



SUNSURIA BERHAD

Registration No.: 196801000641 (8235-K)
(Incorporated in Malaysia under the Companies Act, 1965)

SUNSURIA BERHAD (“SUNSURIA” OR THE “COMPANY”)

SHARES SALE AND PURCHASE AGREEMENT AND SHAREHOLDERS’ AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF 80% EQUITY INTEREST IN MAYER LAND SDN. BHD.

1. INTRODUCTION

The Board of Directors of Sunsuria Berhad (“**Sunsuria**” or “**the Company**”) wishes to announce that Sunsuria Symphony Sdn. Bhd. (“**SSSB**” or “**the Purchaser**”), a wholly-owned subsidiary of the Company, had on 22 June 2023 entered into a Shares Sale and Purchase Agreement (“**Shares SPA**”) with Ong Thuan Bok and Kho Weng Kooi (collectively referred to as “**the Vendors**”), for the proposed acquisition of 800,000 ordinary shares, representing 80% equity interest in Mayer Land Sdn. Bhd. (“**MLSB**”), for a total purchase consideration of RM800,000.00 (“**Purchase Consideration**”). Upon the completion of the Shares SPA on the Completion Date (as defined in the Shares SPA), the Vendors, the Purchaser and MLSB (collectively referred to as “**the Parties**”) shall proceed to execute a Shareholders’ Agreement (“**SHA**”) to regulate the relationship of the Parties effective from (and inclusive of) the Completion Date (“**Collaboration**”).

2. INFORMATION ON THE PARTIES

2.1 Information on the Purchaser

SSSB is a wholly-owned subsidiary of the Company with its registered address at Suite 8 Main Tower Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The principal business activity of SSSB is investment holding. The present issued share capital of SSSB is RM1,000.00 comprising of 1,000 ordinary shares.

As at the date of this announcement, the directors of SSSB are Mr Wong Chiew Meng, Mr Eng Kim Haw and Ms Ter Leong Ping.

2.2 Information on MLSB

MLSB is a private limited company incorporated under the laws of Malaysia having its registered address at No.39-1, Jalan 9/62A, Bandar Menjalara, Kepong, 52200 Kuala Lumpur and its business address at M18-7, 7th Floor, Block M, Jalan 3/93A, Warisan Cityview, 56100 Kuala Lumpur.

The principal business activity of MLSB is property development. The present issued share capital of MLSB is RM1,000,000.00 comprising of 1,000,000 ordinary shares.

MLSB is currently undertaking and/or being awarded with the following projects (collectively referred to as “**the Projects**”): -

- (a) Alamanda Residence located at Antara Gapi, Serendah pursuant to a Joint Venture Agreement made between Gapi Land Sdn. Bhd. and MLSB, being a 59-units of landed properties comprising 2-storey cluster semi-detached and terrace houses (“**Project Alamanda**”);

- (b) A mixed development located at Kepala Batas, Penang pursuant to a Joint Venture Agreement dated 22 December 2021 made between Koperasi Sahabat Amanah Ikhtiar Malaysia Berhad and MLSB;
- (c) Rumah Selangorku project located at Kota Warisan, Mukim Dengkil, Daerah Sepang, Selangor pursuant to Letter of Award dated 31 March 2022, pending the execution of Joint Venture Agreement; and
- (d) Rumah Selangorku (“**RSKU**”) project located at Bandar Baru Salak Tinggi Daerah Sepang Selangor (“**Project Salak Tinggi**”) in respect of all that piece of ninety-nine (99) years leasehold land, expiring on 20 December 2120 (“**Salak Tinggi Land**”), which is currently in the midst of application for rezoning from commercial use to residential use/development (hereinafter referred to as “**the Rezoning Exercise**”).

3. SALIENT TERMS OF THE COLLABORATION

3.1 Collaboration

SSSB and the Vendors will work together to undertake the development of the Projects save for Project Alamanda. The Collaboration shall be undertaken through MLSB and the Parties acknowledged that MLSB is currently undertaking the Project Alamanda as part of its existing businesses. For all intent and purposes, the Parties mutually agreed that the Collaboration shall exclude Project Alamanda.

