

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**  
**(The figures have not been audited)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|                                                                      | Note | Individual Quarter                              |                                                                    | Cumulative Quarter                              |                                                                   |
|----------------------------------------------------------------------|------|-------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|
|                                                                      |      | Current year<br>quarter<br>30.09.2021<br>RM'000 | Preceding year<br>corresponding<br>quarter<br>30.09.2020<br>RM'000 | Current<br>year to date<br>30.09.2021<br>RM'000 | Preceding year<br>corresponding<br>period<br>30.09.2020<br>RM'000 |
| Revenue                                                              |      | 181,045                                         | 138,143                                                            | 181,045                                         | 138,143                                                           |
| Cost of sales                                                        |      | (161,289)                                       | (127,813)                                                          | (161,289)                                       | (127,813)                                                         |
| Gross profit                                                         |      | 19,756                                          | 10,330                                                             | 19,756                                          | 10,330                                                            |
| Other income                                                         |      | 3,181                                           | 2,364                                                              | 3,181                                           | 2,364                                                             |
| Administrative expenses                                              |      | (7,173)                                         | (6,144)                                                            | (7,173)                                         | (6,144)                                                           |
| Operating Profit                                                     |      | 15,764                                          | 6,550                                                              | 15,764                                          | 6,550                                                             |
| Finance Costs                                                        |      | (2,476)                                         | (3,220)                                                            | (2,476)                                         | (3,220)                                                           |
| Shares of profit of associates                                       |      | 70                                              | 53                                                                 | 70                                              | 53                                                                |
| <b>Profit before tax</b>                                             |      | <b>13,358</b>                                   | <b>3,383</b>                                                       | <b>13,358</b>                                   | <b>3,383</b>                                                      |
| Tax expense                                                          | A12  | (1,145)                                         | (157)                                                              | (1,145)                                         | (157)                                                             |
| <b>Profit net of tax</b>                                             |      | <b>12,213</b>                                   | <b>3,226</b>                                                       | <b>12,213</b>                                   | <b>3,226</b>                                                      |
| <b>Other comprehensive income:</b>                                   |      |                                                 |                                                                    |                                                 |                                                                   |
| Foreign exchange translation                                         | A16  | -                                               | -                                                                  | -                                               | -                                                                 |
| Total comprehensive income for the period                            |      | 12,213                                          | 3,226                                                              | 12,213                                          | 3,226                                                             |
| <b>Profit attributable to:</b>                                       |      |                                                 |                                                                    |                                                 |                                                                   |
| Equity holders of the parent                                         |      | 11,912                                          | 2,955                                                              | 11,912                                          | 2,955                                                             |
| Non controlling interests                                            |      | 301                                             | 271                                                                | 301                                             | 271                                                               |
|                                                                      |      | 12,213                                          | 3,226                                                              | 12,213                                          | 3,226                                                             |
| <b>Total comprehensive income attributable to:</b>                   |      |                                                 |                                                                    |                                                 |                                                                   |
| Equity holders of the parent                                         |      | 11,912                                          | 2,955                                                              | 11,912                                          | 2,955                                                             |
| Non controlling interests                                            |      | 301                                             | 271                                                                | 301                                             | 271                                                               |
|                                                                      |      | 12,213                                          | 3,226                                                              | 12,213                                          | 3,226                                                             |
| Earnings per share attributable to the equity holders of the parent: |      |                                                 |                                                                    |                                                 |                                                                   |
| Basic (sen)                                                          | B12  | 1.02                                            | 0.25                                                               | 1.02                                            | 0.25                                                              |
| Diluted (sen)                                                        | B12  | 1.02                                            | 0.25                                                               | 1.02                                            | 0.25                                                              |

**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 2021 and the accompanying explanatory notes attached to this report.*

