

THIS CIRCULAR 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 advisers immediately.

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SUNSURIA BERHAD
(Company No. 8235-K)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- (I) **PROPOSED ALLOTMENT AND ISSUANCE OF 65,083,000 NEW ORDINARY SHARES IN SUNSURIA BERHAD (“SUNSURIA”) (“SUNSURIA SHARE(S)”) (“ISSUANCE SHARE(S)”) REPRESENTING APPROXIMATELY 8.15% OF THE EXISTING ISSUED SHARE CAPITAL OF SUNSURIA TO TER CAPITAL SDN. BHD. AT AN ISSUE PRICE OF RM0.655 PER ISSUANCE SHARE FOR A TOTAL CONSIDERATION OF RM42,629,365 (“PROPOSED ISSUANCE OF SHARES”); AND**
- (II) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF SUNSURIA AND ITS SUBSIDIARY COMPANIES (EXCLUDING SUBSIDIARY COMPANIES WHICH ARE DORMANT) (“PROPOSED ESOS”)**

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



A Participating Organisation of Bursa Malaysia Securities Berhad
A Trading Participant of Bursa Malaysia Derivatives Berhad

Financial Adviser



ASTRAMINA ADVISORY SDN. BHD. (810705-K)
(A licensed corporate finance advisory firm)

The Notice of the Extraordinary General Meeting (“EGM”) together with a copy of the Form of Proxy are enclosed with this Circular. If you decide to appoint a proxy to attend and vote on your behalf at the EGM, the Form of Proxy should 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 48 hours before the time appointed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming EGM if you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Wednesday, 27 March 2019 at 11.30 a.m.
Date and time of the EGM	:	Friday, 29 March 2019 at 11.30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Company’s 50th Annual General Meeting scheduled to be held at the same venue on the same day at 10.00 a.m., whichever is later
Venue of the EGM	:	Sunsuria City Celebration Centre, Persiaran Sunsuria, Bandar Sunsuria, 43900 Sepang, Selangor Darul Ehsan

This Circular is dated 14 March 2019

DEFINITIONS

In this Circular, the following terms and abbreviations shall have the following meanings unless otherwise stated:

“Act”	:	Companies Act 2016
“AGM”	:	Annual general meeting
“Astramina” or “Financial Adviser”	:	Astramina Advisory Sdn. Bhd. (810705-K)
“Board”	:	Board of Directors of Sunsuria
“Bursa Securities” or “Exchange”	:	Bursa Malaysia Securities Berhad (635998-W)
“By-Laws”	:	The terms and conditions governing the Proposed ESOS as may be amended, modified, and supplemented from time to time, the draft of which is attached in Appendix II
“Circular”	:	The circular to shareholders of Sunsuria dated 14 March 2019 in relation to the Proposals
“Condition Period”	:	Sixty (60) days commencing immediately after the date of the Subscription Agreement
“Director(s)”	:	Director(s) of the Company
“EPS”	:	Earnings per Share
“EGM”	:	Extraordinary general meeting
“Eligible Person(s)”	:	Employee(s), executive and/or non-executive director(s) of Sunsuria Group (excluding dormant subsidiaries) who meet the criteria of eligibility for participation in the Proposed ESOS in the manner as indicated in the By-Laws
“ESOS”	:	Employees’ share option scheme, being the scheme for the granting of ESOS Options to the Eligible Persons to subscribe for new Sunsuria Shares upon the terms and conditions in the manner indicated in the By-Laws
“ESOS Committee”	:	A committee to be appointed and authorised by the Board in accordance with the By-Laws
“ESOS Option(s)”	:	The right(s) of a Grantee(s) to subscribe for new Sunsuria Shares pursuant to the contract constituted by the acceptance of an offer by an Eligible Person(s) in the manner indicated in the By-Laws
“Extended Period”	:	The extended condition period for a further period of thirty (30) days from the Condition Period, at the option of TCSB
“FPE”	:	Financial period ending/ended, as the case may be
“FYE”	:	Financial year ending/ended, as the case may be
“GDV”	:	Gross development value
“Grantee(s)”	:	An Eligible Person(s) who has accepted the Offer in the manner as indicated in the By-Laws

DEFINITIONS (Cont'd)

“IPS” or “Principal Adviser”	:	Inter-Pacific Securities Sdn. Bhd. (12738-U)
“Issuance Share(s)”	:	New Sunsuria Share(s) to be issued pursuant to the Proposed Issuance of Shares
“LAT”	:	Loss after tax
“LBT”	:	Loss before tax
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	22 February 2019, being the latest practicable date prior to the printing of this Circular
“Main Market”	:	Main Market of Bursa Securities
“Market Day”	:	Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
“NA”	:	Net assets
“Offer(s)”	:	A written offer(s) of ESOS Option(s) made by the ESOS Committee from time-to-time to an Eligible Person(s) to participate in the ESOS in the manner provided in the By-Laws
“Option Price”	:	The price payable for the Sunsuria Shares upon the exercise of any ESOS Option granted pursuant to the Proposed ESOS, subject to any adjustments in accordance with the By-Laws and pursuant to the Listing Requirements
“PAT”	:	Profit after tax
“PBT”	:	Profit before tax
“Proposals”	:	Proposed Issuance of Shares and Proposed ESOS, collectively
“Proposed ESOS”	:	Proposed establishment of an employees’ share option scheme of up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of Sunsuria Group (excluding dormant subsidiaries)
“Proposed Issuance of Shares”	of	Proposed allotment and issuance of 65,083,000 Issuance Shares representing approximately 8.15% of the existing issued share capital of Sunsuria to TCSB at an issue price of RM0.655 per Issuance Share for a total cash consideration of RM42,629,365
“Proposed Subscription”	SFSB	Proposed subscription of 2,550,000 SFSB Rights Shares by Sunsuria
“Record of Depositors”	:	A record of securities holders established and maintained by Bursa Malaysia Depository Sdn. Bhd. pursuant to the Rules of Bursa Malaysia Depository Sdn. Bhd. as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions

DEFINITIONS (Cont'd)

“SFSB”	:	Sunsuria Forum Sdn. Bhd. (768923-X), a 51% owned subsidiary of Sunsuria
“SFSB Rights Share(s)”	:	New ordinary share(s) in SFSB to be issued pursuant to the proposed rights issue by SFSB of 5,000,000 new SFSB Shares on the basis of twenty (20) new SFSB Shares for every one (1) existing SFSB Share held at an issue price of RM17.40 per SFSB Rights Share
“SFSB Share(s)”	:	Ordinary share(s) of SFSB
“SOHO”	:	Small-office home-office serviced suites
“Subscription Agreement”	:	Conditional share subscription agreement dated 28 February 2019 entered into between the Company and TCSB
“Sunsuria” or the “Company”	:	Sunsuria Berhad (8235-K)
“Sunsuria Group” or the “Group”	:	Sunsuria and its subsidiaries, collectively
“Sunsuria Share(s)” or “Share(s)”	:	Ordinary share(s) of Sunsuria
“Tan Sri Datuk Ter” or “Interested Director”	:	Tan Sri Datuk Ter Leong Yap
“TCSB” or “Subscriber”	:	Ter Capital Sdn. Bhd. (1087641-X)
“TCSB Share(s)”	:	Ordinary share(s) of TCSB
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“VWAP”	:	Volume weighted average market price
“Warrants”	:	Remaining unexercised 158,358,462 outstanding Warrants 2015/2020 in Sunsuria

All references to “our Company” and “the Company” in this Circular are to Sunsuria. References to “the Group” and “Sunsuria Group” are to our Company and subsidiaries, collectively.

All references to “you” or “your” in this Circular are to the shareholders of the Company who are entitled to attend and vote at the EGM and whose names appear in the Record of Depositors at the time and on the date to be determined by the Board.

Words denoting the singular number shall include the plural and vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any provision of the statutes, rules, regulations or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations or rules of stock exchange (as the case may be) as modified by any written law and any amendments to the statutes, regulations or rules of stock exchange for the time being in force or their respective re-enactment or amendment.

TABLE OF CONTENTS

LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSALS

	PAGE
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSALS	2
3. RATIONALE FOR THE PROPOSALS	14
4. EFFECTS OF THE PROPOSALS	17
5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS	25
6. APPROVALS REQUIRED AND INTER-CONDITIONALITY OF THE PROPOSALS	29
7. HISTORICAL SHARE PRICES	30
8. OTHER CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	30
9. ESTIMATED TIMEFRAME FOR COMPLETION	30
10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	31
11. DIRECTORS' STATEMENT AND RECOMMENDATION	33
12. EGM	34
13. FURTHER INFORMATION	34

APPENDICES

I INFORMATION ON TCSB	35
II DRAFT BY-LAWS FOR THE PROPOSED ESOS	37
III FURTHER INFORMATION	68

NOTICE OF EGM**ENCLOSED****FORM OF PROXY****ENCLOSED**



SUNSURIA
SUNSURIA BERHAD
(Company No. 8235-K)
(Incorporated in Malaysia)

Registered office:

Suite 8, Main Tower,
Sunsuria Avenue,
Persiaran Mahogani,
Kota Damansara,
PJU 5, 47810
Petaling Jaya,
Selangor Darul Ehsan.

14 March 2019

Board of Directors

Tan Sri Datuk Ter Leong Yap (*Executive Chairman*)
Koong Wai Seng (*Executive Director/ Chief Executive Officer*)
Tan Pei Geok (*Senior Independent Non-Executive Director*)
Dato' Quek Ngee Meng (*Independent Non-Executive Director*)
Datin Loa Bee Ha (*Non-Independent Non-Executive Director*)

To: The shareholders of Sunsuria,

Dear Sir/Madam,

- (I) PROPOSED ISSUANCE OF SHARES; AND**
- (II) PROPOSED ESOS**

1. INTRODUCTION

On 28 February 2019, on behalf of the Board, IPS and Astramina had jointly announced that the Company proposed to undertake the following:

- (i) Proposed SFSB Subscription;
- (ii) Proposed Issuance of Shares; and
- (iii) Proposed ESOS.

The details of the Proposed SFSB Subscription are set out in the announcement dated 28 February 2019. The details of Proposed Issuance of Shares and Proposed ESOS are provided in Sections 2.1 and 2.2 of this Circular respectively.

Based on the subscription consideration for the Proposed SFSB Subscription, the highest percentage ratio pursuant to Paragraph 10.02(g) of the Listing Requirements in relation to the Proposed SFSB Subscription is approximately 14.02%. Hence, approval is not required to be obtained from the shareholders of Sunsuria for the Proposed SFSB Subscription.

On 13 March 2019, IPS and Astramina had, on behalf of the Board, jointly announced that Bursa Securities had, vide its letter dated 13 March 2019, granted its approval for the listing of and quotation for the Issuance Shares and the new Sunsuria Shares to be issued upon the exercise of the ESOS Options pursuant to the Proposed ESOS.

The purpose of this Circular is to seek approval from shareholders of Sunsuria for the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company. The approval of Bursa Securities is subject to the conditions as set out in Section 6 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR IN RELATION TO THE PROPOSALS INCLUDING THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Proposed Issuance of Shares

The Proposed Issuance of Shares entails the proposed allotment and issuance of 65,083,000 Issuance Shares to TCSB at an issue price of RM0.655 per Issuance Share to be satisfied by way of cash.

On 28 February 2019, TCSB had entered into a Subscription Agreement with Sunsuria to subscribe for 65,083,000 Issuance Shares at an issue price of RM0.655 each.

The salient terms of the Subscription Agreement are set out in Section 2.1.1 of this Circular.

The Issuance Shares represent approximately 8.15% of the existing issued share capital of Sunsuria and approximately 7.53% of the enlarged issued share capital of Sunsuria after the Proposed Issuance of Shares. Pursuant to the Proposed Issuance of Shares, Sunsuria will be able to raise total gross proceeds of RM42,629,365 which will be mainly utilised for the working capital of Sunsuria Group. Please refer to Section 2.1.6 of this Circular for the details of the utilisation of the proceeds from the Proposed Issuance of Shares.

