

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019
(The figures have not been audited)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.12.2019 RM'000	Preceding year corresponding quarter 31.12.2018 RM'000	Current year to date 31.12.2019 RM'000	Preceding year corresponding period 31.12.2018 RM'000
Revenue		155,859	177,630	327,567	337,317
Cost of sales		(164,302)	(174,522)	(343,488)	(321,682)
Gross (loss)/ profit		(8,443)	3,108	(15,921)	15,635
Other income		1,593	2,989	6,746	5,244
Administrative expenses		(7,874)	(7,199)	(14,525)	(15,186)
Operating (Loss)/ profits		(14,724)	(1,102)	(23,700)	5,693
Other Operating Cost		(3,748)	-	(3,748)	-
Finance Costs		(4,346)	(4,757)	(9,098)	(9,667)
Shares of profit of associates		-	352	318	711
Loss before tax		<u>(22,818)</u>	<u>(5,507)</u>	<u>(36,228)</u>	<u>(3,263)</u>
Tax expense	A12	(137)	(153)	(307)	(295)
Loss net of tax		<u>(22,955)</u>	<u>(5,660)</u>	<u>(36,535)</u>	<u>(3,558)</u>
Other comprehensive (loss)/ income:					
Foreign exchange translation	A16	(795)	51	(331)	1,669
Total comprehensive loss for the period		<u>(23,750)</u>	<u>(5,609)</u>	<u>(36,866)</u>	<u>(1,889)</u>
(Loss) / Profit attributable to:					
Equity holders of the parent		(23,224)	(5,910)	(37,034)	(3,668)
Non controlling interests		269	250	499	110
		<u>(22,955)</u>	<u>(5,660)</u>	<u>(36,535)</u>	<u>(3,558)</u>
Total comprehensive (loss) / income attributable to:					
Equity holders of the parent		(23,940)	(5,864)	(37,332)	(2,167)
Non controlling interests		190	255	466	278
		<u>(23,750)</u>	<u>(5,609)</u>	<u>(36,866)</u>	<u>(1,889)</u>
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	(1.98)	(0.50)	(3.16)	(0.31)
Diluted (sen)	B12	(1.98)	(0.50)	(3.16)	(0.31)

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 2019 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 31.12.2019 RM'000	Audited AS AT 30.06.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,142,248	1,193,063
Investment in associates		2,550	2,308
Other investments		181	181
Deferred tax assets		18	16
Intangible asset		2,070	2,064
		1,147,067	1,197,632
Current assets			
Inventories		67,669	63,813
Trade and other receivables		237,986	270,728
Other current assets		17,946	37,114
Tax recoverable		3,685	3,309
Cash and cash equivalents		75,517	68,759
		402,803	443,723
TOTAL ASSETS		1,549,870	1,641,355
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,216,972	1,216,972
Treasury share		(8,436)	(8,405)
Retained Earnings		106,258	147,153
Other reserve		(288,681)	(288,383)
		1,026,113	1,067,337
Non Controlling interests		8,970	8,504
Total equity		1,035,083	1,075,841
Non-current liabilities			
Borrowings	B9	65,881	76,700
Deferred tax liabilities		54,210	54,698
		120,091	131,398
Current liabilities			
Borrowings	B9	248,740	275,672
Derivative		21	21
Trade and other payables		141,676	133,613
Other current liabilities		3,394	24,108
Tax payable		865	702
		394,696	434,116
Total liabilities		514,787	565,514
TOTAL EQUITY AND LIABILITIES		1,549,870	1,641,355
Net assets per shares (RM)		0.88	0.92

Notes:

(a) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
	Equity, total RM'000	Non 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	Non- Controlling interests RM'000
At 1 July 2018	1,184,768	1,174,452	1,216,972	(4,678)	(289,701)	251,859	10,316
Effect of MFRS 9 adoption	(17,387)	(17,387)	-	-	-	(17,387)	-
	<u>1,167,381</u>	<u>1,157,065</u>	<u>1,216,972</u>	<u>(4,678)</u>	<u>(289,701)</u>	<u>234,472</u>	<u>10,316</u>
Loss net of tax	(89,158)	(86,668)	-	-	-	(86,668)	(2,490)
Other comprehensive income	1,532	1,379	-	-	1,379	-	153
Total comprehensive (loss)/ income	(87,626)	(85,289)	-	-	1,379	(86,668)	(2,337)
Transactions with Owners:							
Arising from increase in equity interest in a subsidiary	-	(651)	-	-	-	(651)	651
Disposal of subsidiary	(67)	(61)	-	-	(61)	-	(6)
Purchase of treasury shares	(3,727)	(3,727)	-	(3,727)	-	-	-
Dividend paid to non-controlling interests	(120)	-	-	-	-	-	(120)
At 30 June 2019	<u>1,075,841</u>	<u>1,067,337</u>	<u>1,216,972</u>	<u>(8,405)</u>	<u>(288,383)</u>	<u>147,153</u>	<u>8,504</u>

