

THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has conducted a limited review on Part A of this Circular/Statement and has not peruse Part B of this Statement as it is prescribed as an exempt document.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.



SUNSURIA BERHAD

Registration No.: 196801000641 (8235-K)

Incorporated in Malaysia

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

AND

PART B

SHARE BUY-BACK STATEMENT IN RELATION TO

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The resolutions in respect of the above proposals will be tabled at the Fifty-Third Annual General Meeting ("53rd AGM") of Sunsuria Berhad ("Sunsuria" or the "Company") which will be conducted in a fully virtual manner through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 16 March 2022 at 10.00 a.m.

The Form of Proxy should be lodged with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time stipulated for holding the 53rd AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 53rd AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 14 March 2022 at 10.00 a.m.

Date and time of 53rd AGM : 16 March 2022 at 10.00 a.m.

This Circular/Statement is dated 28 January 2022
("Circular/Statement")

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DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Circular/Statement:

| | | |
|---|---|---|
| “Act” or “Companies Act” | : | The Companies Act, 2016 as amended from time to time and any re-enactment thereof |
| “AGM” | : | Annual General Meeting |
| “Board” | : | The Board of Directors of Sunsuria |
| “Bursa Securities” | : | Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)) |
| “Code” | : | Rules on Take-overs, Mergers and Compulsory Acquisitions, as amended from time to time |
| “Director(s)” | : | A person defined in Section 2(1) of the Capital Markets and Services Act 2007 and for the purposes of Recurrent Related Party Transactions includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Director or a chief executive officer of the Company, its subsidiaries or holding company |
| “Listing Requirements” | : | The Main Market Listing Requirements of Bursa Securities as amended from time to time and re-enactment thereof |
| “LPD” | : | 19 January 2022 being the latest practicable date prior to the printing of this Circular/Statement |
| “Major Shareholder(s)” | : | A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of those shares is: (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Act. A Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or its subsidiaries |
| “NA” | : | Consolidated Net Assets of the Group |
| “Persons Connected” | : | Persons connected with a Director or Major Shareholder as defined in the Listing Requirements |
| “Proposed Renewal of Shareholders’ Mandate” | : | Proposed Renewal of shareholders’ mandate for the Recurrent Related Party Transactions, as detailed under Section 2.3.3 of Part A of this Circular/Statement |
| “Proposed New Shareholders’ Mandate” | : | Proposed new shareholders’ mandate for the new related party transactions, as detailed under Section 2.3.4 of Part A of this Circular/Statement |
| “Recurrent Related Party Transaction(s)” or “RRPT(s)” | : | Related party transactions involving recurrent transactions of revenue or trading nature which are necessary for day to day operations and are in the ordinary course of business of the Sunsuria Group |
| “Proposed Renewal of Share Buy-Back Authority” | : | Proposed renewal of existing authority for Sunsuria to carry out the Proposed Share Buy-Back |
| “Proposed Share Buy-Back” | : | Proposed renewal of shareholders’ mandate for authority to the Company to purchase its own shares of up to ten percent (10%) of total number of issued shares |
| “Purchased Shares” | : | Sunsuria Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back |
| “Related Party(is)” | : | A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “director” and “major shareholder” shall have the meanings given in paragraph 10.02 of the Listing Requirements |
| “RM” | : | Ringgit Malaysia |

| | | |
|---------------------------------|---|---|
| RRPTs | : | Recurrent Related Party Transactions |
| “Shareholder(s)” | : | Shareholders of Sunsuria |
| “Substantial Shareholders” | : | Has the meaning given in Section 136 of the Act |
| “SC” | : | Securities Commission |
| “Shareholders’ Mandates” | : | The shareholders’ mandates for the Sunsuria Group to enter into RRPTs as set out in Section 2.3.3 and Section 2.3.4 of Part A of this Circular/Statement with the Related Party |
| “Sunsuria Shares” or “Share(s)” | : | Ordinary shares in Sunsuria |
| “Sunsuria” or “the Company” | : | Sunsuria Berhad (Registration No.: 196801000641 (8235-K)) |
| “Sunsuria Group” or “the Group” | : | Sunsuria and its subsidiary companies as defined in Section 4 of the Act |
| 53 rd AGM | : | Fifty-Third Annual General Meeting of the Company |

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

All references to “our Company” in this Circular/Statement are to Sunsuria Berhad. References to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to the Company, or where the context requires, the Group. Any reference to “you” in this Circular/Statement is to the Shareholder(s).

Any discrepancies in the tables included in this Circular/Statement between amounts listed, actual figures and totals thereof may be due to rounding.

Any reference in this Circular/Statement to any enactment is a reference to that enactment or guidelines as for the time being amended or re-enacted.

Any reference to a time of day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise stated.

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PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS'
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING**

("THIS CIRCULAR")



SUNSURIA
Building Today Creating Tomorrow

SUNSURIA BERHAD

Registration No.: 196801000641 (8235-K)

Incorporated in Malaysia

Registered Office:

Suite 8, Main Tower, Sunsuria Avenue
Persiaran Mahogani
Kota Damansara PJU5,
47810 Petaling Jaya
Selangor Darul Ehsan

28 January 2022

Board of Directors:

Tan Sri Datuk Ter Leong Yap (*Executive Chairman*)
Tan Pei Geok (*Senior Independent Non-Executive Director*)
Datin Loa Bee Ha (*Independent Non-Executive Director*)
Dato' Quek Ngee Meng (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

1. INTRODUCTION

At our Company's 52nd AGM held on 17 March 2021, we have obtained a mandate from our Shareholders to enter into RRPTs with Related Parties which are necessary for its day to day operations and are in the ordinary course of business based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of minority shareholders ("Existing Mandate"). The Existing Mandate shall lapse at the conclusion of the forthcoming AGM of the Company unless a new mandate for RRPTs is obtained from the Shareholders at the AGM.

On 29 November 2021, our Board announced to Bursa Securities on its intention to seek the Shareholders' approval for a renewal of Shareholders' Mandate for the existing RRPTs and Proposed new Shareholders' Mandate for new RRPTs (hereinafter referred to as "Proposed Shareholders' Mandate").

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval on the resolution relating thereof to be tabled at the forthcoming AGM. The Notice of AGM and the Form of Proxy are incorporated in our Annual Report 2021.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE 53rd AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Paragraph 10.09 of Chapter 10 and Practice Note 12 of the Listing Requirements

Pursuant to Paragraph 10.09 of Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of the RRPT subject to, inter-alia, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate

during the financial year where the aggregate value is equal to or more than the threshold prescribed below in relation to a listed issuer with a share capital of RM60 million and above:

- (i) the consideration, value of assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (i) the percentage ratio of such RRPT is 1% or more,

whichever is the higher;

- (c) the issuance of this Circular to shareholders for the shareholders' mandate shall include the information set out in Annexure PN12-A of Practice Note No. 12 of the Listing Requirements;
- (d) in a meeting to obtain the Shareholders' Mandates, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder; must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (e) The Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where the Company has procured shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

2.2 Proposed Shareholders' Mandate

Our Board wishes to seek the approval from the Shareholders for the Proposed Shareholders' Mandate to enable the Group to enter into RRPTs which are necessary for the day-to-day operations within the ordinary course of business of the Group. The RRPTs, details as stipulated in Sections 2.3.3 and 2.3.4 of this Circular, are undertaken on an arms' length and based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Shareholders' Mandate, if approved by the Shareholders at the forthcoming 53rd AGM, will be subject to annual renewal. Any authority conferred by Shareholders in respect of the Proposed Shareholders' Mandate will take effect from the date of the 53rd AGM and shall continue to be in full force until:

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

Thereafter, approval from shareholders will be sought for a renewal of the above proposals at the subsequent AGM of the Company.