2.1.1 Salient terms of the Subscription Agreement

The salient terms of the Subscription Agreement are as follows:

2.1.1.1 Subscription price

The subscription of the Issuance Shares by TCSB shall be at the issue price of RM0.655 per Issuance Share for a total cash consideration of RM42,629,365.

2.1.1.2 Conditions precedent

- (i) The subscription of the Issuance Shares by TCSB is subject to the fulfilment of the following conditions precedent ("**Conditions Precedent**") on or before the expiry of the Condition Period or the Extended Period:
 - (a) the approval of the Directors (save for Tan Sri Datuk Ter being the Interested Director in relation to the Proposed Issuance of Shares) for the allotment and issuance of the Issuance Shares to TCSB;

- (b) the approval of the shareholders of the Company by way of an ordinary resolution at an EGM of the Company for the allotment and issuance of the Issuance Shares to TCSB upon the terms and conditions set out in the Subscription Agreement;
 - (c) the approval of Bursa Securities for the listing of and quotation for the Issuance Shares on the Main Market;
 - (d) the approval of the Company's financiers in accordance with the terms of the financing arrangements or other facilities granted to the Company, if required; and
 - (e) the approval(s) or consent(s) of any other relevant authority(ies) and/or parties, if required.
- (ii) The Subscription Agreement will become unconditional upon the satisfaction or fulfilment or waiver (as applicable) of all the Conditions Precedent within the Condition Period or the Extended Period (if applicable), as the case may be.
 - (iii) In the event the Condition Period is not extended by TCSB, TCSB may terminate the Subscription Agreement and the Subscription Agreement will cease to be of any effect except for the survival provisions, which shall remain in force and save in respect of claims arising out of any antecedent breach of the Subscription Agreement.

2.1.1.3 Indemnity

From and after the completion date of the Subscription Agreement, each of the parties undertake and agree to pay and to indemnify fully, hold harmless and defend the other party from and against any and all the loss, cost, expense, damage, consequence and third party claim for damages suffered directly or indirectly by the other party in connection with:

- (a) any inaccuracy or breach of any of the Company's warranties (in the event the indemnifying party is the Company) or TCSB's warranties (in the event the indemnifying party is TCSB) or undertakings or other terms of the Subscription Agreement;
- (b) any proceedings taken by the other party claiming that any of the Company's warranties (in the event the indemnifying party is the Company) or TCSB's warranties (in the event the indemnifying party is TCSB) or undertakings whether contained in the Subscription Agreement or in any agreement, certificate or other document delivered pursuant to the Subscription Agreement is untrue or misleading in all material respects or has been breached in all material respects and in which judgment is given for the other party; and
- (c) the enforcement of any settlement or judgment specified in paragraph (b) above.

2.1.1.4 Termination of Agreement

In the event any party ("**Defaulting Party**") shall have breached any terms and conditions (including any representations or warranties) or failed to comply with any of its obligations under the Subscription Agreement and if such breach is remediable, fails to remedy such breach within thirty (30) days immediately after the date the other party ("**Non-Defaulting Party**") gives written notice to the Defaulting Party, the Non-Defaulting Party shall be entitled to terminate the Subscription Agreement with immediate effect by giving written notice to the Defaulting Party before or on the Completion Date and none of the Parties shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim by the Non-Defaulting Party against the Defaulting Party for costs and expenses incurred by the Non-Defaulting Party up to the termination of the Subscription Agreement and each party's accrued rights and obligations at the date of termination.

2.1.2 Information on TCSB

TCSB was incorporated in Malaysia under the Companies Act, 1965 on 4 April 2014 and is deemed registered under the Act.

The principal activity of TCSB is investment holding.

As at the LPD, the issued share capital of TCSB is RM100 comprising 100 TCSB Shares.

As at the LPD, the shareholders of TCSB and their respective shareholdings in TCSB are as follows:

Name	Direct		Indirect	
	No. of TCSB Shares held	%	No. of TCSB Shares held	%
Tan Sri Datuk Ter	99	99	-	-
Puan Sri Datin Kwan May Yuen	1	1	-	-
Total	100	100	-	-

As at the LPD, the directors of TCSB and their respective shareholdings in TCSB are as follows:

Directors	Direct		Indirect	
	No. of TCSB Shares held	%	No. of TCSB Shares held	%
Tan Sri Datuk Ter	99	99	-	-
Puan Sri Datin Kwan May Yuen	1	1	-	-
Ter Shin Nie	-	-	-	-

Puan Sri Datin Kwan May Yuen is the spouse of Tan Sri Datuk Ter.

Ter Shin Nie is the daughter of both Tan Sri Datuk Ter and Puan Sri Datin Kwan May Yuen.

Please refer to Appendix I for further details on TCSB.

2.1.3 Basis and justification on arriving at the issue price of the Issuance Shares

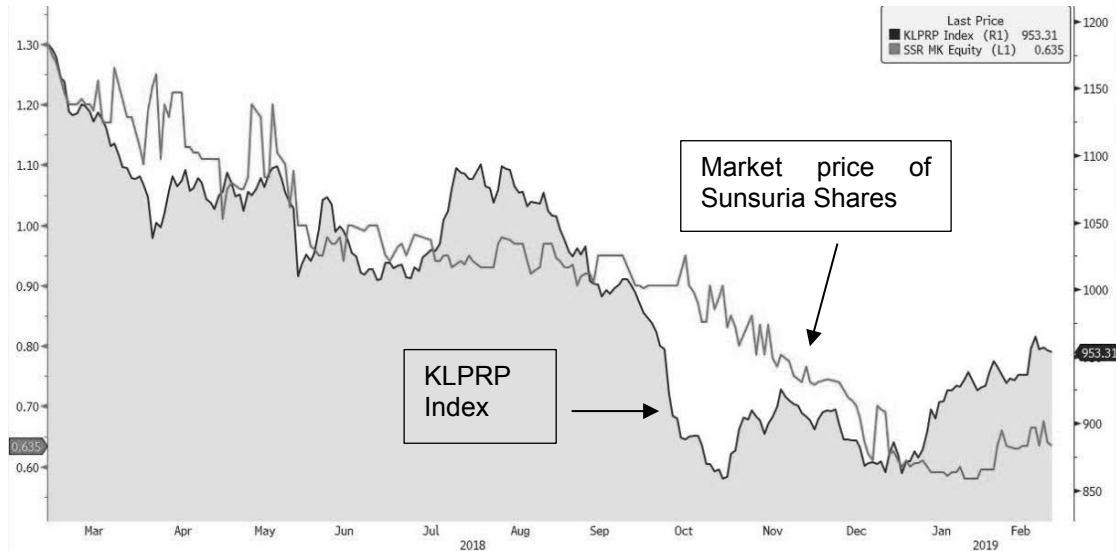
The issue price of RM0.655 per Issuance Share was determined based on the 5-day VWAP of Sunsuria Shares up to and including 27 February 2019 being the last trading day prior to the price-fixing date for the Issuance Shares and the signing of the Subscription Agreement.

The issue price of the Issuance Shares of RM0.655 each represents a premium/(discount) based on the following historical market prices of Sunsuria Shares:

	Share price	Premium/(Discount)	
	RM	RM	%
Closing price of Sunsuria Shares up to 27 February 2019	0.6350	0.0200	3.15
5-day VWAP of Sunsuria Shares up to 27 February 2019	0.6530	0.0020	0.31
1-month VWAP of Sunsuria Shares up to 27 February 2019	0.6377	0.0173	2.71
3-month VWAP of Sunsuria Shares up to 27 February 2019	0.6178	0.0372	6.02
6-month VWAP of Sunsuria Shares up to 27 February 2019	0.6681	(0.0131)	(1.96)
12-month VWAP of Sunsuria Shares up to 27 February 2019	0.8362	(0.1812)	(21.67)

For information purposes, the issue price of the Issuance Shares represents a premium of RM0.0020 or 0.31% to the 5-day VWAP of Sunsuria Shares up to 27 February 2019 of RM0.653, being the last trading day prior to the announcement of the Proposals.

The issue price of the Issuance Shares represents a discount of RM0.1812 or 21.67% to the 12-month VWAP of Sunsuria Shares up to 27 February 2019 of RM0.8362. The issue price of the Issuance Shares was determined and arrived at after taking into consideration the performance of the market prices of Sunsuria Shares vis-à-vis the Kuala Lumpur Properties Index of Bursa Securities (“**KLPRP Index**”) for the past one (1) year up to 27 February 2019 which is illustrated in the graph as follows:



(Source: Bloomberg)

Based on the above, the Board had noted that the market prices of Sunsuria Shares has moved and declined over the past 12 months up to 27 February 2019 in tandem with the movement of the KLPRP Index. Therefore, the Board has considered that it is not justifiable to determine the issue price per Issuance Share based on the 12-month VWAP of Sunsuria Shares up to 27 February 2019 but to base the determination of the issue price of the Issuance Shares on the VWAP of Sunsuria Shares of more recent months up to 27 February 2019.

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The issue price of the Issuance Shares represents the following price-to-book ratio ("PBR"):

	NA per Sunsuria Share (RM)	PBR based on issue price of Issuance Share (times)	Range of PBR of Comparable Companies ⁽ⁱ⁾ (times)	Average PBR of Comparable Companies (times)
Audited NA per Sunsuria Share as at 30 September 2018	1.09	0.60	0.28 to 0.76	0.52

Note:

- (i) Extracted from Bloomberg as at the LPD and the latest annual reports of comparable companies of Sunsuria ("Comparable Companies"). The market capitalisation of these Comparable Companies are relatively similar to Sunsuria ranging from approximately RM300.0 million to RM600.0 million. They are principally involved in property development, with their property development business contributing more than 90% to their respective revenue. The Comparable Companies selected based on these criteria are as follows:

Name of Comparable Company	Market capitalisation as at the LPD (RM'mil)	PBR (times)	Revenue from property development activities (RM'mil)	Total revenue (RM'mil)	% of total revenue	Location of ongoing property development projects
DutaLand Berhad	431.52	0.33	16.35	16.35	100.0	Kuala Lumpur, Negeri Sembilan
Glomac Berhad	296.87	0.28	382.53	405.93	94.2	Kuala Lumpur, Selangor, Johor Bahru
Iskandar Waterfront City Berhad	526.92	0.65	254.13	271.78	93.5	Johor Bahru
Magna Prima Berhad	297.70	0.57	97.89	98.90	99.9	Kuala Lumpur, Selangor
Oriental Interest Berhad	317.46	0.76	245.43	269.04	91.22	Selangor, Kedah, Putrajaya
SHL Consolidated Berhad	576.25	0.74	167.70	180.54	92.9	Selangor
Tambun Indah Land Berhad	340.20	0.56	277.20	282.10	98.3	Pulau Pinang
Titijaya Land Berhad	431.32	0.37	380.32	381.36	99.7	Kuala Lumpur, Selangor, Sabah
YTL Land & Development Berhad	335.81	0.44	328.92	328.92	100.0	Kuala Lumpur, Perak, Pulau Pinang, Singapore

Sunsuria's ongoing property development projects are mainly in the state of Selangor. As at the LPD, Glomac Berhad, Magna Prima Berhad, Oriental Interest Berhad, SHL Consolidated Berhad and Titijaya Land Berhad are the comparable companies that have on-going property development projects located in Selangor, similar to Sunsuria.

Based on the above, the PBR of Sunsuria of 0.60 times based on the issue price of the Issuance Shares falls within the range of the Comparable Companies PBR of between 0.28 times and 0.76 times and is higher than the average PBR of the Comparable Companies of 0.52 times.

