

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

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**  
**(The figures have not been audited)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Revenue		210,173	153,221	608,330	449,073
Cost of sales		(171,089)	(148,443)	(526,736)	(424,060)
Gross profit		39,084	4,778	81,594	25,013
Other income		1,533	8,530	8,463	13,629
Other operating income/ (expenses)		104	-	(744)	-
Administrative expenses		(7,797)	(6,507)	(22,571)	(18,708)
Operating Profit		32,924	6,801	66,742	19,934
Finance Costs		(2,279)	(2,634)	(6,923)	(8,711)
Shares of profit of associates		6	65	97	243
<b>Profit before tax</b>		<b>30,651</b>	<b>4,232</b>	<b>59,916</b>	<b>11,466</b>
Tax expense	A12	(471)	(129)	(2,117)	(336)
<b>Profit net of tax</b>		<b>30,180</b>	<b>4,103</b>	<b>57,799</b>	<b>11,130</b>
<b>Other comprehensive income:</b>					
Foreign exchange translation	A16	-	-	-	-
Total comprehensive income for the period		30,180	4,103	57,799	11,130
<b>Profit attributable to:</b>					
Equity holders of the parent		29,953	3,966	56,922	10,451
Non controlling interests		227	137	877	679
		30,180	4,103	57,799	11,130
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		29,953	3,966	56,922	10,451
Non controlling interests		227	137	877	679
		30,180	4,103	57,799	11,130
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	2.59	0.34	4.89	0.89
Diluted (sen)	B12	2.59	0.34	4.89	0.89

**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 THIRD QUARTER ENDED 31 MARCH 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<b>Unaudited AS AT 31.03.2022 RM'000</b>	<b>Audited AS AT 30.06.2021 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>Note</b>		
Property, plant and equipment		953,339	1,000,096
Investment in associates		4,949	4,851
Investment securities		68	68
Deferred tax assets		51	51
Intangible asset		2,064	2,064
		<b>960,471</b>	<b>1,007,131</b>
<b>Current assets</b>			
Inventories		38,053	40,886
Trade receivables		154,558	151,285
Other receivable and deposits		12,598	18,935
Contract assets		11,575	3,506
Current tax assets		3,218	2,695
Cash and cash equivalents		253,037	155,441
		<b>473,039</b>	<b>372,748</b>
Non-current assets classified as held for sale		-	4,937
<b>TOTAL ASSETS</b>		<b>1,433,510</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		(15,486)	(8,983)
Other reserve		(297,861)	(297,861)
Retained Earnings		74,984	18,062
		<b>978,609</b>	<b>928,190</b>
<b>Non Controlling interests</b>		5,776	6,399
<b>Total equity</b>		<b>984,385</b>	<b>934,589</b>
<b>Non-current liabilities</b>			
Lease liabilities		41	4,039
Bank Borrowings	B9	53,713	49,455
Deferred tax liabilities		44,902	44,890
		<b>98,656</b>	<b>98,384</b>
<b>Current liabilities</b>			
Trade Payables		121,112	118,923
Contract liabilities		32,892	11,635
Other payables and accruals		36,867	21,711
Provision for onerous contract		-	361
Lease liabilities		220	4,137
Bank Borrowings	B9	155,613	191,228
Current tax liabilities		3,765	3,746
Derivative liabilities		-	102
		<b>350,469</b>	<b>351,843</b>
<b>Total liabilities</b>		<b>449,125</b>	<b>450,227</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,433,510</b>	<b>1,384,816</b>
Net assets per shares (RM)		0.85	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 THIRD QUARTER ENDED 31 MARCH 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Parent						
	Equity, total RM'000	Non distributable			Distributable		
Equity attributable to owners of the parents, total RM'000		Share capital RM'000	Treasury Shares RM'000	Other reserves RM'000	Retained earnings RM'000		
<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**  
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**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Parent						
	Equity, total RM'000	Non distributable		Distributable			Non- Controlling interests RM'000
Equity attributable to owners of the parents, total RM'000		Share capital RM'000	Treasury Shares RM'000	Other reserves RM'000	Retained earnings RM'000		
<b>At 1 July 2021</b>	934,589	928,190	1,216,972	(8,983)	(297,861)	18,062	6,399
Profit net of tax	57,799	56,922	-	-	-	56,922	877
Total comprehensive income	57,799	56,922	-	-	-	56,922	877
<b>Transactions with Owners:</b>							
Purchase of treasury shares	(6,503)	(6,503)	-	(6,503)	-	-	-
Dividend paid to non-controlling interests	(1,500)	-	-	-	-	-	(1,500)
<b>At 31 March 2022</b>	<b>984,385</b>	<b>978,609</b>	<b>1,216,972</b>	<b>(15,486)</b>	<b>(297,861)</b>	<b>74,984</b>	<b>5,776</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 THIRD QUARTER ENDED 31 MARCH 2022**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date 31.03.2022 RM'000	Preceding year 31.03.2021 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	59,916	11,466
Adjustment for:		
Depreciation	67,644	66,318
Dividend income	-	(2)
Gain on disposal of fixed assets	(1,963)	(8,701)
Loss on foreign exchange	84	437
Interest expenses	6,923	8,711
Interest income	(2,353)	(1,145)
Property, plant and equipment written off	-	2
Share of results of associates	(97)	(243)
<b>Operating profit before changes in working capital</b>	<b>130,154</b>	<b>76,843</b>
<u>Working Capital Changes</u>		
Decrease in inventories	2,833	10,591
Increase in receivables	(319)	(7,401)
(Increase)/ decrease in contract asset	(8,068)	2,505
Increase in payables	8,204	859
Increase/ (decrease) in contract liabilities	21,258	(438)
Net changes in amounts due from/to related companies	11,924	4,084
Total changes in working capital	35,832	10,200
<b>Cash generated from operations</b>	<b>165,986</b>	<b>87,043</b>
Interest received	2,353	1,145
Interest paid	(6,923)	(8,711)
Income tax paid	(2,589)	(1,131)
<b>Total interest and tax paid</b>	<b>(7,159)</b>	<b>(8,697)</b>
<b>Net cash generated from operating activities</b>	<b>158,827</b>	<b>78,346</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend received	-	2
Capital expenditure	(22,774)	(36,034)
Proceeds from disposal of property, plant and equipment	8,818	37,321
<b>Net cash (used in)/ generated from investing activities</b>	<b>(13,956)</b>	<b>1,289</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to minority interest	(1,500)	-
Net movement in trade financing	(40,375)	(21,728)
Repayment of obligation under finance	(2,744)	(3,229)
Repayment of term loans	(14,226)	(16,966)
Proceed from obligation under finance	10,013	-
Proceed from term loans	10,000	-
Purchase of treasury share	(6,503)	(130)
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>31,265</b>	<b>(42,053)</b>
<b>Net increase in cash and cash equivalents</b>	<b>176,136</b>	<b>37,582</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>235,208</b>	<b>133,350</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	75,437	41,162
Deposit with licensed banks	177,600	110,700
Bank overdrafts	(17,829)	(18,512)
<b>Cash and cash equivalents</b>	<b>235,208</b>	<b>133,350</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 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 14,540,000 its own ordinary shares at average price of RM 0.39764 per share during the current quarter. As at 31 March 2022, the Company had purchased and hold a cumulative total 48,634,700 of its issued ordinary shares repurchased from open market at an overall average price at RM0.31841 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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(Incorporated in Malaysia)

