

**Type** : **General Announcement**  
**Subject** : **Others**  
**Description** : **Sunsuria Berhad ("Sunsuria" or "Company") – Proposed Joint Venture between Sunsuria Arena Sdn Bhd (formerly known as Ambang Arena Sdn Bhd)("SASB"), Sunsuria Gateway Sdn Bhd ("SGSB") and Gan Teck Boon via Sunsuria Landscape & Nursery Sdn Bhd (formerly known as Sunsuria Genlin Sdn Bhd) for the Proposed Joint Venture Business**

## **1. INTRODUCTION**

The Board of Directors of Sunsuria ("Board") wishes to announce that its wholly owned subsidiary, Sunsuria Arena Sdn Bhd (formerly known as Ambang Arena Sdn Bhd)("SASB"), and its 99.99%-owned direct subsidiary, Sunsuria Gateway Sdn Bhd ("SGSB"), had on 27 March 2017 entered into a Joint Venture and Shareholders Agreement ("JVA") with Mr Gan Teck Boon, to set-up, operate and manage the landscape and nursery and its related businesses in all properties developed or to be developed by Sunsuria group of companies encompasses Sunsuria's group and its related and associated companies and any other companies under the management of Sunsuria and such other business activities as may be approved from time to time in accordance with the JVA, under a joint venture company called "Sunsuria Landscape & Nursery Sdn Bhd (formerly known as Sunsuria Genlin Sdn Bhd" ("JVCO").

## **2. INFORMATION ON SASB, SGSB AND JVCO**

### **2.1 SASB**

SASB is a private limited company incorporated in Malaysia on 20 April 2000 under the Companies Act, 1965 ("Act"). As at the date of this announcement, the paid-up share capital of SASB is RM2.00 comprising 2 ordinary shares. SASB is a wholly owned subsidiary of Sunsuria. SASB is principally engaged in property development.

### **2.2 SGSB**

SGSB is a private limited company incorporated in Malaysia on 23 April 2013 under the Act. As at the date of this announcement, the paid-up share capital of SGSB is RM3,370,002 comprising 1,000,002 ordinary shares and 237,000,000 redeemable preference shares.

SGSB is a 99.99%-owned subsidiary of Sunsuria and is principally engaged in investment holding.

### **2.3 Gan Teck Boon**

Gan Teck Boon, age 44 years is a Malaysian. He is the founder of Savanna Landscaping since 1995. He graduated with a Diploma in Electronic Engineering from College Workers Institute of Technology and was the Landscape Consultant for Talent Gardens Art prior to his own landscaping business in 1995.

### **2.4 JVCO**

The JVCO was incorporated on 3 May 2016 as a private limited company and having its registered office address at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan. It is principally involved in investment holding. Its paid-up capital is RM2.00. Currently, SASB and SGSB are holding 1 share in the JVCO respectively.

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### 3. SALIENT TERMS OF THE JVA

- (i) Simultaneous with and/or on the day of the execution of the JVA, SASB and Gan shall subscribe for additional 6,998 ordinary shares and 3,000 ordinary shares in the Company respectively at the issue price of RM1.00 per ordinary share so that the shareholdings of SASB, SGSB and Gan (“Parties”) in the Company, including the aforementioned subscribers’ shares, are in the following proportions (hereinafter referred to “the Agreed Proportion”):

<b>Parties</b>	<b>Agreed Proportion</b>	<b>Number of shareholdings after subscription</b>
SASB	69.99%	6,999
SGSB	0.01%	1
Gan Teck Boon	30.00%	3,000
<b>TOTAL</b>	<b>100.00%</b>	<b>10,000</b>

- (ii) The share capital of the Company in respect of all classes of shares shall at all times be held by the Parties in the Agreed Proportion, and the Company shall not issue any new shares without first offering to the Parties in accordance with the Agreed Proportion.
- (iii) Immediately following the date of execution of the JVA, the Board of Directors shall prepare a proposal (“Initial Proposal”) detailing the JV Business and the estimated capital investments and working capital needed for the JV Business in Malaysia, including recommendation for funding by way of issue and allotment of new shares by the JVCO in Agreed Proportion or loans and other credit facilities from third party lenders.
- (iv) All other future working capital needs of the JVCO for subsequent periods of operations shall be reviewed by the Board of Directors from time to time, and based on the recommendations of the Board of Directors, shall be in such form and manner to be considered and mutually agreed by the Parties in accordance with JVA.
- (v) SASB and SGSB shall further assist the JVCO on the following:
- Assist the JVCO with the management of the JV Business; and
  - Assist the JVCO to procure landscape contract for the JV Business.
- (vi) Gan shall further assist the JVCO on the following:
- Facilitate the JVCO’s applications for any and all licences, permits and approvals, required in connection with the JV Business.
  - Provide to the JVCO of its services in relation to the set-up, operation, management and development of the JV Business.
  - Procure adequate human resources and expertise and competent personnel to set up, operate and manage the JV Business including but not limited to preparing and developing a rate card for maintenance of JV Business.

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(vii) The JVCO may be terminated upon occurrence of the following events:

- a members' voluntary resolution to wind-up the JVCO or if a liquidator is appointed;
- listing of the JVCO on any stock exchange;
- mutual agreement of all shareholders of the JVCO to terminate the JVA.

#### **4. SOURCE OF FUNDING**

SASB shall fully subscribe for its Agreed Proportion shares in cash through internally generated funds.

#### **5. RATIONALE FOR THE JVCO/JVA**

Sunsuria aims to deliver the promise for a smart, livable and sustainable (“SLS”) township through this JVA which will undertake the creation of sustainable landscape in line with the SLS principles at cost effective and efficient manner on a long-term basis.

#### **6. FINANCIAL EFFECTS OF THE INVESTMENT**

##### **6.1 Share Capital, Net assets per share and substantial shareholders' shareholding**

The JVA is not expected to have any effect on the share capital, net assets per share or substantial shareholding of the Company as the JVA does not involve any issuance of new ordinary shares in the Company.

##### **6.2 Earnings and Earnings per share**

The JVA is not expected to have any effect on the earnings and earnings per share of the Company.

##### **6.3 Net Assets and Gearing**

The JVA is not expected to have any material effect on the consolidated net assets and gearing of Sunsuria Group for the year ending 30 September 2017.

#### **7. RISK FACTORS**

The Company does not foresee any exceptional risk other than the normal operational risks associated with joint ventures. The Company will take the necessary steps to mitigate the risks as and when it occurs.

#### **8. APPROVALS REQUIRED**

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

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**10. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances, the JVA is expected to be completed upon the subscription of the shares by the Parties.

**11. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio applicable to the JVA pursuant to Paragraph 10.02(g) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad is 0.001%.

**12. DIRECTORS’ STATEMENT**

Having considered all aspects of the Company, the Board of Directors is of the opinion that the JVA is in the best interest of the Company.

**13. 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 JVA.

**14. DOCUMENTS FOR INSPECTION**

The JVA 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) for a period of three (3) months from the date of this announcement.

This announcement is dated 27 March 2017.