

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

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019
(The figures have not been audited)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2019 RM'000	Preceding year corresponding quarter 31.03.2018 RM'000	Current year to date 31.03.2019 RM'000	Preceding year corresponding period 31.03.2018 RM'000
Revenue		135,622	175,736	472,939	446,688
Cost of sales		(137,519)	(158,694)	(459,201)	(402,268)
Gross (loss)/ profit		(1,897)	17,042	13,738	44,420
Other income		7,559	2,489	12,803	18,103
Administrative expenses		(10,883)	(8,758)	(26,069)	(25,959)
Operating (Loss)/ profits		(5,221)	10,773	472	36,564
Other operating expense		(5,966)	-	(5,966)	(61)
Finance Costs		(4,512)	(4,626)	(14,179)	(14,674)
Shares of profit of associates		1,427	528	2,138	1,550
(Loss)/ Profit before tax		(14,272)	6,675	(17,535)	23,379
Tax expense	A12	(51)	129	(346)	(1,843)
(Loss)/ Profit net of tax		(14,323)	6,804	(17,881)	21,536
Other comprehensive (loss)/ income:					
Foreign exchange translation	A16	(867)	(343)	802	(211)
Total comprehensive (loss)/ income for the period		(15,190)	6,461	(17,079)	21,325
(Loss) / Profit attributable to:					
Equity holders of the parent		(14,953)	6,507	(18,621)	20,813
Non controlling interests		630	297	740	723
		(14,323)	6,804	(17,881)	21,536
Total comprehensive (loss) / income attributable to:					
Equity holders of the parent		(15,730)	6,191	(17,897)	20,613
Non controlling interests		540	270	818	712
		(15,190)	6,461	(17,079)	21,325
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	(1.27)	0.54	(1.58)	1.73
Diluted (sen)	B12	(1.27)	0.54	(1.58)	1.73

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 2018 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 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 31.03.2019 RM'000	Audited AS AT 30.06.2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,209,454	1,200,140
Investment in associates		2,269	3,715
Other investments		141	141
Intangible asset		2,025	2,064
		1,213,889	1,206,060
Current assets			
Inventories		57,043	44,739
Trade and other receivables		357,593	349,138
Other current assets		30,209	29,819
Tax recoverable		4,080	3,556
Cash and cash equivalents		72,709	77,044
		521,634	504,296
TOTAL ASSETS		1,735,523	1,710,356
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,216,972	1,216,972
Treasury share		(7,969)	(4,678)
Retained Earnings		233,238	251,859
Other reserve		(288,977)	(289,701)
		1,153,264	1,174,452
Non Controlling interests		11,089	10,316
Total equity		1,164,353	1,184,768
Non-current liabilities			
Borrowings	B9	82,665	62,428
Deferred tax liabilities		51,592	52,107
		134,257	114,535
Current liabilities			
Borrowings	B9	244,428	290,630
Trade and other payables		163,632	119,874
Other current liabilities		28,451	-
Tax payable		402	549
		436,913	411,053
Total liabilities		571,170	525,588
TOTAL EQUITY AND LIABILITIES		1,735,523	1,710,356
Net assets per shares (RM)		0.98	0.98

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 2018 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
	Equity, total RM'000	Non distributable		Distributable			Non- Controlling interests RM'000
Equity attributable to owners of the parents, total RM'000		Share capital RM'000	Treasury Shares RM'000	Other reserves RM'000	Retained earnings RM'000		
At 1 July 2017	1,159,879	1,156,235	1,216,972	-	(288,939)	228,202	3,644
Profit net of tax	30,514	23,657	-	-	-	23,657	6,857
Other comprehensive income	(827)	(762)	-	-	(762)	-	(65)
Total comprehensive income	29,687	22,895	-	-	(762)	23,657	6,792
Transactions with Owners:							
Purchase of treasury shares	(4,678)	(4,678)	-	(4,678)	-	-	-
Dividend paid to non-controlling interests	(120)	-	-	-	-	-	(120)
At 30 June 2018	1,184,768	1,174,452	1,216,972	(4,678)	(289,701)	251,859	10,316
At 1 July 2018	1,184,768	1,174,452	1,216,972	(4,678)	(289,701)	251,859	10,316
(Loss)/ profit net of tax	(17,881)	(18,621)	-	-	-	(18,621)	740
Other comprehensive income	757	724	-	-	724	-	33
Total comprehensive income	(17,124)	(17,897)	-	-	724	(18,621)	773
Transactions with Owners:							
Purchase of treasury shares	(3,291)	(3,291)	-	(3,291)	-	-	-
At 31 March 2019	1,164,353	1,153,264	1,216,972	(7,969)	(288,977)	233,238	11,089