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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

**A8. Segmental reporting**

	Shipping RM'000	Shipbuilding, Ship repair and Metal Fabrication RM'000	Service providers RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000
<b>For 9 months ended 31 March 2022</b>						
<b>Segment Revenue</b>						
External revenue	476,144	90,507	41,035	644	-	608,330
Inter-segment revenue	3,107	18,344	5,885	5,729	(33,065)	-
Total	<u>479,251</u>	<u>108,851</u>	<u>46,920</u>	<u>6,373</u>	<u>(33,065)</u>	<u>608,330</u>
Profit from operations	46,194	13,111	7,523	(86)	-	66,742
Finance costs						(6,923)
Share of profit of associates						97
Profit before tax						<u>59,916</u>
Tax expense						(2,117)
Profit for the period						<u>57,799</u>

	Shipping RM'000	Shipbuilding, Ship repair and Metal Fabrication RM'000	Service providers RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000
<b>For 9 months ended 31 March 2021</b>						
<b>Segment Revenue</b>						
External revenue	380,491	63,547	4,400	635	-	449,073
Inter-segment revenue	5,750	23,938	1,879	2,044	(33,611)	-
Total	<u>386,241</u>	<u>87,485</u>	<u>6,279</u>	<u>2,679</u>	<u>(33,611)</u>	<u>449,073</u>
Profit from operations	8,653	8,007	3,018	256	-	19,934
Finance costs						(8,711)
Share of profit of associates						243
Profit before tax						<u>11,466</u>
Tax expense						(336)
Profit for the period						<u>11,130</u>

