

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

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

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 12 months ended 30 June	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue		289,351	161,869	897,682	610,943
Cost of sales		(177,342)	(150,350)	(704,078)	(574,410)
Gross profit		<u>112,009</u>	<u>11,519</u>	<u>193,604</u>	<u>36,533</u>
Other income		2,787	4,385	8,897	16,434
Finance income		1,234	747	3,587	2,328
Administrative expenses		(8,950)	(7,046)	(31,522)	(25,754)
Other operating expenses		(738)	-	(1,483)	-
Allowance for impairment on receivables		(1,700)	-	(1,700)	-
Impairment loss on financial assets		(7,976)	-	(7,976)	-
Operating Profit		<u>96,666</u>	<u>9,605</u>	<u>163,407</u>	<u>29,541</u>
Finance Costs		(2,178)	(2,640)	(9,101)	(11,352)
Shares of profit of equity accounted associates		30	62	128	305
Profit before taxation		<u>94,518</u>	<u>7,027</u>	<u>154,434</u>	<u>18,494</u>
Income tax expense	A12	(9,631)	(789)	(11,749)	(1,125)
Profit after taxation, representing total comprehensive income for the period		<u><u>84,887</u></u>	<u><u>6,238</u></u>	<u><u>142,685</u></u>	<u><u>17,369</u></u>
Profit after tax attributable to:					
Owners of the Company		84,880	6,164	141,801	16,616
Non controlling interests		7	74	884	753
		<u>84,887</u>	<u>6,238</u>	<u>142,685</u>	<u>17,369</u>
Total comprehensive income attributable to:					
Owners of the Company		84,880	6,164	141,801	16,616
Non controlling interests		7	74	884	753
		<u>84,887</u>	<u>6,238</u>	<u>142,685</u>	<u>17,369</u>
Earnings per share attributable to owners of the Company:					
Basic (sen)	B12	7.38	0.53	12.23	1.42
Diluted (sen)	B12	7.38	0.53	12.23	1.42

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
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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited AS AT 30.06.2022 RM'000	Audited AS AT 30.06.2021 RM'000
ASSETS			
Non-current assets			
	Note		
Property, plant and equipment		949,783	1,000,096
Investment in associates		4,980	4,851
Other investment		68	68
Deferred tax assets		51	51
Goodwill		3,063	2,064
		957,945	1,007,131
Current assets			
Inventories		34,132	40,886
Trade receivables		183,256	151,285
Other receivable and deposits		14,155	18,935
Contract assets		10,713	3,506
Current tax assets		3,637	2,695
Cash and cash equivalents		283,030	155,441
		528,923	372,748
Non-current assets classified as held for sale		-	4,937
TOTAL ASSETS		1,486,868	1,384,816
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,216,972	1,216,972
Treasury share		(16,571)	(8,983)
Other reserve		(297,861)	(297,861)
Retained Earnings		159,863	18,062
		1,062,403	928,190
Non Controlling interests		3,304	6,399
Total equity		1,065,707	934,589
Non-current liabilities			
Lease liabilities		41	4,039
Bank Borrowings	B9	50,298	49,455
Deferred tax liabilities		44,271	44,890
		94,610	98,384
Current liabilities			
Trade Payables		126,525	118,923
Contract liabilities		5,615	11,635
Other payables and accruals		24,941	21,711
Provision for onerous contract		-	361
Lease liabilities		107	4,137
Bank Borrowings	B9	156,006	191,228
Current tax liabilities		13,357	3,746
Derivative liabilities		-	102
		326,551	351,843
Total liabilities		421,161	450,227
TOTAL EQUITY AND LIABILITIES		1,486,868	1,384,816
Net assets per shares (RM)		0.92	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.*

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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		
At 1 July 2020	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
Transactions with Owners:							
Purchase of treasury shares	(130)	(130)	-	(130)	-	-	-
Dividend by subsidiary to non-controlling interests	(120)	-	-	-	-	-	(120)
At 30 June 2021	934,589	928,190	1,216,972	(8,983)	(297,861)	18,062	6,399

