

**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 resolution in respect of the above proposals will be tabled as Special Business at the Fifty-First Annual General Meeting ("51<sup>st</sup> AGM") of the Company to be held at Sunsuria City Celebration Centre, Persiaran Sunsuria, Bandar Sunsuria, 43900 Sepang, Selangor Darul Ehsan on Thursday, 19 March 2020 at 10.00 a.m.

The Notice of the 51<sup>st</sup> AGM dated 31 January 2020 together with the Form of Proxy are set out in the Annual Report of the Company for the financial year ended 30 September 2019. The Form of Proxy must be completed and 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 51<sup>st</sup> AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 51<sup>st</sup> AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 17 March 2020 at 10.00 a.m.

Date and time of 51<sup>st</sup> AGM : 19 March 2020 at 10.00 a.m.

This Circular/Statement is dated 31 January 2020  
("Circular/Statement")

## 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”	:	20 January 2020 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
“Warrants”	:	158,358,462 outstanding warrants in the Company as at LPD which will expire on 22 July 2020 which carry the rights to subscribe for one new share in Sunsuria at the exercise price of RM1.50 each and subject to the terms and conditions set out in the Deed Poll dated 11 June 2015.

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 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

31 January 2020

**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")**

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**1. INTRODUCTION**

At our Company's 50<sup>th</sup> AGM held on 29 March 2019, 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 22 January 2020, 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 2019.

**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 51<sup>st</sup> 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 51<sup>st</sup> AGM, will be subjected to annual renewal. Any authority conferred by Shareholders in respect of the Proposed Shareholders' Mandate will take effect from the date of the 51<sup>st</sup> 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 normal 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
<b><u>Subsidiaries of Sunsuria</u></b>		
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
<b><u>Subsidiary of LMDSB</u></b>		
Dreamsphere Sdn Bhd	100	Investment Holding
<b><u>Subsidiary of SFSB</u></b>		
Greenworth Sdn Bhd	95.63	Parking and Services
<b><u>Subsidiary of SSSB</u></b>		
Sunsuria City Sdn. Bhd. ("SCSB")	99.99	Property Development
<b><u>Subsidiary of SCSB</u></b>		
Sunsuria Everrich Sdn Bhd ("SESB")	59.99	Investment Holding and Property Development.
<b><u>Subsidiary of SNSB</u></b>		
Consolidated Factoring (M) Sdn. Bhd.	91.89	Factoring Companies
<b><u>Subsidiary of SGSB</u></b>		
Sunsuria Genlin Development Sdn Bhd	69.99	Property Development.
<b><u>Subsidiaries of SASB</u></b>		
Sunsuria Landscape & Nursery Sdn Bhd ("SLN")	69.99	Landscape and Nursery
Sunsuria City Amenities Sdn Bhd	85.00	Proprietors of Restaurants, Food and Beverage Business
<b><u>Subsidiary of SBSB</u></b>		
Sunsuria Asas Sdn Bhd	51.00	Construction



Name of Company	Effective Interest Held (%)	Principal Activities
<b><u>Subsidiaries of SCASB</u></b>		
Aspen Esplanade Sdn Bhd	85.00	Investment Holding
Cloudcubes Sdn Bhd	68.00	Food and Beverage
Aspire Century Sdn Bhd	85.00	Investment Holding
Vibrant Blossom Sdn Bhd	68.00	Food and Beverage
Kemudi Semarak Sdn Bhd	85.00	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 holdings 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, Welcome Global Co. Ltd, Deluxe Indulgence Sdn Bhd, Danny Ang and Tan Hong Thai.	Construction and engineering, general contracting & project consulting and services, investment holding, property development & investment and provision of management services.
6.	Tan Sri Datuk Ter Leong Yap	N/A
7.	Paragon Symbol Sdn Bhd	Property Investment.
8.	Directors and Major Shareholders of Sunsuria and its subsidiaries and persons connected with them	N/A
9.	Bangsar Hill Park Development Sdn Bhd	Property Development.