For your information purpose, the price-to-earnings ratio (“PE Ratio”) of Sunsuria based on the issue price of the Issuance Shares vis-a-vis the Comparable Companies are set out as follows:

Name of Comparable Company	Share price as at the LPD ⁽ⁱ⁾ (RM)	EPS/ Loss per share ⁽ⁱⁱ⁾ (RM)	PE Ratio (times)
DutaLand Berhad	0.510	0.456	⁽ⁱⁱⁱ⁾ 1.12
Glomac Berhad	0.380	0.040	9.50
Iskandar Waterfront City Berhad	0.630	0.059	10.68
Magna Prima Berhad	0.895	0.032	⁽ⁱⁱⁱ⁾ 27.97
Oriental Interest Berhad	2.050	0.255	8.04
SHL Consolidated Berhad	2.380	0.286	8.32
Tambun Indah Land Berhad	0.785	0.194	4.05
Titijaya Land Berhad	0.330	0.063	5.24
YTL Land & Development Berhad	0.405	(0.050)	^(iv) N/A
		High	10.68
		Low	4.05
		Average	7.64

	Issue price per Issuance Share (RM)	EPS ⁽ⁱⁱ⁾ (RM)	PE Ratio based on the issue price of the Issuance Shares (times)
Sunsuria	0.655	0.127	5.16

Notes:

- (i) As extracted from Bloomberg as at the LPD.
- (ii) Based on the respective Comparable Companies and Sunsuria’s latest annual reports.
- (iii) Deemed an outlier due to extreme deviation from the average.
- (iv) Not applicable as YTL Land & Development Berhad had recorded a LAT in its latest financial year.

Based on the above, the PE Ratio of Sunsuria of 5.16 times based on the issue price of the Issuance Shares falls within the range of the Comparable Companies of between 4.05 times and 10.68 times and is lower than the average PE Ratio of the Comparable Companies of 7.64 times.

2.1.4 Ranking of the Issuance Shares

The Issuance Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Sunsuria Shares, save and except that the Issuance Shares shall not be entitled to any dividends, rights, allotments and/or distributions, which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the Issuance Shares.

2.1.5 Listing of and quotation for the Issuance Shares

An application for the listing of and quotation for the Issuance Shares on the Main Market had been made and the approval was obtained from Bursa Securities vide its letter dated 13 March 2019.

The approval by Bursa Securities for the listing of and quotation for the Issuance Shares on the Main Market is subject to the following conditions:

- (a) Sunsuria and IPS must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Issuance of Shares;
- (b) Sunsuria and IPS to inform Bursa Securities upon the completion of the Proposed Issuance of Shares;
- (c) Sunsuria/IPS to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of Sunsuria in general meeting approving the Proposed Issuance of Shares prior to the listing and quotation of the Issuance of Shares; and
- (d) Sunsuria and IPS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Issuance of Shares is completed.

2.1.6 Utilisation of proceeds

The Proposed Issuance of Shares will raise total gross proceeds of RM42,629,365 and will be utilised by Sunsuria in the following manner:

	Notes	RM' million	Expected time frame for utilisation of proceeds (from the date of listing of the Issuance Shares)
Working capital	(i)	42.17	12 months
Estimated expenses of the Proposals	(ii)	0.46	3 months
Total estimated proceeds		42.63	

Notes:

- (i) *The proceeds are mainly intended to be utilised for Sunsuria Group's on-going The Forum 2 property development project. The Forum 2 comprises retail units in a retail mall, a 21 storey office tower, a 33 storey SOHO and a 41 storey service apartments. The office tower and SOHO components (with a combined GDV of RM477.1 million) were launched in July 2018, whilst the service apartments will be lined up for sale in year 2019. As at the LPD, the percentage of completion of The Forum 2 is approximately 5%. It is estimated to be completed in year 2022. Please refer to Section 3.1 of this Circular for further details on The Forum 2 property development project.*
- (ii) *The estimated expenses for the Proposals are inclusive of advisory and professional fees, fees payable to the relevant authorities, printing of circulars, advertisement, EGM expenses and other incidental expenses in relation to the Proposals. Any deviation in the actual amount of expenses for the Proposals will be adjusted proportionately to/from the working capital of Sunsuria Group.*

Pending the full utilisation of the proceeds raised from the Proposed Issuance of Shares, the Company intends to place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institution(s) or in short term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as working capital of the Sunsuria Group, including but not limited to servicing of interest payment for the borrowings of Sunsuria Group.

2.1.7 Implication of the Rules

For information purposes, the Proposed Issuance of Shares will not give rise to any consequences relating to a mandatory general offer obligation under the Rules.

2.1.8 Public shareholding spread requirement

Pursuant to Paragraphs 3.06 and 8.02(1) of the Listing Requirements, Sunsuria must ensure that at least 25% of the total listed Sunsuria Shares are in the hands of a minimum number of 1,000 public shareholders holding not less than 100 Sunsuria Shares each.

For your information, as at the LPD, the public shareholding spread of Sunsuria is 29.59% which consists of 2,829 public shareholders holding not less than 100 Sunsuria Shares each with an aggregate holding of 236,366,635 Sunsuria Shares.

Based on the public shareholding spread of Sunsuria as at the LPD, under the Minimum Scenario (as defined in Section 4 of this Circular), upon completion of the Proposed Issuance of Shares, the public shareholding spread will decrease to 27.36%. Based on the public shareholding spread of Sunsuria as at the LPD, under the Maximum Scenario (as defined in Section 4 of this Circular), upon completion of the Proposed Issuance of Shares, the public shareholding spread will decrease to 27.67%.

Hence, the public shareholding spread of Sunsuria is not expected to fall below 25% of the enlarged issued share capital of Sunsuria after the completion of the Proposed Issuance of Shares.

2.2 Details of the Proposed ESOS

The Proposed ESOS will involve granting ESOS Options at a pre-determined price in accordance with the By-Laws.

The ESOS Options will be offered to the Eligible Persons. The Proposed ESOS will be administered by the ESOS Committee which is appointed and authorised by the Board.

2.2.1 Indicative salient terms of the Proposed ESOS

The salient terms of the Proposed ESOS are as follows:

(i) Maximum number of new Sunsuria Shares available under the Proposed ESOS

The maximum number of new Sunsuria Shares which may be allotted and issued pursuant to the exercise of the ESOS Options granted under the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares) at any point in time throughout the duration of the Proposed ESOS as provided in the By-Laws.

(ii) Basis of allotment and maximum entitlement

Subject to any adjustments which may be made under the By-Laws, the number of new Sunsuria Shares to be allocated to an Eligible Person at any time in each Offer made under the ESOS will be at the sole discretion of the ESOS Committee after taking into consideration the Eligible Person's designation, length of service, work performance and/or such other factors as the ESOS Committee may in its sole discretion deem fit, subject to the following conditions:

- (a) the total number of Shares made available under the ESOS shall not exceed the amount stipulated in the By-Laws;

- (b) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of Shares made available under the ESOS shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued Shares (excluding treasury shares);
- (c) not more than 50% of the total number of Shares to be issued under the ESOS would be allocated, in aggregate, to the Directors and senior management of the Group who are Eligible Persons (where “**senior management**” shall be subject to any criteria as may be determined at the sole discretion of the ESOS Committee from time to time, including but not limited to assessment on their position, employment grade, contribution, individual performance and such other factors as determined by the ESOS Committee at its sole discretion); and
- (d) the Directors and senior management of the Group do not participate in the deliberation or discussion of their respective allocation.

In relation to Section 2.2.1(ii)(c) above, the said aggregate allocation was arrived at after taking into consideration the number of directors and senior management of the Group, who are eligible to participate in the Proposed ESOS as compared to the total number of employees in the Group, seniority and length of service as well as the Group’s intention to reward and retain such directors and senior management who are key to the strategic direction and the management of operations of the Group. The selection of “senior management” will be assessed based on, among others, position, employment grade, contribution, individual performance, and such other factors as determined by the ESOS Committee at its sole discretion.

Notwithstanding anything set out in the By-Laws and subject to the Listing Requirements, no ESOS Options may be granted to any person who is a Director, a major shareholder or chief executive of the Company, or a person connected with such Director, major shareholder or chief executive of the Company, unless the specific ESOS Options and the related allotment and issuance of Sunsuria Shares pursuant to the Proposed ESOS, to that person shall have been approved by the shareholders of Sunsuria in a general meeting.

(iii) Eligibility to participate in the Proposed ESOS

Subject to the sole discretion of the ESOS Committee, only the Eligible Persons who fulfil the following conditions will be eligible to participate in the Proposed ESOS:

- (a) in respect of an employee of the Company, the employee must fulfil the following criteria as at the date of Offer:
 - (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) a permanent employee who has been confirmed and served for at least continuous period of one (1) year or a contract employee who has served for at least a period of one (1) year on a cumulative basis under the current and/or previous contract; and
 - (iii) has fulfilled any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time; and

- (b) in respect of a director of the Group, the director must fulfil the following criteria as at the date of Offer:
 - (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) has been appointed as a director of the Company or any company in the Group for a minimum period of one (1) year before the date of Offer; and
 - (iii) has fulfilled any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time,

provided always that the selection of any director or employee for participation in the Proposed ESOS shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

The determination of eligibility and allocation will be performed by the ESOS Committee at the point of granting of the ESOS Options. The ESOS Committee may take into account amongst other factors, the work performance, designation and/or length of service to the relevant corporation within the Sunsuria Group, and/or such other factors that the ESOS Committee may in its sole discretion deem fit.

The Directors, major shareholders or the chief executive of the Company (as defined under the Listing Requirements) or its holding company (if any) or persons connected to any of them shall not be eligible to participate in the Proposed ESOS unless their entitlements under the Proposed ESOS have been approved by the shareholders of the Company in a general meeting prior to the specific allocation of the ESOS Options by the ESOS Committee to any of them and they shall not participate in the deliberation and discussion of their own participation and/or allocation.

(iv) Duration of the Proposed ESOS

Subject to the By-Laws, the Proposed ESOS shall be effective from the date of Sunsuria's full compliance with all relevant requirements of the Listing Requirements ("**Effective Date**"), including the following:

- (a) submission of the final copy of the By-Laws together with a letter of compliance to Bursa Securities pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (b) receipt of approval from Bursa Securities for the listing of and quotation for the new Sunsuria Shares to be issued pursuant to the exercise of ESOS Options granted under the Proposed ESOS;
- (c) procurement of the shareholders' approval for the Proposed ESOS at an EGM;
- (d) receipt of the approval of any other relevant authorities for the Proposed ESOS, if applicable; and
- (e) fulfilment of all conditions attached to the above approvals, if any.

The Proposed ESOS shall be in force for a period of 5 years from the Effective Date. The Proposed ESOS may be extended or renewed (as the case may be) for a further period of up to 5 years as the Board deems fit and in the best interest of the Company upon the recommendation of the ESOS Committee, provided always that the initial Proposed ESOS period stipulated above and such extension of the Proposed ESOS made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years from the Effective Date or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date. In the event that the ESOS is extended in accordance with the terms and conditions of the By-Laws, the ESOS Committee shall inform the extended duration of the ESOS to the Grantees in such manner of communication as the ESOS Committee deems fit. For the avoidance of doubt, no further sanction, approval or authorisation of the shareholders of the Company in a general meeting is required for any such extension or renewal (as the case may be) provided that the Company shall serve notices on each Grantee and make an announcement to Bursa Securities (if required).

(v) Option Price

Subject to any adjustments in accordance with the By-Laws and pursuant to the Listing Requirements, the Option Price shall be determined by the Board upon recommendation of the ESOS Committee which will be based on the 5-day VWAP of the Sunsuria Shares, as quoted on Bursa Securities, immediately preceding the date of Offer, with a discount of not more than 10%, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the ESOS.

(vi) Ranking of the new Sunsuria Shares arising from the exercise of ESOS Options and rights of a Grantee

The Grantees will not be entitled to any voting rights or right to participate in any form of distribution until and unless such Grantees exercise their ESOS Options into new Sunsuria Shares.

The new Sunsuria Shares to be allotted and issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Sunsuria Shares save and except that the new Sunsuria Shares to be allotted and issued arising from the exercise of the ESOS Options will not be entitled to any dividends, rights, allotments and/or distributions, which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the new Sunsuria Shares.

