

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

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**  
(The figures have not been audited)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.06.2020 RM'000	Preceding year corresponding quarter 30.06.2019 RM'000	Current year to date 30.06.2020 RM'000	Preceding year corresponding period 30.06.2019 RM'000
Revenue		116,407	164,045	599,164	636,984
Cost of sales		(122,729)	(176,812)	(626,833)	(636,013)
Gross (loss)/ profit		(6,322)	(12,767)	(27,669)	971
Other income		1,889	8,095	14,559	20,899
Administrative expenses		(7,957)	(7,145)	(29,895)	(33,214)
Operating Loss		(12,390)	(11,817)	(43,005)	(11,344)
Impairment loss on property, plant and equipment		(6,370)	-	(76,864)	-
Impairment loss on receivables		(10,534)	(52,521)	(12,356)	(52,521)
Loss on disposal of investment		(8,468)	-	(8,468)	-
Other Operating income/ expenses		-	514	(3,748)	(5,453)
Finance Costs		(3,658)	(4,793)	(16,484)	(18,973)
Shares of profit of associates		153	265	248	2,403
<b>Loss before tax</b>		<b>(41,267)</b>	<b>(68,352)</b>	<b>(160,677)</b>	<b>(85,888)</b>
Tax income/ (expense)	A12	1,105	(186)	847	(532)
<b>Loss net of tax</b>		<b>(40,162)</b>	<b>(68,538)</b>	<b>(159,830)</b>	<b>(86,420)</b>
<b>Other comprehensive (loss)/ income:</b>					
Foreign exchange translation	A16	(248)	395	1,219	1,198
Total comprehensive loss for the period		(40,410)	(68,143)	(158,611)	(85,222)
<b>(Loss) / Profit attributable to:</b>					
Equity holders of the parent		(40,212)	(68,754)	(160,515)	(87,376)
Non controlling interests		50	216	685	956
		(40,162)	(68,538)	(159,830)	(86,420)
<b>Total comprehensive (loss) / income attributable to:</b>					
Equity holders of the parent		(40,435)	(68,398)	(159,417)	(86,295)
Non controlling interests		25	255	806	1,073
		(40,410)	(68,143)	(158,611)	(85,222)
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	(3.44)	(5.87)	(13.71)	(7.44)
Diluted (sen)	B12	(3.44)	(5.87)	(13.71)	(7.44)

**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 2019 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 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited AS AT 30.06.2020 RM'000	Audited AS AT 30.06.2019 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,009,101	1,193,063
Investment in associates		13,704	2,308
Other investments		181	181
Deferred tax assets		18	16
Intangible asset		2,070	2,064
		<b>1,025,074</b>	<b>1,197,632</b>
<b>Current assets</b>			
Inventories		57,210	63,813
Trade and other receivables		157,015	270,728
Other current assets		32,303	37,114
Tax recoverable		3,885	3,309
Cash and cash equivalents		121,526	68,759
		<b>371,939</b>	<b>443,723</b>
<b>TOTAL ASSETS</b>		<b>1,397,013</b>	<b>1,641,355</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		1,216,972	1,216,972
Treasury share		(8,853)	(8,405)
Retained Earnings		(13,362)	147,153
Other reserve		(297,861)	(288,383)
		896,896	1,067,337
<b>Non Controlling interests</b>		6,274	8,504
<b>Total equity</b>		<b>903,170</b>	<b>1,075,841</b>
<b>Non-current liabilities</b>			
Borrowings	B9	71,388	76,700
Deferred tax liabilities		52,885	54,698
		<b>124,273</b>	<b>131,398</b>
<b>Current liabilities</b>			
Borrowings	B9	235,946	275,672
Derivative		21	21
Trade and other payables		132,393	133,613
Other current liabilities		1,032	24,108
Tax payable		178	702
		<b>369,570</b>	<b>434,116</b>
<b>Total liabilities</b>		<b>493,843</b>	<b>565,514</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,397,013</b>	<b>1,641,355</b>
Net assets per shares (RM)		0.77	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 2019 and the accompanying explanatory notes attached to this report.*

