SHIN YANG GROUP BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS): RELATED PARTY TRANSACTIONS
Description	ACQUISITION OF A PARCEL OF LEASEHOLD LAND TOGETHER WITH THE BUILDING ERECTED THEREON SITUATED AT PENDING INDUSTRIAL ESTATE KUCHING, SARAWAK.

1. INTRODUCTION

The Board of Directors of Shin Yang Group Berhad ("SYGroup" or "the Company") wishes to announce that the Company had on **4 September 2026** entered into a Sale and Purchase Agreement ("SPA") with **Forescom Plywood Sdn. Bhd.** ("the Vendor") to acquire a parcel of land together with a single storey office building, a double storey semi-concrete worker quarters, a double storey worker quarter/store, a single storey workshop building and out building standing situated at Jalan Semangat, Pending Industrial Estate, Kuching, Sarawak, measuring approximately **8.316 hectares** and held under **Lot 2233, Section 66, Kuching Town Land District, Sarawak** ("the Property"), for a total purchase consideration of **RM34,000,000.00** ("Purchase Consideration") ("the Acquisition").

2. DETAILS OF THE ACQUISITION

2.1 Information on the Vendor

Forescom Plywood Sdn. Bhd. was incorporated in Malaysia as a public company (known as Forescom Plywood Berhad) on 14 April 1975, and converted to a private limited company on 14 December 2007. It is principally involved in the manufacturing and sale of plywood and veneer.

As at the date of this announcement, its issued share capital is RM20,000,000.00 comprising 20,000,000 ordinary shares.

The directors and shareholders of Forescom Plywood Sdn Bhd and their direct and indirect shareholding in Forescom Plywood Sdn Bhd are set out below:

Name	***Direct***		***Indirect***	
	No. of shares	***%*** [(2)]	***No. of shares***	***%*** [(2)]
<u>Directors</u>				
Tan Sri Datuk Ling Chiong Ho	-	-	[(3)] *20,000,000*	*100.0*
Ling Chiong Pin	-	-	[(3)] *20,000,000*	*100.0*
Ling Chiong Sing	-	-	[(3)] *20,000,000*	*100.0*
Ling Chiong Sieng	-	-	[(3)] *20,000,000*	*100.0*
Datuk Ling Lu Kiong	-	-	-	-

Ling Pau Pau	-	-	-	-
<u>Shareholders</u>				
Nirama Sdn Bhd (“Nirama”)	*20,000,000*	*100.0*	-	-
Shin Yang Holding Sdn Bhd (“SYHSB”) (1)	-	-	*20,000,000*	*100.0*

(1) Nirama Sdn Bhd is a wholly owned subsidiary of SYHSB

(2) Calculated based on 20,000,000 ordinary shares of Nirama in issue.

(3) Deemed interested by virtue of his shareholdings in Shin Yang Holding pursuant to Section 8 of the Act.

The date and original cost of investment of Nirama in Forescom Plywood Sdn Bhd are as follows:

Vendors	Date of investment	No. of shares	Consideration (RM)
Nirama	21.10.1989 08.02.1994 05.07.1995	6,000,000 8,000,000 6,000,000	6,000,000 8,000,000 6,000,000
TOTAL		**20,000,000**	**20,000,000**

2.2 Details of the Property

Land

Registered owner	Forescom Plywood Sdn Bhd
Title	Lot 2233 Section 66 Kuching Town Land District
Location	Jalan Semangat, Pending Industrial Estate, Kuching, Sarawak.
Land Area	8.316 hectares, more or less
Tenure	60 years leasehold land expiring on 30 March 2037
Category of Land use	Mixed Zone Land/Town Land
Encumbrances	None
Market Value	RM34,000,000.00 (Based on a Valuation Report dated 14th August 2026 by CH Williams Talhar Wong & Yeo Sdn Bhd)

2.3 Purchase Consideration

The total Purchase Consideration of the Acquisition is RM34,000,000.00, was arrived at on a willing buyer willing seller basis, supported by independent valuations using the Comparison Approach. Under this approach, the value of the property is determined by comparing it with recent sales and/or listings of similar properties in the vicinity, or if not available, within similar localities.

2.4 Liabilities to be assumed

There are no other liabilities, contingent liabilities or guarantees to be assumed by SYGroup pursuant to the Acquisition.

3. SALIENT TERMS OF THE SPA OF THE SAID ACQUISITION

a) SYGroup shall pay the Vendor a sum of **RINGGIT MALAYSIA THREE MILLION AND FOUR HUNDRED THOUSAND ONLY (RM3,400,000.00)**, being equivalent to 10% of the Purchase Price as deposit upon the signing of this Agreement; and

b) The balance sum of **RINGGIT MALAYSIA THIRTY MILLION AND SIX HUNDRED THOUSAND ONLY (RM30,600,000.00)** (hereinafter referred to as "the Balance of the Purchase Price") shall be paid to the Parties' Solicitors as stakeholder within two (2) months from the date of receipt by the said Solicitors of the Transfer Consent. In the event that SYGroup is unable to pay the Balance Purchase Price or any part thereof within two (2) months from the date of receipt by the said Solicitors of the Transfer Consent, the Vendor shall automatically grant the SYGroup an extension of one (1) month; and

c) Title condition for consent to transfer under title condition (v) of the Lease of State Land document of title of which the Vendor will at its own costs make the necessary application for such consent to transfer (hereinafter referred to as "the Transfer Consent"). The Vendor shall obtain the Transfer Consent within four (4) months from the date of the SPA.