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
	Equity, total RM'000	Non distributable		Distributable			Non- Controlling interests RM'000
Equity attributable to owners of the parents, total RM'000		Share capital RM'000	Treasury Shares RM'000	Other reserves RM'000	Retained earnings RM'000		
At 1 July 2021	934,589	928,190	1,216,972	(8,983)	(297,861)	18,062	6,399
Profit net of tax	142,685	141,801	-	-	-	141,801	884
Total comprehensive income	142,685	141,801	-	-	-	141,801	884
Transactions with Owners:							
Acquisition of a subsidiary	(979)	-	-	-	-	-	(979)
Purchase of treasury shares	(7,588)	(7,588)	-	(7,588)	-	-	-
Dividend by subsidiary to non-controlling interests	(3,000)	-	-	-	-	-	(3,000)
At 30 June 2022	1,065,707	1,062,403	1,216,972	(16,571)	(297,861)	159,863	3,304

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
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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 30.06.2022 RM'000	Preceding year 30.06.2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	154,434	18,494
Adjustment for:		
Depreciation	91,261	93,573
Dividend income	(69)	(42)
Gain on disposal of fixed assets	(2,675)	(10,865)
Unrealised (gain)/ loss on foreign exchange	(210)	201
Interest expenses	9,101	11,352
Interest income	(3,587)	(2,328)
Allowance for impairment loss on receivables	1,700	-
Impairment loss on financial assets	7,976	-
Net changes in provision for onerous contract	(361)	-
Gain on bargain purchase	(12)	-
Fair value change on forward contract	(102)	-
Property, plant and equipment written off	-	2
Reversal of inventories written off	-	(277)
Share of results of associates	(128)	(305)
	257,328	109,805
Operating profit before changes in working capital		
<u>Working Capital Changes</u>		
Decrease in inventories	6,937	13,468
Increase in receivables	(25,588)	(26,468)
(Increase)/ decrease in contract asset	(7,207)	13,180
Increase in payables	8,484	3,594
(Decrease)/ increase in contract liabilities	(6,020)	10,116
Net changes in amounts due from/to related companies	(8,149)	16,619
Total changes in working capital	(31,543)	30,509
Cash generated from operations	225,785	140,314
Interest received	3,587	2,328
Interest paid	(9,101)	(11,352)
Income tax paid	(3,510)	(1,351)
Income tax refund	-	130
Total interest and tax paid	(9,024)	(10,245)
Net cash generated from operating activities	216,761	130,069
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	69	42
Capital expenditure	(32,532)	(37,885)
Proceeds from disposal of property, plant and equipment	9,677	39,485
Acquisition of subsidiaries	(7,119)	(36,499)
Net cash used in investing activities	(29,905)	(34,857)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to minority interest	(3,000)	(120)
Net movement in trade financing	(42,503)	(29,634)
Repayment of obligation under finance	(2,291)	(5,440)
Repayment of term loans	(18,533)	(21,602)
Proceed from obligation under finance	6,634	-
Proceed from term loans	10,000	-
Purchase of treasury share	(7,588)	(130)
Net cash flow used in financing activities	(57,281)	(56,926)
Net increase in cash and cash equivalents	129,575	38,286
Cash and cash equivalents at beginning of period	135,672	95,768
Cash and cash equivalents at end of period	265,247	134,054



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 30.06.2022 RM'000	Preceding year 30.06.2021 RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	93,930	45,323
Deposit with licensed banks	189,100	108,500
Bank overdrafts	(17,783)	(19,769)
Cash and cash equivalents	265,247	134,054

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 and the accompanying explanatory notes attached to the audited financial statements.