### 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  Rental of motor vehicles	SDSB is a 100% owned subsidiary of Sunsuria Holdings Sdn Bhd ("SHSB").  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.  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.  Ms Ter Leong Ping is the sister to Tan Sri Datuk Ter.  Tan Sri Datuk Ter and Ms Ter Leong Ping are also the Directors of SDSB.	661,000  10,000	549,669  8,300	661,000  10,000
B. GPSB	Rental of premises* for sales gallery purposes located at Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, Petaling Jaya to the Sunsuria Group	GPSB is a 100% owned subsidiary of SDSB. SDSB is a 100% owned subsidiary of SHSB.  Deemed as Related Parties by virtue of Tan Sri Datuk Ter being a major shareholder of SHSB, holding 92.5% equity interest in SHSB.	493,000	409,071	493,000
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 own not less than 20% equity interest in TPSB.	##	Nil	##
D. PRSB	Renting of premises* located at Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, Petaling Jaya to the Sunsuria Group	PRSB is a 100% owned subsidiary of SDSB. SDSB, which 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. He owns 92.5% equity interest in SHSB.  Tan Sri Datuk Ter is also a Director of PRSB.	340,000	17,947	340,000

Mandated Party	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)
E.	Applicable for transactions between Sunsuria Group and their respective joint venture partners (including persons connected / subsidiaries of the joint venture partners)	Provision of management services and related services** and building materials by Alunan Asas Sdn Bhd to Sunsuria Group	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, Welcome Global Co. Ltd, Deluxe Indulgence Sdn Bhd, Ang Yoke Seng and Tan Hong Thai.  Alunan Asas Sdn Bhd is a 69% owned subsidiary of Evergreen Perspective Sdn Bhd ("EPSB").  Mr. Chuah Chew Hai is a Director of Spanway Construction Sdn Bhd, which in turn is a 50%-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.	##	2,991,883	##
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@@	#	9,039,400	#
G.	Paragon Symbol Sdn Bhd	Rental of premises* located at Forum 1, Setia Alam, Shah Alam, Selangor and Bell Avenue at Sunsuria City, Sepang, Selangor to Sunsuria Group	Puan Sri Datin Kwan May Yuen is the spouse of Tan Sri Datuk Ter.  Ter Shin Nie, Ter Shin Ann and Ter Chen Loong are children of Tan Sri Datuk Ter and Puan Sri Datin Kwan.  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.	220,000	Nil	220,000

**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 Note 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 who 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.

### 2.3.4 The nature and estimated value of Proposed New Shareholders Mandate

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)
A. Bangsar Hill Park Development Sdn Bhd		<p>Provision of professional management services and related services** by Sunsuria Group.</p> <p>Provision of construction contract by Sunsuria Asas Sdn Bhd.</p>	<p>Sunsuria KL Sdn Bhd (F.K.A. Rantau Majuprima Sdn Bhd) ("SKLSB") owns 50% equity interest in BHPDSB.</p> <p>Tan Sri Datuk Ter is a Sole Director and major shareholder of SKLSB. He owns 95% equity interest in SHSB and his spouse, Puan Sri Datin Kwan May Yuen owns the balance 5% interest.</p> <p>Tan Sri Datuk Ter is a Director of BHPDSB.</p> <p>Datuk Ter Leong Hing, the brother to Tan Sri Datuk Ter is also a Director of BHPDSB, who owns not less than 20% equity interest in Suez Capital Sdn Bhd. Suez Capital Sdn Bhd owns 43% equity interest in BHPDSB.</p>	<p>960,000</p> <p>##</p>

**Note:**

\*\* Include inter alia, corporate management support, project management, construction management, sales & marketing management, finance management and general administrative services.