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 2018 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2019 RM'000	Preceding year 31.03.2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(17,535)	23,379
Adjustment for:		
Depreciation	71,590	61,204
Dividend income	(195)	-
Bad debts written off	10	-
Inventories written off	1	-
Loss on disposal of share in associate	5,966	-
Gain on disposal of fixed assets	(2,572)	(7,561)
(Gain)/ Loss on foreign exchange	(124)	808
Interest expenses	14,179	14,674
Interest income	(1,129)	(1,415)
Property, plant and equipment written off	-	2,063
Share of results of associates	(2,138)	(1,550)
Operating profit before changes in working capital	68,053	91,602
Working Capital Changes		
Increase in inventories	(12,304)	(1,432)
(Increase) / Decrease in receivables	(12,160)	1,004
Increase in other current assets	(390)	(5,270)
Increase/ (Decrease) in payables	35,499	(5,409)
Increase in other current liabilities	28,451	12,877
Net changes in amounts due from/to related companies	12,104	69,062
Total changes in working capital	51,200	70,832
Cash generated from operations	119,253	162,434
Interest received	1,129	1,415
Interest paid	(14,179)	(14,674)
Income tax refunded	-	125
Income tax paid	(874)	(689)
Total interest and tax paid	(13,924)	(13,823)
Net cash generated from operating activities	105,329	148,611
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	195	-
Capital expenditure	(97,818)	(109,297)
Proceeds from disposal of property, plant and equipment	17,222	20,072
Net cash used in investing activities	(80,401)	(89,225)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(400)
Net movement in trade financing	(41,749)	(19,264)
Proceeds from hire purchase	4,906	9,532
Repayment of hire purchase	(5,020)	(7,492)
Proceeds from term loan	52,000	-
Repayment of term loans	(33,893)	(44,353)
Purchase of treasury share	(3,291)	(692)
Net cash flow used in financing activities	(27,047)	(62,669)
Net decrease in cash and cash equivalents	(2,119)	(3,283)
Cash and cash equivalents at beginning of period	53,745	52,038
Effects of exchange rate changes	6	(17)
Cash and cash equivalents at end of period	51,632	48,738
Cash and cash equivalents comprise the following:		
Cash and bank balances	33,309	15,714
Deposit with licensed banks	39,400	62,600
Bank overdrafts	(21,077)	(29,576)
Cash and bank balances	51,632	48,738

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 2018 and the accompanying explanatory notes attached to this report.*

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 2018.

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 2018.

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 2019, 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 1,690,800 its own ordinary shares at average price of RM 0.2920 per share during the current quarter. As at 31 March 2019, the Company had purchased and hold a cumulative total 27,296,400 of its issued ordinary shares repurchased from open market at an overall average price at RM0.2919 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.



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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
For 9 months ended 31 March 2019						
Segment Revenue						
External revenue	391,483	76,588	4,543	325	-	472,939
Inter-segment revenue	7,213	20,339	2,091	2,547	(32,190)	-
Total	398,696	96,927	6,634	2,872	(32,190)	472,939
Profit/ (loss) from operations	10,113	(13,548)	3,172	735	-	472
Other operating expense						(5,966)
Finance costs						(14,179)
Share of profit of associates						2,138
Loss before tax						(17,535)
Tax expense						(346)
Loss for the period						(17,881)
For 9 months ended 31 March 2018						
Segment Revenue						
External revenue	364,305	78,256	3,773	354	-	446,688
Inter-segment revenue	5,112	25,814	1,772	2,536	(35,234)	-
Total	369,417	104,070	5,545	2,890	(35,234)	446,688
Profit/ (loss) from operations	45,497	(11,317)	3,240	(856)	-	36,564
Other operating expense						(61)
Finance costs						(14,674)
Share of profit of associates						1,550
Profit before tax						23,379
Tax expense						(1,843)
Profit for the period						21,536



