

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.12.2020 RM'000	Preceding year corresponding quarter 31.12.2019 RM'000	Current year to date 31.12.2020 RM'000	Preceding year corresponding period 31.12.2019 RM'000
Revenue		157,709	155,859	295,852	327,567
Cost of sales		(147,804)	(164,302)	(275,617)	(343,488)
Gross profit / (loss)		9,905	(8,443)	20,235	(15,921)
Other income		2,734	1,593	5,099	6,746
Administrative expenses		(6,056)	(7,874)	(12,201)	(14,525)
Operating Profit / (Loss)		6,583	(14,724)	13,133	(23,700)
Other operating cost		-	(3,748)	-	(3,748)
Finance Costs		(2,857)	(4,346)	(6,077)	(9,098)
Shares of profit of associates		125	-	178	318
Profit / (Loss) before tax		3,851	(22,818)	7,234	(36,228)
Tax expense	A12	(50)	(137)	(207)	(307)
Profit / (Loss) net of tax		3,801	(22,955)	7,027	(36,535)
Other comprehensive income / (loss):					
Foreign exchange translation	A16	-	(795)	-	(331)
Total comprehensive income / (loss) for the period		3,801	(23,750)	7,027	(36,866)
Profit / (loss) attributable to:					
Equity holders of the parent		3,530	(23,224)	6,485	(37,034)
Non controlling interests		271	269	542	499
		3,801	(22,955)	7,027	(36,535)
Total comprehensive income / (loss) attributable to:					
Equity holders of the parent		3,530	(23,940)	6,485	(37,332)
Non controlling interests		271	190	271	466
		3,801	(23,750)	7,027	(36,866)
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.30	(1.98)	0.56	(3.16)
Diluted (sen)	B12	0.30	(1.98)	0.56	(3.16)

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 2020 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 31.12.2020 RM'000	Audited AS AT 30.06.2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,020,367	1,036,530
Investment in associates		4,791	4,649
Investment securities		94	94
Deferred tax assets		51	51
Intangible asset		2,070	2,064
		1,027,373	1,043,388
Current assets			
Inventories		46,947	54,606
Derivative		-	130
Trade and other receivables		147,022	147,713
Other current assets		29,464	28,814
Tax recoverable		2,588	3,629
Cash and cash equivalents		133,665	121,498
		359,686	356,390
Non-current assets classified as held for sale		-	12,875
TOTAL ASSETS		1,387,059	1,412,653
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,216,972	1,216,972
Treasury share		(8,983)	(8,853)
Retained Earnings		7,495	1,010
Other reserve		(297,861)	(297,861)
		917,623	911,268
Non Controlling interests		6,364	5,822
Total equity		923,987	917,090
Non-current liabilities			
Borrowings	B9	61,445	71,849
Deferred tax liabilities		44,954	45,266
		106,399	117,115
Current liabilities			
Borrowings	B9	216,145	236,771
Trade and other payables		131,100	139,787
Other current liabilities		8,849	1,519
Tax payable		579	371
		356,673	378,448
Total liabilities		463,072	495,563
TOTAL EQUITY AND LIABILITIES		1,387,059	1,412,653
Net assets per shares (RM)		0.79	0.78

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 2020 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
	Equity, total RM'000	Non distributable			Distributable		
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 2019	1,075,841	1,067,337	1,216,972	(8,405)	(288,383)	147,153	8,504
Loss net of tax	(145,910)	(146,143)	-	-	-	(146,143)	233
Total comprehensive (loss)/ income	(145,910)	(146,143)	-	-	-	(146,143)	233
Transactions with Owners:							
Disposal of subsidiary	(11,893)	(9,478)	-	-	(9,478)	-	(2,415)
Purchase of treasury shares	(448)	(448)	-	(448)	-	-	-
Dividend paid to non-controlling interests	(500)	-	-	-	-	-	(500)
At 30 June 2020	917,090	911,268	1,216,972	(8,853)	(297,861)	1,010	5,822