## 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 Owning 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	
	No. of Shares	%	No. of Shares	%
<b><u>Interested Directors</u></b>				
Tan Sri Datuk Ter Leong Yap	168,639,872	18.82	368,666,208 <sup>(1)</sup>	41.15
Tan Pei Geok	1,830,000	0.20	-	-
Dato' Quek Ngee Meng	50,000	0.01	-	-
Datin Loa Be Ha	-	-	14,828,800*	1.66
<b><u>Major Shareholders</u></b>				
Ter Capital Sdn Bhd	181,466,832	20.25	-	-
Ter Equity Sdn Bhd	182,557,376	20.38	-	-
Tan Sri Datuk Ter Leong Yap	168,639,872	18.82	368,666,208 <sup>(1)</sup>	41.15
<b><u>Interested Person connected to the Directors and/or Major Shareholders</u></b>				
Puan Sri Datin Kwan May Yuen	-	-	-	-
Datuk Ter Leong Hing	-	-	4,642,000 <sup>(2)</sup>	0.52
Ter Leong Ping	100,000	0.01	-	-
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 through THK Capital Sdn Bhd pursuant to Section 8 of the Act.

\* Deemed interested by virtue of shareholdings held by her spouse, Dato' Tan Tian Meng pursuant to Section 59(11)(c) 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 51<sup>st</sup> 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 51<sup>st</sup> 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 51<sup>st</sup> AGM.

## 6. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the issued share capital and substantial shareholders' shareholdings of Sunsuria. The Proposed Shareholders' Mandate is expected to have a positive effect on the new assets and earnings and earnings per share of the Group due to the potential fees to be generated from the professional management services transactions with Related Parties.

## 7. DIRECTORS' RECOMMENDATION

All the Directors have refrained from forming an opinion and making any recommendation in respect of the proposed Recurrent Transactions under Section 2.3.3.F 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 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 51<sup>st</sup> AGM.

## 8. AGM

The ordinary resolution pertaining to the Proposed Shareholders' Mandate is set out as Special Business in the Notice of the 51<sup>st</sup> AGM contained in the Sunsuria's Annual Report for the financial year ended 30 September 2019. The 51<sup>st</sup> AGM will be held at Sunsuria City Celebration Centre, Persiaran Sunsuria, Bandar Sunsuria, 43900 Sepang, Selangor Darul Ehsan on Thursday, 19 March 2020 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 in person at the AGM, you are requested to complete, sign and return the Form of Proxy which is incorporated in the Annual Report accompanying this Circular in accordance with the instructions stated therein, so as to arrive at the Company's Share Registrars, 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, its 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 appointed for holding the 51<sup>st</sup> AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 51<sup>st</sup> 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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**FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Circular 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**

As at LPD, Sunsuria Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular.

**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 AMPROP 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 51<sup>st</sup> AGM:

- (i) our Constitution; and
- (ii) our Audited Financial Statements of Sunsuria for the past two (2) financial years ended 30 September 2018 and 2019.

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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**

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**1. INTRODUCTION**

At the 50<sup>th</sup> AGM of Sunsuria held on 29 March 2019, the Shareholders, had inter-alia, given a mandate for Sunsuria to purchase up to ten percent (10%) of the total issued and paid-up share capital 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 51<sup>st</sup> AGM of the Company, unless a renewal of mandate for the share buy-back authority is obtained from the Shareholders at the forthcoming 51<sup>st</sup> AGM.

In connection thereto, the Company had on 22 January 2020 announced its intention to seek the Shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 51<sup>st</sup> 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 51<sup>st</sup> AGM. The Notice convening the 51<sup>st</sup> AGM of Sunsuria and the Form of Proxy are enclosed in the Annual Report 2019 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 50<sup>th</sup> Annual General Meeting held on 29 March 2019, 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:

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

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 51<sup>st</sup> 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 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 the provisions of Section 127 of the Act, the Board may deal with the Purchased Shares in the following manner:

- (a) cancel the Shares so purchased; or
- (b) retain the Shares so purchased as Treasury Shares; or
- (c) retain part of the Shares so purchased as Treasury Shares and cancel the remainder; or
- (d) distribute the Treasury Shares as share dividends to Shareholders; or
- (e) resell the Treasury Shares or any of the said shares in accordance with the Listing Requirements; or
- (f) transfer the Treasury Shares or any of the said shares as purchase consideration; or
- (g) 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
- (h) cancel the Treasury Shares or any of the said shares.