The accounting policies and methods of computations used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 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 2,820,000 its own ordinary shares at average price of RM 0.38503 per share during the current quarter. As at 30 June 2022, the Company had purchased and hold a cumulative total 51,454,700 of its issued ordinary shares repurchased from open market at an overall average price at RM0.32206 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

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

A7. Dividends

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

A8. Segmental reporting

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Service providers RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 12 months ended 30 June 2022						
Segment Revenue						
External revenue	704,607	137,550	54,610	915	-	897,682
Inter-segment revenue	5,001	29,786	10,401	24,660	(69,848)	-
Total	709,608	167,336	46,920	25,575	(69,848)	897,682
Profit / (loss) from operations	114,070	41,960	8,306	(929)	-	163,407
Finance costs						(9,101)
Share of profit of associates						128
Profit before taxation						154,434
Income tax expense						(11,749)
Profit for the period						142,685

	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
For 12 months ended 30 June 2021						
Segment Revenue						
External revenue	518,914	76,255	14,884	890	-	610,943
Inter-segment revenue	7,747	38,154	3,508	3,445	(52,854)	-
Total	526,661	114,409	18,392	4,335	(52,854)	610,943
Profit from operations	12,775	11,656	4,954	156	-	29,541
Finance costs						(11,352)
Share of profit of associates						305
Profit before taxation						18,494
Income tax expense						(1,125)
Profit for the period						17,369

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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
For 3 months ended 30 June 2022						
Segment Revenue						
External revenue	228,462	47,056	13,562	271	-	289,351
Inter-segment revenue	1,894	11,442	4,516	18,931	(36,783)	-
Total	230,356	58,498	18,078	19,202	(36,783)	289,351
Profit / (loss) from operations	67,876	28,849	783	(842)	-	96,666
Finance costs						(2,178)
Share of profit of associates						30
Profit before taxation						94,518
Income tax expense						(9,631)
Profit for the period						84,887

	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
For 3 months ended 30 June 2021						
Segment Revenue						
External revenue	138,423	12,708	10,483	255	-	161,869
Inter-segment revenue	1,997	14,216	1,629	1,401	(19,243)	-
Total	140,420	26,924	12,112	1,656	(19,243)	161,869
Profit / (loss) from operations	4,122	3,649	1,934	(100)	-	9,605
Finance costs						(2,640)
Share of profit of associates						62
Profit before taxation						7,027
Income tax expense						(789)
Profit for the period						6,238



INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022

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

A8. Segmental reporting (Cont’)

Group

	4Q 2022 (RM'000)	4Q 2021 (RM'000)	Changes (%)
Revenue	289,351	161,869	78.8%
Profit before tax	94,518	7,027	1,245.1%

Revenue of the Group for the fourth quarter ended 30 June 2022 increased by 78.8% to RM289.4 million as compared to RM161.9 million in the previous corresponding quarter.

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

	4Q 2022 (RM'000)	4Q 2021 (RM'000)	Changes (%)
Revenue	228,462	138,423	65.0%
Profit before tax	67,281	3,539	1,801.1%

For the current quarter, the shipping segment’s revenue of RM228.5 million increased by 65.0% as compared to RM 138.4 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 FOURTH QUARTER ENDED 30 JUNE 2022

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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	4Q 2022 (RM'000)	4Q 2021 (RM'000)	Changes (%)
Revenue	47,056	12,708	270.3%
Profit before tax	27,332	1,742	1,469.0%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM47.1 million, increased by 270.3% as compared to RM12.7 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.

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

Service providers

	4Q 2022 (RM'000)	4Q 2021 (RM'000)	Changes (%)
Revenue	13,562	10,483	29.4%
Profit before tax	861	1,977	-56.4%

For the current quarter, the revenue from service providers segment increased by 29.4% compared to the preceding year's corresponding quarter.

The group has further expanded this segment by acquiring two subsidiaries in May 2022. Refer to section A11 for details of the acquisitions.

The decrease in profit before tax in service providers segment were mainly due to the increase of operating cost in logistic sector.