3.2 Salient Terms of the Shares SPA

(a) Nature of the Shares SPA

The nature of the Shares SPA is for the Vendors to dispose and transfer to the Purchaser 800,000 ordinary shares in MLSB representing eighty per centum (80%) of the shareholdings of MLSB (the “**Sale Shares**”) in the proportions as set out below upon the terms and subject to the terms and conditions as set out in the Shares SPA:-

Vendors	Number of Ordinary Shares	Shareholding Percentage in MLSB
OTB	640,000	64%
KWK	160,000	16%
TOTAL	800,000	80%

(b) Purchase Consideration

Pursuant to the Shares SPA, SSSB agreed to purchase and the Vendors agreed to sell the Sale Shares for a total purchase consideration of RM800,000.00 (“**Purchase Consideration**”) payable to the Vendors in the following proportions:

Vendors	Number of Sale Shares to be Purchased	Purchase Price (RM)
OTB	640,000	RM640,000.00
KWK	160,000	RM160,000.00
TOTAL	800,000	RM800,000.00

(c) Conditions Precedent

The Purchaser's obligations to purchase the Sale Shares are conditional upon the fulfilment of the following condition precedent within three (3) months from the date of the Shares SPA or such other date as the Parties may mutually agree in writing:-

- (a) the Vendors and/or MLSB at its own costs and expenses having procured the written approval of such banks and financial institutions who have existing banking and/or credit facilities with MLSB, where the terms of such banking and/or credit facilities expressly require the prior approval of the bank and financial institution, as the case may be, for the implementation of the following matter:
 - (i) change in the shareholding of the existing shareholders in MLSB as a result of the sale and purchase of the Sale Shares contemplated in the Shares SPA; and/or
 - (ii) change in the composition of the Board of Directors in MLSB; and
 - (iii) the discharge and/or release of the following securities provided by MLSB (collectively referred to as the "**Third Party Securities**") for the facilities granted by CIMB Bank Berhad to Pembinaan Infrastruktur OKH Sdn. Bhd.:-
 - (aa) corporate guarantee in favour of CIMB Bank Berhad; and
 - (ba) third party open monies charge created over H.S.(D) 283844, PT 994, Pekan Simpang Tiga Ijok, Daerah Kuala Selangor, Negeri Selangor; and
 - (ca) third party open monies charge created over H.S.(D) 283834, PT 984, Pekan Simpang Tiga Ijok, Daerah Kuala Selangor, Negeri Selangor.
- (b) the Vendors and/or MLSB shall at its own costs and expenses procure the discharge and/or release of the Third Party Securities created by MLSB in favour of CIMB Bank Berhad; and
- (c) the Vendors and/or MLSB shall at its own costs and expenses having completed the Rezoning Exercise and obtained the planning permission (Kebenaran Merancang) for carrying out residential development under the Project Salak Tinggi from the relevant authorities.

(d) Basis of Sale of the Sale Shares

Subject to the terms and conditions in the Shares SPA, the Vendors agreed to sell and the Purchaser agreed to acquire the Sale Shares, *inter alia*, on the following basis:-

- (i) the Purchase Consideration has been arrived at on the basis of an arm's length transaction between a willing buyer and a willing seller and shall include all rights, benefits, advantages, obligations and liabilities now or in the future attaching to the Sale Shares, including all dividends or distributions whether declared or undeclared in respect thereof, made or paid on or after the Completion Date of the Shares SPA;
- (ii) the Sale Shares shall be free from all encumbrances; and
- (iii) the Sale Shares shall exclude the pre-acquisition liabilities and the pre-acquisition assets; and

- (iv) the Projects shall remain valid, subsisting, and legally binding throughout the subsistence of the Share SPA; and
 - (v) MLSB is a going concern and its business continues on an as-is-where-is basis.
- (e) Pre-Acquisition Liabilities and Pre-Acquisition Assets

The Parties agreed that all pre-acquisition liabilities (including but not limited to such liabilities under Project Alamanda) shall be borne solely by the Vendors without recourse to MLSB and/or the Purchaser. On the other hand, pre-acquisition assets (including profits derived from Project Alamanda) shall accrue to the benefits of the Vendors.