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|                                                            |             | <b>Unaudited<br/>AS AT<br/>30.09.2021<br/>RM'000</b> | <b>Audited<br/>AS AT<br/>30.06.2021<br/>RM'000</b> |
|------------------------------------------------------------|-------------|------------------------------------------------------|----------------------------------------------------|
| <b>ASSETS</b>                                              |             |                                                      |                                                    |
| <b>Non-current assets</b>                                  | <b>Note</b> |                                                      |                                                    |
| Property, plant and equipment                              |             | 976,097                                              | 1,000,096                                          |
| Investment in associates                                   |             | 4,922                                                | 4,851                                              |
| Investment securities                                      |             | 68                                                   | 68                                                 |
| Deferred tax assets                                        |             | 51                                                   | 51                                                 |
| Intangible asset                                           |             | 2,064                                                | 2,064                                              |
|                                                            |             | <b>983,202</b>                                       | <b>1,007,131</b>                                   |
| <b>Current assets</b>                                      |             |                                                      |                                                    |
| Inventories                                                |             | 50,332                                               | 40,886                                             |
| Trade receivables                                          |             | 156,212                                              | 151,285                                            |
| Other receivable and deposits                              |             | 12,565                                               | 18,935                                             |
| Contract assets                                            |             | 9,428                                                | 3,506                                              |
| Current tax assets                                         |             | 3,066                                                | 2,695                                              |
| Fixed and treasury deposits with licensed banks            |             | 129,700                                              | 108,500                                            |
| Cash and bank balances                                     |             | 46,996                                               | 46,941                                             |
|                                                            |             | <b>408,299</b>                                       | <b>372,748</b>                                     |
| Non-current assets classified as held for sale             |             | -                                                    | 4,937                                              |
| <b>TOTAL ASSETS</b>                                        |             | <b>1,391,501</b>                                     | <b>1,384,816</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                                             |             | (8,983)                                              | (8,983)                                            |
| Retained Earnings                                          |             | 29,974                                               | 18,062                                             |
| Other reserve                                              |             | (297,861)                                            | (297,861)                                          |
|                                                            |             | 940,102                                              | 928,190                                            |
| <b>Non Controlling interests</b>                           |             | 6,700                                                | 6,399                                              |
| <b>Total equity</b>                                        |             | <b>946,802</b>                                       | <b>934,589</b>                                     |
| <b>Non-current liabilities</b>                             |             |                                                      |                                                    |
| Lease liabilities                                          |             | 41                                                   | 4,039                                              |
| Bank Borrowings                                            | B9          | 48,932                                               | 49,455                                             |
| Deferred tax liabilities                                   |             | 45,228                                               | 44,890                                             |
|                                                            |             | <b>94,201</b>                                        | <b>98,384</b>                                      |
| <b>Current liabilities</b>                                 |             |                                                      |                                                    |
| Trade Payables                                             |             | 111,814                                              | 118,923                                            |
| Contract liabilities                                       |             | 14,607                                               | 11,635                                             |
| Other payables and accruals                                |             | 21,660                                               | 21,711                                             |
| Provision for onerous contract                             |             | 361                                                  | 361                                                |
| Lease liabilities                                          |             | 220                                                  | 4,137                                              |
| Bank Borrowings                                            | B9          | 197,950                                              | 191,228                                            |
| Current tax liabilities                                    |             | 3,886                                                | 3,746                                              |
| Derivative liabilities                                     |             | -                                                    | 102                                                |
|                                                            |             | <b>350,498</b>                                       | <b>351,843</b>                                     |
| <b>Total liabilities</b>                                   |             | <b>444,699</b>                                       | <b>450,227</b>                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |             | <b>1,391,501</b>                                     | <b>1,384,816</b>                                   |
| Net assets per shares (RM)                                 |             | 0.80                                                 | 0.79                                               |

**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 2021 and the accompanying explanatory notes attached to this report.*

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|                                                                           | Attributable to equity holders of the Parent |                            |                              |                             |                                |               |                                            |
|---------------------------------------------------------------------------|----------------------------------------------|----------------------------|------------------------------|-----------------------------|--------------------------------|---------------|--------------------------------------------|
|                                                                           | Equity,<br>total<br>RM'000                   | Non distributable          |                              | Distributable               |                                |               | Non-<br>Controlling<br>interests<br>RM'000 |
| Equity<br>attributable<br>to owners of<br>the parents,<br>total<br>RM'000 |                                              | Share<br>capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Other<br>reserves<br>RM'000 | Retained<br>earnings<br>RM'000 |               |                                            |
| <b>At 1 July 2020</b>                                                     | 917,090                                      | 911,268                    | 1,216,972                    | (8,853)                     | (297,861)                      | 1,010         | 5,822                                      |
| Profit net of tax                                                         | 17,749                                       | 17,052                     | -                            | -                           | -                              | 17,052        | 697                                        |
| Total comprehensive income                                                | 17,749                                       | 17,052                     | -                            | -                           | -                              | 17,052        | 697                                        |
| <b>Transactions with Owners:</b>                                          |                                              |                            |                              |                             |                                |               |                                            |
| Purchase of treasury shares                                               | (130)                                        | (130)                      | -                            | (130)                       | -                              | -             | -                                          |
| Dividend paid to non-controlling interests                                | (120)                                        | -                          | -                            | -                           | -                              | -             | (120)                                      |
| <b>At 30 June 2021</b>                                                    | <b>934,589</b>                               | <b>928,190</b>             | <b>1,216,972</b>             | <b>(8,983)</b>              | <b>(297,861)</b>               | <b>18,062</b> | <b>6,399</b>                               |