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**  
**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	Treasury Shares RM'000	Other reserves RM'000	Retained earnings RM'000	Non- Controlling interests RM'000
<b>At 1 July 2018</b>	1,184,768	1,174,452	1,216,972	(4,678)	(289,701)	251,859	10,316
Effect of MFRS 9 adoption	(17,387)	(17,387)	-	-	-	(17,387)	-
	<u>1,167,381</u>	<u>1,157,065</u>	<u>1,216,972</u>	<u>(4,678)</u>	<u>(289,701)</u>	<u>234,472</u>	<u>10,316</u>
Loss net of tax	(89,158)	(86,668)	-	-	-	(86,668)	(2,490)
Other comprehensive income	1,532	1,379	-	-	1,379	-	153
Total comprehensive (loss)/ income	(87,626)	(85,289)	-	-	1,379	(86,668)	(2,337)
<b>Transactions with Owners:</b>							
Arising from increase in equity interest in a subsidiary	-	(651)	-	-	-	(651)	651
Disposal of subsidiary	(67)	(61)	-	-	(61)	-	(6)
Purchase of treasury shares	(3,727)	(3,727)	-	(3,727)	-	-	-
Dividend paid to non-controlling interests	(120)	-	-	-	-	-	(120)
<b>At 30 June 2019</b>	<u><b>1,075,841</b></u>	<u><b>1,067,337</b></u>	<u><b>1,216,972</b></u>	<u><b>(8,405)</b></u>	<u><b>(288,383)</b></u>	<u><b>147,153</b></u>	<u><b>8,504</b></u>

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**  
**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		
<b>At 1 July 2019</b>	1,075,841	1,067,337	1,216,972	(8,405)	(288,383)	147,153	8,504
(Loss)/ profit net of tax	(159,830)	(160,515)	-	-	-	(160,515)	685
Other comprehensive (loss)/ income	(9,357)	(9,478)	-	-	(9,478)	-	121
Total comprehensive (loss)/ income	(169,187)	(169,993)	-	-	(9,478)	(160,515)	806
<b>Transactions with Owners:</b>							
Disposal of subsidiary	(2,916)	-	-	-	-	-	(2,916)
Purchase of treasury shares	(448)	(448)	-	(448)	-	-	-
Dividend paid to non-controlling interests	(120)	-	-	-	-	-	(120)
<b>At 30 June 2020</b>	<b>903,170</b>	<b>896,896</b>	<b>1,216,972</b>	<b>(8,853)</b>	<b>(297,861)</b>	<b>(13,362)</b>	<b>6,274</b>

**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 2019 and the accompanying explanatory notes attached to this report.*

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date 30.06.2020 RM'000	Preceding year 30.06.2019 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(160,677)	(85,888)
Adjustment for:		
Depreciation	93,164	96,168
Bad debts written off	-	-
Loss on disposal of investment	8,468	-
Impairment loss on property, plant and equipment	76,864	-
Impairment loss on receivables	12,356	52,521
Dividend income	(3,490)	(199)
Loss on disposal in associates	-	5,979
Gain on disposal of fixed assets	(3,343)	(4,663)
(Gain) / loss on foreign exchange	(47)	1,239
Interest expenses	16,484	18,973
Interest income	(1,983)	(1,579)
Property, plant and equipment written off	8	(19)
Share of results of associates	(248)	(2,403)
	<b>37,556</b>	<b>80,129</b>
<b>Operating profit before changes in working capital</b>		
<b>Working Capital Changes</b>		
Decrease/ (Increase) in inventories	6,602	(25,256)
Decrease in receivables	72,628	13,119
Decrease in other current assets	7,091	8,223
(Decrease)/ increase in payables	(14,709)	2,211
(Decrease)/ Increase in other current liabilities	(29,423)	8,136
Net changes in amounts due from/to related companies	22,365	11,787
Total changes in working capital	64,554	18,220
<b>Cash generated from operations</b>	<b>102,110</b>	<b>98,349</b>
Interest received	1,983	1,579
Interest paid	(16,484)	(18,973)
Income tax paid	(1,838)	(872)
<b>Total interest and tax paid</b>	<b>(16,339)</b>	<b>(18,266)</b>
<b>Net cash generated from operating activities</b>	<b>85,771</b>	<b>80,083</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend received	3,490	199
Proceeds from disposal subsidiaries	-	2,362
Investment in associates	-	2,627
Capital expenditure	(21,772)	(103,253)
Proceeds from disposal of property, plant and equipment	31,077	20,626
<b>Net cash generated from / (used in) investing activities</b>	<b>12,795</b>	<b>(77,439)</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(120)	(120)
Net movement in trade financing	(30,973)	(6,570)
Proceeds from hire purchase	-	6,280
Repayment of hire purchase	(3,946)	(6,676)
Proceeds from term loan	20,950	52,000
Repayment of term loans	(33,028)	(45,561)
Purchase of treasury share	(448)	(3,727)
<b>Net cash flow used in financing activities</b>	<b>(47,565)</b>	<b>(4,374)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>51,001</b>	<b>(1,730)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>44,786</b>	<b>53,745</b>
<b>Disposal of subsidiaries</b>	<b>(6)</b>	<b>(6,538)</b>
<b>Effects of exchange rate changes</b>	<b>1</b>	<b>6</b>
<b>Cash and cash equivalents at end of period</b>	<b>95,782</b>	<b>45,483</b>