2.3 Details of the Proposed Shareholders' Mandate

Sunsuria is seeking approval from the Shareholders for the Proposed Shareholders' Mandate that will allow the Group, in its ordinary course of business, to enter into RRPTs with Related Parties referred to in the following section.

The principal activities of Sunsuria are investment holding and the provision of professional management services.

2.3.1 Subsidiaries of Sunsuria

| Name of Company | Effective Interest Held (%) | Principal Activities |
|--|-----------------------------|--|
| <u>Subsidiaries of Sunsuria</u> | | |
| Library Mall Development Sdn Bhd ("LMDSB") | 100 | Investment Holding |
| Maica Wood Industries Sdn Bhd | 99.78 | Investment Holding |
| Sunsuria North Sdn Bhd ("SNSB") | 100 | Investment Holding and Property Investment |
| Sunsuria Residence Sdn Bhd | 100 | Property Development |
| Sunsuria Arena Sdn Bhd ("SASB") | 100 | Investment Holding |
| Sunsuria Symphony Sdn Bhd ("SSSB") | 100 | Investment Holding |
| Sunsuria Facility Management Sdn Bhd | 100 | Service Management and Investment Holding |
| Sunsuria Nusantara Sdn Bhd | 99.02 | Property Development |
| Sunsuria Gateway Sdn Bhd ("SGSB") | 99.99 | Investment Holding |
| Sunsuria Forum Sdn Bhd ("SFSB") | 95.63 | Property Development |
| Sunsuria Builders Sdn Bhd ("SBSB") | 100 | Investment Holding |
| Sunsuria Education Sdn Bhd | 100 | Education |
| BRS Medicare Ventures Sdn Bhd | 70 | Integrated Healthcare Centre |
| Sunsuria East Sdn Bhd | 70 | Property Development |
| Sunsuria IAT Sdn Bhd | 51 | Automobile related Business |
| Bangsar Hill Park Development Sdn Bhd ("BHPDSB") | 51 | Property Development |
| <u>Subsidiary of LMDSB</u> | | |
| Dreamsphere Sdn Bhd | 100 | Investment Holding |
| <u>Subsidiary of SFSB</u> | | |
| Greenworth Sdn Bhd | 100 | Parking and Services |
| <u>Subsidiary of SSSB</u> | | |
| Sunsuria City Sdn. Bhd. ("SCSB") | 50 | Property Development |
| Sunsuria Australia Pty Ltd | 100 | Investment Holding |
| Concept Innocity Sdn Bhd | 70 | Property Development |
| <u>Subsidiary of SCSB</u> | | |
| Sunsuria Everrich Sdn Bhd ("SESB") | 95 | Investment Holding and Property Development. |
| <u>Subsidiary of SNSB</u> | | |
| Consolidated Factoring (M) Sdn. Bhd. | 95.94 | Factoring Companies |

| Name of Company | Effective Interest Held (%) | Principal Activities |
|--|-----------------------------|---|
| <u>Subsidiary of SGSB</u> | | |
| Sunsuria Genlin Development Sdn Bhd | 70 | Property Development. |
| <u>Subsidiaries of SASB</u> | | |
| Sunsuria Landscape & Nursery Sdn Bhd ("SLN") | 69.99 | Landscape and Nursery |
| Sunsuria City Amenities Sdn Bhd ("SCASB") | 100 | Proprietors of Restaurants, Food and Beverage Business |
| Future Seeds Global Sdn Bhd (formerly known as Sunsuria Esports Sdn Bhd) | 100 | Provision of Electronic Sports and Esports Education Related Activities |
| Sunsuria (HK) Limited | 100 | Investment holding |
| Sunsuria Healthcare Sdn Bhd (formerly known as Sunsuria International Sdn Bhd) ("SHCSB") | 100 | Trading of pharmaceutical and medical goods. |
| Sunsuria Shield Sdn Bhd | 100 | Trading in healthcare related products. |
| <u>Subsidiaries of SHCSB</u> | | |
| Sunsuria Healthpods Sdn Bhd (formerly known as Sunsuria Wellness Sdn Bhd) | 100 | Trading of healthcare related products |
| Sunsuria Healthcare Pte Ltd | 100 | Trading of pharmaceutical and medical goods |
| <u>Subsidiary of SBSB</u> | | |
| Sunsuria Asas Sdn Bhd | 51 | Construction |
| <u>Subsidiaries of SCASB</u> | | |
| Aspen Esplanade Sdn Bhd | 100 | IT service provider |
| Cloudcubes Sdn Bhd | 100 | Food and Beverage |
| Aspire Century Sdn Bhd | 60 | Investment Holding |
| Vibrant Blossom Sdn Bhd | 80 | Food and Beverage |
| Kemudi Semarak Sdn Bhd | 80 | Food and Beverage |

It is anticipated that the Group would, in the ordinary course of business, enter into RRPTs as detailed in Sections 2.3.3 and 2.3.4 of this Circular which are necessary for the day-to-day operations of the Group with the Related Parties below which are likely to occur with some degree of frequency and could arise at any time.

Accordingly, our Board proposes to seek Shareholders' approval on the Proposed Shareholders' Mandate for the Group to enter into RRPTs with the Related Parties below, provided such transactions are necessary for its day-to-day operations, in the ordinary course of business, undertaken on an arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the minority shareholders of the Company. Such RRPTs will also be subject to the review procedures set out in Section 2.5 of this Circular.

2.3.2 Classes of Mandated Related Parties

The Proposal will apply to the following classes of Mandated Related Parties:

| No. | Mandated Related Parties | Principal Activities |
|-----|--|--|
| 1. | Sunsuria Development Sdn Bhd ("SDSB") | Investment holding and provision of management services |
| 2. | Genesis Pavilion Sdn Bhd ("GPSB") | Investment holding and property investment |
| 3. | Top-Mech Provincial Sdn Bhd ("TPSB") | Manufacture and sale of materials handling equipment |
| 4. | Planetis Resources Sdn Bhd ("PRSB") | Property investment |
| 5. | Joint venture partners of Sunsuria's subsidiaries (including person connected/subsidiaries of the joint venture partners) which include inter alia, Alunan Asas Sdn Bhd, Metrio Construction Sdn Bhd, Evergreen Perspective Sdn Bhd, Chuah Chiew Hai, Gan Teck Boon, Citicc International Investment Ltd, Genlin Development Sdn Bhd, Spanway Construction Sdn Bhd, Suez Capital Sdn Bhd, Project Concept Sdn Bhd, Sunsuria KL Sdn Bhd, Serimas Bakti Sdn Bhd, IAT Automobile Technology Co. Ltd., Tribit Solutions Sdn Bhd, Myform Sdn Bhd, Tan Hong Thai, Chew Poh Huat, Dr Tan Bo Ren and Boren Healthcare Sdn Bhd. | Construction and engineering, general contracting & project consulting and services, investment holding, property development & investment, provision of management services, food and provision beverages and health care services. |
| 6. | Tan Sri Datuk Ter Leong Yap | N/A |
| 7. | Paragon Symbol Sdn Bhd ("PSSB") | Property Investment. |
| 8. | Directors and Major Shareholders of Sunsuria and its subsidiaries and persons connected with them | N/A |
| 9. | Montflex Sdn Bhd ("MFSB") | Property Development. |
| 10. | Suez Capital Sdn Bhd ("Suez Capital") | Property investment and investment holding. |
| 11. | Suez Domain Sdn Bhd ("Suez Domain") | Property investment and investment holding. |
| 12. | Equatorial Property Management Sdn Bhd ("EPMSB") | Property investment and investment holding. |
| 13. | Myform Sdn Bhd | Construction works. |
| 14. | Tribit Solutions Sdn Bhd | Building information modelling consultancy services, research and development on construction automation, information technology solution. |