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INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
		Non distributable	Distributable				Non-
	Equity, total 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	Controlling interests RM'000
At 1 July 2019	1,075,841	1,067,337	1,216,972	(8,405)	(288,383)	147,153	8,504
Effect of MFRS 9 adoption	(3,861)	(3,861)	-	-	-	(3,861)	-
	<u>1,071,980</u>	<u>1,063,476</u>	<u>1,216,972</u>	<u>(8,405)</u>	<u>(288,383)</u>	<u>143,292</u>	<u>8,504</u>
(Loss)/ profit net of tax	(36,535)	(37,034)	-	-	-	(37,034)	499
Other comprehensive loss	(331)	(298)	-	-	(298)	-	(33)
Total comprehensive (loss)/ income	(36,866)	(37,332)	-	-	(298)	(37,034)	466
Transactions with Owners:							
Purchase of treasury shares	(31)	(31)	-	(31)	-	-	-
At 31 December 2019	<u>1,035,083</u>	<u>1,026,113</u>	<u>1,216,972</u>	<u>(8,436)</u>	<u>(288,681)</u>	<u>106,258</u>	<u>8,970</u>

Notes:

(a) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
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INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.12.2019 RM'000	Preceding year 31.12.2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(36,228)	(3,263)
Adjustment for:		
Depreciation	49,413	47,148
Bad debts written off	-	10
Inventory written off	-	1
Dividend income	(3,422)	(195)
Loss/ (gain) on disposal of fixed assets	2,619	(1,897)
Gain on foreign exchange	(310)	(343)
Interest expenses	9,098	9,667
Interest income	(976)	(823)
Property, plant and equipment written off	3	-
Share of results of associates	(318)	(711)
Operating profit before changes in working capital	19,879	49,594
<u>Working Capital Changes</u>		
Increase in inventories	(3,857)	(3,208)
Decrease/ (increase) in receivables	32,569	(22,502)
Decrease in other current assets	19,168	10,305
Decrease in payables	(3,950)	(8,766)
(Decrease)/ Increase in other current liabilities	(20,714)	17,083
Net changes in amounts due from/to related companies	14,185	7,257
Total changes in working capital	37,401	169
Cash generated from operations	57,280	49,763
Interest received	976	823
Interest paid	(9,098)	(9,667)
Income tax paid	(720)	(327)
Total interest and tax paid	(8,842)	(9,171)
Net cash generated from operating activities	48,438	40,592
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	3,422	195
Capital expenditure	(19,051)	(50,133)
Proceeds from disposal of property, plant and equipment	12,503	16,400
Net cash used in investing activities	(3,126)	(33,538)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net movement in trade financing	(19,393)	(49,561)
Repayment of hire purchase	-	706
Repayment of hire purchase	(1,657)	(3,516)
Proceeds from term loan	-	52,000
Repayment of term loans	(19,488)	(22,702)
Purchase of treasury share	(31)	(2,797)
Net cash flow used in financing activities	(40,569)	(25,870)
Net increase / (decrease) in cash and cash equivalents	4,743	(18,816)
Cash and cash equivalents at beginning of period	44,786	53,745
Effects of exchange rate changes	(1)	(3)
Cash and cash equivalents at end of period	49,528	34,926
Cash and cash equivalents comprise the following:		
Cash and bank balances	20,917	23,370
Deposit with licensed banks	54,600	39,400
Bank overdrafts	(25,989)	(27,844)
Cash and bank balances	49,528	34,926

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 2019 and the accompanying explanatory notes attached to this report.*

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

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 2019.

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 2019.

