

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 THEREOF 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 **26 June 2025** entered into a Sale and Purchase Agreement (“SPA”) with **Forescom Plywood Sdn. Bhd.** (“the Vendor”) to acquire a parcel of leasehold land together with a warehouse building situated at Pending Industrial Estate, Kuching, Sarawak measuring approximately **1.9469 hectares** and held under **Lot 47, Section 66, Kuching Town Land District, Sarawak** (“the Property”), for a total purchase consideration of **RM12,050,000.00** (“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>				
<i>Tan Sri Datuk Ling Chiong Ho</i>	-	-	⁽³⁾ 20,000,000	100.0
<i>Ling Chiong Pin</i>	-	-	⁽³⁾ 20,000,000	100.0
<i>Ling Chiong Sing</i>	-	-	⁽³⁾ 20,000,000	100.0
<i>Ling Chiong Sieng</i>	-	-	⁽³⁾ 20,000,000	100.0
<i>Datuk Ling Lu Kiong</i>	-	-	-	-
<i>Ling Pau Pau</i>	-	-	-	-
<u>Shareholders</u>				
<i>Nirama Sdn Bhd (“Nirama”)</i>	20,000,000	100.0	-	-

<i>Shin Yang Holding Sdn Bhd ("SYHSB")⁽¹⁾</i>	-	-	20,000,000	100.0
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- (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	6,000,000	6,000,000
	08.02.1994	8,000,000	8,000,000
	05.07.1995	6,000,000	6,000,000
TOTAL		20,000,000	20,000,000

2.2 Details of the said of the Property

Land

Registered owner	Forescom Plywood Sdn bhd
Title	Lot 47 Section 66 Kuching Town Land District
Location	Jalan Temaga, Pending Industrial Estate, 93450 Kuching, Sarawak.
Land Area	1.9469 hectares, more or less
Tenure	60 years Leasehold land expiring on 22 June 2052
Category of Land use	Mixed Zone Land/Town Land
Encumbrances	None
Market Value	RM10,700,000.00 (Based on a valuation report dated 9 th October 2024 by CH Williams Talhar Wong & Yeo Sdn. Bhd.)

Building

Structure	Single storey warehouse with office
Built up area	Total approximately 2,390.04 m ²
Specifications	<ul style="list-style-type: none"> • Steel frame with metal sheet cladding • Reinforced concrete flooring • Metal sliding doors and aluminium framed louvre windows • Chain-linked/metal sheet fencing
Market Value	RM1,350,000.00 (Based on a valuation report dated 16 January 2025 by CH Williams Talhar Wong & Yeo Sdn. Bhd.)

2.3 Purchase Consideration

The total Purchase Consideration of the Acquisition is RM12,050,000.00, 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) All Purchase consideration of RM 12,050,000.00 has been settled on 26 June 2025 upon execution of the SPA.

4. RATIONALE FOR THE ACQUISITION

- a) To support warehouse expansion and logistics development for door-to-door services as a complete 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 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 Region, 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 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 30 June 2025. 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 0.93%.based on the total Purchase Consideration against the audited consolidated net assets of SYGroup of RM1,301.6million as at 30 June 2024.

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 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

The Acquisition has been effected on 26 June 2025 upon full settlement of the purchase consideration.

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 30 June 2025.