

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

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022
(The figures have not been audited)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 3 months ended 30 September	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue		247,301	181,045	247,301	181,045
Cost of sales		(186,673)	(161,289)	(186,673)	(161,289)
Gross profit		<u>60,628</u>	<u>19,756</u>	<u>60,628</u>	<u>19,756</u>
Other income		2,384	3,181	2,384	3,181
Finance income		1,275	747	1,275	747
Administrative expenses		(10,748)	(7,173)	(10,748)	(7,173)
Other operating expenses		(383)	-	(383)	-
Reversal of impairment on receivables		800	-	800	-
Operating Profit		<u>53,956</u>	<u>15,764</u>	<u>53,956</u>	<u>15,764</u>
Finance Costs		(2,050)	(2,476)	(2,050)	(2,476)
Shares of (loss)/profit of equity accounted associates		(4)	70	(4)	70
Profit before taxation		<u>51,902</u>	<u>13,358</u>	<u>51,902</u>	<u>13,358</u>
Income tax expense	A12	(1,049)	(1,145)	(1,049)	(1,145)
Profit after taxation, representing total comprehensive income for the period		<u><u>50,853</u></u>	<u><u>12,213</u></u>	<u><u>50,853</u></u>	<u><u>12,213</u></u>
Profit after tax attributable to:					
Owners of the Company		50,259	11,912	50,259	11,912
Non controlling interests		594	301	594	301
		<u>50,853</u>	<u>12,213</u>	<u>50,853</u>	<u>12,213</u>
Total comprehensive income attributable to:					
Owners of the Company		50,259	11,912	50,259	11,912
Non controlling interests		594	301	594	301
		<u>50,853</u>	<u>12,213</u>	<u>50,853</u>	<u>12,213</u>
Earnings per share attributable to owners of the Company:					
Basic (sen)	B12	4.38	1.02	4.38	1.02
Diluted (sen)	B12	4.38	1.02	4.38	1.02

Notes:

(a) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD
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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited AS AT 30.09.2022 RM'000	Audited AS AT 30.06.2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
	Note		
Investment in associates		5,001	5,005
Property and equipment		968,748	953,683
Other receivables		-	2,279
Other investments		59	59
Goodwill		2,064	2,064
Deferred tax assets		1,021	1,021
		976,893	964,111
CURRENT ASSETS			
Inventories		41,472	34,132
Trade receivables		168,825	181,564
Other receivables and deposits		13,577	19,126
Contract assets		1,516	2,455
Current tax assets		3,917	3,651
Cash and cash balances		295,978	283,173
		525,285	524,101
TOTAL ASSETS		1,502,178	1,488,213
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,216,972	1,216,972
Treasury share		(17,554)	(16,571)
Retained profits		210,243	159,984
Other reserve		(297,861)	(297,861)
Equity attributable to owners of the Company		1,111,800	1,062,524
Non Controlling interests		4,972	4,378
TOTAL EQUITY		1,116,772	1,066,902
NON-CURRENT LIABILITIES			
Lease liabilities		10,501	9,115
Bank Borrowings	B9	37,785	41,320
Deferred tax liabilities		43,815	43,021
		92,101	93,456
CURRENT LIABILITIES			
Trade payables		117,798	128,324
Contract liabilities		6,221	8,050
Other payables and accruals		23,458	21,225
Provision for onerous contract		-	471
Lease liabilities		10,271	8,922
Bank Borrowings	B9	122,368	147,247
Current tax liabilities		13,189	12,714
Derivative liabilities		-	902
		293,305	327,855
Total liabilities		385,406	421,311
TOTAL EQUITY AND LIABILITIES		1,502,178	1,488,213
Net assets per shares (RM)		0.97	0.92

Notes:

(a) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this report.*

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Attributable To Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 July 2021	1,216,972	(8,983)	(297,861)	18,062	928,190	6,399	934,589
Profit after taxation for the financial year	-	-	-	141,922	141,922	920	142,842
Acquisition of non-controlling interests	1,216,972	(8,983)	(297,861)	159,984	1,070,112	7,319	1,077,431
	-	-	-	-	-	59	59
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	-	(7,588)	-	-	(7,588)	-	(7,588)
- Dividends	-	-	-	-	-	-	-
-by subsidiaries to non-controlling interests	-	-	-	-	-	(3,000)	(3,000)
Total transactions with owners	-	(7,588)	-	-	(7,588)	(3,000)	(10,588)
Balance at 30 June 2022	1,216,972	(16,571)	(297,861)	159,984	1,062,524	4,378	1,066,902

