

Type : **General Announcement**
Subject : **Others**
Description : **Sunsuria Berhad (“Sunsuria” or “Company”) – Strategic Cooperation Agreement with IAT Automobile Technology Co., Ltd. (“IAT”)**

1. INTRODUCTION

The Board of Directors of Sunsuria (“**Board**”) wishes to announce that the Company had on [27 April 2019] entered into a Strategic Cooperation Agreement (“**Agreement**”) with IAT (the Company and IAT to be collectively referred to as “**the Parties**”) to foster cooperation with each other on the basis of mutual rights and obligations regarding potential establishment of an ASEAN Automotive Design and Innovation Center (“**AADIC**”), which focuses on expansion and operations in Malaysia and South East Asia.

2. INFORMATION ON IAT

IAT is a company duly incorporated and existing under the laws of the People's Republic of China, having its registered address at 6-125 Mansion, No. 25 Jinghai Road, Beijing Technology & Economy Development Zone, Beijing.

IAT has the expertise and experience in the area of automotive product design, development of technology in engineering, international marketing, investment and consultation.

3. SALIENT TERMS OF THE AGREEMENT

The purpose of the Agreement is to support discussion on potential strategic collaboration between the Parties to jointly establish AADIC in Malaysia and South East Asia (“**Proposed Venture IAT**”). AADIC is an innovation center for automotive design, manufacturing, educating, car sharing, test track design & build, and creating a new frontier technology.

AADIC will be the main operation center to import electric vehicles which have been modified in China in compliance with the laws and regulations of Malaysia to obtain a car sharing operations license in Malaysia.

Under the term of the Agreement, both Parties agreed inter alia on the following :

- (a) to jointly promote the AADIC in Malaysia and South East Asia through the “One Belt and One Road” policy, incorporating local automobile culture, and relying on China’s advance technology input to achieve a two-way flow of cooperation in Malaysia and abroad;
- (b) to use Sunsuria City located in Sepang as the main launching area for the initial 100 units of imported electric vehicles;
- (c) to carry out discussions and negotiations on the Proposed Venture IAT on an exclusive basis; and
- (d) to obtain the consent in writing of the other party, in introducing a third party to the Proposed Venture IAT.

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4. VALIDITY

The Agreement shall become effective from the date of the execution of the Agreement and shall remain in force and effect until 31 December 2019, unless terminated or renewed upon mutual agreement between the Parties.

5. FINANCIAL EFFECTS

The Agreement is not expected to have a material effect on the earnings, net assets and gearing of the Company and of the Group for the financial year ending 30 September 2019.

The Agreement will not have any effect on the issued and paid up share capital of the Company as well as its director or its substantial shareholdings.

6. RATIONALE

The execution of the Agreement will enable the Sunsuria Group to improve the business model of its property development business with the establishment of an AADIC in Malaysia as its main operation base with potential to be expanded to other countries in South East Asia. The AADIC provides automotive education and car sharing models and data for Malaysia and South East Asia to enhance operational efficiency.

7. APPROVAL REQUIRED

The Agreement is not subject to the approval of the shareholders of Sunsuria or any other relevant authorities.

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors, major shareholders and/or persons connected with a Director or a major shareholder of the Company, have any interest, direct or indirect, in the Agreement.

9. DOCUMENTS FOR INSPECTION

The Agreement is available for inspection at the Registered Office of the Company at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor during normal office hours from Mondays to Fridays (except for public holidays) for a period of three months from the date of this announcement.

This announcement is dated [29 April 2019].