

**Type** : **General Announcement**  
**Subject** : **Others**  
**Description** : **Sunsuria Berhad (“Sunsuria” or “Company”) – Proposed Joint Venture between Sunsuria Arena Sdn Bhd, a wholly-owned subsidiary of Sunsuria, Deluxe Indulgence Sdn Bhd and Yap Soon Han**

## 1. INTRODUCTION

The Board of Directors of Sunsuria (“**Board**”) wishes to announce that its wholly-owned subsidiary, Sunsuria Arena Sdn Bhd (“**SASB**”) had on 22 February 2019 entered into a Shares Subscription and Shareholders’ Agreement (“**Agreement**”) with Deluxe Indulgence Sdn Bhd (“**DISB**”), Yap Soon Han (“**YSH**”) and Sunsuria City Amenities Sdn Bhd (“**SCASB**”), which in turn is a wholly-owned subsidiary of SASB, to acquire interest by way of subscription of shares in SCASB, the identified joint venture vehicle, and to regulate their relationship as shareholders in SCASB, which shall carry out food and beverages business activities (“**Business**”) (“**Proposed Joint Venture**”).

## 2. PROPOSED JOINT VENTURE

### 2.1 Information on SASB, SCASB, DISB and YSH

#### **SASB**

SASB is a private limited company incorporated in Malaysia on 20 April 2000 under the Companies Act, 2016. As at the date of this announcement, the issued share capital of SASB is two (2) ordinary shares, which are entirely held by Sunsuria. The principal business activity of SASB is property development.

#### **SCASB**

SCASB is a private limited company incorporated in Malaysia on 2 June 2016 under the Companies Act, 2016. As at the date of this announcement, the issued share capital of SCASB is two (2) ordinary shares, which are entirely held by SASB. The principal business activity of SCASB is investment holding.

#### **DISB**

DISB is a private limited company incorporated in Malaysia on 23 March 2016 under the Companies Act, 2016. As at the date of this announcement, DISB has an issued share capital two (2) ordinary shares. DISB is principally involved in investment holding and property investment.

As at the date of this announcement, Mr. Ang Yoke Seng is the sole Director of DISB whilst the shareholders of DISB and their corresponding shareholdings are as follows:

<b>Shareholders</b>	<b>Number of shares held in DISB</b>	<b>Shareholding</b>
Ang Yoke Seng	1	50%
Lim Hwee Siang (Lim HuiChan)	1	50%
TOTAL	2	100%

Mr. Ang Yoke Seng (“**AYS**”), age 54, is a Malaysian with many years of work experience in establishing, managing, developing and operating food and beverage businesses.

#### **YSH**

Mr. Yap Soon Han, age 57, is a Malaysian with more than 10 years of work experience as a Food and Beverage Manager.

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## 2.2 Salient terms of the SSSHA

- (i) The objectives of the proposed joint venture is for SCASB to undertake food and beverages activities that are similar to, complementary to, or ancillary to, the foregoing, and such other businesses as may be agreed by the shareholders.
- (ii) Subject to the terms and conditions of the Agreement, SCASB shall offer to SASB, DISB and YSH to subscribe for such number of ordinary shares in SCASB so that the Parties' shareholding in the Company shall at all times be held in the following proportions (“Agreed Proportions”):

Shareholders	Number of shares	Percentage of shareholding in the JVCO
SASB	8,500	85%
DISB	1,000	10%
YSH	500	5%
<b>TOTAL</b>	<b>10,000</b>	<b>100%</b>

- (iii) All ordinary shares shall have equal rights as provided in the Constitution of SCASB.
- (iv) Unless the Parties otherwise unanimously agree in writing and save as provided for in the Agreement, the Parties agree to exercise their voting rights to ensure that at all times:
- any new shares in SCASB shall only be allotted to the existing shareholders in the Agreed Proportions; and
  - no shares in SCASB shall be allotted or issued nor options over shares nor any types of securities convertible into shares in SCASB shall be granted to any person whether or not a shareholder.
- (v) The financial requirements of SCASB shall be met in either of the following manner based on the recommendation to be approved by the board of directors of SCASB:
- borrowings from third parties (including banks and financial institutions) secured by assets and properties of SCASB; or
  - by way of shareholder's advance in the Agreed Proportions; or
  - the issuance of preference shares by SCASB and subscribed by the shareholders in the Agreed Proportions.