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 4 December 2019, shareholders of the Company had approved and renewed their approval authority for the Company’s plan to repurchase its own ordinary shares. No shares buy back during the current quarter. As at 31 December 2019, the Company had purchased and hold a cumulative total 28,850,400 of its issued ordinary shares repurchased from open market at an overall average price at RM0.29239 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

There were no dividend was paid during the current interim quarter under review.

A8. Segmental reporting

Segmental information in respect of the Group’s business segments comprising shipping, shipbuilding, ship repair & metal fabrication, shipping agency and investment holding are presented as follows:

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Shipping agency RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 6 months ended 31 December 2019						
Segment Revenue						
External revenue	239,739	83,909	3,522	397	-	327,567
Inter-segment revenue	5,632	11,497	603	1,571	(19,303)	-
Total	245,371	95,406	4,125	1,968	(19,303)	327,567
(Loss)/Profit from operations	(17,194)	(9,350)	2,255	589	-	(23,700)
Other operating expense						(3,748)
Finance costs						(9,098)
Share of profit of associates						318
Loss before tax						(36,228)
Tax expense						(307)
Loss for the period						(36,535)

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Shipping agency RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 6 months ended 31 December 2018						
Segment Revenue						
External revenue	277,820	56,169	3,150	178	-	337,317
Inter-segment revenue	5,088	12,415	1,436	1,698	(20,637)	-
Total	282,908	68,584	4,586	1,876	(20,637)	337,317
Profit/ (loss) from operations	16,155	(12,848)	3,487	(1,101)	-	5,693
Finance costs						(9,667)
Share of profit of associates						711
Loss before tax						(3,263)
Tax expense						(295)
Loss for the period						(3,558)

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INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

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

A8. Segmental reporting (Cont’)

	Shipping RM'000	Shipbuilding, Ship repair and Metal Fabrication RM'000	Shipping agency RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000
For 3 months ended 31 December 2019						
Segment Revenue						
External revenue	122,807	30,695	2,118	239	-	155,859
Inter-segment revenue	3,807	6,820	4	785	(11,416)	-
Total	126,614	37,515	2,122	1,024	(11,416)	155,859
(Loss)/Profit from operations	(12,572)	(3,776)	1,201	423	-	(14,724)
Other operating expense						(3,748)
Finance costs						(4,346)
Share of profit of associates						-
Loss before tax						(22,818)
Tax expense						(137)
Loss for the period						(22,955)

	Shipping RM'000	Shipbuilding, Ship repair and Metal Fabrication RM'000	Shipping agency RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000
For 3 months ended 31 December 2018						
Segment Revenue						
External revenue	142,439	33,571	1,526	94	-	177,630
Inter-segment revenue	2,507	6,071	776	849	(10,203)	-
Total	144,946	39,642	2,302	943	(10,203)	177,630
Profit/ (loss) from operations	6,493	(8,584)	1,607	(618)	-	(1,102)
Finance costs						(4,757)
Share of profit of associates						352
Loss before tax						(5,507)
Tax expense						(153)
Loss for the period						(5,660)

Group

	2Q 2020 (RM'000)	2Q 2019 (RM'000)	Changes (%)
Revenue	155,859	177,630	-12.3%
Loss before tax	(22,818)	(5,507)	-314.3%

Revenue of the Group for the second quarter ended 31 December 2019 decreased by 12.3% to RM155.9 million as compared to RM177.6 million in the previous corresponding quarter.

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

A8. Segmental reporting (Cont’)

The decrease was mainly due to the lower revenue generated from shipping, shipbuilding and ship repair segments in the current quarter.

The loss before tax were due to the decrease in margin in shipping segments on bulk carriers sector and barges & tugboats for preparation and docking costs incurred. And also due to the unrealised margin on production overheads of new shipbuilding’s work in progress during construction in Shipbuilding and ship repair segments.

Performance and prospects of each operating segment are discussed below:

Shipping

	2Q 2020 (RM’000)	2Q 2019 (RM’000)	Changes (%)
Revenue	122,807	142,439	-13.8%
(Loss)/Profit before tax	(17,091)	805	-2223.1%

For the current quarter, the shipping segment’s revenue of RM122.8 million decreased by 13.8% as compared to RM 142.4 million revenue recorded in the corresponding quarter. This was mainly due to the lower volume carried from domestic and international shipment operations in the current quarter.