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Attributable To Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 July 2022	1,216,972	(16,571)	(297,861)	159,984	1,062,524	4,378	1,066,902
Profit after taxation for the financial year	-	-	-	50,259	50,259	594	50,853
	<u>1,216,972</u>	<u>(16,571)</u>	<u>(297,861)</u>	<u>210,243</u>	<u>1,112,783</u>	<u>4,972</u>	<u>1,117,755</u>
Contributions by and distributions to owners of the Company:							
- Purchase of treasury shares	-	(983)	-	-	(983)	-	(983)
Total transactions with owners	-	(983)	-	-	(983)	-	(10,588)
Balance at 30 September 2022	<u>1,216,972</u>	<u>(17,554)</u>	<u>(297,861)</u>	<u>210,243</u>	<u>1,111,800</u>	<u>4,972</u>	<u>1,116,772</u>

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 30.09.2022 RM'000	Preceding year 30.09.2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	51,902	13,358
Adjustment for:		
Depreciation	22,946	22,631
Fair value change on forward contracts	(902)	-
Net loss /(gain) on disposal of property and equipment	593	(1,422)
Interest expenses	2,050	2,476
Interest income	(1,275)	(689)
Net changes in provision for onerous contract	(470)	-
Reversal of impairment loss on trade receivable	(800)	-
Profit retained in associates	4	(70)
Unrealised loss/ (gain) on foreign exchange	1,277	(52)
	75,325	36,232
Operating profit before working capital changes		
<u>Working Capital Changes</u>		
Increase in inventories	(5,744)	(9,446)
Decrease in trade and other receivables	2,563	5,633
Decrease in trade and other payables	(15,019)	(2,263)
Decrease/ (increase) in contract assets	939	(5,652)
(Decrease)/ increase in contract liabilities	(1,829)	2,972
Net changes in related companies balances	32,811	(9,421)
Net changes in holding company balances	(28)	11
Total changes in working capital	13,693	(18,166)
CASH FROM OPERATIONS	89,018	18,066
Interest income received	1,275	689
Interest expenses paid	(2,050)	(2,476)
Income tax paid	(848)	(1,015)
Total interest and tax paid	(1,623)	(2,802)
NET CASH FROM OPERATING ACTIVITIES	87,395	15,264
CASH FLOW (FOR)/FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	(20,032)	-
Purchase of property and equipment	(28,521)	(2,098)
Proceeds from disposal of property and equipment	5,512	9,826
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(43,041)	7,728
CASH FLOW (FOR)/FROM FINANCING ACTIVITIES		
Acquisition of treasury shares	(983)	-
Proceeds from lease liabilities	286	-
Repayment of principal portion of lease liabilities	(2,439)	(1,041)
Repayment of term loans	(4,306)	(4,848)
Net movement in fixed and treasury deposit with maturity dates more than 3 months	-	76,600
Net movement in trade financing	(19,234)	7,095
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(26,676)	77,806
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,678	100,798
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	265,391	59,072
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	283,069	159,870
Cash and cash equivalents comprise the following:		
Cash and bank balances	91,578	46,996
Deposit with licensed banks	204,400	129,700
Bank overdrafts	(12,909)	(16,826)
Cash and cash equivalents	283,069	159,870

Notes:

- (a) *The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this report.*

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the annual audited financial statements of Shin Yang Shipping Corporation Berhad (“SYSCorp” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the audited financial statements.

The accounting policies and methods of computations used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2022.

A2. Auditor’s report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and of its subsidiaries on the preceding annual financial statements.

A3. Seasonal or cyclical factors

The Group’s operations were not significantly affected by seasonal or cyclical factors.

A4. Unusual items

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current interim quarter under review.

A5. Material changes in estimates

There were no changes in estimates of amounts that have had a material effect in the current interim quarter under review.