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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date 30.06.2020 RM'000	Preceding year 30.06.2019 RM'000
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	41,126	29,136
Deposit with licensed banks	80,400	41,700
Bank overdrafts	(25,744)	(25,353)
<b>Cash and bank balances</b>	<b>95,782</b>	<b>45,483</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 2019 and the accompanying explanatory notes attached to this report.*

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

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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 2019.

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 2019.

**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 except with the impairment of property, plant and equipment of certain vessel fleets provided of RM70.5million as to reflect the carrying value of the vessels fleets.

**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 4 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 725,100 its own ordinary shares at average price of RM 0.17181 per share during the current quarter. As at 30 June 2020, the Company had purchased and hold a cumulative total 31,421,400 of its issued ordinary shares repurchased from open market at an overall average price at RM0.28174 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

**A7. Dividends**

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



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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

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

**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 2020</b>						
<b>Segment Revenue</b>						
External revenue	454,182	138,695	5,416	871	-	599,164
Inter-segment revenue	9,665	27,195	2,172	3,610	(42,642)	-
<b>Total</b>	<b>463,847</b>	<b>165,890</b>	<b>7,588</b>	<b>4,481</b>	<b>(42,642)</b>	<b>599,164</b>
(Loss)/Profit from operations	(33,416)	(13,092)	3,050	453	-	(43,005)
Impairment loss on property, plant and equipment						(76,864)
Impairment loss on receivables						(12,356)
Loss on disposal of investment						(8,468)
Other operating expense						(3,748)
Finance costs						(16,484)
Share of profit of associates						248
Loss before tax						(160,677)
Tax income						847
Loss for the periods						(159,830)
<b>For 12 months ended 30 June 2019</b>						
<b>Segment Revenue</b>						
External revenue	519,149	111,439	5,908	488	-	636,984
Inter-segment revenue	10,512	27,610	2,778	3,362	(44,262)	-
<b>Total</b>	<b>529,661</b>	<b>139,049</b>	<b>8,686</b>	<b>3,850</b>	<b>(44,262)</b>	<b>636,984</b>
Profit/ (loss) from operations	9,063	(25,448)	3,946	1,095	-	(11,344)
Other operating expense						(5,453)
Impairment loss on other receivables						(52,521)
Finance costs						(18,973)
Share of profit of associates						2,403
Loss before tax						(85,888)
Tax expense						(532)
Loss for the periods						(86,420)





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

<b>Group</b>			
	<b>FYE 2020 (RM'000)</b>	<b>FYE 2019 (RM'000)</b>	<b>Changes (%)</b>
Revenue	599,164	636,984	-5.9%
Loss before tax	(160,677)	(85,888)	-87.1%

Revenue of the Group for the year ended 30 June 2020 decreased by 5.9% to RM599.2 million as compared to RM637.0 million in the previous corresponding year.

The decrease in revenue was mainly due to the lower revenue generated from the domestic shipping segments in the current year.

The loss before tax were due to:-

- Impairment loss on vessels of RM 76.9million to reflect the current market value;
- Impairment loss on receivables of RM 12.4million on long outstanding balances;
- Loss on disposal of the investment of RM 8.5 million;
- Lower margin in shipping segments on bulk carriers sector and barges & tugboats for preparation and docking costs, and
- The unrealized margin loss on production overheads of new shipbuilding's work in progress during construction.

