

OTHERS Disposal of Equity Interest in Shin Yang Shipbuilding & Engineering RMC FZC ("SYSBE")

SHIN YANG SHIPPING CORPORATION BERHAD

Type	Announcement
Subject	OTHERS
Description	Disposal of Equity Interest in Shin Yang Shipbuilding & Engineering RMC FZC ("SYSBE")

(The Ringgit Malaysia equivalent for this Announcement is based on the middle exchange rate quoted on Bank Negara Malaysia website as at 5.00 pm on 1st April 2019 of AED100:RM111.)

1. INTRODUCTION

The Board of Directors of Shin Yang Shipping Corporation Berhad ("**SYSCorp**" or "**Company**") wishes to announce that the Company has on 1st April 2019 received a stamped Statutory Confirmation from Ras Al Khaimah Maritime City Free Zone Authority, Government of Ras Al Khaimah, United Arab Emirates that Shin Yang FZC ("**SYFZC**" or "**Vendor**"), a 90% owned indirect subsidiary of SYSCorp had on 13th March 2019 disposed of its entire 45% equity interest comprising 450 shares in the capital of Shin Yang Shipbuilding & Engineering RMC FZC ("**SYSBE**") as follow:-

a) 35% equity interest comprising 350 shares in capital of SYSBE to Solaris Petra Sdn. Bhd. ("**SPSB**") for a cash consideration of AED 10.00 (equivalent to RM11.10); and

b) 10% equity interest comprising 100 shares in capital of SYSBE to Juma Khalifa Obaid Abushibs ("**JUMA**") for a cash consideration of AED 1.00 (equivalent to RM 1.11)

("Disposal ")

Pursuant to the Disposal, Shin Yang Shipbuilding & Engineering RMC FZC has ceased to be an associated company of the Company.

2. INFORMATION ON SYSBE

SYSBE was incorporated in United Arab Emirates under the regulations of Ras Al Khaimah Maritime City Free Zone Authority as a Free Zone limited liability company on 21 June 2010.

The authorised share capital of SYSBE is AED 1,000,000.00 with an issued and paid-up capital of 1,000 Shares.

The principal activity of SYSBE is ship repair and fabrication.

3. RATIONALE

The Company decided that it is not feasible to continue the business as it anticipated higher cost of operations and returns from this investment do not meet the Company's expectation.

4. Basis of Arriving at the Disposal Consideration

The Disposal Consideration was paid in cash and is based on a willing buyer and willing seller basis.

5. FINANCIAL EFFECTS

The Disposal is not expected to have any material effect on the net assets per share, earnings per share, gearing and share capital or the substantial shareholders' shareholdings of the Company and SYSCorp Group for the financial year ending 30 June 2019.

6. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

Juma is deemed to have an interest in the Disposal by virtual of his directorship in SYFZC and being the minor shareholder of SYSCorp.

Saved as disclosed above, none of the Directors, major shareholders of SYSCorp or its subsidiaries and/or persons connected with them, has any interest, direct or indirect in the Disposal.

7. APPROVAL REQUIRED

The transactions do not require the approvals of the shareholders of SYSCorp nor of any government authorities.

8. DIRECTORS' STATEMENT

The Board of Directors having considered all aspects of the Disposal is of the opinion that the Disposal is in the best interest of the Company and the Group as well as fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders of the Company.

This announcement is dated 2nd April 2019.

Announcement Info

Company Name	SHIN YANG SHIPPING CORPORATION BERHAD
Stock Name	SYSCORP
Date Announced	02 Apr 2019
Category	General Announcement for PLC