A6. Debt and equity securities

Repurchase of shares as Treasury Shares

On 8 December 2021, 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 1,830,000 its own ordinary shares at average price of RM 0.53746 per share during the current quarter. As at 30 September 2022, the Company had purchased and hold a cumulative total 53,284,700 of its issued ordinary shares repurchased from open market at an overall average price at RM0.32946 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

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A7. Dividends

At the forthcoming Annual General Meeting (“AGM”), a final single-tier dividend in respect of the financial year ended 30 June 2022, of 1.25 sen per ordinary share shall be proposed for shareholders’ approval. The financial statements for the current interim period do not reflect this proposed dividend. Such dividend is to be approved by shareholders during the forthcoming AGM, will be accounted for in equity as an appropriation of retained earnings in the financial year ended 30 June 2023.

A8. Segmental reporting

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Service providers RM’000	Gas RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 3 months ended 30 September 2022							
Segment Revenue							
External revenue	220,003	7,736	15,573	3,773	216	-	247,301
Inter-segment revenue	1,238	17,747	8,849	905	1,186	(29,925)	-
Total	221,241	25,483	24,422	4,678	1,402	(29,925)	247,301
Profit from operations	48,654	602	3,614	1,208	(122)	-	53,956
Finance costs							(2,050)
Share of profit of associates							(4)
Profit before taxation							51,902
Income tax expense							(1,049)
Profit for the period							50,853

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

A8. Segmental reporting (cont’)

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Service providers RM’000	Gas RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 3 months ended 30 September 2021							
Segment Revenue							
External revenue	146,584	20,456	13,783	-	222	-	181,045
Inter-segment revenue	611	7,732	2,268	-	861	(11,472)	-
Total	147,195	28,188	16,051	-	1,083	(11,472)	181,045
Profit from operations	7,124	5,306	3,298	-	36	-	15,764
Finance costs							(2,476)
Share of profit of associates							70
Profit before taxation							13,358
Income tax expense							(1,145)
Profit for the period							12,213

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

A8. Segmental reporting (Cont’)

Group	1Q 2023 (RM'000)	1Q 2022 (RM'000)	Changes (%)
Revenue	247,301	181,045	36.6%
Profit before tax	51,902	13,358	288.5%

Revenue of the Group for the first quarter ended 30 September 2022 increased by 36.6% to RM247.3 million as compared to RM181.0 million in the previous corresponding quarter.

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

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

Performance and prospects of each operating segment are discussed below:

Shipping

	1Q 2023 (RM'000)	1Q 2022 (RM'000)	Changes (%)
Revenue	220,003	146,584	50.1%
Profit before tax	48,083	6,818	605.2%

For the current quarter, the shipping segment's revenue of RM220.0 million increased by 50.1% as compared to RM 146.6 million revenue recorded in the corresponding quarter.

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



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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	1Q 2023 (RM'000)	1Q 2022 (RM'000)	Changes (%)
Revenue	7,736	20,456	-62.2%
(Loss)/ Profit before tax	(651)	3,453	-118.9%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM7.7 million, decreased by 62.2% as compared to RM20.5 million revenue recorded in the corresponding quarter. The decrease in revenue was mainly due lesser shipbuilding work for external parties in the current quarter.

The loss before tax in Shipbuilding and ship repair segment were due to low and weak margin on shipbuilding’s work in progress under construction and ship repair segments.

Service providers

	1Q 2023 (RM'000)	1Q 2022 (RM'000)	Changes (%)
Revenue	15,573	13,783	13.0%
Profit before tax	3,505	3,262	7.4%

For the current quarter, the revenue from service providers segment increased by 13.0% compared to the preceding year’s corresponding quarter.

The group has further expanded this segment by acquiring two subsidiaries in May 2022.

The increase in profit before tax in service providers segment were mainly due to the increase in profit margin in shipping agency sector.

Gas

	1Q 2023 (RM'000)	1Q 2022 (RM'000)	Changes (%)
Revenue	3,773	-	N/A
Profit before tax	1,202	-	N/A

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

This segment has contributed RM 3.8 million revenue and RM 1.2 million profit after tax to the group in the current quarter.

Please refer to A11 for the details of the acquisition.

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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

	1Q 2023 (RM'000)	1Q 2022 (RM'000)	Changes (%)
Revenue	216	222	-2.7%
Loss before tax	(237)	(175)	-35.4%

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 administrative expenses incurred during the current quarter.