If a corporate guarantee is required to be given by the shareholders in relation to any financial assistance required, then the liability of the shareholders arising from any guarantee shall be several (and not joint) and in accordance with their respective equity shareholdings in SCASB.

- (vi) DISB shall ensure and procure that its director, AYS or such other director, who shall be appointed by DISB to the Board of the Company from time to time, shall in addition to such duties and tasks as determined by the Board under the Agreement be responsible in, inter alia, the following:
- Assisting the Company or its subsidiaries in respect of set up, management, development and operation of the Company's business;
  - Identifying and procuring adequate human resources including restaurants staffs and chefs in respect of the operation of the Company's business; and

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- Facilitating the Company's application for any necessary licenses, permits and approvals which is required for the operation of the Company's business.

DISB shall ensure that its appointed director shall inter alia, be competent and contain the necessary skills, experience and technical know-how in undertaking the required roles and responsibilities specified under the Agreement.

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

- the shareholders agree in writing to terminate the Agreement; or
- all of the ordinary shares of SCASB become beneficially owned by any one shareholder; or
- SCASB goes into liquidation whether voluntary or compulsory (other than for the purpose of an amalgamation or reconstruction approved by all the Shareholders).

### **2.3 Source of funding**

SASB shall fully subscribe for such shares in SCASB based on the Agreed Proportions in cash through internally generated funds.

### **3. RATIONALE**

The Proposed Joint Venture is part of Sunsuria Group's pursuit to enhance the value and vibrancy of its projects and to enable Sunsuria to leverage on AYS' and YSH's track record, experience and technical know-how in setting, managing, developing and operating the food and beverages businesses.

### **4. RISK FACTORS**

Pursuant to the Proposed Joint Venture, Sunsuria Group's performance will be exposed to certain risks inherent to the food and beverages activities which include, amongst others, economic downturn globally and regionally, occurrence of force majeure events including but not limited to decrees or restraints by governmental authorities, acts of God, strikes, war, riot, civil unrest and any other causes of such nature.

Nevertheless, Sunsuria Group will seek to mitigate these risks through, amongst others, by venturing onto the food and beverages business via a joint venture with partners who are recognized for its established management track records to diligently monitoring the trends, issues, problems and industry practices that arises as well as careful planning and proactive and close overseeing the operations of the food and beverages business.

### **5. FINANCIAL EFFECTS OF THE PROPOSED JOINT VENTURE**

The Proposed Joint Venture will not have any effect on the share capital and substantial shareholders' shareholding of the Company.

The Proposed Joint Venture is not expected to have any material effect on the earnings, earnings per share, net assets and gearing of Sunsuria Group for the financial year ending 30 September 2019, but is expected to contribute positively to the future earnings of Sunsuria Group.

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**6. APPROVALS REQUIRED**

The Proposed Joint Venture is not subject to the approval of the shareholders of Sunsuria or any relevant authorities.

**7. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances, the subscription of shares in SCASB by the Parties based on the Agreed Proportions is expected to be completed by the third quarter of financial year ending 30 September 2019.

**8. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Joint Venture pursuant to Paragraph 10.02(g) of the Listing Requirements is 0.001%.

**9. DIRECTORS' STATEMENT**

Having considered all aspects of the Proposed Joint Venture, the Board is of the opinion that the Proposed Joint Venture is in the best interest of the Company.

**10. 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 Proposed Joint Venture.

**11. DOCUMENTS FOR INSPECTION**

The Agreement is 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 22 February 2019.