Investment Holding

	4Q 2022 (RM'000)	4Q 2021 (RM'000)	Changes (%)
Revenue	271	255	6.3%
Loss before tax	(956)	(231)	-313.9%

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.



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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 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”)

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

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.

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 6 July 2022, SYSCORP is satisfied to the fulfilment of all the Conditions Precedent as set out in the SSPA and has paid the Balance Sum under the SSPA. Accordingly, it is marking the completion of the Proposed Acquisition of PGSB.

Upon completion of the Proposed Acquisition of PGSB on 6 July 2022, PGSB will become a wholly-owned subsidiary of SYSCORP.

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

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

The Petition has been granted on the following terms: -

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

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

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

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

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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 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”).

Vendors of KBMSB	No. of Shares
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 on 6 May 2022, KBMSB had 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”).

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

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 on 27 May 2022, MCSSB had become a subsidiary of SYSCORP.

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A12. Income tax expense

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	10,262	(321)	12,368	484
Deferred tax	(631)	1,110	(619)	641
	<u>9,631</u>	<u>789</u>	<u>11,749</u>	<u>1,125</u>

A13. Contingent liabilities and contingent assets

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

	As at 30.06.2022 RM'000
Corporate guarantees given to licensed banks in consideration of credit facilities granted to subsidiaries and associates	<u>118,846</u>

The Group does not have any contingent assets.

A14. Material commitments

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

A15. Significant related party transactions

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

	Current Quarter to date 30.06.2022 RM'000	Balance due from/(to) As at 30.06.2022 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	43,747	36,824
Purchase of goods and services	(12,201)	(24,687)



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A15. Significant related party transactions (Cont’)

	Current Quarter to date 30.06.2022 RM’000	Balance due from/(to) As at 30.06.2022 RM’000
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	4,136	5,127
Purchase of goods and services	(1,228)	(2,892)

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.

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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

	4Q 2022 (RM'000)	3Q 2022 (RM'000)	Changes (%)
Revenue	289,352	210,173	37.7%
Profit before tax	94,518	30,651	208.4%

As compared to the immediate preceding quarter, the Group's current quarter's revenue has increased by 37.7% to RM289.4 million from RM210.2 million recorded in the immediate preceding quarter.

The increase in revenue was mainly due to vessel's work in progress for external parties had been delivered in the current quarter as well as 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.

B3. Commentary on Prospects

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

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



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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

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	55,177	100,829	156,006
Long-term borrowings	50,298	-	50,298
	<u>105,475</u>	<u>100,829</u>	<u>206,304</u>



INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022

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

B9. Borrowings and debt securities (Cont’)

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

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

B10. Off balance sheet financial instruments

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

B11. Changes in material litigation

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

B12. Earnings per share

(a) Basic

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

	Current year quarter 30.06.2022	Current year to date 30.06.2022
Profit attributable to equity holders of the Company (RM’000)	84,880	141,801
Weighted average number of ordinary shares in issue ('000)	1,149,362	1,159,790
Basic earnings per share (sen)	<u>7.38</u>	<u>12.23</u>

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

(b) Diluted

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

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

B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,234)	(747)	(3,587)	(2,328)
Sundry income	(692)	(277)	(2,144)	(1,360)
Interest expenses	2,178	2,640	9,101	11,352
Depreciation	23,617	27,255	91,261	93,573
Gain on disposal of property, plant and equipment	(712)	(2,164)	(2,675)	(10,865)
Property, plant and equipment written off	-	-	-	2
Reversal of inventory written off	-	(277)	-	(277)
Realised foreign exchange (gain) / loss	(202)	592	446	(129)
Unrealised foreign exchange (gain)/ loss	(294)	(236)	(210)	201
Allowance for impairment on receivables	1,700	-	1,700	-
Impairment loss on financial assets	7,976	-	7,976	-

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 fourth quarter ended 30 June 2022 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2022.

By order of the Board

Richard Ling Peng Liing
Company Secretary
29th August 2022