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

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 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	Investment holding RM’000	Elimination RM’000	Total RM’000
<b>For 3 months ended 31 March 2022</b>						
<b>Segment Revenue</b>						
External revenue	165,998	30,041	13,936	198	-	210,173
Inter-segment revenue	822	3,922	2,020	686	(7,450)	-
<b>Total</b>	<b>166,820</b>	<b>33,963</b>	<b>15,956</b>	<b>884</b>	<b>(7,450)</b>	<b>210,173</b>
Profit from operations	25,855	4,644	2,446	(21)	-	32,924
Finance costs						(2,279)
Share of profit of associates						6
Profit before tax						30,651
Tax expense						(471)
Profit for the period						30,180

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Service providers RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
<b>For 3 months ended 31 March 2021</b>						
<b>Segment Revenue</b>						
External revenue	132,294	19,140	1,571	216	-	153,221
Inter-segment revenue	1,873	8,756	494	681	(11,804)	-
<b>Total</b>	<b>134,167</b>	<b>27,896</b>	<b>2,065</b>	<b>897</b>	<b>(11,804)</b>	<b>153,221</b>
Profit from operations	3,399	2,599	728	75	-	6,801
Finance costs						(2,634)
Share of profit of associates						65
Profit before tax						4,232
Tax expense						(129)
Profit for the period						4,103



**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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

**A8. Segmental reporting (Cont’)**

**Group**

	<b>3Q 2022 (RM'000)</b>	<b>3Q 2021 (RM'000)</b>	<b>Changes (%)</b>
Revenue	210,173	153,221	37.2%
Profit before tax	30,651	4,232	624.3%

Revenue of the Group for the third quarter ended 31 March 2022 increased by 37.2% to RM210.2 million as compared to RM153.2 million in the previous corresponding quarter.

The increase in revenue was mainly due to the higher revenue generated from the shipping segments and ship repair 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**

	<b>3Q 2022 (RM'000)</b>	<b>3Q 2021 (RM'000)</b>	<b>Changes (%)</b>
Revenue	165,998	132,294	25.5%
Profit before tax	25,317	2,869	782.4%

For the current quarter, the shipping segment’s revenue of RM166.0 million increased by 25.5% as compared to RM 132.3 million revenue recorded in the corresponding quarter.

The increase in revenue was mainly due to the improvement in freight rates and 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.



**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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

**A8. Segmental reporting (Cont’)**

**Shipbuilding and Ship repair**

	<b>3Q 2022 (RM'000)</b>	<b>3Q 2021 (RM'000)</b>	<b>Changes (%)</b>
Revenue	30,041	19,140	57.0%
Profit before tax	3,109	636	388.8%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM30.0 million, increased by 57.0% as compared to RM19.1 million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to vessel's work in progress for external parties had been delivered in the current quarter.

**Service providers**

	<b>3Q 2022 (RM'000)</b>	<b>3Q 2021 (RM'000)</b>	<b>Changes (%)</b>
Revenue	13,936	1,571	787.1%
Profit before tax	2,364	794	197.7%

For the current quarter, the revenue from service providers segment increased by 787.1% compared to the preceding year's corresponding quarter.

The group has expanded its business activities to land transportation in May 2021. This sector has contributed RM 12.5 million of revenue and RM 1.4 million profit before tax respectively to the Group in the current quarter.

**Investment Holding**

	<b>3Q 2022 (RM'000)</b>	<b>3Q 2021 (RM'000)</b>	<b>Changes (%)</b>
Revenue	198	216	-8.3%
Loss before tax	(139)	(67)	-107.5%

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 THIRD QUARTER ENDED 31 MARCH 2022**

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

**A9. Valuation of property, plant and equipment**

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

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

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

- i) Shin Yang Shipping Corporation Berhad (“**SYSCORP**”) has on 22 February 2022 entered into a conditional share sale and purchase agreement (“**SSPA**”) with the respective Vendors of KBMSB (as defined below) to purchase 500,000 ordinary shares in Kuching Barrage Management Sdn Bhd (“KBMSB”), representing 100% equity interest in KBMSB for a cash consideration of RM 600,000.00 (“Proposed Acquisition of KBMSB”).

<b>Vendors of KBMSB</b>	<b>No. of Shares</b>
Kong Lee Luang	17,500
Azman Bin Sulaiman	7,500
Shin Yang Enterprise Sdn Bhd	475,000
Total	500,000

As at 6 May 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 KBMSB.

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

- ii) Shin Yang Shipping Corporation Berhad (“**SYSCORP**”) has on 22 February 2022 entered into a conditional share sale and purchase agreement (“**SSPA**”) with the respective Vendors of MCSSB (as defined below) to purchase 252,500 ordinary shares in Melinau Container Services Sdn. Bhd. (“MCSSB”), representing 50.50% equity interest in MCSSB and all of the 8,800,000 redeemable preference shares from Shin Yang Holding Sdn Bhd for a cash consideration of RM 8,800,002.00 (“Proposed Acquisition of MCSSB”).