4. RATIONALE FOR THE ACQUISITION

a) To support expansion of logistics development for door-to-door services in term of constructing warehouse and container depot as a complete Logistic Service Provider.

b) To reduce rental dependency and related party transactions by acquiring instead of leasing from Forescom Plywood Sdn. Bhd.

5) RISK FACTORS

SYGroup does not foresee any material risk arising from the Acquisition. Standard risks associated with property ownership, such as maintenance and property market fluctuations, are manageable and will be mitigated through existing internal controls and asset management procedures.

6) PROSPECTS

The Property is strategically located within the industrial hub of Kuching and Kuching Port, Sarawak. This will enhance SYGroup's operational capacity and logistical efficiency. The Acquisition aligns with SYGroup's long-term expansion strategy and is expected to contribute positively to its operational performance and asset base.

7) SOURCE OF FUNDING

The Acquisition is fully funded through partly bank financing and partly internally generated funds of SYGroup.

8) FINANCIAL EFFECTS OF THE ACQUISITION

a) **Share capital**
The Acquisition will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of SYGroup as the Acquisition does not involve any issuance of new ordinary shares by SYGroup.

b) **Earnings and Net Assets**
The Acquisition is not expected to have a significant effect on the net assets per share and the earnings of the SYGroup for the financial year ending 31 December 2026. However, it is expected to contribute positively to the future earnings of the SYGroup.

c) **Gearing**
The Acquisition is not expected to have any material impact on the gearing of SYGroup as it will be partly funded by internally generated funds of SYGroup.

9) HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Acquisition Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 2.14% based on the total Purchase Consideration against the audited consolidated net assets of SYGroup of RM1,590.8million as at 31 December 2025.

10) APPROVAL REQUIRED

The Acquisition is subject to the consent in writing from the Director of Lands and Surveys in accordance with the condition endorsed on the land title, which restricts any transfer without such consent.

No approval from shareholders or any other regulatory authorities is required for the Acquisition.

11) INTEREST OF DIRECTORS, SUBSTANTIAL/MAJOR SHAREHOLDERS AND PERSONS CONNECTED

Save as disclosed below, none of the Directors, major shareholders of SYGroup and/or persons connected to them has any interest, direct or indirect, in the Acquisition:-

(i) SYHSB, being the direct major shareholder of SYGroup is the ultimate holding company of Forescom Plywood Sdn Bhd;

(ii) Tan Sri Datuk Ling Chiong Ho, who is an indirect major shareholder of SYGroup, is also an indirect major shareholder of Forescom Plywood Sdn Bhd through SYHSB. Further, Tan Sri Datuk Ling Chiong Ho, who is the Non-Independent Group Executive Chairman of SYGroup, is also the Group Executive Chairman of SYHSB;

(iii) Ling Chiong Sing, who is an indirect major shareholder of SYGroup, is also an indirect major shareholder of Forescom Plywood Sdn Bhd through SYHSB. Further, Ling Chiong Sing, who is the Group Managing Director of SYGroup, is also the Group Chief Executive Director of SYHSB;

(iv) Ling Chiong Pin, who is an indirect major shareholder of SYGroup, is also an indirect major shareholder of Forescom Plywood Sdn Bhd through SYHSB. Further, Ling Chiong Pin, who is the Executive Director of SYGroup, is also the Executive Director of SYHSB;

(v) Ling Chiong Sieng, who is an indirect major shareholder of SYGroup, is also an indirect major shareholder of Forescom Plywood Sdn Bhd through SYHSB;

(vi) Ling Siu Chuo, who is the Non-Independent Non-Executive Director of SYGroup, is a representative of SYHSB on the Board of SYGroup, and

(vii) Datuk Ling Lu Kiong, who is the Non-Independent Group Executive Vice Chairman of SYGroup, is a director of Forescom Plywood Sdn Bhd.

(SYHSB, Tan Sri Datuk Ling Chiong Ho, Ling Chiong Sing, Ling Chiong Pin and Ling Chiong Sieng are collectively referred to as “**Interested Major Shareholders**”, while Tan Sri Datuk Ling Chiong Ho, Ling Chiong Sing, Ling Chiong Pin, Ling Siu Chuo and Datuk Ling Lu Kiong are collectively referred to as “**Interested Directors**”).

The Acquisition is deemed a related party transaction under Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Major Shareholders and the Interested Directors.

Accordingly, the Interested Major Shareholders and/or Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of the Acquisition at the relevant Board meetings of SYGroup.

12) DIRECTORS’ STATEMENT

The Board (save for the Interested Directors who have abstained from all deliberations and voting on the Acquisition), having considered all aspects of the said Acquisition, is of the opinion that the Acquisition is in the best interest of the Company and the terms and conditions of the SPA are fair and reasonable.

13) AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company, after having considered all aspects of the Acquisition, including but not limited to the rationale, the salient terms of the SPA, effects of the Acquisition, is of the opinion that the Acquisition is: -

a) in the best interests of the Company;

b) fair, reasonable and on normal commercial terms; and

c) not detrimental to the interest of the non-interested shareholders of the Company.

14) ESTIMATED TIMEFRAME FOR COMPLETION

The Acquisition shall be completed upon full settlement of the Purchase Consideration and fulfilment of title condition for consent to transfer by the Vendor.

15) DOCUMENTS AVAILABLE FOR INSPECTION

The SPA is available for inspection at the registered office of SYGroup at Sublot 153 (Parent Lot 70), Jalan Kuala Baram, Kuala Baram, 98100 Miri, Sarawak from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.