2.3.3 The class and nature of RRPT for the Proposed Renewal of Shareholders' Mandate

| Mandated Related Party | Nature of RRPT | Interested Directors/Major Shareholders/ Persons Connected | Estimated value of transaction approved at the last AGM (RM) | Actual value of transactions since the last AGM till LPD (RM) | Estimated value from date of the forthcoming AGM to date of next AGM (RM) |
|------------------------|--|---|--|---|---|
| A. SDSB | Rental of office premises*, located at Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, Petaling Jaya to Sunsuria Group | <p>SDSB is a 100% owned subsidiary of Sunsuria Holdings Sdn Bhd ("SHSB").</p> <p>Tan Sri Datuk Ter Leong Yap ("Tan Sri Datuk Ter") is the Director and major shareholders of SHSB. He owns 92.5% equity interest in SHSB.</p> <p>Puan Sri Datin Kwan May Yuen is the spouse of Tan Sri Datuk Ter. She is also a shareholder of SHSB. She owns 4% equity interest in SHSB.</p> <p>Ms Ter Leong Ping is the sister to Tan Sri Datuk Ter.</p> <p>Tan Sri Datuk Ter and Ms Ter Leong Ping are also the Directors of SDSB.</p> | 708,000 | 570,743 | 708,000 |
| B. GPSB | Rental of premises* for sales gallery purposes located at Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, Petaling Jaya to the Sunsuria Group | <p>GPSB is a 100% owned subsidiary of SDSB. SDSB is a 100% owned subsidiary of SHSB.</p> <p>Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a major shareholder of SHSB, holding 92.5% equity interest in SHSB.</p> | 527,000 | 424,754 | 527,000 |
| C. TPSB | Provision of lifts, installation services for lift and other materials handling equipment; and provision of technical and support services for projects developed or managed by Sunsuria Group | Deemed as Related Parties by virtue of Datuk Ter Leong Hing, being a brother of Tan Sri Datuk Ter, having owned not less than 20% equity interest in TPSB. | ## | Nil | ## |

| Mandated Related Party | Nature of RRPT | Interested Directors/Major Shareholders/ Persons Connected | Estimated value of transaction approved at the last AGM (RM) | Actual value of transactions since the last AGM till LPD (RM) | Estimated value from date of the forthcoming AGM to date of next AGM (RM) |
|--|---|--|--|---|---|
| D. PRSB | Renting of premises* located at Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, Petaling Jaya to the Sunsuria Group | <p>PRSB is a 100% owned subsidiary of SDSB. SDSB is a 100% owned subsidiary of SHSB.</p> <p>Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a Director and major shareholder of SHSB. He owns 92.5% equity interest in SHSB.</p> <p>Tan Sri Datuk Ter is also a Director of PRSB.</p> | 23,000 | 18,636 | 23,000 |
| E. Applicable for transactions between Sunsuria Group and their respective joint venture partners (including persons connected / subsidiaries of the joint venture partners) | (1) Provision of management services and related services** and building materials by Alunan Asas Sdn Bhd to Sunsuria Group | <p>The joint venture partners of Sunsuria's subsidiaries, which include inter alia, Alunan Asas Sdn Bhd, Metrio Construction Sdn Bhd, Evergreen Perspective Sdn Bhd, Chuah Chiew Hai, Gan Teck Boon, Citicc International Investment Ltd, Genlin Development Sdn Bhd, Spanway Construction Sdn Bhd, Suez Capital Sdn Bhd, Project Concept Sdn Bhd, Sunsuria KL Sdn Bhd, Serimas Bakti Sdn Bhd, IAT Automobile Technology Co., Ltd., Tribit Solutions Sdn Bhd, Myform Sdn Bhd, Tan Hong Thai, Chew Poh Huat, Dr Tan Bo Ren and Boren Healthcare Sdn Bhd.</p> <p>Alunan Asas Sdn Bhd is a 88% owned subsidiary of Evergreen Perspective Sdn Bhd ("EPSB").</p> <p>Mr Chuah Chew Hai is a Director of Spanway Construction Sdn Bhd, which in turn is a 70% owned company of EPSB. He is also a Director and a major shareholder of EPSB as well as a Director of Sunsuria Asas Sdn Bhd, which is a 51% subsidiary of SBSB.</p> | ## | 4,978,618 | ## |
| | (2) Provision of professional management services and related services**by Sunsuria Group to BHPDSB. | <p>Sunsuria KL Sdn Bhd ("SKLSB") owns 16% equity interest in BHPDSB and Suez Capital owns 29.6% equity interest in BHPDSB.</p> <p>Deemed as related parties by virtue of Datuk Ter Leong Hing, being a brother of Tan Sri Datuk Ter, having own not less than 20% equity interest in BHPDSB through Suez Capital.</p> <p>Tan Sri Datuk Ter is a Sole Director and major shareholder of SKLSB. He owns 53.44% equity interest and his spouse, Puan Sri Datin Kwan May Yuen owns 2.81% interest in SKLSB.</p> <p>Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a Sole Director and Major Shareholder of SKLSB.</p> <p>Tan Sri Datuk Ter is a Director of BHPDSB.</p> | 57,400 | 42,735 | 1,028,700 |