(vii) Listing of and quotation for the new Sunsuria Shares arising from the exercise of the ESOS Options

An application for the listing of and quotation for the new Sunsuria Shares arising from the exercise of the ESOS Options on the Main Market had been made and the approval was obtained from Bursa Securities vide its letter dated 13 March 2019.

The approval by Bursa Securities for the listing of and quotation for the new Sunsuria Shares arising from the exercise of the ESOS Options on the Main Market is subject to the following conditions:

- (a) Sunsuria and IPS must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed ESOS;
- (b) IPS is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with the following:

- (i) a certified true copy of the resolution passed by the shareholders of Sunsuria in general meeting approving the Proposed ESOS; and
 - (ii) letter of compliance in relation to the By-Laws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final By-Laws; and
- (c) Sunsuria is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of ESOS Options under the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.

(viii) Retention period of Sunsuria Shares

The ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer as it sees fit.

In compliance with Paragraph 8.20 of the Listing Requirements, a Grantee who is a Non-Executive Director must not sell, transfer or assign any new Sunsuria Shares obtained through the exercise of ESOS Options offered to the Grantee under the ESOS within one (1) year from the date of Offer.

(ix) Vesting conditions

The ESOS Committee has the discretion in determining whether the ESOS Options granted will be on staggered basis over the duration of the Proposed ESOS and/or whether the ESOS Options are subject to any vesting period and if so the vesting conditions, if any, of which such determination will be carried out at a later date after the establishment of the Proposed ESOS.

(x) Termination of the Proposed ESOS

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Proposed ESOS may be terminated by the Company at any time before its expiry without obtaining the approvals from the Grantees or its shareholders provided that the Company makes an announcement immediately to Bursa Securities.

(xi) Alteration of share capital and adjustments

If there are any alterations in the capital structure of the Company during the duration of the ESOS, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Sunsuria Shares or a reduction of capital, the Company will adjust the following:

- (i) the Option Price;
- (ii) the number of Shares comprised in ESOS Options granted to each Grantee (excluding the ESOS Options already exercised); and/or
- (iii) the number of Sunsuria Shares and/or Option Price comprised in the Offer which is open for acceptance during the offer period (if such Offer is subsequently accepted in accordance with the terms and conditions of the Offer and the By-Laws),

to ensure that the capital outlay by a Grantee in subscribing for the same proportion of the Shares to which the Grantee was entitled prior to the event giving rise to such adjustments (i.e. not taking into account the ESOS Options already exercised) remain unaffected.

Any adjustments (except for an adjustment due to a bonus issue, subdivision or consolidation of shares) must be confirmed in writing by the external auditors or the principal adviser of the Company.

(xii) Modification, variation and/or amendment to the ESOS

The ESOS Committee may at any time recommend to the Board in relation to any additions, modifications or amendments to or deletions of the By-Laws which the ESOS Committee at its sole discretion deem fit and the Board shall have the power by resolution to add, amend, modify or delete any of the terms in the By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that such amendment or modification is in compliance with the provisions of the Listing Requirements pertaining to the ESOS and the rules of Bursa Malaysia Depository Sdn. Bhd. as issued pursuant to the Securities Industry (Central Depositories) Act 1991 as amended from time to time including all subsidiary legislations made thereunder and any re-enactment thereof.

The approval of the shareholders of the Company in a general meeting is not required in respect of any additions, modifications or amendments to or deletions of any terms in the By-Laws unless such additions, modifications or amendments to or deletions of the By-Laws will:

- (i) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee;
- (ii) prejudice any rights of the shareholders of the Company without prior approval of the Company's shareholders in a general meeting; or
- (iii) alter to the advantage of the Eligible Persons in respect of any matters which are required to be contained in the By-Laws without the prior approval of the Company's shareholders in a general meeting unless allowed by the provisions of the Listing Requirements.

2.2.2 Utilisation of proceeds arising from the exercise of ESOS Options

The proceeds to be received by the Company pursuant to the exercise of the ESOS Options under the Proposed ESOS will depend on, amongst others, the number of ESOS Options granted and exercised at the relevant point in time as well as the Option Price. As such, the amount of proceeds to be received from the exercise of the ESOS Options cannot be determined at this juncture. Any proceeds arising from the exercise of the ESOS Options shall be utilised for the working capital of the Group.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Issuance of Shares

As at the LPD, SFSB had completed the construction of "The Forum 1", comprising 264 units of retail lots and offices in Setia Alam, which was launched in March 2015. The Forum 1 is the first phase of an innovative integrated development spread over 13.6 acres of freehold land.

In 2018, SFSB had launched "The Forum 2", a property development project which sits on 6.6 acres of freehold land and is adjacent to The Forum 1. The Forum 2 is a mixed commercial development comprising retail units in a retail mall, a 21 storey office tower, a 33 storey SOHO and a 41 storey service apartments. The office tower and SOHO components (with a combined GDV of RM477.1 million) were launched in July 2018, whilst the service apartments will be lined up for sale in year 2019.

The details of the land owned by SFSB in relation to The Forum 2 property development project are as follows:

Details	
Registered owner	SFSB
Title details	Lot 86616, GRN 334463, Mukim Bukit Raja, District of Petaling, Selangor.
Category of land use	Building
Conditions	Bangunan perniagaan
Existing use	Development land
Tenure	Freehold
Land area	6.6 acres
Restriction of interest	None
Net book value based on audited financial statements of SFSB as at 30 September 2018	RM120.20 million
Encumbrances	Charged to Malayan Banking Berhad

Information on The Forum 2 property development project are as follows:

Details	
Name of project	The Forum 2
Type of development	Mixed commercial development comprising retail mall, offices, SOHO and service apartments
Number of units/ square feet	Retail: 180,684 square feet; SOHO: 653 units; Office: 636 units; and Service apartment: 568 units.
Total development cost	Approximately RM577 million
Expected commencement date	Office tower and SOHO had been launched in July 2018
Expected completion date	Year 2022
Estimated GDV	RM948.5 million
Stage of completion	Approximately 5%
Source of funds to finance the development cost	Internal funds and bank borrowings
Relevant approvals obtained for the development	Planning approval (Kebenaran Merancang) obtained on 25 April 2017. Building plan approval obtained on 2 March 2018.

As set out in Section 2.1.6 of this Circular, the Proposed Issuance of Shares will enable Sunsuria to raise total gross proceeds of RM42,629,365 which will be utilised mainly for working capital purposes for the on-going The Forum 2 property development project. The Board is of the opinion that the Proposed Issuance of Shares is a cost-effective method and expeditious way to raise funds from the capital market as opposed to other forms of fund raising based on the following:

- (i) the Proposed Issuance of Shares is a comparatively efficient avenue to raise the required quantum of funds as opposed to other forms of equity raising methods such as a rights issue exercise or placement of new shares. Although a rights issue is a pro-rated issuance of securities to all shareholders, there is no certainty of successful full subscription and may require underwriting to be undertaken. There is also no certainty in the successful completion of a proposed placement of new shares although placement securities are typically priced at a discount to market to encourage subscription by new investors; and

- (ii) the Proposed Issuance of Shares also enables Sunsuria to raise funds for its property development project without having to incur additional borrowings with related interest expenses. The approximate interest savings arising from Sunsuria not incurring additional borrowings of approximately RM42.17 million (which shall instead be raised from the Proposed Issuance of Shares) to fund the Group's property development project is estimated to be approximately RM2.29 million per annum based on the average effective interest rate of 5.43% paid on the term loans of the Group for the FYE 30 September 2018. This allows the Sunsuria Group to utilise its cash reserves for the Group's operational purposes and to reduce its gearing level. The improvement in the Group's gearing level through the strengthening of Sunsuria's capital base (i.e. increase in shareholders' equity) provides the flexibility for future fund raising from financial institutions or debt capital markets for committed capital expenditures as and when the need arises.

Upon completion of the Proposed Issuance of Shares, the respective shareholdings of the existing shareholders of Sunsuria (save for Tan Sri Datuk Ter and his related parties) will be diluted accordingly. Further, as set out in Section 4.2 of this Circular, the financial position of Sunsuria will improve upon completion of the Proposed Issuance of Shares. The Proposed Issuance of Shares will give the Company an opportunity to focus on its business to create value for the Company and its shareholders.

3.2 Proposed ESOS

The objectives of the Proposed ESOS are as follows:

- (i) to motivate and encourage the employees of Sunsuria Group by rewarding them for their contribution and achieving a greater level of commitment and dedication, resulting in enhanced productivity;
- (ii) to reward and retain the Eligible Persons whose services are vital to Sunsuria Group's businesses, growth and future expansion;
- (iii) to reward the Eligible Persons by allowing them to participate as a stakeholder of the Company;
- (iv) to attract more skilled and experienced individuals to join the Sunsuria Group and contribute to its continuing growth and profitability; and
- (v) to create a greater sense of ownership and belonging among the Eligible Persons upon exercising their ESOS Options as they will be able to participate directly in the future growth of the Sunsuria Group.

The Proposed ESOS is also extended to the Non-Executive Directors to reward them for their:

- (i) contribution in the corporate governance areas and operational performance of the Sunsuria Group;
- (ii) participation in the development, evaluation and implementation of the Company's strategic initiatives; and
- (iii) provision of strategic insight and direction to the Sunsuria Group.

Notwithstanding that the Non-Executive Directors are not involved in the day-to-day business operations of the Company, they are often consulted on various matters in relation to the business strategy of the Company. Therefore, the extension of the Proposed ESOS to the Non-Executive Directors is to recognise their services and contributions to the growth and development of the Company.

The grant of the ESOS Options to the Non-Executive Directors will also allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company as Non-Executive Directors and motivate the existing Non-Executive Directors to take extra efforts in promoting the interests of the Company.

Subject to the approval of the shareholders of Sunsuria in relation to the allocation of ESOS Options to each Non-Executive Director, the selection of the Non-Executive Directors to participate in the Proposed ESOS and the number of ESOS Options to be offered (in accordance with the By-Laws) will be decided by the ESOS Committee after taking into consideration the nature and extent of their input, assistance and expertise rendered to the Board for the growth, success and development of the Sunsuria Group, as well as their involvement and commitment to the Board.

4. EFFECTS OF THE PROPOSALS

The Proposed SFSB Subscription will not have any effect on the share capital, NA and gearing as well as the shareholdings of the substantial shareholders of Sunsuria.

The pro forma effects of the Proposals are based on the following scenarios:

Minimum Scenario	Assuming none of the 158,358,462 outstanding Warrants as at the LPD are exercised prior to the date of allotment and issuance of the Issuance Shares and new Sunsuria Shares to be issued pursuant to the Proposed Issuance of Shares and upon the exercise of ESOS Options from the Proposed ESOS respectively.
Maximum Scenario	Assuming all the 158,358,462 outstanding Warrants as at the LPD are exercised prior to the date of allotment and issuance of the Issuance Shares and new Sunsuria Shares to be issued pursuant to Proposed Issuance of Shares and upon the exercise of ESOS Options from the Proposed ESOS respectively.

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4.1 Share capital

The pro forma effects of the Proposed Issuance of Shares and the Proposed ESOS on the share capital of Sunsuria are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Sunsuria Shares	RM'000	No. of Sunsuria Shares	RM'000
Issued share capital of Sunsuria as at LPD	798,834,302	399,421	798,834,302	399,421
To be issued assuming the full exercise of Sunsuria's outstanding Warrants	-	-	158,358,462	⁽ⁱ⁾ 285,837
Issuance Shares to be issued pursuant to the Proposed Issuance of Shares	798,834,302	399,421	957,192,764	685,258
	65,083,000	42,629	65,083,000	42,629
New Sunsuria Shares to be issued pursuant to the exercise of ESOS Options pursuant to the Proposed ESOS	863,917,302	442,050	1,022,275,764	727,887
	86,391,730	⁽ⁱⁱ⁾ 50,971	102,227,576	⁽ⁱⁱ⁾ 60,314
Enlarged share capital of Sunsuria	950,309,032	493,021	1,124,503,340	788,201

Notes:

- (i) Assuming all the outstanding Warrants are exercised at RM1.50 per Warrant and the transfer of warrant reserves amounting to approximately RM48.30 million to the share capital.
- (ii) Calculated based on assumed exercise price of each ESOS Option of RM0.59, being a discount of approximately RM0.0623 or 9.55% to the 5-day VWAP of Sunsuria Shares up to and including the LPD of RM0.6523.