**A8. Segmental reporting (Cont')**

	<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 2020</b>						
<b>Segment Revenue</b>						
External revenue	94,038	21,007	987	375	-	116,407
Inter-segment revenue	1,700	8,281	450	1,253	(11,684)	-
Total	95,738	29,288	1,437	1,628	(11,684)	116,407
(Loss)/Profit from operations	(9,923)	(2,667)	178	22	-	(12,390)
Impairment loss on property, plant and equipment						(6,370)
Impairment loss on receivables						(10,534)
Finance costs						(3,658)
Loss on disposal of investment						(8,468)
Share of profit of associates						153
Loss before tax						(41,267)
Tax income						1,105
Loss for the period						(40,162)

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

	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 3 months ended 30 June 2019</b>						
<b>Segment Revenue</b>						
External revenue	127,666	34,851	1,365	163	-	164,045
Inter-segment revenue	3,299	7,271	687	815	(12,072)	-
Total	130,965	42,122	2,052	978	(12,072)	164,045
(Loss)/ Profit from operations	(1,050)	(11,901)	774	360	-	(11,817)
Other operating income						514
Impairment loss on other receivables						(52,521)
Finance costs						(4,793)
Share of profit of associates						265
Loss before tax						(68,352)
Tax expense						(186)
Loss for the period						(68,538)

**Group**

	4Q 2020 (RM'000)	4Q 2019 (RM'000)	Changes (%)
Revenue	116,407	164,045	-29.0%
Loss before tax	(41,267)	(68,352)	39.6%

Revenue of the Group for the fourth quarter ended 30 June 2020 decreased by 29.0% to RM116.4 million as compared to RM164.0 million in the previous corresponding quarter.

The decrease was mainly due to the lower revenue generated from shipping, shipbuilding and ship repair segments as a results of Movement Control Order (MCO) due to COVID 19 pandemic in the current quarter.

The loss before tax in the current quarter was also due to the loss on disposal of investment of RM 8.5 million, impairment loss on receivables of RM 10.5 million, decrease in margin in shipping segments on bulk carriers sector as well as preparation and docking costs for barges & tugboats incurred in current quarter. In addition, the reduction in unrealised margin on production overheads of new shipbuilding's work in progress during construction in Shipbuilding and ship repair segments.

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

**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**

	<b>4Q 2020 (RM'000)</b>	<b>4Q 2019 (RM'000)</b>	<b>Changes (%)</b>
Revenue	94,038	127,666	-26.3%
Loss before tax	(36,060)	(54,138)	33.4%

For the current quarter, the shipping segment’s revenue of RM94.0 million decreased by 26.3% as compared to RM 127.7 million revenue recorded in the corresponding quarter. This was mainly due to the lower volume carried from domestic and international shipment operations in the current quarter.

The loss before tax in shipping segment were mainly due to the lower revenue as well as loss on disposal of investment of RM 8.5 million and impairment loss on receivables of RM 10.5 million. In addition, the decrease in margin in shipping segments on bulk carriers sector and preparation and docking costs for barges & tugboats incurred in current quarter.

**Shipbuilding and Ship repair**

	<b>4Q 2020 (RM'000)</b>	<b>4Q 2019 (RM'000)</b>	<b>Changes (%)</b>
Revenue	21,007	34,851	-39.7%
Loss before tax	(5,358)	(15,348)	65.1%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM21.0million decreased by 39.7% as compared to RM34.9 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 reduced net losses before tax in Shipbuilding and ship repair segment was mainly due to the unrealised margin loss on production overheads of new shipbuilding’s work in progress during construction in Shipbuilding and ship repair segments.

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

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

**A8. Segmental reporting (Cont’)**

**Shipping agency**

	<b>4Q 2020 (RM'000)</b>	<b>4Q 2019 (RM'000)</b>	<b>Changes (%)</b>
Revenue	987	1,365	-27.7%
Profit before tax	332	1,089	-69.5%

For the current quarter, the revenue from shipping agency segment decreased by 27.7% 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

**Investment Holding**

	<b>4Q 2020 (RM'000)</b>	<b>4Q 2019 (RM'000)</b>	<b>Changes (%)</b>
Revenue	375	163	130.1%
(Loss) / Profit before tax	(181)	45	-502.2%

The revenue from Investment Holding segment was derived from the rental income and interest income from the financial institutions. The increase in revenue resulted from the increase in interest income derived from the deposit placement with 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.