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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		
At 1 July 2020	917,090	911,268	1,216,972	(8,853)	(297,861)	1,010	5,822
Profit net of tax	7,027	6,485	-	-	-	6,485	542
Total comprehensive income	7,027	6,485	-	-	-	6,485	542
Transactions with Owners:							
Purchase of treasury shares	(130)	(130)	-	(130)	-	-	-
At 31 DECEMBER 2020	923,987	917,623	1,216,972	(8,983)	(297,861)	7,495	6,364

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 2020 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.12.2020 RM'000	Preceding year 31.12.2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	7,234	(36,228)
Adjustment for:		
Depreciation	44,274	49,413
Dividend income	(2)	(3,422)
(Gain) / loss on disposal of fixed assets	(1,193)	2,619
Loss / (gain) on foreign exchange	265	(310)
Interest expenses	6,077	9,098
Interest income	(1,060)	(976)
Property, plant and equipment written off	2	3
Share of results of associates	(178)	(318)
Operating profit before changes in working capital	55,419	19,879
Working Capital Changes		
Decrease/ (increase) in inventories	7,659	(3,857)
(Increase)/ decrease in receivables	(3,097)	32,569
(Increase)/ decrease in other current assets	(649)	19,168
Decrease in payables	(11,137)	(3,950)
Increase /(Decrease) in other current liabilities	2,160	(20,714)
Net changes in amounts due from/to related companies	(2,991)	14,185
Total changes in working capital	(8,055)	37,401
Cash generated from operations	47,364	57,280
Interest received	1,060	976
Interest paid	(6,077)	(9,098)
Income tax paid	(605)	(720)
Total interest and tax paid	(5,622)	(8,842)
Net cash generated from operating activities	41,742	48,438
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	2	3,422
Capital expenditure	(25,814)	(19,051)
Proceeds from disposal of property, plant and equipment	27,399	12,503
Net cash generated from/ (used in) investing activities	1,587	(3,126)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net movement in trade financing	(18,139)	(19,393)
Repayment of hire purchase	(2,132)	(1,657)
Repayment of term loans	(11,880)	(19,488)
Purchase of treasury share	(130)	(31)
Net cash flow used in financing activities	(32,281)	(40,569)
Net increase in cash and cash equivalents	11,048	4,743
Cash and cash equivalents at beginning of period	95,768	44,786
Effects of exchange rate c hanges	-	(1)
Cash and cash equivalents at end of period	106,816	49,528
Cash and cash equivalents comprise the following:		
Cash and bank balances	31,465	20,917
Deposit with licensed banks	102,200	54,600
Bank overdrafts	(26,849)	(25,989)
Cash and bank balances	106,816	49,528

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 2020 and the accompanying explanatory notes attached to this report.*

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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 2020.

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 2020.

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 8 December 2020, 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 540,000 its own ordinary shares at average price of RM 0.21944 per share during the current quarter. As at 31 December 2020, the Company had purchased and hold a cumulative total 32,026,300 of its issued ordinary shares repurchased from open market at an overall average price at RM0.2805 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.



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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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
For 6 months ended 31 December 2020						
Segment Revenue						
External revenue	248,197	44,407	2,829	419	-	295,852
Inter-segment revenue	3,877	15,182	1,385	1,363	(21,807)	-
Total	252,074	59,589	4,214	1,782	(21,807)	295,852
Profit from operations	5,254	5,408	2,290	181	-	13,133
Finance costs						(6,077)
Share of profit of associates						178
Profit before tax						7,234
Tax expense						(207)
Profit for the period						7,027

	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 6 months ended 31 December 2019						
Segment Revenue						
External revenue	239,739	83,909	3,522	397	-	327,567
Inter-segment revenue	5,632	11,497	603	1,571	(19,303)	-
Total	245,371	95,406	4,125	1,968	(19,303)	327,567
(Loss)/Profit from operations	(17,194)	(9,350)	2,255	589	-	(23,700)
Other operating expense						(3,748)
Finance costs						(9,098)
Share of profit of associates						318
Loss before tax						(36,228)
Tax expense						(307)
Loss for the period						(36,535)