The loss before tax in shipping segment were due to the decrease in margin in shipping segments on bulk carriers sector and barges & tugboats for preparation and docking costs incurred in current quarter.

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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	2Q 2020 (RM'000)	2Q 2019 (RM'000)	Changes (%)
Revenue	30,695	33,571	-8.6%
Loss before tax	(7,119)	(7,511)	5.2%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM30.7million decreased by 8.6% as compared to RM33.6 million revenue recorded in the corresponding quarter. The decrease in revenue was mainly due to less vessel’s work in progress for external parties to be delivered in the following quarters.

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

Shipping agency

	2Q 2020 (RM'000)	2Q 2019 (RM'000)	Changes (%)
Revenue	2,118	1,526	38.8%
Profit before tax	1,200	1,263	-5.0%

For the current quarter, the revenue from shipping agency segment increased by 38.8% compared to the preceding year’s corresponding quarter. The decrease in profit before tax was mainly due to the lower in profit margin in current quarter.

Investment Holding

	2Q 2020 (RM'000)	2Q 2019 (RM'000)	Changes (%)
Revenue	239	94	154.3%
Profit/ (Loss) before tax	192	(64)	400.0%

The revenue from Investment Holding segment was derived from the rental income and interest income from the financial institutions.

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.

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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

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.

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 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	300	316	795	749
Deferred tax	(163)	(163)	(488)	(454)
	<u>137</u>	<u>153</u>	<u>307</u>	<u>295</u>

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 31 December 2019 are as follows:

	As at 31.12.2019 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>215,890</u>

The Group does not have any contingent assets.

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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.

	Current Quarter to date 31.12.2019 RM'000	Balance due from/(to) As at 31.12.2019 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	18,750	55,780
Purchase of goods and services	(8,998)	(14,729)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	910	3,368
Purchase of goods and services	(529)	(14,241)

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

A16. Other Comprehensive Income

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

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 after tax for the current quarter as compared with the immediate preceding quarter

	2Q 2020 (RM'000)	1Q 2020 (RM'000)	Changes (%)
Revenue	155,859	171,708	-9.2%
Loss before tax	(22,818)	(13,409)	-70.2%

As compared to the immediate preceding quarter, the Group's current quarter's revenue decreased by 9.2% to RM155.9 million from RM171.7 million recorded in the immediate preceding quarter.

The loss before tax due to the lower margin in shipping segments on bulk carriers sector and barges & tugboats for preparation and docking costs incurred. And also due to the unrealised margin on production overheads of new shipbuilding's work in progress during construction in Shipbuilding and ship repair 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.

Vessel overcapacity and demand continues to put dry bulk cargo rates under pressure over the short term. The Group has prepared itself for the continuing uncertainties in global economic situations. The prospects for the shipping industry continue to remain challenging and positive with the recent stable in crude oil price and the Group is prepared with a 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.

The other dependents for shipbuilding 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 to 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.

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

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

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	79,047	169,693	248,740
Long-term borrowings	65,881	-	65,881
	<u>144,928</u>	<u>169,693</u>	<u>314,621</u>

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

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

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 26 February 2020.

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

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

B11. Changes in material litigation

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

B12. Earnings per share

(a) Basic

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

	Current year quarter 31.12.2019	Current year to date 31.12.2019
Loss attributable to equity holders of the Company (RM'000)	(23,224)	(37,034)
Weighted average number of ordinary shares in issue ('000)	1,171,150	1,171,161
Basic earnings per share (sen)	<u>(1.98)</u>	<u>(3.16)</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
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PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

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B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(513)	(392)	(976)	(915)
Sundry income	(268)	(541)	(486)	(5,619)
Interest expenses	4,346	4,757	9,098	10,048
Depreciation	25,507	23,620	49,413	40,492
Loss/ (gain) on disposal of property, Plant and equipment	3,237	(3,059)	2,619	(6,861)
Realised foreign exchange loss/(gain)	248	(86)	279	(1,320)
Unrealised foreign exchange (gain) /loss	(121)	(90)	(310)	670

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B14. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2019 was not qualified.

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Authorised for issue

The interim report for the second quarter ended 31 December 2019 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2020.

By order of the Board

Richard Ling Peng Liing
Company Secretary
27th February 2020