| Mandated Related Party | Nature of RRPT | Interested Directors/Major Shareholders/ Persons Connected | Estimated value of transaction approved at the last AGM (RM) | Actual value of transactions since the last AGM till LPD (RM) | Estimated value from date of the forthcoming AGM to date of next AGM (RM) |
|--|---|---|--|---|---|
| | | Ms Ter Leong Ping is the sister to Tan Sri Datuk Ter who is a Director having own less than 20% equity interest in Suez Capital. | | | |
| | (3) Provision of professional management services and related services** by Suez Capital to BHPDSB. | <p>SKLSB owns 16% equity interest in BHPDSB and Suez Capital owns 29.6% equity interest in BHPDSB.</p> <p>Deemed as Related Parties by virtue of Datuk Ter Leong Hing, being a brother of Tan Sri Datuk Ter, having own not less than 20% equity interest in BHPDSB through Suez Capital.</p> <p>Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a Sole Director and Major Shareholder of SKLSB.</p> <p>Tan Sri Datuk Ter is a Director of BHPDSB.</p> <p>Ms Ter Leong Ping is the sister to Tan Sri Datuk Ter who is a Director having own less than 20% equity interest in Suez Capital.</p> | 1,534,000 | 383,980 | 1,680,000 |
| F. Directors and/or Major Shareholders of Sunsuria Group and Persons Connected to them@@ | Sale of land or land-based properties in the ordinary course of business of not more than 10% of any one of the percentage ratios in the Listing Requirements | Directors and/or Major Shareholders of Sunsuria Group and Persons Connected to them @@ | # | Nil | # |
| G. PSSB | Rental of premises* located at Forum 1, Setia Alam, Shah Alam, Selangor and Bell Avenue at Sunsuria City, Sepang, Selangor to Sunsuria Group | <p>Puan Sri Datin Kwan May Yuen is the spouse of Tan Sri Datuk Ter.</p> <p>Ter Shin Nie, Ter Shin Ann and Ter Chen Loong are children of Tan Sri Datuk Ter and Puan Sri Datin Kwan.</p> <p>Puan Sri Datin Kwan, Ter Shin Nie, Ter Shin Ann and Ter Chen Loong are Directors and Shareholders, each holding 25% of the equity interest in PSSB.</p> | 220,000 | 62,425 | 220,000 |

| Mandated Related Party | Nature of RRPT | Interested Directors/Major Shareholders/ Persons Connected | Estimated value of transaction approved at the last AGM (RM) | Actual value of transactions since the last AGM till LPD (RM) | Estimated value from date of the forthcoming AGM to date of next AGM (RM) |
|------------------------|---|--|---|--|--|
| H. MFSB | (1) Provision of professional management services and related services** by Sunsuria Group. | MFSB is owned by Excel Logic Sdn Bhd ("ELSB") and Bumilex Construction Sdn Bhd ("BCSB") by 49% and 51% equity interest respectively. Datuk Ter Leong Hing, being a brother of Tan Sri Datuk Ter, is a Director of ELSB having not less than 20% equity interest in ELSB by virtue of his interest in Suez Capital. | 57,400 | Nil | ^ |
| | (2) Provision of construction contract by Sunsuria Asas Sdn Bhd. | Sunsuria City (KL) Sdn Bhd ("SCKLSB") owns 37.5% of ELSB. SCKLSB is a 100% owned subsidiary of SDSB and SDSB is a 100% owned subsidiary of SHSB. Tan Sri Datuk Ter owns 92.5% equity interest in SHSB and his spouse, Puan Sri Datin Kwan May Yuen owns 4% equity interest in SHSB. Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a Director and Major Shareholder of SHSB, having 92.5% equity interest in SHSB and his brother's interest in ELSB. | ## | Nil | ^ |

Note:

- # Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group, the prices of which vary from project to project. However, in accordance with Para 3.3 of Practice Notice 12 of the Listing Requirements, the value of such transaction shall not exceed 10% of any one of the percentage ratios.
- ## The estimated value of the transactions cannot be determined as the transactions are on project-by-project basis.
- @@ The directors, major shareholders and/or persons connected with them would be purchasing the properties from the Group could not be ascertained as at the date of this Circular.
- * The tenures of the premises / properties (and such other new properties that may be rented out to / by the Group) are of varying lengths but are for a lease period of not more than 3 years. The rental payment is on a monthly basis.
- ** Include inter alia, corporate management support, project management, construction management, finance management and general administrative services.
- ^ The Company will not seek renewal for this mandate.

2.3.4 The nature and estimated value of Proposed New Shareholders Mandate

| Mandated Related Party | Nature of RRPT | Interested Directors/Major Shareholders/ Persons Connected | Estimated value from date of the forthcoming AGM to date of next AGM (RM) |
|---|--|--|---|
| <p>A. Applicable for transactions between Sunsuria Group and their respective joint venture partners (including persons connected / subsidiaries of the joint venture partners)</p> | <p>Provision of Construction/Renting of Aluminium Formwork System and related services** by Myform Sdn Bhd to Sunsuria Group</p> | <p>Myform Sdn Bhd is a 75% owned subsidiary of EPSB.</p> <p>Mr Chuah Chew Hai is a Director of Spanway Construction Sdn Bhd, which in turn is a 70% owned company of EPSB. He is also a Director and a major shareholder of EPSB as well as a Director of SASB which is a 51% subsidiary of SBSB.</p> | <p>##</p> |
| <p>B. Applicable for transactions between Sunsuria Group and their respective joint venture partners (including persons connected / subsidiaries of the joint venture partners)</p> | <p>Provision of Building Information Modelling (BIM) Consultancy Services and related services** by Tribit Solutions Sdn Bhd to Sunsuria Group</p> | <p>Tribit Solutions Sdn Bhd is a wholly-owned subsidiary of EPSB.</p> <p>Mr Chuah Chew Hai is a Director of Spanway Construction Sdn Bhd, which in turn is a 70% owned company of EPSB. He is also a Director and a major shareholder of EPSB as well as a Director of SASB which is a 51% subsidiary of SBSB.</p> | <p>##</p> |

| Mandated Related Party | Nature of RRPT | Interested Directors/Major Shareholders/ Persons Connected | Estimated value from date of the forthcoming AGM to date of next AGM (RM) |
|--|---|--|---|
| C. Applicable for transactions between Sunsuria Group and their respective joint venture partners (including persons connected / subsidiaries of the joint venture partners) | (1) Provision of sales service provided by Sunsuria to BHPDSB | SKLSB owns 16% equity interest in BHDPSB and Suez Capital owns 29.6% equity interest in BHPDSB. | ## |
| | (2) Provision of landscaping works by SLN to BHPDSB. | <p>Deemed as related parties by virtue of Datuk Ter Leong Hing, being a brother of Tan Sri Datuk Ter, having own not less than 20% equity interest in BHPDSB through Suez Capital.</p> <p>Tan Sri Datuk Ter is a Sole Director and major shareholder of SKLSB. He owns 53.44% equity interest and his spouse, Puan Sri Datin Kwan May Yuen owns 2.81% interest in SKLSB.</p> <p>Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a Sole Director and Major Shareholder of SKLSB.</p> <p>Tan Sri Datuk Ter is a Director of BHPDSB.</p> | ## |
| | (3) Provision of sales service by EPMSB to BHPDSB | <p>EPMSB is a wholly-owned subsidiary of Suez Domain.</p> <p>Suez Domain is 49% and 51% owned by Excel Logic Sdn Bhd ("ELSB") and Kota Serumpun Development Sdn Bhd respectively.</p> <p>Datuk Ter Leong Hing, being a brother of Tan Sri Datuk Ter, is a Director of ELSB having not less than 20% equity interest in ELSB by virtue of his interest in Suez Capital.</p> <p>SCKLSB owns 37.5% of ELSB. SCKLSB is a 100% owned subsidiary of SDSB and SDSB is a 100% owned subsidiary of SHSB.</p> <p>Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a Director and Major Shareholder of SHSB, having 92.5% equity interest in SHSB and his brother's interest in ELSB.</p> | ## |

| Mandated Party | Related Party | Nature of RRPT | Interested Directors/Major Shareholders/ Persons Connected | Estimated value from date of the forthcoming AGM to date of next AGM (RM) |
|----------------|---------------|--|---|---|
| D. | Suez Domain | (1) Provision of car park rental, photocopier rental and other miscellaneous to BHPDSB. (2) Rental of office premises* located at KL Gateway Mall, Jalan Kerinchi, Kuala Lumpur to BHPDSB. (3) Provision of sales service to BHPDSB. | Suez Domain is a 49% and 51% owned by ELSB and Kota Serumpun Development Sdn Bhd respectively. Datuk Ter Leong Hing, being a brother of Tan Sri Datuk Ter, is a Director of ELSB having not less than 20% equity interest in ELSB by virtue of his interest in Suez Capital. SCKLSB owns 37.5% of ELSB. SCKLSB is a 100% owned subsidiary of SDSB and SDSB is a 100% owned subsidiary of SHSB. Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a Director and Major Shareholder of SHSB, having 92.5% equity interest in SHSB and his brother's interest in ELSB. | 42,000 160,800 ## |