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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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 December 2020						
Segment Revenue						
External revenue	131,555	24,587	1,352	215	-	157,709
Inter-segment revenue	1,934	9,972	695	682	(13,283)	-
Total	133,489	34,559	2,047	897	(13,283)	157,709
Profit from operations	2,060	3,380	1,082	61	-	6,583
Finance costs						(2,857)
Share of profit of associates						125
Profit before tax						3,851
Tax expense						(50)
Profit for the period						3,801

	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 December 2019						
Segment Revenue						
External revenue	122,807	30,695	2,118	239	-	155,859
Inter-segment revenue	3,807	6,820	4	785	(11,416)	-
Total	126,614	37,515	2,122	1,024	(11,416)	155,859
(Loss)/Profit from operations	(12,572)	(3,776)	1,201	423	-	(14,724)
Other operating expense						(3,748)
Finance costs						(4,346)
Share of profit of associates						-
Loss before tax						(22,818)
Tax expense						(137)
Loss for the period						(22,955)



INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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

A8. Segmental reporting (Cont’)

Group

	2Q 2021 (RM'000)	2Q 2020 (RM'000)	Changes (%)
Revenue	157,709	155,859	1.2%
Profit / (Loss) before tax	3,851	(22,818)	116.9%

Revenue of the Group for the second quarter ended 31 December 2020 slightly increased by 1.2% to RM157.7 million as compared to RM155.9 million in the previous corresponding quarter.

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

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

Performance and prospects of each operating segment are discussed below:

Shipping

	2Q 2021 (RM'000)	2Q 2020 (RM'000)	Changes (%)
Revenue	131,555	122,807	7.1%
Profit / (Loss) before tax	1,471	(17,091)	108.6%

For the current quarter, the shipping segment’s revenue of RM131.6 million increased by 7.1% as compared to RM 122.8 million revenue recorded in the corresponding quarter.

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	2Q 2021 (RM’000)	2Q 2020 (RM’000)	Changes (%)
Revenue	24,587	30,695	-19.9%
Profit /(Loss) before tax	1,262	(7,119)	117.7%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM24.6million decreased by 19.9% as compared to RM30.7 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 current quarter.

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

Shipping agency

	2Q 2021 (RM’000)	2Q 2020 (RM’000)	Changes (%)
Revenue	1,352	2,118	-36.2%
Profit before tax	1,209	1,200	0.8%

For the current quarter, the revenue from shipping agency segment decreased by 36.2% compared to the preceding year’s corresponding quarter. The decrease in revenue was mainly due to the lower shipment handling in current quarter

Investment Holding

	2Q 2021 (RM’000)	2Q 2020 (RM’000)	Changes (%)
Revenue	215	239	-10.0%
(Loss)/ Profit before tax	(91)	192	-147.4%

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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 except that:

Shin Yang Shipping Corporation Berhad (“**SYSCORP**”) has on 8 February 2021 entered into a conditional share sale and purchase agreement with Shin Yang Holding Sdn Bhd to acquire 10,000,000 ordinary shares in Melinau Transport Sdn Bhd (“**MTSB**”), representing the entire issued share capital of MTSB, for a total purchase consideration of RM43,000,000 (“**Proposed Acquisition**”).

The Proposed Acquisition is deemed a related party transaction (“**RPT**”) in accordance with Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

Upon completion of the Proposed Acquisition, MTSB will become a wholly-owned subsidiary of SYSCORP.

The Purchase Consideration was arrived at on a “willing buyer willing seller” basis after taking into consideration the following:

- (i) MTSB’s net assets (“**NA**”) of approximately RM43 million, based on its audited consolidated financial statements for the financial year ended (“**FYE**”) 30 June 2020; and
- (ii) the future prospects of MTSB.