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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	Shipping agency RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 3 months ended 31 March 2019						
Segment Revenue						
External revenue	113,663	20,419	1,393	147	-	135,622
Inter-segment revenue	2,125	7,924	655	849	(11,553)	-
Total	115,788	28,343	2,048	996	(11,553)	135,622
Profit/ (loss) from operations	3,613	(9,584)	584	166	-	(5,221)
Other operating expenses						(5,966)
Finance costs						(4,512)
Share of profit of associates						1,427
Loss before tax						(14,272)
Tax expense						(51)
Loss for the period						(14,323)
For 3 months ended 31 March 2018						
Segment Revenue						
External revenue	127,507	46,921	1,218	90	-	175,736
Inter-segment revenue	2,321	6,752	803	849	(10,725)	-
Total	129,828	53,673	2,021	939	(10,725)	175,736
Profit/ (loss) from operations	11,670	(1,882)	937	48	-	10,773
Finance costs						(4,626)
Share of profit of associates						528
Profit before tax						6,675
Tax income						129
Profit for the period						6,804

Group

	3Q 2019 (RM’000)	3Q 2018 (RM’000)	Changes (%)
Revenue	135,622	175,736	-22.8%
(Loss)/ Profit before tax	(14,272)	6,675	-313.8%

Revenue of the Group for the third quarter ended 31 March 2019 decreased by 22.8% to RM135.6 million as compared to RM175.7 million in the previous corresponding quarter.

The decrease was mainly due to the lower revenue generated from the domestic shipping segments and shipbuilding segment in the current quarter.

The loss before tax due to the decrease in margin in shipping segments on bulk carriers sector and barges & tugboats for preparation and docking costs incurred. And also due to the unrealised margin on production overheads of new shipbuilding’s work in progress during construction in Shipbuilding and ship repair segments.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019

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

A8. Segmental reporting (Cont’)

Performance and prospects of each operating segment are discussed below:

Shipping

	3Q 2019 (RM'000)	3Q 2018 (RM'000)	Changes (%)
Revenue	113,663	127,507	-10.9%
(Loss)/Profit before tax	(2,092)	11,023	-119.0%

For the current quarter, the shipping segment’s revenue of RM113.7 million decreased by 10.9% as compared to RM 127.5 million revenue recorded in the corresponding quarter. This was mainly due to the lower volume carried from domestic shipping operations in the current quarter.

The loss before tax in shipping segment due to the decrease in margin in shipping segments on bulk carriers sector and barges & tugboats for preparation and docking costs incurred in current quarter.

Shipbuilding and Ship repair

	3Q 2019 (RM'000)	3Q 2018 (RM'000)	Changes (%)
Revenue	20,419	46,921	-56.5%
Loss before tax	(12,653)	(4,680)	-170.4%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM20.4 million decreased by 56.5% as compared to RM46.9 million revenue recorded in the corresponding quarter. The decrease in revenue was mainly due to less vessel’s work in progress for external parties to be delivered in the following quarters.

The net losses before tax in Shipbuilding and ship repair segment was mainly due to the unrealised margin on production overheads of new shipbuilding’s work in progress during construction.

Shipping agency

	3Q 2019 (RM'000)	3Q 2018 (RM'000)	Changes (%)
Revenue	1,393	1,218	14.4%
Profit before tax	581	929	-37.5%

For the current quarter, the revenue from shipping agency segment increased by 14.4% compared to the preceding year’s corresponding quarter. The decrease in profit before tax was mainly due to the lower in profit margin 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’)

Investment Holding

	3Q 2019 (RM’000)	3Q 2018 (RM’000)	Changes (%)
Revenue	147	90	63.3%
Loss before tax	(108)	(597)	81.9%

The revenue from Investment Holding segment was derived from the interest income from the financial institutions and dividend income from associate company. 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.

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 except that:

- 1) Shin Yang Shipping Corporation Berhad (“**SYSCorp**”) has on 24 May 2019 received a stamped Certificate of De-registration from our Ras Al Khaimah office, that Aya Shin Yang FZC, an associate company of SYSCorp had, on 11 May 2019 been dissolved under member’s voluntary de-registration pursuant to the Ras Al Khaimah Economic Zone Authority’s Regulations in United Arab Emirates.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for current interim quarter under review except that:

Shin Yang FZC (“**SYFZC**”), a 90% owned indirect subsidiary of Shin Yang Shipping Corporation Berhad (“**SYSCorp**”) had on 13th March 2019 disposed of its entire 45% equity interest comprising 450 shares in the capital of Shin Yang Shipbuilding & Engineering RMC FZC (“**SYSBE**”) as follow:-

- a) 35% equity interest comprising 350 shares in capital of SYSBE to Solaris Petra Sdn. Bhd. (“**SPSB**”) for a cash consideration of AED 10.00 (equivalent to RM11.10); and
 - b) 10% equity interest comprising 100 shares in capital of SYSBE to Juma Khalifa Obaid Abushibs (“**JUMA**”) for a cash consideration of AED 1.00 (equivalent to RM 1.11)
- (“**Disposal** ”)

Pursuant to the Disposal, Shin Yang Shipbuilding & Engineering RMC FZC has ceased to be an associated company of SYSCorp.