A9. Valuation of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment brought forward from previous annual financial statements.

A10. Material events subsequent to the end of the quarter period

There were no significant material events have arisen during the interval between the end of the current interim quarter and the date of this announcement that have not been reflected in the current interim quarter.

A11. Changes in the composition of the Group

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

- i) Shin Yang Shipping Corporation Berhad (“**SYSCORP**”) has on 25 March 2022 entered into a conditional share sale and purchase agreement (“**SSPA**”) with the respective Vendors (as defined below) to purchase 2,500,000 ordinary shares in Piasau Gas Sdn Bhd (“Piasau Gas”), representing 100% equity interest in Piasau Gas for a cash consideration of RM22,796,500.00. (“Proposed Acquisition”)

Vendors	No. of Sale Shares
Shin Yang Corporation Sdn Bhd	1,491,674
Geo Sepadu Sdn Bhd	750,000
Pui Voon Poh	125,000
Hong Ken Choon	75,000
Ling Chiong Sing	54,163
Tan Sri Datuk Ling Chiong Ho	4,163
Total :	2,500,000

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

A11. Changes in the composition of the Group (Cont’)

As at 6 July 2022, all of the Conditions Precedent as set out in the SSPA have been fulfilled and that the Balance Sum under the SSPA has been paid in full and marking the completion of the Proposed Acquisition of Piasau Gas.

Upon completion of the Proposed Acquisition of Piasau Gas on 6 July 2022, Piasau Gas had become a wholly-owned subsidiary of SYSCORP.

- ii) Gemilang Raya Maritime Sdn Bhd (“GRMSB”), a 60% owned subsidiary of the Shin Yang Shipping Sdn Bhd, which is the wholly owned subsidiary of Shin Yang Shipping Corporation Berhad (“SYSCORP”), had on 9 August 2022 received a sealed Order for Winding-Up by The Court dated 18th May 2022 from Messrs Sativale Mathew Arun, the solicitors for Shin Yang Shipping Sdn Bhd (“the Petitioner”).

This Petition was premised on the grounds that GRMSB had not commenced business since its incorporation and that it was just and equitable for the company to be wound up.

The Petition has been granted on the following terms: -

- i) That GRMSB be wound up by the Court under the provisions of Section 465(1)(c) and/or (h) of the Companies Act 2016;
- ii) That the Official Receiver be appointed as liquidator of GRMSB; and
- iii) The costs of RM 5,000.00 be paid by the liquidator out of the assets of GRMSB.

GRMSB is not a major subsidiary of SYSCORP as defined under Chapter 1 of the Main Market Listing Requirements. GRMSB has not commenced operations since its incorporation. The Winding-Up Petition will not have any additional financial and operational impact on the Group.

The original cost of investment in GRMSB is RM 600,000.00. SYSCORP is not expected to incur any further loss arising from the Winding-Up Petition except for the loss of original cost of investment of RM 600,000.00.

Upon the winding up of GRMSB, GRMSB has ceased to be the subsidiary of SYSCORP.

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A12. Income tax expense

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	255	807	255	807
Deferred tax	794	338	794	338
	<u>1,049</u>	<u>1,145</u>	<u>1,049</u>	<u>1,141</u>

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 30 September 2022 are as follows:

	As at 30.09.2022 RM'000
Corporate guarantees given to licensed banks in consideration of credit facilities granted to subsidiaries and associates	108,021

The Group does not have any contingent assets.

A14. Material commitments

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

A15. Significant related party transactions

Related parties are those defined under FRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current Quarter to date 30.09.2022 RM'000	Balance due from/(to) As at 30.09.2022 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	42,075	40,405
Purchase of goods and services	(7,927)	(30,292)



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

A15. Significant related party transactions (Cont’)

	Current Quarter to date 30.09.2022 RM’000	Balance due from/(to) As at 30.09.2022 RM’000
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	2,949	4,762
Purchase of goods and services	(1,201)	(3,530)

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 FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

B1. Review of performance

Explanatory comment on the performance of each of the Group's business activities is provided in Note A8

B2. Material changes in the profit before tax for the current quarter as compared with the immediate preceding quarter

	1Q 2023 (RM'000)	4Q 2022 (RM'000)	Changes (%)
Revenue	247,301	289,352	-14.5%
Profit before tax	51,902	94,518	-45.1%

As compared to the immediate preceding quarter, the Group's current quarter's revenue has decreased by 14.5% to RM247.3 million from RM289.4 million recorded in the immediate preceding quarter.

