

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.06.2018 RM'000	Preceding year corresponding quarter 30.06.2017 RM'000	Current year to date 30.06.2018 RM'000	Preceding year corresponding period 30.06.2017 RM'000
Revenue		174,415	163,219	621,104	599,080
Cost of sales		(164,519)	(138,114)	(566,787)	(544,468)
Gross profit		9,896	25,105	54,317	54,612
Other income		15,704	30,575	33,807	47,959
Administrative expenses		(6,138)	(16,584)	(32,097)	(47,539)
Operating profits		19,462	39,096	56,027	55,032
Other operating expense		(10,102)	(12,328)	(10,164)	(19,008)
Finance Costs		(4,709)	(5,661)	(19,383)	(24,504)
Shares of profit / (loss) of associates		344	(11,068)	1,894	(8,132)
<b>Profit before tax</b>		4,995	10,039	28,374	3,388
Tax (expense) / income	A12	(294)	2,455	(2,137)	1,269
<b>Profit net of tax</b>		4,701	12,494	26,237	4,657
<b>Other comprehensive income:</b>					
Foreign exchange translation	A16	(233)	907	(444)	5,538
Total comprehensive income for the period		4,468	13,401	25,793	10,195
<b>Profit / (Loss) attributable to:</b>					
Equity holders of the parent		3,528	11,073	24,341	5,788
Non controlling interests		1,173	1,421	1,896	(1,131)
		4,701	12,494	26,237	4,657
<b>Total comprehensive income / (loss) attributable to:</b>					
Equity holders of the parent		3,621	12,023	24,234	10,871
Non controlling interests		847	1,378	1,559	(676)
		4,468	13,401	25,793	10,195
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.29	0.92	2.03	0.48
Diluted (sen)	B12	0.29	0.92	2.03	0.48

**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 2017 and the accompanying explanatory notes attached to this report.*

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
**(Incorporated in Malaysia)**

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited AS AT 30.06.2018 RM'000	Audited AS AT 30.06.2017 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,210,744	1,145,607
Investment in associates		13,965	7,432
Other investments		241	241
Other receivable		82,003	212,547
Intangible asset		2,070	2,064
		<b>1,309,023</b>	<b>1,367,891</b>
<b>Current assets</b>			
Inventories		44,739	47,265
Trade and other receivables		315,539	281,706
Other current assets		31,170	8,465
Tax recoverable		3,560	2,915
Cash and cash equivalents		76,394	83,043
		<b>471,402</b>	<b>423,394</b>
<b>TOTAL ASSETS</b>		<b>1,780,425</b>	<b>1,791,285</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		1,216,972	1,216,972
Retained Earnings		252,543	228,202
Treasury share		(4,678)	-
Other reserve		(289,426)	(288,939)
		<b>1,175,411</b>	<b>1,156,235</b>
<b>Non Controlling interests</b>		<b>6,144</b>	<b>3,644</b>
<b>Total equity</b>		<b>1,181,555</b>	<b>1,159,879</b>
<b>Non-current liabilities</b>			
Borrowings	B9	59,625	101,632
Deferred tax liabilities		56,188	55,185
Deferred income		23,683	20,797
		<b>139,496</b>	<b>177,614</b>
<b>Current liabilities</b>			
Borrowings	B9	293,544	322,603
Trade and other payables		156,868	130,457
Other current liabilities		8,640	522
Tax payable		322	210
		<b>459,374</b>	<b>453,792</b>
<b>Total liabilities</b>		<b>598,870</b>	<b>631,406</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,780,425</b>	<b>1,791,285</b>
Net assets per shares (RM)		0.98	0.96

**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 2017 and the accompanying explanatory notes attached to this report.*

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
(Incorporated in Malaysia)