Note:

- * The tenures of the premises / properties (and such other new properties that may be rented out to / by the Group) are of varying lengths but are for a lease period of not more than 3 years. The rental payment is on a monthly basis.
- ** Include inter alia, construction of civil and building works, contracting in mechanical, electrical and engineering works, prefabricated construction of building and civil works, precast concrete building contracts and piling contracts.
- # Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group, the prices of which vary from project to project. However, in accordance with Para 3.3 of Practice Notice 12 of the Listing Requirements, the value of such transaction shall not exceed 10% of any one of the percentage ratios.
- ## The estimated value of the transactions cannot be determined as the transactions are on project-by-project basis.

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2.4 Amount Due and Owing by Related Party

There is no amount due from or owing to Sunsuria Group by the Related Parties which exceeded the credit term given arising from the RRPTs set out in Section 2.3.3 of this Circular.

2.5 Review Procedures for the Recurrent Related Party Transactions

To ensure that such RRPTs are conducted on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to Shareholders, the Management will ensure that the transactions with the Related Parties will only be entered into after taking into account the pricing, prevailing market rate, level of business risk, level of service, market forces or other related factors relevant to the transactions.

The Company has established an internal review procedure and has put in place policies and processes for operational controls to ensure that the RRPTs are undertaken on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of the Company and the risk areas are adequately mitigated. Such policies and processes will include *inter-alia* an effective and appropriate organisational structure whereby there will be clear separation of duties and defined authority limits for the Management, title and other records to the assets being safeguarded, timely information system, monthly reports and regular review of these RRPTs by internal audit as well as the Audit Committee.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantial similar type of products/services and/or quantities. In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed transactions, the Audit Committee assisted by the Related Party Transaction Review Working Group will rely on the prevailing market norms and practices taking into account the efficiency, quality and type of support services to be provided to ensure that the RRPTs are not detrimental to the Group.

There are no thresholds for the approval of RRPTs within the limits of the Shareholders' Mandate as all transactions will be reviewed and approved by non-interested Director(s).

Further, where any Director or any Person Connected with him/her has an interest (direct or indirect) in the RRPT, such Director (or his/her alternate, where applicable) shall abstain from voting on the matter. Where any member of the Audit Committee is interested in the RRPTs, that member shall abstain from voting on any matter relating to any decision to be taken by the Audit Committee with respect to the RRPT.

2.6 Statement by the Audit Committee

The Audit Committee has the overall responsibility to periodically review the RRPTs and determining if the procedures for reviewing such RRPTs are appropriate. The Audit Committee also has the authority to delegate this responsibility to the Related Party Transaction Review Working Group and/or such individuals within the Group as it shall deem fit.

The Audit Committee has considered the procedures mentioned in Section 2.5 of Part A of this Circular and is of the view that:

- (a) the RRPTs are made on an arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Sunsuria and hence, will not be prejudicial to the Shareholders nor disadvantageous to the Group.
- (b) the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee will annually review and ascertain whether the guidelines and procedures established to monitor RRPTs have been complied with.

3. RATIONALE

The RRPTs to be entered into by the Group with respect to the approval for the Proposed Shareholders' Mandate sought are all in the ordinary course of business and reflect the potential long-term commercial relationship between the parties. It is envisaged that in the ordinary course of business of the Group, the RRPTs between the Group and the Related Parties are likely to occur with some degree of frequency and from time to time, and it may be impractical to seek Shareholders' approval on a case-to-case basis before entering into such RRPTs. The RRPTs are undertaken on terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. All the transactions will be conducted on "an arm's length basis".

The Proposed Shareholders' Mandate are intended to facilitate transactions in the ordinary course of business of the Group. The Proposed Shareholders' Mandate would avoid the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when the RRPT occurs or arises. This would substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings on an ad-hoc basis.

It would also enable the Group to realise business opportunities, as and when they shall become available to the Group, in a more timely and effective manner. The RRPTs to be entered into with the Related Parties represent business decisions which are undertaken for legitimate and bona fide business purposes, after a thorough assessment of the merits of these proposed transactions, pursuant to the review procedures as outlined in Section 2.5 of Part A of this Circular.

4. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND PERSON CONNECTED WITH THEM

The direct and indirect interests of the Directors and/or Major Shareholders and Person Connected with them who are interested in the Proposed Shareholders' Mandate in the Company as at LPD are as follows:

| | Direct | | Indirect | |
|--|----------------------|----------|----------------------------|----------|
| | <u>No. of Shares</u> | <u>%</u> | <u>No. of Shares</u> | <u>%</u> |
| <u>Interested Directors</u> | | | | |
| Tan Sri Datuk Ter Leong Yap | 168,839,872 | 18.85 | 368,666,208 ⁽¹⁾ | 41.15 |
| Tan Pei Geok | 1,830,000 | 0.20 | - | - |
| Dato' Quek Ngee Meng | 243,300 | 0.03 | - | - |
| Datin Loa Bee Ha | - | - | 14,828,800 ⁽²⁾ | 1.66 |
| <u>Major Shareholders</u> | | | | |
| Ter Capital Sdn Bhd | 183,308,832 | 20.46 | - | - |
| Ter Equity Sdn Bhd | 182,557,376 | 20.38 | - | - |
| Tan Sri Datuk Ter Leong Yap | 168,839,872 | 18.85 | 368,666,208 ⁽¹⁾ | 41.15 |
| <u>Interested Person connected to the Directors and/or Major Shareholders</u> | | | | |
| Puan Sri Datin Kwan May Yuen | - | - | - | - |
| Datuk Ter Leong Hing | - | - | 4,642,000 ⁽³⁾ | 0.52 |
| Ter Leong Ping | 100,000 | 0.01 | - | - |
| Loo Chea Hee | 190,300 | 0.02 | - | - |
| Chuah Chew Hai | 500,000 | 0.06 | - | - |
| Suez Capital Sdn Bhd | - | - | - | - |

Note:

- (1) Deemed interested by virtue of his shareholdings in TER Equity Sdn Bhd, TER Capital Sdn Bhd and THK Capital Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of shareholdings held by her spouse, Dato' Tan Tian Meng pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interest through THK Capital Sdn Bhd pursuant to Section 8 of the Act.