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4.2 NA, NA per Sunsuria Share and gearing

The pro forma effects of the Proposed Issuance of Shares on the NA per Sunsuria Share and gearing of the Sunsuria Group are as follows:

Minimum Scenario

	Audited as at 30 September 2018 (RM'000)	(i) (RM'000)	After (i) and the Proposed Issuance of Shares (RM'000)
Share capital	399,421		442,050
Share premium	175,838		175,838
Warrant reserves	48,299		48,299
Capital reserve	815		815
Capital redemption reserve	168		168
Retained profits	247,859		⁽ⁱ⁾ 247,399
Shareholders' funds/ NA	872,400		914,569
Number of Shares issued ('000)		798,834	863,917
NA per Share (RM)		1.09	1.06
Borrowings (RM'000)		239,974	239,974
Gearing (times)		0.28	0.26

Note:

(i) After deducting the estimated expenses for the Proposals of RM0.46 million.

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Maximum Scenario

	(I) Audited as at 30 September 2018 (RM'000)	(II) After (I) and assuming full exercise of Sunsuria's outstanding Warrants (RM'000)	After (II) and the Proposed Issuance of Shares (RM'000)
Share capital	399,421	⁽ⁱ⁾ 685,258	727,887
Share premium	175,838	175,838	175,838
Warrant reserves	48,299	-	-
Capital reserve	815	815	815
Capital redemption reserve	168	168	168
Retained profits	247,859	247,859	⁽ⁱⁱ⁾ 247,399
Shareholders' funds/ NA	872,400	1,109,938	1,152,107
Number of Shares issued ('000)			
NA per Share (RM)	798,834	957,193	1,022,776
Borrowings (RM '000)	1.09	1.16	1.13
Gearing (times)	239,974	239,974	239,974
	0.28	0.22	0.21

Notes:

- (i) Assuming all the outstanding Warrants are exercised at RM1.50 per Warrant and the transfer of warrant reserves amounting to approximately RM48.30 million to the share capital.
- (ii) After deducting the estimated expenses for the Proposals of RM0.46 million.

In relation to the Proposed ESOS, save for the potential impact of the Malaysian Financial Reporting Standards 2, on Share-Based Payment ("MFRS 2") issued by the Malaysian Accounting Standards Board as elaborated in Section 4.3 below, the Proposed ESOS is not expected to have an immediate effect on the NA, NA per Share and gearing of the Group until such time the ESOS Options granted are exercised. Any potential effect on the consolidated NA per Share and gearing of Sunsuria Group in the future would depend on factors such as the actual number of new Sunsuria Shares to be issued which can only be determined at the point of the exercise of the ESOS Options and Option Price. Upon the exercise of the ESOS Options, the NA per Share is expected to increase if the Option Price is higher than the NA per Share at such point of exercise, and vice versa.

4.3

Earnings and EPS

The Proposed ESOS is not expected to have a material effect on the earnings of the Group for the FYE 30 September 2019. However, the EPS of the Group for the FYE 30 September 2019 may be diluted, depending on the number of ESOS Options exercised.

In accordance with the MFRS 2, the granting of the ESOS Options requires the recognition of an expense which would affect the future earnings of Sunsuria Group. The potential effects of the Proposed ESOS on the consolidated earnings and EPS of Sunsuria Group in the future, as a consequence of the recognition of the expense at each grant date, cannot be determined at this juncture as it would depend on various factors that affect the fair value of the ESOS Options granted as at the respective grant dates. It should be noted that such potential cost of granting the ESOS Options does not represent a cash outflow but only an accounting treatment.

The Company has taken note of the potential impact of MFRS 2 on the Group's future earnings and will take into consideration such impact in the granting and vesting of ESOS Options under the Proposed ESOS.

For illustration purposes, assuming the Proposed SFBSB Subscription and the Proposed Issuance of Shares had been effected at the beginning of the FYE 30 September 2018, the pro forma effects on the earnings and EPS of Sunsuria are as follows:

Minimum Scenario

	(i) Audited as at 30 September 2018	(ii) After (i) and the Proposed SFBSB Subscription	After (ii) and the Proposed Issuance of Shares
PAT attributable to the owners of Sunsuria (RM'000)	101,597	⁽ⁱ⁾ 115,837	⁽ⁱⁱ⁾ 115,377
Number of Sunsuria Shares ('000)	798,834	798,834	863,917
EPS (RM)	0.13	0.15	0.13

Notes:

(i) After including the contribution of PAT of approximately RM14.24 million as a result of increasing Sunsuria's equity stake in SFBSB by 44.63% based on the audited PAT of SFBSB for the FYE 30 September 2018 of RM31.91 million pursuant to the Proposed SFBSB Subscription.

(ii) After deducting the estimated expenses for the Proposals of RM0.46 million.

Maximum Scenario

	(I) Audited as at 30 September 2018	(II) After (I) and assuming full exercise of Sunsuria's outstanding Warrants	(III) After (II) and the Proposed SFSB Subscription	After (III) and the Proposed Issuance of Shares
PAT attributable to the owners of Sunsuria (RM'000)	101,597	101,597	⁽ⁱ⁾ 115,837	⁽ⁱⁱ⁾ 115,377
Number of Sunsuria Shares ('000)	798,834	957,193	957,193	1,022,276
EPS (RM)	0.13	0.11	0.12	0.11

Notes:

(i) After including the contribution of PAT of approximately RM14.24 million as a result of increasing Sunsuria's equity stake in SFSB by 44.63% based on the audited PAT of SFSB for the FYE 30 September 2018 of RM31.91 million pursuant to the Proposed SFSB Subscription.

(ii) After deducting the estimated expenses for the Proposals of RM0.46 million.

4.4 Convertible securities

The Proposals will not have any effect on the outstanding Warrants of Sunsuria.

4.5 Substantial shareholders' shareholdings

The Proposed ESOS will not have an immediate effect on the shareholdings of the substantial shareholders of Sunsuria until such time when the new Sunsuria Shares are issued under the Proposed ESOS. Any potential effect on the substantial shareholders' shareholdings in Sunsuria would depend on the number of ESOS Options granted or vested (as the case may be) and the number of ESOS Options exercised.

For illustrative purposes, the effects of the Proposed Issuance of Shares on the shareholdings of the substantial shareholders of Sunsuria are set out in the table below:

Minimum Scenario

Substantial shareholders	(i) As at the LPD				After (i) and the Proposed Issuance of Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares ('000)	%	No. of Sunsuria Shares ('000)	%	No. of Sunsuria Shares ('000)	%	No. of Sunsuria Shares ('000)	%
Ter Equity Sdn. Bhd.	182,557	22.85	-	-	182,557	21.13	-	-
Tan Sri Datuk Ter	168,640	21.11	304,583 ⁽ⁱ⁾	38.13	168,640	19.52	369,666 ⁽ⁱ⁾	42.79
TCSB	116,384	14.57	-	-	181,467	21.01	-	-
Ruby Technique Sdn. Bhd.	45,300	5.67	-	-	45,300	5.24	-	-
CBG Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱ⁾	5.67	-	-	45,300 ⁽ⁱⁱ⁾	5.24
Farsathy Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱ⁾	5.67	-	-	45,300 ⁽ⁱⁱ⁾	5.24
Chia Seong Pow	1,200	0.15	45,300 ⁽ⁱⁱⁱ⁾	5.67	1,200	0.14	45,300 ⁽ⁱⁱⁱ⁾	5.24
Chia Song Kun	-	-	49,300 ^(iv)	6.17	-	-	49,300 ^(iv)	5.71
Chia Seong Fatt	-	-	46,050 ^(v)	5.76	-	-	46,050 ^(v)	5.33

Notes:

- (i) Deemed interested pursuant to Section 8 of the Act by virtue of his interests in Ter Equity Sdn. Bhd., TCSB and THK Capital Sdn. Bhd..
- (ii) Deemed interested pursuant to Section 8 of the Act by virtue of its interest in Ruby Technique Sdn. Bhd..
- (iii) Deemed interested pursuant to Section 8 of the Act by virtue of his interest in Farsathy Holdings Sdn. Bhd..
- (iv) Deemed interested pursuant to Section 8 of the Act by virtue of his interests in CBG Holdings Sdn. Bhd. and Attractive Features Sdn. Bhd., being a related company of Ruby Technique Sdn. Bhd..
- (v) Deemed interested pursuant to Section 8 of the Act by virtue of his interest in Farsathy Holdings Sdn. Bhd. and his spouse's direct interest in the Company.

Maximum Scenario

Substantial shareholders	(i) As at the LPD				(ii) After (i) and assuming full exercise of Sunsuria's outstanding Warrants				After (ii) and the Proposed Issuance of Shares			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Sunsuria Shares (<i>'000</i>)	%	No. of Sunsuria Shares (<i>'000</i>)	%	No. of Sunsuria Shares (<i>'000</i>)	%	No. of Sunsuria Shares (<i>'000</i>)	%	No. of Sunsuria Shares (<i>'000</i>)	%	No. of Sunsuria Shares (<i>'000</i>)	%
Ter Equity Sdn. Bhd.	182,557	22.85	-	23.84	228,196	-	-	22.32	228,196	-	-	-
Tan Sri Datuk Ter	168,640	21.11	304,583 ⁽ⁱ⁾	21.51	205,940	355,855 ⁽ⁱ⁾	37.18	20.15	205,940	420,938 ⁽ⁱ⁾	41.18	41.18
TCSB	116,384	14.57	-	12.75	122,016	-	-	18.30	187,099	-	-	-
Ruby Technique Sdn. Bhd.	45,300	5.67	-	5.58	53,400	-	-	5.22	53,400	-	-	-
CBG Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱ⁾	5.67	-	53,400 ⁽ⁱⁱ⁾	5.58	-	-	53,400 ⁽ⁱⁱ⁾	5.22	5.22
Farsathy Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱ⁾	5.67	-	53,400 ⁽ⁱⁱ⁾	5.58	-	-	53,400 ⁽ⁱⁱ⁾	5.22	5.22
Chia Seong Pow	1,200	0.15	45,300 ⁽ⁱⁱⁱ⁾	5.67	1,500	53,400 ⁽ⁱⁱⁱ⁾	5.58	0.15	1,500	53,400 ⁽ⁱⁱⁱ⁾	5.22	5.22
Chia Song Kun	-	-	49,300 ^(iv)	6.17	-	58,400 ^(iv)	6.10	-	-	58,400 ^(iv)	5.71	5.71
Chia Seong Fatt	-	-	46,050 ^(v)	5.76	-	54,350 ^(v)	5.68	-	-	54,350 ^(v)	5.32	5.32

Notes:

- (i) Deemed interested pursuant to Section 8 of the Act by virtue of his interests in Ter Equity Sdn. Bhd., TCSB and THK Capital Sdn. Bhd..
- (ii) Deemed interested pursuant to Section 8 of the Act by virtue of its interest in Ruby Technique Sdn. Bhd..
- (iii) Deemed interested pursuant to Section 8 of the Act by virtue of his interest in Farsathy Holdings Sdn. Bhd..
- (iv) Deemed interested pursuant to Section 8 of the Act by virtue of his interests in CBG Holdings Sdn. Bhd. and Attractive Features Sdn. Bhd., being a related company of Ruby Technique Sdn. Bhd..
- (v) Deemed interested pursuant to Section 8 of the Act by virtue of his interest in Farsathy Holdings Sdn. Bhd. and his spouse's direct interest in the Company.

