u>(2,117)</u>
Profit for the period							<u><u>57,799</u></u>

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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	<u>202,512</u>	<u>28,363</u>	<u>21,428</u>	<u>2,774</u>	<u>1,404</u>	<u>(21,639)</u>	<u>234,842</u>
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							<u>46,003</u>
Income tax expense							(943)
Profit for the period							<u><u>45,060</u></u>

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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 2022							
Segment Revenue							
External revenue	165,998	30,041	13,936	-	198	-	210,173
Inter-segment revenue	822	3,922	2,020	-	686	(7,450)	-
Total	166,820	33,963	15,956	-	884	(7,450)	210,173
Profit from operations	25,855	4,644	2,446	-	(21)	-	32,924
Finance costs							(2,279)
Share of profit of associates							6
Profit before taxation							30,651
Income tax expense							(471)
Profit for the period							30,180

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’)

Group

	3Q 2023 (RM'000)	3Q 2022 (RM'000)	Changes (%)
Revenue	234,842	210,173	11.7%
Profit before tax	46,003	30,651	50.1%

Revenue of the Group for the third quarter ended 31 March 2023 increased by 11.7% to RM234.8 million as compared to RM210.2 million in the previous corresponding quarter.

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

The increase in profit before tax in the current quarter were mainly due to the increase of margin and shipment volume in shipping segments on container sectors.

Performance and prospects of each operating segment are discussed below:

Shipping

	3Q 2023 (RM'000)	3Q 2022 (RM'000)	Changes (%)
Revenue	200,046	165,998	20.5%
Profit before tax	40,412	25,317	59.6%

For the current quarter, the shipping segment’s revenue of RM200.0 million increased by 20.5% as compared to RM 166.0 million revenue recorded in the corresponding quarter.

The increase in revenue was mainly due to the improvement in utilization rates in shipping segment. The increase in profit before tax in shipping segment were mainly due to the increase of margin and shipment volume in shipping segments on container sectors.

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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	3Q 2023 (RM'000)	3Q 2022 (RM'000)	Changes (%)
Revenue	17,935	30,041	-40.3%
Profit before tax	359	3,109	-88.5%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM17.9 million, decreased by 40.3% as compared to RM30.0 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 decrease in profit 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

	3Q 2023 (RM'000)	3Q 2022 (RM'000)	Changes (%)
Revenue	14,851	13,936	6.6%
Profit before tax	5,876	2,364	148.6%

For the current quarter, the revenue from service providers segment increased by 12.7% 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

	3Q 2023 (RM'000)	3Q 2022 (RM'000)	Changes (%)
Revenue	1,794	-	N/A
Loss before tax	(267)	-	N/A

The group has expanded its business activity in industrial gas segment by acquiring a subsidiary, namely Piasau Gas Sdn Bhd in July 2022.

This segment has contributed RM 1.8 million revenue to the group in the current quarter. The loss before tax incurred due to weak margin in gas segment during the current quarter under review.

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

A8. Segmental reporting (Cont’)

Investment Holding

	3Q 2023 (RM’000)	3Q 2022 (RM’000)	Changes (%)
Revenue	216	198	-9.1%
Loss before tax	(377)	(139)	-171.2%

The revenue from Investment Holding segment was derived from the rental income and interest income from the financial institutions. For the current quarter, the loss in investment holding segment was 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 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.

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 2023 RM’000	31 Mar 2022 RM’000	31 Mar 2023 RM’000	31 Mar 2022 RM’000
Malaysian taxation				
Current year tax	1,120	634	2,183	2,105
Deferred tax	(177)	(163)	496	12
	<u>943</u>	<u>471</u>	<u>2,679</u>	<u>2,117</u>

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

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 31 March 2023 are as follows:

	As at 31.03.2023 RM’000
Corporate guarantees given to licensed banks in consideration of credit facilities granted to subsidiaries and associates	<u>92,485</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 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 31.03.2023 RM’000	Balance due from/(to) As at 31.03.2023 RM’000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	33,478	39,968
Purchase of goods and services	(6,687)	(17,257)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	4,777	5,403
Purchase of goods and services	(1,530)	(4,210)

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

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 2023

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 2023 (RM'000)	2Q 2023 (RM'000)	Changes (%)
Revenue	234,842	234,375	0.2%
Profit before tax	46,003	39,096	17.7%

As compared to the immediate preceding quarter, the Group's current quarter's revenue has slightly increased by 0.2% to RM234.8 million from RM234.4 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 increase of margin and shipment volume in shipping segments on container sectors and shipping agency sector.

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.

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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 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

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	44,050	70,730	114,780
Long-term borrowings	39,821	-	39,821
	<u>83,871</u>	<u>70,730</u>	<u>154,601</u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 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
2. Borrowings denominated in USD			
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 29 May 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 31.03.2023	Current year to date 31.03.2023
Profit attributable to equity holders of the Company (RM’000)	44,818	133,004
Weighted average number of ordinary shares in issue (’000)	1,140,752	1,158,325
Basic earnings per share (sen)	<u>3.93</u>	<u>11.48</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.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 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
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(2,117)	(928)	(5,131)	(2,353)
Sundry income	(909)	(380)	(2,379)	(1,452)
Interest expenses	2,108	2,279	6,245	6,923
Depreciation	23,253	22,614	69,324	67,644
Fair value change in forward contract	-	-	(902)	-
Gain on disposal of property and equipment	(2,740)	(104)	(7,184)	(1,963)
Net change in provision for onerous contract	-	-	(470)	-
Reversal of impairment loss on financial asset	-	-	(1,700)	-
Impairment loss on property and equipment	-	-	2,003	-
Realised foreign exchange loss	257	20	800	648
Unrealised foreign exchange loss	203	(114)	1,225	84

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 third quarter ended 31 March 2023 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 May 2023.

By order of the Board

Richard Ling Peng Liing
 Company Secretary
 30th May 2023