3.3 Salient Terms of the SHA

(a) Nature of the SHA

The nature of the SHA is to regulate the Parties' relationship, respective rights and obligations as shareholders of MLSB ("**MLSB's Shareholders**") and to conduct the business affairs and development in relation to the Projects in accordance with the terms and conditions of the SHA and the Constitution of MLSB.

(b) Equity structure in MLSB

Subject to the completion of the Shares SPA, the eventual equity structure of MLSB shall be held by the Purchaser and the Vendors in the following agreed proportions ("**Agreed Proportions**"):

Shareholders	Number of shares	Percentage (%)
SSSB	800,000	80.0
OTB	160,000	16.0
KWK	40,000	4.0
TOTAL	1,000,000	100.0

(c) Financing Requirements

- (i) MLSB's Shareholders hereby mutually agree that MLSB shall use its best efforts to raise all the necessary funding required for the purpose of MLSB's operation and to achieve its business objectives as and when required.
- (ii) It is hereby agreed that the financial requirements of MLSB can be met in either of the following manner which is to be approved by the Board of Directors for the time being of MLSB ("**Board**"):-
 1. subject to the unanimous approval of MLSB's Shareholders, the issuance of new ordinary shares or preference shares by MLSB and subscribed by MLSB's Shareholders in the Agreed Proportions or such other proportions as may be agreed in writing between MLSB's Shareholders;
 2. borrowings from third parties (including banks and financial institutions) which may or may not be secured by assets and properties of MLSB; or
 3. by way of shareholder's advances in the Agreed Proportions or such other proportions as may be agreed in writing between MLSB's Shareholders.

- (iii) Unless sub-para (ii) above has been fully exhausted, MLSB's Shareholders shall not be required to provide any form of financial assistance or security or credit support (including the furnishing of any guarantee) for MLSB unless otherwise mutually agreed upon in the Agreed Proportions or such other proportions as may be agreed in writing between MLSB's Shareholders.

4. LIABILITIES TO BE ASSUMED

Save for the cost and expenses to be incurred by the Purchaser in relation to the Shares SPA and the SHA, there are no other liabilities (including contingent liabilities and guarantees) to be assumed by Sunsuria and its subsidiaries ("**Sunsuria Group**" or the "**Group**") arising from the Collaboration.

5. RATIONALE OF THE COLLABORATION

The Collaboration represents an opportunity for Sunsuria Group to participate, extend and expand its presence in the ongoing development projects and/or awarded projects by MLSB which are located at Selangor and Penang, therefore creating synergies between the Parties.

6. SOURCE OF FUNDING AND ESTIMATED FINANCIAL COMMITMENTS

The Purchase Consideration shall be funded by SSSB through internally generated funds.

7. EFFECTS OF THE COLLABORATION

The Collaboration will not have any effect on the share capital and substantial shareholders' shareholding of the Company, and will not have any material effect on the earnings and net assets per share of Sunsuria Group for the financial year ending 30 September 2023. The Collaboration is expected to contribute positively to the future earnings of the Group when the Projects (save for Project Alamanda) come onstream subsequently.

The effect of the Collaboration on the gearing of Sunsuria Group will be dependent on the eventual funding mix for the future development of the Projects (save for Project Alamanda).

8. APPROVALS REQUIRED

The Collaboration is not subject to the approval of the shareholders of Sunsuria or any regulatory authorities.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors and/or major shareholders of Sunsuria Group and/or persons connected with them have any interests, direct or indirect, in the Collaboration.

10. DIRECTORS' STATEMENT

The Board is of the opinion that the Collaboration is in the best interest of the Company.

11. DOCUMENTS FOR INSPECTION

The Shares SPA and SHA (upon execution) are available for inspection at the registered office of Sunsuria at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara,

PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (except on public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 22 June 2023.