5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

5.1 Overview of the Malaysian economy

Prospects for the Malaysian economy remain favourable largely supported by sound domestic demand. In addition, steady global growth and trade, continuous expansion in electrical and electronic (E&E) as well as higher oil prices are expected to support export growth. Consequently, real gross domestic products (“GDP”) is expected to expand 4.8% in 2018 after recording a growth rate of 4.9% during the first half of the year. In 2019, growth is forecast to increase further to 4.9%. Despite the resilient economic performance, risks to growth are tilted downside emanating from heightening uncertainties in the global environment including rising trade conflict, volatility in global financial markets and oil prices as well as geopolitical tension.

Private sector expenditure will remain as the key driver to growth cushioning the effects of lower public sector spending in 2018 and 2019. Stable employment and wage growth, conducive financial condition and benign inflation will continue to support private consumption which accounts for about 55% of GDP. Meanwhile, private investment is anticipated to expand with capital outlays mainly channelled into the services and manufacturing sectors. On the contrary, public expenditure is projected to record a slower growth following initiatives taken by the Government to review and reprioritise expenditure without jeopardising the economic growth as well as lower capital spending by public corporations.

On the supply side, growth is expected to be driven by the services and manufacturing sectors. The services sector is projected to remain firm supported by consumption and domestic tourism activities as well as strong demand for information and communications technology, transport and finance. The manufacturing sector is estimated to record a steady growth in tandem with developments in the global semiconductor industry. Though the growth in agriculture and mining sectors are expected to decline marginally in 2018, it is projected to rebound in 2019 following an uptick in the production of crude palm oil and liquified natural gas. The construction sector is anticipated to expand albeit at a moderate pace largely due to near completion of several mega projects as well as property overhang particularly in the non-residential subsector. In 2019, the sector is expected to improve marginally following an increase in new planned supply in the affordable homes and industrial segments.

The external sector is expected to remain resilient in 2018 supported by steady global economic and trade performances. Nevertheless in 2019, exports are anticipated to expand moderately in line with slower global trade activities. Meanwhile, current account surplus is estimated to narrow with widening deficits in the services and income accounts.

(Source: Economic Outlook 2019, Ministry of Finance)

The Malaysian economy grew by 4.7% in the fourth quarter of 2018 (3Q 2018: 4.4%), supported by continued expansion in domestic demand and a positive growth in net exports. Private sector expenditure remained the main driver of domestic demand, while a rebound in real exports of goods and services (+1.3%; 3Q 2018: -0.8%) contributed towards the positive growth of net exports. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.4% (3Q 2018: 1.6%). For 2018 as a whole, the economy expanded by 4.7% (2017: 5.9%).

Domestic demand expanded at a more moderate pace of 5.6% (3Q 2018: 6.9%) during the quarter. Growth was weighed down by a moderation in gross fixed capital formation.

Private consumption growth remained robust at 8.5% (3Q 2018: 9.0%), despite the frontloading of purchases during the tax holiday period in the previous quarter. Income and employment growth continued to drive household spending. Government measures to alleviate cost of living, such as special payments to civil servants and pensioners, also provided some support to consumer spending.

Private investment growth moderated to 4.4% (3Q 2018: 6.9%), attributed to slower capital spending across major economic sectors. However, ongoing multi-year projects particularly in the manufacturing sector continued to provide support to overall growth.

Public consumption expanded at a slower pace of 4.0% (3Q 2018: 5.2%), attributable to a more moderate growth in supplies and services.

Public investment remained in contraction during the quarter (-4.9%; 3Q 2018: -5.5%), due mainly to a decline in capital spending by public corporations.

Gross fixed capital formation (GFCF) expanded marginally by 0.3% (3Q 2018: 3.2%), as private sector capital expenditure moderated amid a contraction in public sector investment. By type of assets, capital spending on structures expanded by 0.8% (3Q 2018: 1.8%), while investment in machinery and equipment declined (-1.5%; 3Q 2018: 5.9%).

(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2018, Bank Negara Malaysia)

5.2 Overview of the property industry in Malaysia

The property market recorded a marginal decline in the first half of 2018 in line with a challenging economic and financial situation. A total of 149,889 transactions worth RM67.74 billion were recorded, each showing a decrease of 2.4% and 0.1% compared to the same period last year which recorded 153,526 transactions worth RM67.83 billion.

On the demand-side, mixed trends are also seen in the indicators of residential and non-residential property demand. The amount of loans applied for the purchase of residential property decreased by 3.1% as compared to H1 2017 while the approved loan fell by 0.2%. However, the situation differs for non-residential property where loans applied for and approved for this purpose indicate an increase of 14.2% and 6.6% respectively.

The Consumer Sentiment Index jumped 132.9 points, while the Business Conditions Index hit 116.3 points. The upsurge was due to anticipation of higher growth in jobs and wages, lower inflation and an increase in household disposable income with the zero-rated GST.

Market activity recorded a total of 149,889 transactions valued at RM67.74 billion, down by 2.4% in the number and 0.1% in value compared to H1 2017. The residential sub-sector continued to lead the overall market, with a contribution of 62.8% and 46.7% in volume and value respectively. However, this sub-sector recorded a slight decrease of 0.8% and 3.6% in the number and value respectively. Commercial and industrial sub-sectors recorded upward movements in the volume, increased by 3.5% and 3.8% respectively.

The number of new launches in the first half year decrease compared to those recorded in H2 2017 (36,955 unit). The market recorded 37,723 units of new launches, decrease by 7.1%. Major states such as Kuala Lumpur showed a decrease of 18.6% while Selangor recorded a significant decrease of 55.9%. Johor recorded a minimal increase of 8.3% over the same period last year. Sales performance was still low at 19.2% across the board.

Despite recording lower new launches, Kuala Lumpur remained the leading state with a share of 18.8%. This was followed by Johor with 5,791 new launches. By type, condominiums/apartments formed the bulk (42.9%), followed by two to three storey terrace houses (27.0%).

The unsold completed residential situation continued to increase to 29,227 units worth RM17.24 billion, an increase in volume by 18.1% and 10.2% in value. Similarly, the unsold not constructed units shot up to 21,446 units, an increase of 69.9% over H2 2017. Unsold under construction units also increased to 75,445 units, an increase of 21.9%. By state, Johor led with the highest unsold units, representing 20.5%. Although unsold under construction and not constructed showed a decrease over the same period last year, the overhang units recorded a significant increase of 84.4% over the same period last year.

High rise residential houses (condominiums and apartments) formed the bulk of the overhang representing 39.7% (11,602 units) of the total, mostly in Johor (2,416 units: 20.8%) and Kuala Lumpur (2,260 units: 19.5%). In the unsold under construction and not constructed categories, stratified houses (condominiums and apartments) also exceeded other types of property, representing 44.5% (33,547 units) and 84.3% (18,077 units) of the respective categories.

The property market in Selangor softened in H1 2018. There were 28,910 transactions recorded in review period worth RM19.54 billion, down by mere 2.6% in volume against H1 2017. However, value of transactions continued to be on upward trend, charted a marginal 3.0% increase (H1 2017: 29,683 transactions worth RM18.96 billion). Residential sub-sector retained its lion's market share, contributed 78.6% of the total transactions followed by commercial sub-sector with 8.1%, agriculture (5.9%), development land (4.5%) and industrial (2.9%) sub-sectors. Market activity witnessed downward movements across all sub-sectors except industrial sub-sector, showing a growth of 16.2%. The agriculture subsector led the downtrend with 24.0% followed by development land (-7.6%), commercial (-6.3%), and residential (-0.4%) sub-sectors. In terms of transaction value, residential and development land sub-sectors recorded downward trend, but commercial sub-sector noted unchanged.

The residential sub-sector recorded 22,725 transactions worth RM10.48 billion (H1 2017: 22,814 transactions worth RM10.63 billion), indicated a decline of 0.5% in volume and 1.5% in value. Terraced houses transactions dominated the highest market share, contributed 42.6% (9,682 units) of the residential property transactions attributed to single storey terrace (2,520 units) and double storey terraces (7,162 units).

The primary market moderate in the review period. There were 3,132 units launched in the year, decreased by 55.9% (H1 2017: 7,107 units). The overall sales performance was better at 39.5% (H1 2017: 14.6%). Most of these new units were two to three storey terrace houses, accounting for 71.3% (2,234 units) of total, priced between RM500,001 to RM1 million.

In line with the softening property market, the residential overhang grew in the review period. There were 4,694 overhangs units recorded worth RM4.19 billion, indicating an increase of 26.4% and 15.5% in volume and value against H1 2017 (3,664 units worth RM3.62 billion) respectively. Majority of the overhang units were in Hulu Langat District, predominantly comprised 1,327 units within the price range of RM500,000 to RM1 million. The unsold under construction and not constructed recorded 12,745 units (H2 2017: 11,172 units) and 191 units (H2 2017: 263 units) respectively.

(Source: Property Market Report First Half 2018, Valuation and Property Services Department, Ministry of Finance)

5.3 Prospects of Sunsuria

Despite the softening of the property industry in Malaysia as set out in Section 5.2 of this Circular, the Group has implemented several strategic initiatives to maintain growth momentum and ensure long term sustainability. Sunsuria has continued to pursue several corporate exercises in 2018. Among the notable corporate collaborations were the joint development agreement entered into between Library Mall Development Sdn. Bhd., a wholly-owned subsidiary of Sunsuria and CI Medini Sdn. Bhd. on 15 February 2018 to undertake the development of a 6 storey stratified multistorey shops known as Pusat Perdagangan ION Akses in Pulai, Johor and the disposal of individual parcels of the stratified multi-storey shops within the said development. This joint development is expected to enhance the Group's profitability and return to shareholders, which in turn, is expected to improve shareholders' value over the medium to long term.

Notwithstanding that the property market in Selangor had softened in H1 2018 as compared to H1 2017 as set out in Section 5.2 of the Circular, the property market in Selangor is supported mainly by the residential sub-sector which had contributed 78.6% of total transactions followed by the commercial sub-sector with 8.1% of the total transactions in Selangor. A strategic initiative was undertaken by Sunsuria on 7 September 2018 whereby Sunsuria Education Sdn. Bhd. (formerly known as Sunsuria Times Sdn. Bhd.), a wholly-owned subsidiary of Sunsuria and Concord College International Limited had entered into a collaboration agreement to establish and operate a private educational institution called Concord College Malaysia. Concord College Malaysia is to be located in Sunsuria City in Sepang, Selangor. This collaboration is expected to benefit the local community within and beyond Sunsuria City, providing access to quality international education and enhancing the key principles of developing a smart, livable and sustainable township. Concord College Malaysia, with both day and boarding school options, is expected to attract and target students from all over Malaysia or Association of South East Asian Nations (ASEAN) countries at large which will help drive enrolment for the school. The presence of Concord College Malaysia would set to elevate the Sunsuria City development by providing a more holistic and liveable environment that meets its growing communities.

While property development remains the core business of the Group in the near future, the Group had also obtained its shareholders' approval in the 48th AGM to diversify into construction and construction related businesses through Sunsuria Asas Sdn. Bhd., a 51%-owned subsidiary and Citic Sunsuria Sdn. Bhd., a 49%-owned associated company of Sunsuria. The diversification allows for greater business expansion and financial growth while adding new revenue and income streams to enhance the profitability and prospects for the Group.

In relation to the Proposed SFSB Subscription, Sunsuria will increase its equity interest in SFSB from 51% to approximately 95.63% upon completion of the Proposed SFSB Subscription. SFSB has a flagship development named The Forum which is located in Setia Alam, Selangor. The Forum is a mixed-use development which spans 2 phases namely The Forum 1 and The Forum 2.

The Forum 1, which was completed in June 2018, is the first phase of an innovative integrated development spread over 13.6 acres of freehold land. It has a GDV of approximately RM297.8 million and comprises 264 units of retail lots and offices. Its second phase, The Forum 2 which is adjacent to The Forum 1, comprises retail units in a retail mall, a 21 storey office tower, a 33 storey SOHO and a 41 storey service apartments. The office tower and SOHO components (with a combined GDV of RM477.1 million) were launched in July 2018, whilst the service apartments will be lined up for sale in year 2019. As at the LPD, the percentage of completion of The Forum 2 is approximately 5%. It is estimated to be completed in year 2022.