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|                                                                           | Attributable to equity holders of the Parent |                            |                              |                             |                                |               |                                            |
|---------------------------------------------------------------------------|----------------------------------------------|----------------------------|------------------------------|-----------------------------|--------------------------------|---------------|--------------------------------------------|
|                                                                           | Equity,<br>total<br>RM'000                   | Non distributable          |                              | Distributable               |                                |               | Non-<br>Controlling<br>interests<br>RM'000 |
| Equity<br>attributable<br>to owners of<br>the parents,<br>total<br>RM'000 |                                              | Share<br>capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Other<br>reserves<br>RM'000 | Retained<br>earnings<br>RM'000 |               |                                            |
| <b>At 1 July 2021</b>                                                     | 934,589                                      | 928,190                    | 1,216,972                    | (8,983)                     | (297,861)                      | 18,062        | 6,399                                      |
| Profit net of tax                                                         | 12,213                                       | 11,912                     | -                            | -                           | -                              | 11,912        | 301                                        |
| Total comprehensive income                                                | 12,213                                       | 11,912                     | -                            | -                           | -                              | 11,912        | 301                                        |
| <b>At 30 September 2021</b>                                               | <b>946,802</b>                               | <b>940,102</b>             | <b>1,216,972</b>             | <b>(8,983)</b>              | <b>(297,861)</b>               | <b>29,974</b> | <b>6,700</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 2021 and the accompanying explanatory notes attached to this report.*

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|                                                                                   | Current<br>year to date<br>30.09.2021<br>RM'000 | Preceding<br>year<br>30.09.2020<br>RM'000 |
|-----------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                        |                                                 |                                           |
| Profit before tax                                                                 | 13,358                                          | 3,383                                     |
| Adjustment for:                                                                   |                                                 |                                           |
| Depreciation                                                                      | 22,631                                          | 22,328                                    |
| Bad debts written off                                                             | -                                               | 404                                       |
| Dividend income                                                                   | -                                               | (2)                                       |
| Gain on disposal of fixed assets                                                  | (1,422)                                         | (906)                                     |
| (Gain)/ loss on foreign exchange                                                  | (52)                                            | 341                                       |
| Interest expenses                                                                 | 2,476                                           | 3,220                                     |
| Interest income                                                                   | (689)                                           | (509)                                     |
| Property, plant and equipment written off                                         | -                                               | 2                                         |
| Share of results of associates                                                    | (70)                                            | (53)                                      |
| <b>Operating profit before changes in working capital</b>                         | <b>36,232</b>                                   | <b>28,208</b>                             |
| <b>Working Capital Changes</b>                                                    |                                                 |                                           |
| (Increase)/ Decrease in inventories                                               | (9,446)                                         | 185                                       |
| Decrease in receivables                                                           | 5,633                                           | 2,507                                     |
| (Increase)/ Decrease in contract asset                                            | (5,652)                                         | 7,441                                     |
| Decrease in payables                                                              | (2,263)                                         | (8,248)                                   |
| Increase in contract liabilities                                                  | 2,972                                           | 254                                       |
| Net changes in amounts due from/to related companies                              | (9,410)                                         | (10,853)                                  |
| Total changes in working capital                                                  | (18,166)                                        | (8,714)                                   |
| <b>Cash generated from operations</b>                                             | <b>18,066</b>                                   | <b>19,494</b>                             |
| Interest received                                                                 | 689                                             | 509                                       |
| Interest paid                                                                     | (2,476)                                         | (3,220)                                   |
| Income tax paid                                                                   | (1,015)                                         | (413)                                     |
| <b>Total interest and tax paid</b>                                                | <b>(2,802)</b>                                  | <b>(3,124)</b>                            |
| <b>Net cash generated from operating activities</b>                               | <b>15,264</b>                                   | <b>16,370</b>                             |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                        |                                                 |                                           |
| Dividend received                                                                 | -                                               | 2                                         |
| Capital expenditure                                                               | (2,098)                                         | (384)                                     |
| Proceeds from disposal of property, plant and equipment                           | 9,826                                           | 1,167                                     |
| <b>Net cash generated from investing activities</b>                               | <b>7,728</b>                                    | <b>785</b>                                |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>                                    |                                                 |                                           |
| Net movement in trade financing                                                   | 7,095                                           | (6,205)                                   |
| Repayment of hire purchase                                                        | (1,041)                                         | (1,033)                                   |
| Repayment of term loans                                                           | (4,848)                                         | (5,933)                                   |
| Purchase of treasury share                                                        | -                                               | (12)                                      |
| Net movement in fixed and treasury deposit with maturity dates more than 3 months | 76,600                                          | -                                         |
| <b>Net cash flow generated from/ (used in) financing activities</b>               | <b>77,806</b>                                   | <b>(13,183)</b>                           |
| <b>Net increase in cash and cash equivalents</b>                                  | <b>100,798</b>                                  | <b>3,972</b>                              |
| <b>Cash and cash equivalents at beginning of period</b>                           | <b>59,072</b>                                   | <b>95,768</b>                             |
| <b>Cash and cash equivalents at end of period</b>                                 | <b>159,870</b>                                  | <b>99,740</b>                             |
| <b>Cash and cash equivalents comprise the following:</b>                          |                                                 |                                           |
| Cash and bank balances                                                            | 46,996                                          | 29,996                                    |
| Deposit with licensed banks                                                       | 129,700                                         | 94,400                                    |
| Bank overdrafts                                                                   | (16,826)                                        | (24,656)                                  |
| <b>Cash and cash equivalents</b>                                                  | <b>159,870</b>                                  | <b>99,740</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 2021 and the accompanying explanatory notes attached to this report.*