<b>Vendors of MCSSB</b>	<b>No. of Shares</b>
Shin Yang Holding Sdn Bhd	245,000
Azman Bin Sulaiman	7,500
Total	252,500

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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

**A10. Material events subsequent to the end of the quarter period (Cont’)**

As at 27 May 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 MCSSB.

Upon completion of the Proposed Acquisition of MCSSB, MCSSB will become a subsidiary of SYSCORP.

- iii) Shin Yang Shipping Corporation Berhad (“**SYSCORP**”) has on 25 March 2022 entered into a conditional share sale and purchase agreement (“**SSPA1**”) 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”)

<b>Vendors</b>	<b>No. of Sale Shares</b>
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
<b>Total :</b>	<b>2,500,000</b>

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

The purchase consideration will be settled by SYSCORP in cash via internally generated funds, to the Vendors in their respective proportion under the SSPA1, in the following manner:

- (a) Payment of RM2,279,650.00, being equivalent to 10% of the purchase consideration, upon the execution of the SSPA1; and
- (b) Payment of RM20,516,850.00, being equivalent to 90% of the purchase consideration within 3 months from the fulfilment of all conditions precedent of the SSPA1.

SYSCORP has obtained approval from the non-interested shareholders of SYSCORP, for the Proposed Acquisition at the Extraordinary General Meeting on 30 May 2022 by way of poll.

The Proposed Acquisition has not been completed as at 30 May 2022.

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

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

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

**A12. Tax 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
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	634	286	2,105	805
Deferred tax	(163)	(157)	12	(469)
	<u>471</u>	<u>129</u>	<u>2,117</u>	<u>336</u>

**A13. Contingent liabilities and contingent assets**

The contingent liabilities of the Group as at 31 March 2022 are as follows:

	As at 31.03.2022
	RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>129,316</u>

The Group does not have any contingent assets.

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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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 Quarter to date 31.03.2022 RM'000</b>	<b>Balance due from/(to) As at 31.03.2022 RM'000</b>
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	34,385	28,667
Purchase of goods and services	(10,027)	(21,498)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	3,899	6,872
Purchase of goods and services	(938)	(16,484)

The related party transactions reflect transactions of all the subsidiaries with the respective group of companies.

**A16. Other Comprehensive Income**

Foreign exchange translation gain/(loss) represents the surplus/(shortfall) arising from restating payables, receivables and bank balances denominated in foreign currency to Ringgit using foreign exchange rates prevailing at period end rate.

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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**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>3Q 2022 (RM'000)</b>	<b>2Q 2022 (RM'000)</b>	<b>Changes (%)</b>
Revenue	210,173	217,111	-3.2%
Profit before tax	30,651	15,906	92.7%

As compared to the immediate preceding quarter, the Group's current quarter's revenue has slightly decreased by 3.2% to RM210.2 million from RM217.1 million recorded in the immediate preceding quarter.

The decrease in revenue was mainly due to the lower revenue generated from shipbuilding & ship repair segments in the current period under review. Most of the shipbuilding and ship repair projects are at final stage, therefore percentage of work done nearly completed and recognised in previous quarter

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.

**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, coastal 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 of 2022.



**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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**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**

	<b>Secured RM'000</b>	<b>unsecured RM'000</b>	<b>Total RM'000</b>
<b>1. Total borrowings</b>			
Short-term borrowings	58,944	96,669	155,613
Long-term borrowings	53,713	-	53,713
	<u>112,657</u>	<u>96,669</u>	<u>209,326</u>





**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 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
<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 30 May 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 31.03.2022	Current year to date 31.03.2022
Profit attributable to equity holders of the Company (RM’000)	29,953	56,922
Weighted average number of ordinary shares in issue ('000)	1,154,982	1,163,267
Basic earnings per share (sen)	<u>2.59</u>	<u>4.89</u>

Earnings per share is computed based on the weighted average number of ordinary shares in issue (net of treasury shares).

**(b) Diluted**

The Group has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted earnings per share is presented as equal to basic earnings per share.

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

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

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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 quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Interest income	(928)	(259)	(2,353)	(1,145)
Sundry income	(380)	477	(1,452)	(1,083)
Interest expenses	2,279	2,634	6,923	8,711
Depreciation	22,614	22,044	67,644	66,318
Gain on disposal of property, plant and equipment	(104)	(7,508)	(1,963)	(8,701)
Property, plant and equipment written off	-	-	-	2
Realised foreign exchange loss/ (gain)	20	(283)	648	(721)
Unrealised foreign exchange (gain)/ loss	(114)	172	84	437

**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 third quarter ended 31 March 2022 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2022.

By order of the Board

Richard Ling Peng Liing  
Company Secretary  
30<sup>th</sup> May 2022