The Forum 2 strongly advocates the concept of combining business and leisure, giving businesses and residents a complete lifestyle experience in the heart of Setia Alam which is a sought-after location within the Shah Alam/ Klang/ Meru region. It has excellent connectivity via Persiaran Setia Alam to other major road linkages and is well-connected and well-served by the North Klang Valley Expressway, Federal Highway and the Klang Bypass/ Shapadu Expressway (West), all of which provide easy access to work places at major business hubs. Given the strategic location of The Forum, the Board is of the view that SFSB will continue to be able to achieve satisfactory performance from its property development activities.

In line with the rapidly evolving new age technology, a number of innovative features have been introduced. Sunsuria is one of the first few property developers in Malaysia to develop mobile virtual reality showrooms offering potential customers a chance to view a show house with "real-feel" experience. Sunsuria has also introduced augmented reality experience on two-dimensional ("2D") marketing brochures which allows a realistic and immersive way to experience a three-dimensional ("3D") view of a property layout on a 2D brochure. This has also enhanced the mobility of the Group's sales and marketing events and activities without limitation to physical booths and 3D models.

To ensure sustainable long-term growth, the Group will continue to cautiously expand its land bank as well as business activities in the areas of property development, real estate investments, construction and infrastructure and other complementary businesses. The Group intends to leverage on its proven track record, engineering expertise, technical sophistication and resources of its strategic partner to not only undertake construction projects but to also identify new business opportunities with the aim of securing large scale infrastructure and property projects. Sunsuria Group will also continue to explore new opportunities to expand its landbank and look forward to the completion of its ongoing projects in the forthcoming financial year.

Premised on the above, the Board is of the opinion that the prospects of the Group remain favourable despite the softening of the property industry in Malaysia.

6. APPROVALS REQUIRED AND INTER-CONDITIONALITY OF THE PROPOSALS

The Proposals are subject to the following approvals being obtained from:

- (i) Bursa Securities for the listing of and quotation for the Issuance Shares and the new Sunsuria Shares to be issued pursuant to the exercise of ESOS Options on the Main Market;
- (ii) shareholders of Sunsuria for the Proposals at an EGM to be convened; and
- (iii) any other relevant authorities and/or parties, if required and the fulfilment of all conditions attached to such approvals, if any.

The approval by Bursa Securities which was obtained vide its letter dated 13 March 2019 is subject to the following conditions:

- (a) Sunsuria and IPS must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Issuance of Shares and Proposed ESOS;
- (b) Sunsuria and IPS to inform Bursa Securities upon the completion of the Proposed Issuance of Shares;
- (c) Sunsuria/IPS to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of Sunsuria in general meeting approving the Proposed Issuance of Shares prior to the listing and quotation of the Issuance of Shares;
- (d) Sunsuria and IPS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Issuance of Shares is completed;
- (e) IPS is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with the following:
 - (i) a certified true copy of the resolution passed by the shareholders of Sunsuria in general meeting approving the Proposed ESOS; and
 - (ii) letter of compliance in relation to the By-Laws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final By-Laws;
- (f) Sunsuria is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of ESOS Options under the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable; and

- (g) To incorporate Bursa Securities' comments made in respect of the draft circular to shareholders of Sunsuria as provided in its letter dated 13 March 2019.

The Proposals are not conditional or inter-conditional with the Proposed SFSB Subscription.

The Proposals are not inter-conditional upon each other, nor are they conditional upon any other corporate proposals undertaken or to be undertaken by Sunsuria.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Sunsuria Shares as traded on Bursa Securities for the past 12 months from March 2018 to February 2019 are set out below:

	High RM	Low RM
2018		
March	1.310	1.130
April	1.250	1.010
May	1.200	0.950
June	1.010	0.940
July	0.990	0.910
August	0.990	0.900
September	0.950	0.870
October	0.950	0.810
November	0.850	0.735
December	0.745	0.600
2019		
January	0.625	0.580
February	0.675	0.580
Last transacted market price on 27 February 2019, being the last Market Day prior to the announcement of the Proposals		0.635
Last transacted market price as at the LPD		0.635

(Source: Bloomberg)

8. OTHER CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and the Proposed SFSB Subscription, the Company is not aware of any other corporate exercise that has been announced but not yet completed as at the date of this Circular.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed in the 2nd quarter of year 2019.

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10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

10.1 Proposed Issuance of Shares

None of the Directors, major shareholders of Sunsuria and/or persons connected with them have any interest, directly or indirectly, in the Proposed Issuance of Shares, save for the following:

- (i) Tan Sri Datuk Ter, being the “**Interested Director**” is the Executive Chairman and a major shareholder of Sunsuria;
- (ii) Ter Equity Sdn. Bhd. and TCSB, being the major shareholders of Sunsuria where the Interested Director has interests in these companies;
- (iii) THK Capital Sdn. Bhd., being a shareholder of Sunsuria where the Interested Director has interest in the company; and
- (iv) Ter Leong Ping, being a shareholder of Sunsuria, who is also the sister of Tan Sri Datuk Ter.

As at the LPD, the shareholdings of Tan Sri Datuk Ter, Ter Equity Sdn. Bhd., TCSB, THK Capital Sdn. Bhd. and Ter Leong Ping in Sunsuria are as follows:

	Direct		Indirect	
	No. of Sunsuria Shares held ('000)	%	No. of Sunsuria Shares held ('000)	%
Tan Sri Datuk Ter	168,640	21.11	⁽ⁱ⁾ 304,583	38.13
Ter Equity Sdn. Bhd.	182,557	22.85	-	-
TCSB	116,384	14.57	-	-
THK Capital Sdn. Bhd.	5,642	0.71	-	-
Ter Leong Ping	100	0.01	⁽ⁱⁱ⁾ 190	0.02

Notes:

- (i) Deemed interested pursuant to Section 8 of the Act by virtue of his interests in Ter Equity Sdn. Bhd., TCSB and THK Capital Sdn. Bhd..
- (ii) Deemed interested pursuant to Section 59(11)(c) of the Act by virtue of the shareholdings held by her spouse, Loo Chea Hee.

As such, Tan Sri Datuk Ter will abstain from all board deliberations and voting in relation to the Proposed Issuance of Shares. In addition, Tan Sri Datuk Ter, Ter Equity Sdn. Bhd., TCSB, THK Capital Sdn. Bhd. and Ter Leong Ping will abstain and have undertaken to ensure that all persons connected with them will also abstain from voting in respect of their direct and/or indirect shareholdings in Sunsuria on the resolution pertaining to the Proposed Issuance of Shares to be tabled at a general meeting to be convened.

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10.2 Proposed ESOS

All the Directors are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed ESOS. All directors have abstained and will continue to abstain from deliberating and voting, on the resolutions pertaining to their respective allocations, if any, as well as the allocations to the persons connected with them, if any, under the Proposed ESOS at the relevant Board meetings and at general meetings, in respect of their direct and/or indirect shareholdings in Sunsuria.

Tan Sri Datuk Ter, the Executive Chairman of Sunsuria, is entitled to participate in the Proposed ESOS to the extent of his allocation under the Proposed ESOS. In addition, Tan Sri Datuk Ter, and companies in which he has interests, namely TCSB, THK Capital Sdn. Bhd. and Ter Equity Sdn. Bhd. are also shareholders of Sunsuria ("**Interested Shareholders**"). Accordingly, the Interested Shareholders will abstain from voting, in respect of their direct and/or indirect shareholdings in Sunsuria, on the resolutions pertaining to Tan Sri Datuk Ter's allocation, if any, as well as the allocations to the persons connected with them, if any, under the Proposed ESOS at the general meetings.

Puan Sri Datin Kwan May Yuen, the wife of Tan Sri Datuk Ter, who is also an employee of Sunsuria Group, is entitled to participate in the Proposed ESOS to the extent of her allocation under the Proposed ESOS. Accordingly, Puan Sri Datin Kwan May Yuen will abstain from voting, in respect of her direct and/or indirect shareholdings in Sunsuria, on the resolutions pertaining to her allocation as well as the allocations to the persons connected with her, if any, under the Proposed ESOS at the general meetings.

Ter Leong Ping, the sister of Tan Sri Datuk Ter, who is also a director of certain subsidiaries of Sunsuria Group, is entitled to participate in the Proposed ESOS to the extent of her allocation under the Proposed ESOS. Accordingly, Ter Leong Ping will abstain from voting, in respect of her direct and/or indirect shareholdings in Sunsuria, on the resolutions pertaining to her allocation as well as the allocations to the persons connected with her, if any, under the Proposed ESOS at the general meetings.

Ter Shin Nie and Ter Shin Ann, the daughters of Tan Sri Datuk Ter and Puan Sri Datin Kwan May Yuen, who are also employees of Sunsuria Group, are entitled to participate in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. Accordingly, they will abstain from voting, in respect of their direct and/or indirect shareholdings in Sunsuria, on the resolutions pertaining to their respective allocations as well as the allocations to the persons connected with them, if any, under the Proposed ESOS at the general meetings.

Puan Sri Datin Kwan May Yuen, Ter Leong Ping, Ter Shin Nie and Ter Shin Ann are collectively referred to as the "**Interested Persons Connected**".

In addition, Tan Sri Datuk Ter will abstain from voting, in respect of his direct and/or indirect shareholdings in Sunsuria, on the resolutions pertaining to the allocations of the Interested Persons Connected as well as the allocations to the persons connected with them, if any, under the Proposed ESOS at the relevant Board meetings and general meetings.

The Interested Director, Interested Shareholders and Interested Persons Connected and Directors who are allocated ESOS Options (collectively "**Interested Parties**") also undertake to ensure that persons connected with them shall also abstain from voting, in respect of their direct and/or indirect shareholdings in Sunsuria, on the resolutions pertaining to their respective allocations, as well as the allocations to the persons connected with them, if any, under the Proposed ESOS at the general meetings.

The Interested Parties' shareholdings in the Company as at the LPD are as follows:

	As at the LPD			
	Direct		Indirect	
	No. of Sunsuria Shares	%	No. of Sunsuria Shares	%
<u>Interested Director</u> Tan Sri Datuk Ter	168,639,872	21.11	⁽ⁱ⁾ 304,583,208	38.13
<u>Interested Shareholders</u> TCSB	116,383,832	14.57	-	-
Ter Equity Sdn. Bhd.	182,557,376	22.85	-	-
THK Capital Sdn. Bhd.	5,642,000	0.71	-	-
<u>Directors</u> Koong Wai Seng	210,000	0.03	-	-
Tan Pei Geok	1,830,000	0.23	-	-
Dato' Quek Ngee Meng	50,000	0.01	-	-
Datin Loa Bee Ha	-	-	⁽ⁱⁱ⁾ 14,828,800	1.86
<u>Interested Persons Connected</u> Puan Sri Datin Kwan May Yuen	-	-	-	-
Ter Leong Ping	100,000	0.01	⁽ⁱⁱⁱ⁾ 190,300	0.02
Ter Shin Nie	-	-	-	-
Ter Shin Ann	-	-	-	-

Notes:

- (i) Deemed interested pursuant to Section 8 of the Act by virtue of his interest in Ter Equity Sdn. Bhd., TCSB and THK Capital Sdn. Bhd..
- (ii) Deemed interested pursuant to Section 59(11)(c) of the Act by virtue of the shareholdings held by her spouse, Dato' Tan Tian Meng.
- (iii) Deemed interested pursuant to Section 59(11)(c) of the Act by virtue of the shareholdings held by her spouse, Loo Chea Hee.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for Tan Sri Datuk Ter being the Interested Director in relation to the Proposed Issuance of Shares) having considered all aspects of the Proposals, including the terms and conditions, rationale, pro forma effects of the Proposals to the Group, the utilisation of proceeds and the prospects of Sunsuria, is of the opinion that the Proposals are in the best interests of Sunsuria Group.