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

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the annual audited financial statements of Shin Yang Shipping Corporation Berhad (“SYSCorp” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 30 June 2021.

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 2021.

**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. There were no share buy back during the current quarter. As at 30 September 2021, 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.



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**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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

**A8. Segmental reporting**

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

|                                             | Shipping<br>RM'000 | Shipbuilding,<br>Ship repair<br>and Metal<br>Fabrication<br>RM'000 | Service<br>providers<br>RM'000 | Investment<br>holding<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|---------------------------------------------|--------------------|--------------------------------------------------------------------|--------------------------------|---------------------------------|-----------------------|-----------------|
| <b>For 3 months ended 30 September 2020</b> |                    |                                                                    |                                |                                 |                       |                 |
| <b>Segment Revenue</b>                      |                    |                                                                    |                                |                                 |                       |                 |
| External revenue                            | 116,616            | 19,845                                                             | 1,478                          | 204                             | -                     | 138,143         |
| Inter-segment revenue                       | 1,969              | 5,185                                                              | 689                            | 681                             | (8,524)               | -               |
| <b>Total</b>                                | <b>118,585</b>     | <b>25,030</b>                                                      | <b>2,167</b>                   | <b>885</b>                      | <b>(8,524)</b>        | <b>138,143</b>  |
| Profit from operations                      | 3,194              | 2,028                                                              | 1,208                          | 120                             | -                     | 6,550           |
| Finance costs                               |                    |                                                                    |                                |                                 |                       | (3,220)         |
| Share of profit of associates               |                    |                                                                    |                                |                                 |                       | 53              |
| Profit before tax                           |                    |                                                                    |                                |                                 |                       | 3,383           |
| Tax expense                                 |                    |                                                                    |                                |                                 |                       | (157)           |
| Profit for the period                       |                    |                                                                    |                                |                                 |                       | 3,226           |

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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

**A8. Segmental reporting (Cont’)**

**Group**

|                   | <b>1Q 2022<br/>(RM'000)</b> | <b>1Q 2021<br/>(RM'000)</b> | <b>Changes (%)</b> |
|-------------------|-----------------------------|-----------------------------|--------------------|
| Revenue           | 181,045                     | 138,143                     | 31.1%              |
| Profit before tax | 13,358                      | 3,383                       | 294.9%             |

Revenue of the Group for the first quarter ended 30 September 2021 increased by 31.1% to RM181.0 million as compared to RM138.1 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 group has expanded its business activities to land transportation in last quarter. This sector has contributed RM 12.8 million of revenue to the Group in the current quarter.

