

OTHERS DISPOSAL OF 41.0% EQUITY INTEREST IN SHIN YANG FZC

SHIN YANG SHIPPING CORPORATION BERHAD

Type	Announcement
Subject	OTHERS
Description	DISPOSAL OF 41.0% EQUITY INTEREST IN SHIN YANG FZC

(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 23rd July 2019 of AED100:RM 112.1034)

1. INTRODUCTION

The Board of Directors of Shin Yang Shipping Corporation Berhad ("SYSCorp") wishes to announce that SYSCorp has on 23rd July 2019 received a stamped Share Sale and Purchase Agreement from our Ras Al Khaimah office, that Shin Yang Shipping Sdn Bhd ("SYS"), a wholly owned subsidiary of SYSCorp had on 27th June 2019 disposed of its 41.0% equity interest comprising 1,640 shares of AED 1,000 each in the capital of Shin Yang Free Zone Company ("SYFZC") for a cash consideration of AED 1,640,000 (equivalent to RM 1,838,495.76) ("Disposal").

Pursuant to the Disposal, SYFZC has ceased to be a subsidiary, and becomes an associate company of the SYSCorp.

2. INFORMATION ON SYFZC

SYFZC was incorporated in Ras Al Khaimah Free Zone (RAK), United Arab Emirates under United Arab Emirates law.

The authorized paid up share capital of SYFZC is AED 4,000,000.00 divided into 4,000 ordinary shares of AED 1,000 each.

The principal activities of SYFZC are investment holding and engaged in offshore and marine related shipping business.

3. INFORMATION ON PURCHASER

Juma Khalifa Obaid Abushibs (Emirates National) is the existing owner of and holds 400 shares comprising 10.0% of the issued shares of SYFZC. With the purchase of additional 41.0% of equity interest in SYFZC, Juma Khalifa Obaid Abushibs become the 51% equity owner of SYFZC, with holding 2,040 shares of AED 1,000 each.

4. RATIONALE

The Disposal is in line with the streamlining of SYSCorp Group's earnings and consolidation of business activities.

5. 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.

6. 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 SYSCorp Group for the financial year ending 30 June 2019.

7. APPLICABLE PERCENTAGE RATIOS

The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 0.51%, as based on the audited consolidated financial statements of SYSCorp for the financial year ended 30 June 2018.

8. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

None of the directors and/or major shareholders of the SYSCorp group and/or persons connected with them has any interest, direct or indirect in the Disposal.