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) 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) The Proposed Share Buy-Back may also 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) The Proposed Share Buy-Back will 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; and
- (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.

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 consequently result in the Group forgoing future investment opportunities and any income that may be derived from the deposit of funds in interest bearing instruments;
- (b) It may also 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 as at 30 September 2019, the retained profits of the Company was RM75.136 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 and the timing of such purchases will depend on, amongst others, the market conditions, and sentiments of the stock market as well as the retained profits and the financial resources available to the Group.

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.

## **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:

	<b>Minimum Scenario<sup>#</sup></b>	<b>Maximum Scenario<sup>@</sup></b>
	<b>Number of Sunsuria Shares</b>	<b>Number of Sunsuria Shares</b>
Issued share capital as at LPD	895,917,302	895,917,302
Sunsuria Shares to be issued upon full exercise of all Warrants outstanding as at the LPD	-	158,358,462
Assuming all the Purchased Shares pursuant to the Proposed Renewal of Share Buy-Back Authority are cancelled	895,917,302 (89,591,730)	1,054,275,764 (105,427,576)
Resultant issued share capital	806,325,572	948,848,188

Notes:

- # Minimum scenario assumes that there is no exercise of Warrants outstanding as at the LPD.  
 @ Maximum scenario assumes that all Warrants outstanding as at the LPD are exercised.

*The minimum and maximum scenarios stated above are for illustration purposes only. Based on the Deed Poll of the Warrants issued on 23 July 2015, Warrants may be exercised at any time within the period commencing the date of issue of the Warrants and will be expiring on 22 July 2020. Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price of RM1.50 each. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.*

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 and the effective funding cost to finance the purchases. Generally, a lesser share capital subsequent to the cancellation of the Shares bought-back or either kept as Treasury Shares will have a positive impact, all else being equal, on the Group's EPS.

## 7.3 NA

The effect on the NA per share of Sunsuria Group will depend on the purchase prices of Sunsuria Shares and the effective funding cost to Sunsuria Group to finance the purchase of Sunsuria Shares or any loss in interest income.

The consolidated NA per share of Sunsuria Group will reduce when the purchase price per Sunsuria Share exceeds the NA per share of Sunsuria Group at the time of purchase.

Conversely, the consolidated NA per share of Sunsuria Group will increase at the time of purchase if the purchase price per Sunsuria Share is less than the consolidated NA per share of Sunsuria Group.

If the Purchased Shares were subsequently resold through Bursa Securities, the consolidated NA per share of Sunsuria Group would increase if the Company realised a gain from the resale and vice versa. However, the quantum of the increase in NA will depend on the selling price and the number of Sunsuria Share resold.

If the Treasury Shares are distributed as share dividends, the NA per share of Sunsuria Group would decrease by the cost of the Treasury Shares.