The 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 as well as the profit margin generated from Shipbuilding and ship repair segments.

Performance and prospects of each operating segment are discussed below:

**Shipping**

|                   | <b>1Q 2022<br/>(RM'000)</b> | <b>1Q 2021<br/>(RM'000)</b> | <b>Changes (%)</b> |
|-------------------|-----------------------------|-----------------------------|--------------------|
| Revenue           | 146,584                     | 118,585                     | 23.6%              |
| Profit before tax | 6,818                       | 2,500                       | 172.7%             |

For the current quarter, the shipping segment’s revenue of RM146.6 million increased by 23.6% as compared to RM 118.6 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 FIRST QUARTER ENDED 30 SEPTEMBER 2021

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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

|                           | 1Q 2022<br>(RM'000) | 1Q 2021<br>(RM'000) | Changes (%) |
|---------------------------|---------------------|---------------------|-------------|
| Revenue                   | 20,456              | 19,845              | 3.1%        |
| Profit /(Loss) before tax | 3,453               | (338)               | 1,121.6%    |

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM20.5 million slightly increased by 3.1% as compared to RM19.8 million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to 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 ship repair and metal fabrication segments.

Service providers

|                   | 1Q 2022<br>(RM'000) | 1Q 2021<br>(RM'000) | Changes (%) |
|-------------------|---------------------|---------------------|-------------|
| Revenue           | 13,783              | 1,478               | 832.5%      |
| Profit before tax | 3,262               | 1,266               | 157.7%      |

For the current quarter, the revenue from service providers segment increased by 832.5% compared to the preceding year’s corresponding quarter. The newly acquired subsidiary in last quarter, Melinau Transport Sdn Bhd had contributed RM 12.8 million of revenue to the Group in this segment in current quarter under review.

Melinau Transport Sdn Bhd contributed RM 1.9 million of profit before tax to the Group in current quarter under review.

Investment Holding

|                 | 1Q 2022<br>(RM'000) | 1Q 20201<br>(RM'000) | Changes (%) |
|-----------------|---------------------|----------------------|-------------|
| Revenue         | 222                 | 204                  | 8.8%        |
| Loss before tax | (175)               | (45)                 | -288.9%     |

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 FIRST QUARTER ENDED 30 SEPTEMBER 2021**

**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.

**A11. Changes in the composition of the Group**

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

**A12. Tax expense / (income)**

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

|                    | Individual Quarter   |                                      | Cumulative Quarter   |                                     |
|--------------------|----------------------|--------------------------------------|----------------------|-------------------------------------|
|                    | Current year quarter | Preceding year corresponding quarter | Current year to date | Preceding year corresponding period |
|                    | 30 Sep 2021          | 30 Sep 2020                          | 30 Sep 2021          | 30 Sep 2020                         |
|                    | RM'000               | RM'000                               | RM'000               | RM'000                              |
| Malaysian taxation |                      |                                      |                      |                                     |
| Current year tax   | 807                  | 313                                  | 807                  | 313                                 |
| Deferred tax       | 338                  | (156)                                | 338                  | (156)                               |
|                    | <u>1,145</u>         | <u>157</u>                           | <u>1,145</u>         | <u>157</u>                          |

**A13. Contingent liabilities and contingent assets**

The contingent liabilities of the Group as at 30 September 2021 are as follows:

|                                                                                                                                       | <b>As at<br/>30.09.2021<br/>RM'000</b> |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates | <u>162,609</u>                         |

The Group does not have any contingent assets.

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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

**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.

|                                                                                                      | <b>Current<br/>Quarter<br/>to date<br/>30.09.2021<br/>RM'000</b> | <b>Balance due<br/>from/(to)<br/>As at<br/>30.09.2021<br/>RM'000</b> |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------|
| (a) Transactions with related companies of Shin Yang Holding Sendirian Berhad                        |                                                                  |                                                                      |
| Sales of goods and services                                                                          | 33,458                                                           | 36,658                                                               |
| Purchase of goods and services                                                                       | (8,125)                                                          | (20,063)                                                             |
| (b) Transactions with companies in which certain Directors of the Company have substantial interests |                                                                  |                                                                      |
| Sales of goods and services                                                                          | 2,639                                                            | 4,664                                                                |
| Purchase of goods and services                                                                       | (1,028)                                                          | (5,990)                                                              |

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.