The decrease in revenue was mainly lesser shipbuilding work for external parties and some softening of the container shipment volume in the current quarter.

The decrease in profit before tax in shipbuilding and ship repair segment were due to low and weak margin on shipbuilding's work in progress under construction and ship repair segments

B3. Commentary on Prospects

The performance of the Group is largely dependent on the volatility of world fuel market price, standard of skills and experiences of ship crews, domestic and regional demand for transportation of dry bulk and general cargoes, movement of the Malaysian Ringgit and the world economic situation, all of which may significantly disrupt business operations.

While the prospects for the shipping industry continue to remain challenging with the recent hike in crude oil price and positive improvement in the Baltic Dry Index. The Group is prepared to weather this challenge with selective market driven routes based on fleet load utilization. The Group is confident in the stability of the domestic, bulk carrier and container shipping operations given the high lifting volume after the release of movement control order restrictions as Malaysia enters the transition to endemic phase. The continuous improvement in operational costs management, fleet efficiency and routes enhancement would be an important priority in the next few quarters.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

B3. Commentary on Prospects (Cont')

Other factors contributing to the prospects of the shipbuilding and ship repair operations include the price movements of marine mild steel plates, other heavy equipments, machineries and the global trend of demand for newly constructed vessels especially from the niche market segments in the oil and gas industry. In order to improve the performance and manage the operating expenditures of the shipbuilding sector, the Group is taking initiatives such as focusing on improving the Group's ship repair operations to meet the requirements of the niche market segments in the oil and gas industry and also the requirements of other potential markets from the resource-based sectors.

B4. Statements by Directors

The Group did not disclose or announce any profit forecast or projection in any public document in the current quarter or prior financial year.

B5. Profit forecast or profit guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B6. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the current interim quarter under review.

B7. Quoted securities

There were no purchase or disposal of quoted securities during the current interim quarter under review.

B8. Corporate proposals

There was no corporate proposal announced at the date of this quarterly report.

B9. Borrowings and debt securities

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	54,633	78,006	132,639
Long-term borrowings	48,286	-	48,286
	<u>102,919</u>	<u>78,006</u>	<u>180,925</u>



INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

B9. Borrowings and debt securities (Cont')

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

	Secured USD'000	unsecured USD'000	Total USD'000
2. Borrowings denominated in USD			
Short-term borrowings	3,600	-	3,600
Long-term borrowings	-	-	-
	<u>3,600</u>	<u>-</u>	<u>3,600</u>

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 29 November 2022.

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 30.09.2022	Current year to date 30.09.2022
Profit attributable to equity holders of the Company (RM'000)	50,259	50,259
Weighted average number of ordinary shares in issue (‘000)	1,147,365	1,147,365
Basic earnings per share (sen)	<u>4.38</u>	<u>4.38</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 FIRST QUARTER ENDED 30 SEPTEMBER 2022

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

B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

The profit before tax of the Group for the interim quarter is arrived at after charging/(crediting):-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,275)	(689)	(1,275)	(689)
Sundry income	(503)	(826)	(503)	(826)
Interest expenses	2,050	2,476	2,050	2,476
Depreciation	22,946	22,631	22,946	22,631
Fair value change in forward contract	(902)	-	(902)	-
Loss /(Gain) on disposal of property, plant and equipment	593	(1,422)	593	(1,422)
Net change in provision for onerous contract	(407)	-	(407)	-
Reversal of impairment loss on trade receivable	(800)	-	(800)	-
Realised foreign exchange (gain) / loss	(334)	85	(334)	85
Unrealised foreign exchange gain	(1,277)	(52)	(1,277)	(52)

B14. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2022 was not qualified.

Authorised for issue

The interim report for the first quarter ended 30 September 2022 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 November 2022.

By order of the Board

Richard Ling Peng Liing
Company Secretary
29th November 2022