The Purchase Consideration will be settled in the following manner:

- (i) payment of RM4.3 million, being 10% of the Purchase Consideration, upon the execution of the SSPA; and
- (ii) payment of RM38.7 million, being 90% of the Purchase Consideration (“**Balance Sum**”) within 1 month from the fulfilment of all conditions precedent of the SSPA (“**Completion Period**”).

The Purchase Consideration will be satisfied entirely in cash via internally generated funds and/or borrowings, the proportion of which will be determined later after taking into consideration SYSCORPS’s gearing level, interest costs and cash reserves.

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020

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

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for current interim quarter under review.

A12. Tax (income)/ expense

The taxation of the Group for the current interim quarter under review is as follows:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Dec 2020 RM'000	Preceding year corresponding quarter 31 Dec 2019 RM'000	Current year to date 31 Dec 2020 RM'000	Preceding year corresponding period 31 Dec 2019 RM'000
Malaysian taxation				
Current year tax	206	300	519	795
Deferred tax	(156)	(163)	(312)	(488)
	<u>50</u>	<u>137</u>	<u>207</u>	<u>307</u>

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 31 December 2020 are as follows:

	As at 31.12.2020 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>202,306</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 SECOND QUARTER ENDED 31 DECEMBER 2020

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 31.12.2020 RM'000	Balance due from/(to) As at 31.12.2020 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	18,750	49,402
Purchase of goods and services	(8,998)	(19,805)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	910	1,808
Purchase of goods and services	(529)	(3,970)

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 SECOND QUARTER ENDED 31 DECEMBER 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

	2Q 2021 (RM'000)	1Q 2020 (RM'000)	Changes (%)
Revenue	157,709	138,143	14.2%
Profit before tax	3,851	3,383	13.8%

As compared to the immediate preceding quarter, the Group's current quarter's revenue has increased by 14.2% to RM157.7 million from RM138.1 million recorded in the immediate preceding quarter.

The increase in revenue was mainly due to the higher revenue generated from shipping segment in the current period under review.

The increase in profit before tax is in line with the increase in revenue 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, 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. 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 SECOND QUARTER ENDED 31 DECEMBER 2020

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 and ship repair 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

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	63,335	152,810	216,145
Long-term borrowings	61,065	380	61,445
	<u>124,400</u>	<u>153,190</u>	<u>277,590</u>



INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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
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 26 February 2021.

B11. Changes in material litigation

There were no material litigations during the current interim quarter up to the date of this interim report.

B12. Earnings per share

(a) Basic

The basic earnings per share for the current interim quarter and current financial year-to-date are computed as follows:

	Current year quarter 31.12.2020	Current year to date 31.12.2020
Profit attributable to equity holders of the Company (RM’000)	3,530	6,485
Weighted average number of ordinary shares in issue (’000)	1,168,334	1,168,428
Basic earnings per share (sen)	<u>0.30</u>	<u>0.56</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 SECOND QUARTER ENDED 31 DECEMBER 2020

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 / (loss) 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 Dec 2020	31 Dec 2019	31 Dec 2020	30 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(377)	(513)	(886)	(976)
Sundry income	(937)	(268)	(1,560)	(486)
Interest expenses	2,857	4,346	6,077	9,098
Depreciation	21,946	25,507	44,274	49,413
(Gain)/ loss on disposal of property, plant and equipment	(287)	3,237	(1,193)	2,619
Property, plant and equipment written off	-	-	2	-
Realised foreign exchange (gain) / loss	(181)	248	(438)	279
Unrealised foreign exchange (gain) / loss	(76)	(121)	265	(310)

B14. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2020 was not qualified.

Authorised for issue

The interim report for the second quarter ended 31 December 2020 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2021.

By order of the Board

Richard Ling Peng Liing
Company Secretary
26th February 2021