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

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
	31 Mar 2019 RM'000	31 Mar 2018 RM'000	31 Mar 2019 RM'000	31 Mar 2018 RM'000
Malaysian taxation				
Current year tax	112	234	861	840
Deferred tax	(61)	(363)	(515)	1,003
	<u>51</u>	<u>(129)</u>	<u>346</u>	<u>1,843</u>

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 31 March 2019 are as follows:

	As at 31.03.2019 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>201,137</u>

The Group does not have any contingent assets.

A14. Material commitments

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

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

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 31.03.2019 RM'000	Balance due from/(to) As at 31.03.2019 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	26,169	68,101
Purchase of goods and services	(9,757)	(9,128)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	1,159	3,925
Purchase of goods and services	(910)	(13,448)

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 THIRD QUARTER ENDED 31 MARCH 2019

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

	3Q 2019 (RM'000)	2Q 2019 (RM'000)	Changes (%)
Revenue	135,622	177,630	-23.6%
Loss before tax	(14,272)	(5,507)	-159.2%

As compared to the immediate preceding quarter, the Group's current quarter's revenue decreased by 23.6% to RM135.6 million from RM177.6 million recorded in the immediate preceding quarter.

The Group incurred a net loss before tax in the current quarter was mainly due to the decrease in margin in shipping segments on bulk carriers sector and barges & tugboats for preparation and docking costs incurred. And also due to the unrealised margin on production overheads of new shipbuilding's work in progress during construction in 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, 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.



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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

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	82,672	161,756	244,428
Long-term borrowings	82,665	-	82,665
	<u>165,337</u>	<u>161,756</u>	<u>327,093</u>

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 28 May 2019.



INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019

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

B11. Changes in material litigation

- 1) Shin Yang Shipping Sdn. Bhd. (“SYS” or “the Plaintiff”), a wholly owned subsidiary of the Company, had on 18th April 2019, via its solicitors, Messrs. Izan Lau & Tiong, Advocates, commenced the service of writ with amended Statement of Claims in the High Court of Sabah & Sarawak at Miri against MK Bumimas Sdn Bhd (Company No. 635837-X) (“the Defendant”) for the following.

The Plaintiff had chartered to the Defendant two (2) units of 47.5 metres Landing Craft vessel with Official No. 335048 and 335049 respectively (“the said Vessels”) by way of two (2) separate BIMCO Standard Bareboat Charter Agreements “Barecon 2001” dated 15 July 2014. The Defendant, as the Charterer of the said Vessels inter alia failed/refused and/or neglected to make remaining outstanding payments for the charter of the said Vessels in accordance with the Bareboat Charter Agreements dated 15 July 2014.

The particulars of the Plaintiff’s Claim are as follows:

- (a) The outstanding monthly hire balance of the said Vessels amounting to a sum of RM4,266,632.07 as at 30th September 2018;
- (b) Further and/or alternatively damages to be assessed by this Honourable Court;

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 31.03.2019	Current year to date 31.03.2019
Loss attributable to equity holders of the Company (RM’000)	(14,953)	(18,621)
Weighted average number of ordinary shares in issue (’000)	1,173,262	1,175,311
Basic earnings per share (sen)	<u>(1.27)</u>	<u>(1.58)</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 SHIPPING CORPORATION BERHAD – 666062-A
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2019

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 (loss)/ 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
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(306)	(500)	(1,129)	(1,415)
Sundry income	(3,589)	(567)	(4,497)	(6,186)
Interest expenses	4,512	4,626	14,179	14,674
Depreciation	24,442	20,712	71,590	61,204
Gain on disposal of property, Plant and equipment	(675)	(700)	(2,572)	(7,561)
Realised foreign exchange loss/ (gain)	204	1,235	363	(85)
Unrealised foreign exchange loss/ (gain)	219	138	(124)	808

B14. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2018 was not qualified.

Authorised for issue

The interim report for the third quarter ended 31 March 2019 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2019.

By order of the Board

Richard Ling Peng Liing
Company Secretary
28th May 2019