## 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 of 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:

	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back							
	As at LPD				Minimum Scenario <sup>#</sup>				Maximum Scenario <sup>@</sup>			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares Held	%	No. of Sunsuria Shares Held	%	No. of Sunsuria Shares Held	%	No. of Sunsuria Shares Held	%	No. of Sunsuria Shares Held	%	No. of Sunsuria Shares Held	%
<b>Directors</b>												
Tan Sri Datuk Ter Leong Yap	168,639,872	18.82	368,666,208 <sup>(1)</sup>	41.15	168,639,872	20.91	368,666,208 <sup>(1)</sup>	45.72	205,939,978	21.70	419,938,016	44.26
Tan Pei Geok	1,830,000	0.20	-	-	1,830,000	0.23	-	-	2,040,000	0.21	-	-
Dato' Quek Ngee Meng	50,000	0.01	-	-	50,000	0.01	-	-	50,000	0.01	-	-
Datin Loa Bee Ha	-	-	14,828,800 <sup>(2)</sup>	1.66	-	-	14,828,800 <sup>(2)</sup>	1.84	-	-	20,376,700 <sup>(2)</sup>	2.15
<b>Substantial Shareholders</b>												
Ter Equity Sdn Bhd	182,557,376	20.38	-	-	182,557,376	22.64	-	-	228,196,720	24.05	-	-
Tan Sri Datuk Ter Leong Yap	168,639,872	18.82	368,666,208 <sup>(1)</sup>	41.15	168,639,872	20.91	368,666,208 <sup>(1)</sup>	45.72	205,939,978	21.70	419,938,018 <sup>(1)</sup>	44.26
Ter Capital Sdn Bhd	181,466,832	20.25	-	-	181,466,832	22.51	-	-	187,099,298	19.72	-	-
Ruby Technique Sdn Bhd	45,300,000	5.06	-	-	45,300,000	5.62	-	-	53,166,000	5.60	-	-
CBG Holdings Sdn Bhd	-	-	45,300,000 <sup>(3)</sup>	5.06	-	-	45,300,000 <sup>(3)</sup>	5.62	-	-	53,166,000 <sup>(3)</sup>	5.60
Farsathy Holdings Sdn Bhd	-	-	45,300,000 <sup>(3)</sup>	5.06	-	-	45,300,000 <sup>(3)</sup>	5.62	-	-	53,166,000 <sup>(3)</sup>	5.60
Chia Seong Pow	1,200,000	0.13	45,300,000 <sup>(4)</sup>	5.06	1,200,000	0.15	45,300,000 <sup>(4)</sup>	5.62	1,500,000	0.16	53,166,000 <sup>(4)</sup>	5.60
Chia Song Kun	-	-	49,300,000 <sup>(5)</sup>	5.50	-	-	49,300,000 <sup>(5)</sup>	6.11	-	-	58,166,000 <sup>(5)</sup>	6.13
Chia Seong Fatt	-	-	46,050,000 <sup>(6)</sup>	5.14	-	-	46,050,000 <sup>(6)</sup>	5.71	-	-	54,116,000 <sup>(6)</sup>	5.70

Notes:

# Minimum scenario assumes that there is no exercise of Warrants outstanding as at the LPD.

@ Maximum scenario assumes that all Warrants outstanding as at the LPD are exercised.

The minimum and maximum scenarios stated above are for illustration purposes only. Based on the Deed Poll of the Warrants issued on 23 July 2015, Warrants may be exercised at any time within the period commencing the date of issue of the Warrants and will be expiring on 22 July 2020. Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price of RM1.50 each. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.

(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 Act.

(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>2019</u>	<u>Highest (RM)</u>	<u>Lowest (RM)</u>
December	0.64	0.60
November	0.655	0.61
October	0.68	0.62
September	0.72	0.645
August	0.755	0.715
July	0.78	0.705
June	0.70	0.67
May	0.70	0.65
April	0.735	0.62
March	0.69	0.62
February	0.675	0.595
January	0.61	0.58

(Source: Bloomberg)

## 10. PUBLIC SHAREHOLDINGS 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 25.07%. The public shareholding spread after the Proposed Share Buy-Back is expected to be reduced to 16.74% assuming that the Proposed Share Buy-Back is implemented in full (assuming all the Warrants have yet to be exercised).

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 51<sup>st</sup> 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 2019.

## 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 51<sup>st</sup> AGM of the Company.

**15. FURTHER INFORMATION**

Shareholders are advised to refer to Appendix II of this Statement 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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## Appendix II

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### FURTHER INFORMATION

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#### 1. RESPONSIBILITY STATEMENT

This 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 CONTRACTS

As at LPD, Sunsuria Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Statement.

#### 3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Sunsuria and/or its subsidiaries are 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 or its subsidiaries and our Board has no knowledge of any proceedings pending or threatened against Sunsuria and/or its subsidiaries or of any other facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of Sunsuria and/or its subsidiaries preceding the date of this Statement.

#### 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 Statement up to and including the date of the forthcoming 51<sup>st</sup> AGM:-

- (i) Constitution of Sunsuria; and
- (ii) Audited Financial Statements of Sunsuria for the past two (2) financial years ended 30 September 2018 and 2019.

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