**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.



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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

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

**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 30 Jun 2020 RM'000	Preceding year corresponding quarter 30 Jun 2019 RM'000	Current year to date 30 Jun 2020 RM'000	Preceding year corresponding period 30 Jun 2019 RM'000
Malaysian taxation				
Current year tax	60	348	968	1,209
Deferred tax	(1,165)	(162)	(1,815)	(677)
	<u>(1,105)</u>	<u>186</u>	<u>(847)</u>	<u>532</u>

**A13. Contingent liabilities and contingent assets**

The contingent liabilities of the Group as at 30 June 2020 are as follows:

	<b>As at 30.06.2020 RM'000</b>
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>228,957</u>

The Group does not have any contingent assets.

**A14. Material commitments**

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

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

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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.

	<b>Current Quarter to date 30.06.2020 RM'000</b>	<b>Balance due from/(to) As at 30.06.2020 RM'000</b>
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	19,992	48,764
Purchase of goods and services	(8,346)	(17,369)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	973	3,334
Purchase of goods and services	(413)	(14,428)

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 2020**

**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 loss before tax for the current quarter as compared with the immediate preceding quarter**

	<b>4Q 2020 (RM'000)</b>	<b>3Q 2020 (RM'000)</b>	<b>Changes (%)</b>
Revenue	116,407	155,190	-25.0%
Loss before tax	(41,267)	(83,183)	50.4%

As compared to the immediate preceding quarter, the Group's current quarter's revenue has decreased by 25.0% to RM116.4 million from RM155.2 million recorded in the immediate preceding quarter.

The decrease in revenue was mainly due to the lower revenue generated from shipping, shipbuilding and ship repair segments as a results of Movement Control Order (MCO) due to COVID 19 pandemic in the current quarter.

The loss before tax in the current quarter was also due to the loss on disposal of investment of RM 8.5 million, impairment loss on receivables of RM 10.5 million, decrease in margin in shipping segments on bulk carriers sector as well as preparation and docking costs for barges & tugboats incurred in current quarter. In addition, the reduction in 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, especially the current covid-19 pandemic which has significantly disrupted many business operations around the world and Movement Control Order in Malaysia.

Vessel overcapacity and weak demand continues to put dry bulk cargo rates under pressure over the short term especially with our GDP contraction of 17.1% in 2Q2020 and beyond to 2H2020, furthermore Bank Negara Malaysia had revised our GDP outlook to -3.5% to -5.5% in year 2020. The Group has prepared itself for the continuing uncertainties in global economic situations. The prospects for the shipping industry continue to remain challenging and yet positive with the recent stability in crude oil price. The Group is prepared to weather this challenge with 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.



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

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

**B3. Commentary on Prospects (Cont')**

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 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.

**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	72,761	163,185	235,946
Long-term borrowings	71,388	-	71,388
	<u>144,149</u>	<u>163,185</u>	<u>307,334</u>





**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

**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 27 August 2020.

**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 30.06.2020	Current year to date 30.06.2020
Loss attributable to equity holders of the Company (RM’000)	(40,212)	(160,515)
Weighted average number of ordinary shares in issue (‘000)	1,168,804	1,170,415
Basic earnings per share (sen)	<u>(3.44)</u>	<u>(13.71)</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.

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**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 of the Group for the interim quarter is arrived at after (charging)/crediting:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30 Jun 2020 RM'000	Preceding year corresponding quarter 30 Jun 2019 RM'000	Current year to date 30 Jun 2020 RM'000	Preceding year corresponding period 30 Jun 2019 RM'000
Interest income	(629)	(450)	(1,983)	(1,579)
Sundry income	(131)	(3,139)	(1,224)	(7,636)
Interest expenses	3,658	4,793	16,484	18,973
Depreciation	18,938	24,578	93,164	96,168
Impairment loss on property, plant and equipment	6,370	-	76,864	-
Impairment loss on receivables	10,534	52,521	12,356	52,521
Gain on disposal of property, plant and equipment	(789)	(2,091)	(3,343)	(4,663)
Property, plant and equipment written off	5	-	8	-
Realised foreign exchange (gain) / loss	(845)	21	(229)	384
Unrealised foreign exchange (gain) / loss	(25)	1,363	(47)	1,239

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

The auditors' report on the financial statements for the year ended 30 June 2019 was not qualified.

**Authorised for issue**

The interim report for the fourth quarter ended 30 June 2020 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 August 2020.

By order of the Board

Richard Ling Peng Liing  
Company Secretary  
28<sup>th</sup> August 2020