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Parent							
	Non distributable			Distributable				
	Equity, total RM'000	Equity attributable to owners of the parents, total RM'000	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Retained earnings RM'000	Treasury Share RM'000	
<b>At 1 July 2016</b>	1,170,810	1,150,035	1,200,000	16,972	(289,175)	222,864	-	20,321
Total comprehensive income	5,889	5,746	-	-	408	5,338	-	143
Transactions with Owners:								
Disposal of subsidiaries	(6,704)	-	-	-	-	-	-	(6,704)
Return of capital by a subsidiary	(8,870)	-	-	-	-	-	-	(8,870)
Acquisition of subsidiaries	445	-	-	-	-	-	-	445
Dividend paid to non-controlling interests	(1,691)	-	-	-	-	-	-	(1,691)
Transfer pursuant to Companies Act 2016*	-	-	16,972	(16,972)	-	-	-	-
<b>At 30 June 2017</b>	<b>1,159,879</b>	<b>1,156,235</b>	<b>1,216,972</b>	<b>-</b>	<b>(288,939)</b>	<b>228,202</b>	<b>-</b>	<b>3,644</b>
<b>At 1 July 2017</b>	1,159,879	1,156,235	1,216,972	-	(288,939)	228,202	-	3,644
Total comprehensive income	25,413	23,854	-	-	(487)	24,341	-	1,559
Transactions with Owners:								
Return of capital by a subsidiary	1,061	-	-	-	-	-	-	1,061
Dividend paid to non-controlling interests	(120)	-	-	-	-	-	-	(120)
Share buy back	(4,678)	(4,678)	-	-	-	-	(4,678)	-
<b>At 30 June 2018</b>	<b>1,181,555</b>	<b>1,175,411</b>	<b>1,216,972</b>	<b>-</b>	<b>(289,426)</b>	<b>252,543</b>	<b>(4,678)</b>	<b>6,144</b>

(Note B14)

**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 2017 and the accompanying explanatory notes attached to this report.*

# *Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM16,972,000 for the purposes set out in Section 618(3) of the CA 2016.*

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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date 30.06.2018 RM'000	Preceding year 30.06.2017 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	28,374	3,388
Adjustment for:		
Depreciation	83,630	96,976
Bad debts written off	8	-
Reversal of provision for doubtful debts	(12,171)	-
Dividend income	(5)	(1,007)
(Gain)/ Loss on disposal of fixed assets	(11,027)	14,754
Gain on disposal of investment	-	(4,480)
Loss / (Gain) on foreign exchange	2,385	(8,455)
Interest expenses	19,383	24,504
Interest income	(2,054)	(749)
Gain on Capital Contribution	-	(21,937)
Impairment loss of investment in associates	10,102	-
Fixed asset written off	2,207	2,922
(Gain)/ loss retained in associates	(1,894)	8,132
	<b>118,938</b>	<b>114,048</b>
<b>Operating profit before changes in working capital</b>		
<b>Working Capital Changes</b>		
Decrease/ (Increase) in inventories	2,510	(2,850)
Decrease/ (Increase) in receivables	42,174	(29,138)
(Increase)/ Decrease in other current assets	(22,723)	7
Increase in payables	17,006	24,243
Increase in other current liabilities	8,118	-
Net changes in amounts due from/to related companies	58,781	18,768
Total changes in working capital	105,866	11,030
	<b>224,804</b>	<b>125,078</b>
<b>Cash generated from operations</b>		
Interest received	2,054	749
Interest paid	(19,383)	(24,504)
Income tax refunded	894	750
Income tax paid	(841)	(3,092)
	<b>(17,276)</b>	<b>(26,097)</b>
<b>Net cash generated from operating activities</b>		
	<b>207,528</b>	<b>98,981</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend income	5	1,007
Capital expenditure	(162,192)	(40,922)
Proceeds from disposal of property, plant and equipment	24,265	58,354
Purchase of interests in associated company	-	4,831
	<b>(137,922)</b>	<b>23,270</b>
<b>Net cash (used in)/ generated from investing activities</b>		
	<b>(137,922)</b>	<b>23,270</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(520)	(60)
Net movement in trade financing	(10,118)	(2,344)
Proceeds from hire purchase	10,202	4,668
Repayment of hire purchase	(8,086)	(16,544)
Proceeds from term loan	-	29,180
Repayment of term loans	(55,428)	(74,892)
Purchase of treasury share	(4,678)	-
	<b>(68,628)</b>	<b>(59,992)</b>
<b>Net cash flow used in financing activities</b>		
	<b>(68,628)</b>	<b>(59,992)</b>
<b>Net increase in cash and cash equivalents</b>	<b>978</b>	<b>62,259</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>52,038</b>	<b>(11,745)</b>
<b>Effects of exchange rate changes</b>	<b>(31)</b>	<b>10</b>
	<b>52,985</b>	<b>50,524</b>
<b>Cash and cash equivalents at end of period</b>	<b>52,985</b>	<b>50,524</b>



**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Current year to date 30.06.2018 RM'000</b>	<b>Preceding year 30.06.2017 RM'000</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	31,294	17,943
Deposit with licensed banks	45,100	64,300
Bank overdrafts	(23,409)	(31,719)
<b>Cash and bank balances</b>	<b>52,985</b>	<b>50,524</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 2017 and the accompanying explanatory notes attached to this report.*



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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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 Shipping Corporation Berhad (“SYSCorp” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 30 June 2017.

