

SHIN YANG GROUP BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS): RELATED PARTY TRANSACTIONS
Description	PROPOSED ACQUISITION OF A PARCEL OF LEASEHOLD LAND SITUATED OFF SEPANGGAR BAY, CITY OF KOTA KINABALU, STATE OF SABAH TOGETHER WITH A WORKSHOP BUILDING ERECTED THEREON

1. INTRODUCTION

The Board of Directors of Shin Yang Group Berhad (“SYGroup” or “the Company”) wishes to announce that its wholly owned subsidiary, Shin Yang Shipping Sdn Bhd (“the Purchaser”) had on **21 October 2025** entered into a Sale and Purchase Agreement (“SPA”) with **Shin Yang Sdn. Bhd.** (“the Vendor”) to acquire a parcel of leasehold land situated off Sepanggar Bay, City of Kota Kinabalu, State of Sabah measuring approximately **5.37 hectares** and held under **CL 015551023 District of Kota Kinabalu, Sabah** together with a workshop building erected thereon (“the Property”), for a total purchase consideration of **RM26,600,000.00** (“Purchase Consideration”) (“the Proposed Acquisition”).

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on the Vendor

Shin Yang Sdn. Bhd. was incorporated in Malaysia as a private limited company on 24 February 1983. It is principally involved in timber operation and trading, investment in realty and letting of premises and hiring of plant and machinery.

As at the date of this announcement, its issued share capital is RM51,000,000.00 comprising 48,500,000 ordinary shares and 2,500,000 preference shares.

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

Name	Direct		Indirect	
	No. of shares	% ⁽²⁾	No. of shares	% ⁽²⁾
<u>Directors</u>				
<i>Tan Sri Datuk Ling Chiong Ho</i>	-	-	⁽³⁾ 48,500,000	100.0
<i>Ling Chiong Pin</i>	-	-	⁽³⁾ 48,500,000	100.0
<i>Ling Chiong Sing</i>	-	-	⁽³⁾ 48,500,000	100.0
<i>Ling Chiong Sieng</i>	-	-	⁽³⁾ 48,500,000	100.0
<u>Shareholders</u>				
<i>Shin Yang Corporation Sdn Bhd (“SYCSB”) ⁽¹⁾</i>	48,500,000	100.0	-	-

- (1) SYCSB is a wholly owned subsidiary of Shin Yang Holding Sendirian Berhad ("SYHSB")
- (2) Calculated based on 48,500,000 ordinary shares of Shin Yang Sdn Bhd in issue.
- (3) Deemed interested by virtue of his shareholdings in SYHSB pursuant to Section 8 of the Act.

The date and original cost of investment of SYCSB in Shin Yang Sdn Bhd are as follows:

Vendors	Date of investment	No. of shares	Consideration (RM)
SYCSB	06.02.1997	1,000,000	1,000,000
	18.02.1997	5,000,000	5,000,000
	26.06.2017	42,500,000	42,500,000
TOTAL		48,500,000	48,500,000

2.2 Details of the said of the Property

Registered owner	Shin Yang Sdn bhd
Title	CL 015551023
Location	Kg. Notong Sepangar Bay, Off Jalan Sepanggar Bay, 88450 Kota Kinabalu, Sabah
Land Area	5.37 hectares, more or less
Tenure	99 years Leasehold land expiring on 31 December 2095
Category of Land use	Industrial Land
Encumbrances	None
Market Value	RM26,600,000.00 (Based on a Valuation Report dated 2nd July 2025 by CH Williams Talhar Wong & Yeo Sdn. Bhd.)

2.3 Purchase Consideration

The total Purchase Consideration of the Proposed Acquisition is RM26,600,000.00, 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 Proposed Acquisition.

3. SALIENT TERMS OF THE SPA OF THE SAID PROPOSED ACQUISITION

The Purchase Consideration will be settled by the Purchaser in cash via internally generated funds, to the Vendor in the following manner:

- (i) Payment of RM 2,660,000.00, being equivalent to 10% of the Purchase Consideration ("Deposit"), upon the execution of the SPA; and
- (ii) Payment of RM 23,940,000.00, being equivalent to 90% of the Purchase Consideration ("Balance Sum") within 90 days from the date of SPA or upon the acceptance of the Memorandum of Transfer by the Central Land Office, Kota Kinabalu, Sabah, evidenced by the prescription of memorial numbers by the Central Land Office, Kota Kinabalu, Sabah whichever is later.

4. RATIONALE FOR THE PROPOSED ACQUISITION

- a) To support warehouse expansion and logistics development for door-to-door services as an integrated Logistic Service Provider.
- b) To facilitate future expansion of warehousing facilities on owned land.
- c) To reduce rental dependency and related party transactions by acquiring instead of leasing from Shin Yang Sdn. Bhd.

5) RISK FACTORS

SYGroup does not foresee any material risk arising from the Proposed 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 Sepangar Bay Industrial area, Kota Kinabalu, Sabah. This will enhance SYGroup's operational capacity and logistical efficiency. The Proposed 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 Proposed Acquisition is fully funded through internally generated funds.

8) FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

a) Share capital

The Proposed 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 Proposed Acquisition is not expected to have a significant effect on the net assets per share and the earnings of the SYGroup for the financial period ending 31 December 2025. However, it is expected to contribute positively to the future earnings of the SYGroup.

c) Gearing

The Proposed 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 Proposed Acquisition Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 2.61% based on the total Purchase Consideration against the market capitalisation of SYGroup of RM1,020 million as at 21st October 2025.

10) APPROVAL REQUIRED

The Proposed Acquisition is subject to the acceptance by the Central Land Office, Kota Kinabalu, Sabah of the transfer in respect of the Property into the name of the Purchaser, as evidenced by the prescription of memorial numbers by the Central land Office, Kota Kinabalu, Sabah.

No approval from shareholders or any other regulatory authorities is required for the Proposed 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 Proposed Acquisition:-

- (i) SYHSB, being the direct major shareholder of SYGroup is the ultimate holding company of Shin Yang Sdn Bhd;
- (ii) Tan Sri Datuk Ling Chiong Ho, who is an indirect major shareholder of SYGroup, is also an indirect major shareholder of Shin Yang 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 Shin Yang 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 Shin Yang 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 Shin Yang 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, and also is a representative of SYHSB on the Board of SYGroup. He is the son of Tan Sri Datuk Ling Chiong Ho and nephew of Ling Chiong Sing, Ling Chiong Pin, Ling Chiong Sieng and Ling Siu Chuo.

(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 Proposed 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 Proposed 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 Proposed Acquisition), having considered all aspects of the said Proposed Acquisition, is of the opinion that the Proposed 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 Proposed Acquisition, including but not limited to the rationale, the salient terms of the SPA, effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition are:-

- a) in the best interest 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

Barring any unforeseen circumstances and subject to all approvals (if any) being obtained, the Proposed Acquisition is expected to be completed by 4th quarter of 2025.

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.

This announcement is dated 21 October 2025.