The above-mentioned Interested Directors, Major Shareholders and/or Person Connected are deemed interested in the Proposed Shareholders' Mandate by virtue of the interests of such parties in the companies mentioned in Section 2.3.3 and Section 2.3.4 of Part A of this Circular, which are transacting with Sunsuria.

The interested Directors have and will continue to abstain from all Board deliberation and voting at all relevant Board meetings in relation to the RRPTs in Section 2.3.3 and Section 2.3.4 above.

The abovementioned interested Directors and Major Shareholders and/or Person Connected to them will also abstain from voting in respect of their direct and indirect shareholdings on the resolution approving the Proposed Shareholders' Mandate at the forthcoming 53rd AGM. In this regard, the abovementioned interested Directors and Major Shareholders have undertaken to ensure that all Person Connected with them will abstain from voting on the resolution approving the Proposed Shareholders' Mandate at the forthcoming 53rd AGM.

Save as disclosed above, none of the other Directors, Major Shareholders of Sunsuria Group and/or Person Connected with them have any interest, whether direct or indirect, in the Proposed Shareholders' Mandate.

5. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of the Company being obtained at the forthcoming 53rd AGM.

6. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any material effect on the issued share capital, EPS, NA and substantial shareholders' shareholdings of Sunsuria Group.

7. DIRECTORS' RECOMMENDATION

All the Directors have refrained from forming an opinion and making any recommendation in respect of the item F of the proposed Recurrent Transactions under Section 2.3.3 of this Circular.

The Director (save and except for Tan Sri Datuk Ter who has interests in the Proposed Shareholders' Mandate) having considered the rationale and all relevant aspects of the Proposed Shareholders' Mandate (except for item F of the RRPT under Section 2.3.3.F of this Circular), are of the opinion that the Proposed Shareholders' Mandate is fair and reasonable and is in the best interest of Sunsuria and its shareholders, and accordingly recommend that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 53rd AGM.

8. AGM

The ordinary resolution pertaining to the Proposed Shareholders' Mandate is set out as Special Business in the Notice of the 53rd AGM contained in the Sunsuria's Annual Report 2021. The 53rd AGM will be held at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 16 March 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution on the Proposed Shareholders' Mandate set out as Special Business.

If you are unable to attend and vote remotely via Remote Participation and Voting facilities provided at our forthcoming 53rd AGM, you may appoint proxy(ies) to attend and vote on your behalf by completing, executing and returning the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible, so as to arrive at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time set for holding the 53rd AGM. The lodgement of the Form of Proxy does not preclude you from attending and voting remotely at the 53rd AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached **APPENDIX I** for further information.

Yours faithfully
for and on behalf of the Board of Directors
SUNSURIA BERHAD

Tan Pei Geok
Senior Independent Non-Executive Director

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PART B

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF
SHAREHOLDERS' MANDATE FOR AUTHORITY TO THE COMPANY TO PURCHASE UP TO TEN
PERCENT (10%) OF ITS TOTAL ISSUED SHARES**

[“THIS STATEMENT”]



SUNSURIA BERHAD
Registration No.: 196801000641 (8235-K)
Incorporated in Malaysia

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY

1. INTRODUCTION

At the 52nd AGM of Sunsuria held on 17 March 2021, the Shareholders, had inter-alia, given a mandate for Sunsuria to purchase up to ten percent (10%) of the total issued of the Company at the time of purchase. The authority obtained by our Board for the purchase of Sunsuria Shares will lapse at the conclusion of the forthcoming 53rd AGM of the Company, unless a renewal of mandate for the share buy-back authority is obtained from the Shareholders at the forthcoming 53rd AGM.

In connection thereto, the Company had on 29 November 2021 announced its intention to seek the Shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 53rd AGM of the Company.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the ordinary resolution pertaining thereto to be tabled at the forthcoming 53rd AGM. The Notice convening the 53rd AGM of Sunsuria and the Form of Proxy are enclosed in the Annual Report 2021 of the Company.

SHAREHOLDERS OF SUNSURIA ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY.

2. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 Details of the Proposed Renewal of Share Buy-Back Authority

At the 52nd Annual General Meeting held on 17 March 2021, our Board obtained Shareholders' authorisation for the Company to purchase up to ten percent (10%) of its prevailing issued and paid-up share capital. As at LPD, no share was repurchased and held as treasury shares in accordance with Section 127 of the Act.

The details of the share capital of the Company as at LPD are as follows:

| | <u>No. of Sunsuria Shares</u> |
|--|--------------------------------------|
| Issued share capital of the Company | 895,917,302 |
| 10% of the issued share capital | 89,591,730 |
| Total number of treasury shares | (0) |
| Balance for Proposed Share Buy-Back | 89,591,730 |

Our Board proposes to seek approval from the Shareholders for a renewal of authorisation to enable Sunsuria to purchase up to 10% of the total number of issued shares of the Company quoted on Main Market of Bursa Securities as at the point of purchase.

The Proposed Renewal of Share Buy-Back Authority shall be effective upon the passing of the ordinary resolution at the forthcoming 53rd AGM of Sunsuria and shall continue to remain in force until:

- (i) the conclusion of the next AGM of the Company, at which time the authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the Shareholders in general meeting, whichever occurs first.

3. RATIONALE

The Proposed Renewal of Share Buy-Back Authority if implemented, may provide the following potential benefits to the Company and its Shareholders:

- (a) The Company may be able to reduce any unwarranted volatility of its Sunsuria Shares and assist in stabilising the supply, demand and price of its Sunsuria Shares in the open market, thereby supporting the fundamental value of its Sunsuria Shares.
- (b) The Proposed Share Buy-Back is expected to enhance the value for Shareholders from the resultant reduction in the number of Shares in the open market. Assuming all things being equal, the earnings per share ("EPS") of the Group may be enhanced as the consolidated earnings would be divided by a reduced number of Shares. This is expected to have a positive impact on the market price of Sunsuria Shares which will benefit the Shareholders.
- (c) The Purchased Shares can also be retained as Treasury Shares and resold on Bursa Securities at a higher price. The distribution of Treasury Shares as share dividends (if any) will also reward the Shareholders as it would increase the number of Shares held which can subsequently be resold in the open market. Alternatively, the Treasury Shares can be transferred for purposes of or under the employees' share scheme of the Company or such other purposes as allowed under the Act.

4. TREATMENT OF PURCHASED SHARES

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own shares at a price which is not more than 15% above the weighted average market price of the shares for the past 5 markets days immediately preceding the date of purchase.

In accordance with Section 127 of the Act, the Purchased Shares may be dealt, by the Board, in the following manner:

- a) to cancel the Shares so purchased; or
- b) to retain the Shares so purchased as Treasury Shares; or
- c) to retain part of the Shares so purchased as Treasury Shares and cancel the remainder; or

If such Purchased Shares are held as treasury shares, the Board may:

- a) distribute the Treasury Shares as share dividends to Shareholders; or
- b) resell the Treasury Shares or any of the said shares in accordance with the Listing Requirements; or
- c) transfer the Treasury Shares or any of the said shares as purchase consideration; or
- d) transfer the Treasury Shares or any of the said shares for the purposes of or under an employee's share scheme or such other purpose as allowed under the Act; or
- e) cancel the Treasury Shares or any of the said shares; or
- f) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe.