The accounting policies and methods of computation 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 2017.

**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 5 December 2017, 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 a total of 14,656,500 its own ordinary shares at average price of RM 0.2742 per share during the current quarter. As at 30 June 2018, the Company had purchased and hold a cumulative total 17,494,600 of its issued ordinary shares repurchased from open market at an overall average price at RM0.2674 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 FOURTH QUARTER ENDED 30 JUNE 2018**

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

**A7. Dividends**

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

**A8. Segmental reporting**

Segmental information in respect of the Group’s business segments comprising shipping, shipbuilding, ship repair & metal fabrication, shipping agency and investment holding are presented as follows:

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Shipping agency RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
<b>For 12 months ended 30 June 2018</b>						
<b>Segment Revenue</b>						
External revenue	491,961	123,453	5,252	438	-	621,104
Inter-segment revenue	7,970	30,097	2,359	3,385	(43,811)	-
<b>Total</b>	<b>499,931</b>	<b>153,550</b>	<b>7,611</b>	<b>3,823</b>	<b>(43,811)</b>	<b>621,104</b>
Profit/ (loss) from operations	63,548	(10,980)	4,800	(1,341)	-	56,027
Other operating expense						(10,164)
Finance costs						(19,383)
Share of profit of associates						1,894
Profit before tax						28,374
Tax expense						(2,137)
<b>Profit for the period</b>						<b>26,237</b>
<b>For 12 months ended 30 June 2017</b>						
<b>Segment Revenue</b>						
External revenue	506,792	87,132	4,619	537	-	599,080
Inter-segment revenue	5,907	22,062	2,249	2,240	(32,458)	-
<b>Total</b>	<b>512,699</b>	<b>109,194</b>	<b>6,868</b>	<b>2,777</b>	<b>(32,458)</b>	<b>599,080</b>
Profit/ (loss) from operations	78,655	(26,266)	2,913	(270)	-	55,032
Other operating expense						(19,008)
Finance costs						(24,504)
Share of loss of associates						(8,132)
Profit before tax						3,388
Tax income						1,269
<b>Profit for the period</b>						<b>4,657</b>

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

**A8. Segmental reporting (Cont’)**  
**Group**

	<b>FYE 2018 (RM'000)</b>	<b>FYE 2017 (RM'000)</b>	<b>Changes (%)</b>
Revenue	621,104	599,080	3.7%
Profit before tax	28,374	3,388	737.5%

Revenue of the Group for the year ended 30 June 2018 increased by 3.7% to RM621.1 million as compared to RM599.1 million in the previous corresponding year.

The increase in revenue were was mainly due to the higher revenue generated from the ship repair and metal fabrication segments on specialised vessels in the current year.

The increase in profit before tax due to the profit generated from ship repair and modification of specialised vessels, and international shipping operation segments after restructuring. The lower finance cost incurred during the year also contribute part of the profit before tax for the current year.

	<b>Shipping RM'000</b>	<b>Shipbuilding, Ship repair and Metal Fabrication RM'000</b>	<b>Shipping agency RM'000</b>	<b>Investment holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>For 3 months ended 30 June 2018</b>						
<b>Segment Revenue</b>						
External revenue	127,656	45,196	1,479	84	-	174,415
Inter-segment revenue	2,858	4,283	587	849	(8,577)	-
<b>Total</b>	<b>130,514</b>	<b>49,479</b>	<b>2,066</b>	<b>933</b>	<b>(8,577)</b>	<b>174,415</b>
Profit/ (loss) from operations	18,051	336	1,560	(485)	-	19,462
Other operating expense						(10,102)
Finance costs						(4,709)
Share of profit of associates						344
<b>Profit before tax</b>						<b>4,995</b>
Tax expense						(294)
<b>Profit for the period</b>						<b>4,701</b>
<b>For 3 months ended 30 June 2017</b>						
<b>Segment Revenue</b>						
External revenue	128,703	33,184	1,191	141	-	163,219
Inter-segment revenue	1,288	6,051	535	734	(8,608)	-
<b>Total</b>	<b>129,991</b>	<b>39,235</b>	<b>1,726</b>	<b>875</b>	<b>(8,608)</b>	<b>163,219</b>
Profit/ (loss) from operations	45,565	(7,350)	164	717	-	39,096
Other operating expense						(12,328)
Finance costs						(5,661)
Share of loss of associates						(11,068)
<b>Profit before tax</b>						<b>10,039</b>
Tax income						2,455
<b>Profit for the period</b>						<b>12,494</b>