**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**

|                   | <b>1Q 2022<br/>(RM'000)</b> | <b>4Q 2021<br/>(RM'000)</b> | <b>Changes (%)</b> |
|-------------------|-----------------------------|-----------------------------|--------------------|
| Revenue           | 181,045                     | 161,869                     | 11.8%              |
| Profit before tax | 13,358                      | 7,027                       | 90.1%              |

As compared to the immediate preceding quarter, the Group's current quarter's revenue has increased by 11.8% to RM181.0 million from RM161.9 million recorded in the immediate preceding quarter.

The increase in revenue was mainly due to the higher revenue generated from shipbuilding & ship repair segments and bulk carriers & container sectors in the current period under review.

The increase in profit before tax were due to the increase of profit margin and shipment volume in shipping segments on bulk carriers and container sectors and increased in profit margin on ship repair and metal fabrication 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 on the outcome of vaccination from the outbreak of Covid-19 pandemic to endemic, which has significantly disrupted many business operations.

The Group has prepared itself for the continuing uncertainties in global economic situations. The prospects for the shipping industry continue to remain challenging and positive with the recent stability in crude oil price and positive improvement in the Baltic Dry Index. 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 FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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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 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**

|                            | <b>Secured<br/>RM’000</b> | <b>unsecured<br/>RM’000</b> | <b>Total<br/>RM’000</b> |
|----------------------------|---------------------------|-----------------------------|-------------------------|
| <b>1. Total borrowings</b> |                           |                             |                         |
| Short-term borrowings      | 54,917                    | 143,033                     | 197,950                 |
| Long-term borrowings       | 48,932                    | -                           | 48,932                  |
|                            | <u>103,849</u>            | <u>143,033</u>              | <u>246,882</u>          |



**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

**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<br>USD’000 | unsecured<br>USD’000 | Total<br>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 29 November 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<br>year<br>quarter<br>30.09.2021 | Current<br>year to<br>date<br>30.09.2021 |
|------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Profit attributable to equity holders of the Company<br>(RM’000) | 11,912                                   | 11,912                                   |
| Weighted average number of ordinary shares in issue<br>('000)    | 1,167,974                                | 1,167,974                                |
| Basic earnings per share (sen)                                   | <u>1.02</u>                              | <u>1.02</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 2021**

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

|                                                      | Individual Quarter      |                                            | Cumulative Quarter      |                                           |
|------------------------------------------------------|-------------------------|--------------------------------------------|-------------------------|-------------------------------------------|
|                                                      | Current year<br>quarter | Preceding year<br>corresponding<br>quarter | Current<br>year to date | Preceding year<br>corresponding<br>period |
|                                                      | 30 Sep<br>2021          | 30 Sep<br>2020                             | 30 Sep<br>2021          | 30 Sep<br>2020                            |
|                                                      | RM'000                  | RM'000                                     | RM'000                  | RM'000                                    |
| Interest income                                      | (689)                   | (509)                                      | (689)                   | (509)                                     |
| Sundry income                                        | (826)                   | (623)                                      | (826)                   | (623)                                     |
| Interest expenses                                    | 2,476                   | 3,220                                      | 2,476                   | 3,220                                     |
| Depreciation                                         | 22,631                  | 22,328                                     | 22,631                  | 22,328                                    |
| Gain on disposal of property,<br>plant and equipment | (1,422)                 | (906)                                      | (1,422)                 | (906)                                     |
| Property, plant and equipment<br>written off         | -                       | 2                                          | -                       | 2                                         |
| Realised foreign exchange loss/ (gain)               | 85                      | (257)                                      | 85                      | (257)                                     |
| Unrealised foreign exchange (gain)/loss              | (52)                    | 341                                        | (52)                    | 341                                       |

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

The auditors' report on the financial statements for the year ended 30 June 2021 was not qualified.

**Authorised for issue**

The interim report for the first quarter ended 30 September 2021 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 November 2021.

By order of the Board

Richard Ling Peng Liing  
Company Secretary  
29<sup>th</sup> November 2021