Appropriate announcement(s) and notice(s) will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirements and the Act. The Board may decide to cancel the Purchased Shares if the cancellation of the said shares is expected to enhance the EPS of the Group and thereby in the long term, have a positive impact on the market price of the Shares. If the Board decides to retain the Purchased Shares as Treasury Shares, it may distribute the Treasury Shares as share dividends to the Shareholders and/or resell the Purchased Shares in accordance with the Listing Requirements and utilise the proceeds for any feasible investment opportunity arising in future as working capital.

While the Purchased Shares are held as Treasury Shares, the rights attached to them as to voting, dividends and participation in other distributions and otherwise are suspended, and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or a class of shares in the Company for any purpose including substantial and major shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on resolution at a meeting of the Shareholders.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The potential advantages of the Proposed Share Buy-Back to the Company and its Shareholders are as follows:

- (a) It allows the Company to utilise its surplus financial resources to purchase the Sunsuria Shares to enhance the value of shareholders' investments in the Company if there are no immediate use of the financial resources;

- (b) To stabilise the supply and demand of Sunsuria Shares traded on the stock market of Bursa Securities and mitigate the volatility of Sunsuria Share prices. The stability of Sunsuria Share prices is important to maintain investors' confidence to facilitate future fund-raising exercises of the Company via the equity market;
- (c) To provide opportunities for the Company to increase its financial resources if the Purchased Shares which are retained as treasury shares are resold at prices higher than the purchase prices;
- (d) In the event the Treasury Shares are distributed as share dividends by the Company, it will serve to reward the Shareholders of the Company; and
- (e) The Treasury Shares may also be utilised as purchase consideration by the Company in corporate transactions thereby reducing the financial outflow and/or preserve the working capital of the Company.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its Shareholders are as follows:

- (a) The purchase of Sunsuria Shares pursuant to the Proposed Share Buy-Back, will reduce the financial resources available to the Group and may result in the Group forgoing future investment opportunities that may emerge in the future; and
- (b) It may reduce the amount of financial resources available for the repayment of the Group's borrowings, for working capital or for distribution in the form of dividends to the Shareholders of the Company. However, the working capital of Sunsuria Group may recover and increase upon the reselling of the Purchased Shares as treasury shares.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Company and its Shareholders, as any share buy-back will be undertaken only after in-depth consideration of the financial resources of Sunsuria and the resultant impact on its Shareholders. Our Board, in exercising any decision in implementing the Proposed Share Buy-Back will be mindful of the interests of the Company and its Shareholders.

6. FUNDING

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase(s). Based on the latest audited financial statements and/or management accounts of the Company (where applicable) available. As at 30 September 2021, the retained profits of the Company was RM128.245 million.

The Proposed Share Buy-Back will be funded through internally generated funds and/or bank borrowings or a combination of both. The actual amount of borrowings will depend on the financial resources available at the time of purchase(s). The actual number of Sunsuria Shares to be purchased will depend on, amongst others, the prevailing market conditions, and sentiments of the stock market as well as the retained profits and the financial resources available to the Group at the time of the purchase(s).

In the event that the Company intends to purchase its own shares using bank borrowings, our Board shall ensure that the Company shall have sufficient funds to repay the bank borrowings and interest expense and that the repayment would have no material effect on the cash flow of the Company. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Share Buy-Back.

7. FINANCIAL EFFECTS TO THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the share capital, earnings, NA, working capital, dividend and shareholdings of the Directors and Substantial Shareholders of the Company are set out below:

7.1 Share Capital

The effect of the Proposed Share Buy-Back on the total number of issued shares of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

Based on the total number of issued shares of the Company as at LPD and assuming that the maximum number of Sunsuria Shares (of up to ten percent (10%) of the total number of issued shares) authorised under the Proposed Share Buy-Back are purchased and cancelled, it will result in the total number of issued shares of the Company being reduced as follows:-

| | <u>Number of Sunsuria Shares</u> |
|--|----------------------------------|
| Existing total number of issued share capital as at LPD | 895,917,302 |
| Assuming all the Purchased Shares pursuant to the Proposed Renewal of Share Buy-Back Authority are cancelled | (89,591,730) |
| Resultant total number of issued shares | <u>806,325,572</u> |

However, the Proposed Share Buy-Back will not have any effect on the total number of issued shares of Sunsuria if all of the Purchased Shares are to be retained as treasury shares.

The rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended. While these Sunsuria Shares remain as treasury shares, the said treasury shares shall not be taken into account in calculating the number or percentage of Sunsuria Shares or of a class of shares in the Company for any purpose including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

7.2 Earnings

The effect of the Proposed Share Buy-Back on the earnings of the Group will depend on the number of Sunsuria Shares purchased, its actual purchase price of Sunsuria Shares and the effective funding cost to finance the purchases or loss in the interest income of the Group. Where the Shares so purchased are to be cancelled, the EPS of the Group will generally, all else being equal, increase as a result of the reduction in the issued shares of the Company.

7.3 NA

The Proposed Share Buy-Back, if carried out, may increase or decrease the NA per Share depending on the purchase price(s) of the Shares to be purchased. The NA per Share will increase if the purchase price is less than the audited NA per Share but will decrease if the purchase price exceeds the audited NA per Share at the time the Shares are purchased.

For the Shares so purchased and kept as treasury shares, upon resale, the NA per Share will increase if the gain of the Shares resold has been realised. However, the quantum of the increase in NA per Share will depend on the selling prices of the treasury shares and the number of Treasury Shares resold.

7.4 Working Capital

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital and cashflow of Sunsuria Group. The quantum of which will depend on, amongst others, the number of Purchased Shares, purchase price(s) and any associated cost incurred in making the purchase. However, if the treasury shares are subsequently resold on Bursa Securities, the working capital of the Group will increase.

7.5 Dividends

The Proposed Share Buy-Back is not expected to have any impact on the dividend payment as our Board will take into consideration the Company's profit, cash flow and the capital commitments before proposing any dividend payment. However, our Board will have the option of distributing the treasury shares as share dividends to the Shareholders of Sunsuria.

7.6 Gearing

The Proposed Share Buy-Back is not expected to have any effect on the gearing of Sunsuria Group.

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8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Registers of Directors' Shareholdings and Substantial Shareholders as at LPD and assuming that the Proposed Share Buy-Back is implemented up to the maximum of 10% of the total number of issued shares and that the Purchased Shares are from the Shareholders other than the Directors and Substantial Shareholders of Sunsuria, its effects on the shareholdings of the Directors and Substantial Shareholders of Sunsuria are illustrated as follows:

| | As at LPD | | | | After the Proposed Share Buy-Back | | | |
|---------------------------------|-----------------------------|-------|-----------------------------|-------|-----------------------------------|-------|-----------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Sunsuria Shares Held | % | No. of Sunsuria Shares Held | % | No. of Sunsuria Shares Held | % | No. of Sunsuria Shares Held | % |
| Directors | | | | | | | | |
| Tan Sri Datuk Ter Leong Yap | 168,839,372 | 18.85 | 368,666,208 ⁽¹⁾ | 41.15 | 168,839,872 | 20.94 | 368,666,208 ⁽¹⁾ | 45.72 |
| Tan Pei Geok | 1,830,000 | 0.20 | - | - | 1,830,000 | 0.23 | - | - |
| Dato' Quek Ngee Meng | 243,300 | 0.03 | - | - | 243,300 | 0.03 | - | - |
| Datin Loa Bee Ha | - | - | 14,828,800 ⁽²⁾ | 1.66 | - | - | 14,828,800 ⁽²⁾ | 1.84 |
| Substantial Shareholders | | | | | | | | |
| Ter Equity Sdn Bhd | 182,557,376 | 20.38 | - | - | 182,557,376 | 22.64 | - | - |
| Tan Sri Datuk Ter Leong Yap | 168,839,872 | 18.85 | 368,666,208 ⁽¹⁾ | 41.15 | 168,839,872 | 20.94 | 368,666,208 ⁽¹⁾ | 45.72 |
| Ter Capital Sdn Bhd | 183,308,832 | 20.46 | - | - | 183,308,832 | 22.73 | - | - |
| Ruby Technique Sdn Bhd | 45,300,000 | 5.06 | - | - | 45,300,000 | 5.62 | - | - |
| CBG Holdings Sdn Bhd | - | - | 45,300,000 ⁽³⁾ | 5.06 | - | - | 45,300,000 ⁽³⁾ | 5.62 |
| Farsathy Holdings Sdn Bhd | - | - | 45,300,000 ⁽³⁾ | 5.06 | - | - | 45,300,000 ⁽³⁾ | 5.62 |
| Chia Seong Pow | 1,200,000 | 0.13 | 45,300,000 ⁽⁴⁾ | 5.06 | 1,200,000 | 0.15 | 45,300,000 ⁽⁴⁾ | 5.62 |
| Chia Song Kun | - | - | 49,300,000 ⁽⁵⁾ | 5.50 | - | - | 49,300,000 ⁽⁵⁾ | 6.11 |
| Chia Seong Fatt | - | - | 46,050,000 ⁽⁶⁾ | 5.14 | - | - | 46,050,000 ⁽⁶⁾ | 5.71 |

Notes:

- (1) Deemed interested by virtue of his interest in TER Equity Sdn Bhd, TER Capital Sdn Bhd and THK Capital Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of the shareholdings held by her spouse, Dato' Tan Tian Meng pursuant to Section 59(11)(c) of the Act.
- (3) Deemed interested by virtue of its shareholdings in Ruby Technique Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his shareholding in Farsathy Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 1965.
- (5) Deemed interested by virtue of his shareholding in CBG Holdings Sdn Bhd and Attractive Features Sdn Bhd, being a related company of Ruby Technique Sdn Bhd, pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of his shareholding in Farsathy Holdings Sdn Bhd pursuant to Section 8 of the Act and his spouse's direct interest in the Company.

9. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Sunsuria Shares as traded on the Main Market of Bursa Securities for the last twelve (12) months preceding the date of this Statement are as follows:

| <u>2021</u> | <u>Highest (RM)</u> | <u>Lowest (RM)</u> |
|-------------|---------------------|--------------------|
| January | 0.490 | 0.420 |
| February | 0.465 | 0.420 |
| March | 0.525 | 0.460 |
| April | 0.510 | 0.480 |
| May | 0.485 | 0.440 |
| June | 0.490 | 0.450 |
| July | 0.475 | 0.435 |
| August | 0.470 | 0.430 |
| September | 0.470 | 0.445 |
| October | 0.480 | 0.445 |
| November | 0.480 | 0.440 |
| December | 0.450 | 0.420 |

(Source: *wsj.com*)

10. PUBLIC SHAREHOLDING SPREAD

The Board is mindful of the compliance with public shareholding spread as required by the Listing Requirements and will take into consideration the requirement when making any purchase of Sunsuria Shares pursuant to the Proposed Share Buy-Back.

As at LPD, the public shareholding spread of the Company was 25.02%. The public shareholding spread after the Proposed Share Buy-Back is expected to be reduced to 16.69% assuming that the Proposed Share Buy-Back is implemented in full.

The Company will ensure that it will not purchase its own Shares if that purchase will result in the Company's public shareholding spread falling below the minimum threshold of 25% of its total number of issued Shares (excluding treasury shares).

11. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval being obtained from the shareholders of Sunsuria at the forthcoming 53rd AGM of Sunsuria.

12. PURCHASE, RESALE AND/OR CANCELLATION OF TREASURY SHARES

The Company has not purchased, resold and/or cancel any treasury shares during the financial year ended 30 September 2021.

13. IMPLICATION OF THE CODE

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code for any of its substantial shareholders and/or parties acting in concert with them, Our Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered.

Nonetheless, if the obligation to undertake a mandatory general offer under the Code is expected to be triggered, the substantial shareholders and their respective parties acting in concert will apply for an exemption from the SC.

14. DIRECTORS' STATEMENT AND RECOMMENDATION

The Directors, having considered the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and its shareholders. Accordingly, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 53rd AGM of the Company.

15. FURTHER INFORMATION

Shareholders are advised to refer to the attached **APPENDIX I** for further information.

Yours faithfully
for and on behalf of the Board of Directors
SUNSURIA BERHAD

Tan Pei Geok
Senior Independent Non-Executive Director

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FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular/Statement has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACT

Save and except for the following, as at LPD, Sunsuria Group has not entered into any contracts which is or may be material (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular:

- (a) Shares Subscription and Shareholders' Agreement (in relation to Bangsar Hill Park Development Sdn. Bhd.) entered between Suez Capital Sdn Bhd, Dasar Temasek Sdn Bhd, Sunsuria KL Sdn Bhd, Sunsuria and Bangsar Hill Park Development Sdn Bhd ('BHP Development') dated 2 October 2020 for the proposed subscription by the Company of 4,488,520 new ordinary shares in BHP Development, representing 51.0% equity interest of the enlarged issued share capital of BHP Development for the subscription consideration of RM8,438,417.60 at the issue price of RM1.88 per BHP Development share for the 4,488,520 new BHP Development shares to be satisfied in cash. The subscription was completed on 8 February 2021.
- (b) Shares Sale and Purchase Agreement ("SSPA") (in relation to the acquisition of 100% equity interest in Bumilex Construction Sdn. Bhd. ("Bumilex")) entered between Aizul Akma bin Awang, Johari bin Said and Sunsuria dated 2 October 2020 for the proposed acquisition by the Company of 100,000 existing ordinary shares in Bumilex representing 100% equity interest in Bumilex at a purchase consideration of RM2.00 to be satisfied in cash. The SSPA was terminated on 22 February 2021 due to the non-fulfilment of the conditions precedent as set out in the SSPA.

3. MATERIAL LITIGATION

As at LPD, Sunsuria Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which would have a material effect on the financial position or the business of Sunsuria Group and to the best of our Board's knowledge and belief, the Directors of the Company are not aware of any proceeding pending or threatened against Sunsuria Group or of any fact likely to give rise to any proceeding which may materially affect the financial position or business of Sunsuria Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Sunsuria at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan from Mondays to Fridays (except public holidays) during normal business hours from the date of this Circular up to and including the date of the forthcoming 53rd AGM:

- (a) Our Constitution; and
- (b) Our Audited Financial Statements of Sunsuria for the past two (2) financial years ended 30 September 2020 and 2021.
- (c) The material contracts as referred to in item 2 above.

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