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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

**A8. Segmental reporting (Cont’)**

**Group**

	<b>4Q 2018 (RM'000)</b>	<b>4Q 2017 (RM'000)</b>	<b>Changes (%)</b>
Revenue	174,415	163,219	6.9%
Profit before tax	4,995	10,039	-50.2%

Revenue of the Group for the fourth quarter ended 30 June 2018 increased by 6.9% to RM174.4 million as compared to RM163.2 million in the previous corresponding quarter.

The increase was mainly due to the higher revenue generated from the ship repair and metal fabrication segments in the current quarter.

The decrease in profit before tax due to the decrease in margin in shipping segments on vessels mobilisation costs incurred from locations to locations during the year.

Performance and prospects of each operating segment are discussed below:

**Shipping**

	<b>4Q 2018 (RM'000)</b>	<b>4Q 2017 (RM'000)</b>	<b>Changes (%)</b>
Revenue	127,656	128,703	-0.8%
Profit before tax	7,029	19,422	-63.8%

For the current quarter, the shipping segment’s revenue of RM127.7 million slightly decreased by 0.8% as compared to RM 128.7 million revenue recorded in the corresponding quarter. This was mainly due to the lower volume carried from dry bulk operations in the current quarter.

The decrease in profit before tax in shipping segment due to the decrease in margin in dry bulk shipping and international shipping segments in current quarter.

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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**

	<b>4Q 2018 (RM'000)</b>	<b>4Q 2017 (RM'000)</b>	<b>Changes (%)</b>
Revenue	45,196	33,184	36.2%
Loss before tax	(2,791)	(10,157)	72.5%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM45.2million increased by 36.2% as compared to RM33.2million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to more repair and metal fabrication works in the following quarters.

The loss before tax has been reduced in Shipbuilding and ship repair segment were mainly due to vessels repair under work in progress.

**Shipping agency**

	<b>4Q 2018 (RM'000)</b>	<b>4Q 2017 (RM'000)</b>	<b>Changes (%)</b>
Revenue	1,479	1,191	24.2%
Profit before tax	1,559	547	185.0%

For the current quarter, the revenue from shipping agency segment increased by 24.2% compared to the preceding year’s corresponding quarter. The increase in profit before tax was mainly due to the higher in profit margin in current quarter.

**Investment Holding**

	<b>4Q 2018 (RM'000)</b>	<b>4Q 2017 (RM'000)</b>	<b>Changes (%)</b>
Revenue	84	141	-40.4%
(Loss)/ Profit before tax	(802)	227	-453.3%

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

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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

**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 report.

**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 expense / (income)**

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 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	294	(4,792)	1,134	(3,997)
Deferred tax	-	2,337	1,003	2,728
	<u>294</u>	<u>(2,455)</u>	<u>2,137</u>	<u>(1,269)</u>

**A13. Contingent liabilities and contingent assets**

The contingent liabilities of the Group as at 30 June 2018 are as follows:

	As at 30.06.2018 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>189,377</u>

The Group does not have any contingent assets.

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

**A14. Material commitments**

Material commitments of the Group as at 30 June 2018 are as follow:	<b>As at</b>
	<b>30.06.2018</b>
<b><u>Capital Expenditure</u></b>	<b>RM’000</b>
<b>Approved and contracted for:-</b>	
- 1 unit used 154M container vessel	16,769
- 1 unit used GT 13,448 ABT container vessel	23,883
<b>Total</b>	<b><u>40,652</u></b>

**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 30.06.2018 RM’000</b>	<b>Balance due from/(to) As at 30.06.2018 RM’000</b>
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	35,308	77,766
Purchase of goods and services	(8,409)	(16,558)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	2,053	4,614
Purchase of goods and services	(477)	(4,869)

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

**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 2018**

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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 after tax for the current quarter as compared with the immediate preceding quarter**

	<b>4Q 2018 (RM'000)</b>	<b>3Q 2018 (RM'000)</b>	<b>Changes (%)</b>
Revenue	174,415	175,736	-0.8%
Profit before tax	4,995	6,675	-25.2%

As compared to the immediate preceding quarter, the Group's current quarter's revenue slightly decreased by 0.8% to RM174.4 million from RM175.7 million recorded in the immediate preceding quarter.

The Group's profit before tax decrease as compared to the immediate preceding quarter is mainly due to the decrease in margin in dry bulk and international shipping operations segment in current quarter.

**B3. Commentary on Prospects**

The performance of the Group is largely dependent on the volatility of world fuel market price, quality of crews' standard, domestic & regional demand for transportation of dry bulk and general cargoes, movement of Ringgit Malaysia and world economic situations.

Vessel overcapacity and demand continues to put dry bulk cargo rates under pressure over the short term. The Group has prepared itself for the continuing uncertainties in global economic situations. The prospects for the shipping industry continue to remain challenging and positive with the recent stable in crude oil price and the Group is prepared with a sustainable and market driven routes for its fleet movements. The Group is confident in the stability of the domestic, coastal and container shipping operations, which will remain as the engine of growth of the sector. The continuous improvement in terms of operational costs management, fleet efficiency and routes enhancement would be an important priority in the next few quarters ahead.

The other dependents for shipbuilding operations include the corresponding price movement of the marine mild steel plates, other heavy equipments, machineries and global trend of demand for newly constructed vessels, especially from the niche markets in oil and gas industry. The emphasis is on taking steps to aggressively to carry out repair and maintenance and fabrication works to meet the requirements of the niche markets from operating expenditures in the oil and gas industry and also to meet the potential requirements of the resource based sectors.

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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

**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	238,590	54,954	293,544
Long-term borrowings	59,625	-	59,625
	<u>298,215</u>	<u>54,954</u>	<u>353,169</u>

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

	<b>Secured USD'000</b>	<b>unsecured USD'000</b>	<b>Total USD'000</b>
<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>

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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**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 August 2018.

**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:

	<b>Current year quarter 30.06.2018</b>	<b>Current year to date 30.06.2018</b>
Profit attributable to equity holders of the Company (RM'000)	3,528	24,341
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.29</u>	<u>2.03</u>

Earnings per share is computed based on the weighted average number of 1,200,000,000 shares issued for the interim quarter under review.

**(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 SHIPPING CORPORATION BERHAD – 666062-A**  
**(Incorporated in Malaysia)**

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

**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 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 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(639)	(451)	(2,054)	(749)
Sundry income	(141)	(3,529)	(6,327)	(10,103)
Interest expenses	4,709	5,661	19,383	24,504
Depreciation	22,426	23,657	83,630	96,976
(Gain)/Loss on disposal of property, Plant and equipment	(3,466)	8,058	(11,027)	14,754
Realised foreign exchange loss/ (gain)	3,671	(1,308)	3,586	228
Unrealised foreign exchange loss/ (gain)	1,577	(1,169)	2,385	(6,452)

**B14. Breakdown of realised and unrealised profit or loss**

The breakdown of the retained profits of the Group as at 30 June 2018, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 30.06.2018	Accumulated quarter ended 30.06.2017
	(RM'000)	(RM'000)
<b>Total retained profits of the Company and its subsidiaries</b>		
- Realized	772,544	759,697
- Unrealized	(36,220)	(29,431)
	<b>736,324</b>	<b>730,266</b>
Less: Consolidation adjustments	(483,781)	(460,822)
<b>Total Group's retained profits</b>	<b>252,543</b>	<b>269,444</b>

**B15. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 30 June 2017 was not qualified.



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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**PART C – ADDITIONAL DISCLOSURE REQUIREMENTS PURSUANT TO IMPLEMENTATION OF FRS 139, FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT (“FRS 139”)**

**C1. Disclosure of Derivatives**

The Group does not have any outstanding derivatives as at the end of the current interim quarter under review

**C2. Disclosure of gains/losses arising from fair value changes of financial liabilities**

There is no material effect to the Company's financial results upon adoption of FRS139

**C3. Disclosure of breakdown of realised and unrealised gains/losses arising from fair value changes of financial liabilities**

There is no material effect to the Company's financial results upon adoption of FRS139.

**Authorised for issue**

The interim report for the fourth quarter ended 30 June 2018 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 August 2018.

By order of the Board

Richard Ling Peng Liing  
Company Secretary  
30 August 2018