However, considering that individual members of the Board are deemed interested in the Proposed ESOS to the extent of their respective proposed allocation under the Proposed ESOS, they will abstain from expressing an opinion and making any recommendation(s) on the resolution(s) on their respective proposed allocation as well as allocation(s) to person(s) connected with them, if any, under the Proposed ESOS.

In addition, the Interested Director will also abstain from expressing any opinion and making any recommendation(s) on the resolution(s) on the respective proposed allocation as well as allocation(s) to the Interested Persons Connected, if any, under the Proposed ESOS.

Accordingly, the Board (save for the Interested Director in relation to the Proposed Issuance of Shares) recommends the shareholders of Sunsuria to vote in favour of the resolutions in relation to the Proposals to be tabled at the forthcoming EGM.

12. EGM

The EGM, the notice of which is enclosed in this Circular, which is scheduled to be held at the Sunsuria City Celebration Centre, Persiaran Sunsuria, Bandar Sunsuria, 49300 Sepang, Selangor Darul Ehsan on Friday, 29 March 2019 at 11.30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the 50th AGM of the Company scheduled to be held at the same venue and on the same date at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, to pass with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend, participate, speak or vote in person at the EGM and wish to appoint other person(s) to be your proxy(ies), please complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited 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 48 hours before the time set for holding the EGM or at any adjournment thereof. The completion and lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board
SUNSURIA BERHAD

TAN PEI GEOK
Senior Independent Non-Executive Director

INFORMATION ON TCSB

1. History and principal activities

TCSB was incorporated in Malaysia under the Companies Act, 1965 on 4 April 2014 and is deemed registered under the Act.

The principal activity of TCSB is investment holding.

2. Share capital

As at the LPD, the issued share capital of TCSB is RM100 comprising 100 TCSB Shares.

The shareholders of TCSB and their respective shareholdings in TCSB are as follows:

Name of shareholders	Direct		Indirect	
	No. of TCSB Shares held	%	No. of TCSB Shares held	%
Tan Sri Datuk Ter	99	99	-	-
Puan Sri Datin Kwan May Yuen	1	1	-	-
Total	100	100	-	-

3. Directors of TCSB

As at the LPD, the directors of TCSB and their respective shareholdings in TCSB are as follows:

Name of directors	Direct		Indirect	
	No. of TCSB Shares held	%	No. of TCSB Shares held	%
Tan Sri Datuk Ter	99	99	-	-
Puan Sri Datin Kwan May Yuen	1	1	-	-
Ter Shin Nie	-	-	-	-

Puan Sri Datin Kwan May Yuen is the spouse of Tan Sri Datuk Ter.

Ter Shin Nie is the daughter of both Tan Sri Datuk Ter and Puan Sri Datin Kwan May Yuen.

4. Subsidiary and associated companies

As at the LPD, TCSB does not have any subsidiary and associate company.

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INFORMATION ON TCSB (Cont'd)

5. Financial information

A summary of the financial information of TCSB for the past three (3) financial years for the FYE 31 December 2015 to FYE 31 December 2017 based on its respective audited financial statements and the latest available unaudited financial information for the FYE 31 December 2018 are set out below:

FYE 31 December	<-----Audited----->			Unaudited
	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000
Revenue	-	-	-	-
PBT/LBT	(9,307)	9,322	35,242	(81,453)
PAT/LAT	(9,309)	9,319	35,238	(81,464)
Shareholders' fund/NA/(capital deficiency)	(9,321)	(2)	35,236	(46,227)
Share capital (RM)	2	100	100	100
Total borrowings	-	-	-	-
No. of TCSB Shares	2	100	100	100
PAT/(LAT) per TCSB Share	(4,654.5)	93.19	352.38	(814.64)
NA per TCSB Share	(4,660.5)	(0.02)	352.36	(462.27)
Current ratio (times)	0.003	0.045	0.039	0.037
Gearing ratio (times)	-	-	-	-

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DRAFT BY-LAWS FOR THE PROPOSED ESOS**1. NAME OF SCHEME**

This Scheme shall be called the “**Sunsuria Berhad’s (“Sunsuria”) Employees’ Share Option Scheme**”.

2. DEFINITIONS AND INTERPRETATION

2.1 In these By-Laws, except where the context otherwise requires, the following terms and expressions shall have the following meaning:

Act	: The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Audit Committee	: The audit committee appointed by the Board from time to time
Board	: The Board of Directors for the time being of Sunsuria
Bursa Depository	: Bursa Malaysia Depository Sdn. Bhd. (165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
By-Laws	: The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 21)
CDS	: Central Depository System
CDS Account	: An account established by Bursa Malaysia Central Depository Sdn. Bhd. (165570-W) for a depositor for the recording of deposit and withdrawal of securities and for dealing in such securities by a depositor
Central Depositories Act	: The Securities Industry (Central Depositories) Act 1991 as amended from time to time including all subsidiary legislations made thereunder and any re-enactment thereof
Constitution	: The constitution of the Company, including any amendment thereto that may be made from time to time
Date of Acceptance	: The date whereupon the ESOS Committee shall receive the written notice from an Eligible Person accepting an Offer
Date of Expiry	: Last day of the duration of the Scheme as set out in By-Law 19.2
Date of Offer	: The date on which an Offer is made by the ESOS Committee to an Eligible Person in the manner provided in By-Law 6
Director	: A natural person who holds a directorship in the Company or any company within Sunsuria Group, whether in an executive or non-executive capacity and shall have the meaning given in Section 2(1) of the Capital Markets & Services Act 2007
Effective Date	: The date on which the Scheme comes into force as provided in By-Law 19.1
EGM	: Extraordinary General Meeting
Eligible Person(s)	: A Director or Employee of the Sunsuria Group who meets the eligibility criteria for participation in the Scheme as stipulated in By-Law 4
Employee	: A natural person who is employed by and on the payroll of any company in the Sunsuria Group

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

Entitlement Date	:	The date as at the close of business on which shareholders' names must appear on the record of depositors of the Company maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments or other distributions
ESOS Scheme or Scheme	:	The scheme for the grant of Option(s) to Eligible Persons which will entitle them to subscribe for new Shares in accordance with the provisions of these By-Laws and such scheme shall be known as the " Sunsuria Berhad's Employees' Share Option Scheme "
ESOS Committee	:	The committee appointed by the Board to administer the Scheme, comprising such persons appointed from time to time by the Board
ESOS Option(s) or Option(s)	:	The right of a Grantee which may be conditional or unconditional to subscribe for new Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner provided in By-Law 7 and includes, where applicable, partially exercised Options
Grantee	:	Any Eligible Person who has accepted an Offer in the manner provided in By-Law 7
Sunsuria or the Company	:	Sunsuria Berhad (8235-K)
Sunsuria Group or the Group	:	The Company and its subsidiaries as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 17
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Practice Notes issued in relation thereto
Market Day(s)	:	Any day between Monday and Friday (both days inclusive) which is not a public holiday in Selangor and on which Bursa Securities is open for trading of securities
Maximum Allowable Allotment	:	The maximum number of Shares comprised in Options that can be offered to an Eligible Person under the Scheme in the manner provided in By-Law 5
Offer	:	A written offer made by the ESOS Committee from time to time to an Eligible Person to participate in the Scheme in the manner provided in By-Law 6
Offer Period	:	The period stipulated in By-Law 6.4
Option Certificate	:	The certificate confirming the grant of the Option to an Eligible Person, the Option Price and the number of Shares comprised in the Option, the Option Period and where applicable, any vesting conditions as specified in the letter of Offer from the ESOS Committee to the Eligible Person

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- Option Period : The period commencing on the Date of Acceptance and expiring on the Date of Expiry or such other date as stipulated by the ESOS Committee in the Offer or upon the date of termination of the Scheme as provided in By-Law 19, whichever is the earlier
- Option Price : The price at which a Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
- Principal Adviser : A person who is eligible to act as a principal adviser under the Principal Adviser Guidelines issued by the Securities Commission Malaysia, as amended from time to time
- Representative : A legal or personal representative(s) or heir(s)
- RM and sen : Ringgit Malaysia and sen respectively
- Rules of Bursa Depository : The rules of Bursa Depository, as issued pursuant to the Central Depositories Act
- Share(s) : Ordinary share(s) in the Company
- 2.2 Headings are for ease of reference only and do not affect the meaning of these By-Laws.
- 2.3 Any reference to statutory provisions shall include:
- (a) any subsidiary legislation made from time to time under that provision and any listing requirements, policies, practice notes and/or guidelines of Bursa Securities and/or other relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies, practice notes and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities);
 - (b) that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Option(s) offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 2.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 2.5 Words importing the singular number shall include the plural number and vice versa.
- 2.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.
- 2.7 Any liberty or power which may be exercised or any decision or determination which may be made hereunder by the ESOS Committee shall be exercised in the ESOS Committee's absolute and unfettered discretion and the ESOS Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- 2.8 For the purpose of these By-Laws, “**person connected**” shall have the meaning as defined in Rule 1.01 of the Listing Requirements.
- 2.9 Where an act is required to be done within a specified number of days after or from a specified date, the period is exclusive of the date so specified.

2A. OBJECTIVES OF THE SCHEME

The objectives of the Scheme are as follows:

- (a) to motivate and encourage the Employees by rewarding them for their contribution and achieving a greater level of commitment and dedication, resulting in enhanced productivity;
- (b) to reward and retain the Eligible Persons whose services are vital to Sunsuria Group’s businesses, growth and future expansion;
- (c) to reward the Eligible Persons by allowing them to participate as a stakeholder of the Company;
- (d) attract more skilled and experienced individuals to join the Sunsuria Group and contribute to its continuing growth and profitability; and
- (e) to create a greater sense of ownership and belonging among the Eligible Persons upon exercising their ESOS Options as they will be able to participate directly in the future growth of the Sunsuria Group.

The Scheme is also extended to the Non-Executive Directors to reward them for their:

- (i) contribution in the corporate governance areas and operational performance of the Sunsuria Group;
- (ii) participation in the development, evaluation and implementation of the Company’s strategic initiatives; and
- (iii) provision of strategic insight and direction to the Sunsuria Group.

Notwithstanding that the Non-Executive Directors are not involved in the day-to-day business operations of the Company, they are often consulted on various matters in relation to the business strategy of the Company. Therefore, the extension of the Proposed ESOS to the Non-Executive Directors is to recognise their services and contributions to the growth and development of the Company.

The grant of the ESOS Options to the Non-Executive Directors will also allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company as Non-Executive Directors and motivate the existing Non-Executive Directors to take extra efforts in promoting the interests of the Company.

Subject to the approval of the shareholders of the Company in relation to the allocation of ESOS Options to each Non-Executive Director, the selection of the Non-Executive Directors to participate in the Scheme and the number of ESOS Options to be offered (in accordance with this By-Laws) will be decided by the ESOS Committee after taking into consideration the nature and extent of their input, assistance and expertise rendered to the Board for the growth, success and development of the Sunsuria Group, as well as their involvement and commitment to the Board.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

3. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 3.1 The maximum number of new Shares which may be issued and allotted pursuant to the exercise of the Options shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares) of the Company at any point of time during the duration of the Scheme as provided in By-Law 19.2.
- 3.2 Notwithstanding the provision of By-Law 3.1 and any other provision contained in these By-Laws, in the event the total number of new Shares that may be made available under the Scheme exceeds 10% of the total number of issued Shares (excluding treasury shares) of the Company as a result of the Company purchasing, cancelling and/or reducing its Shares in accordance with the provisions of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued share capital of the Company, then such Options granted prior to the adjustment of the issued share capital (excluding treasury shares) of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme. However, in such a situation, the ESOS Committee shall not make any further Offer until the total number of Shares under the subsisting Options, including those Shares that have been issued under the Scheme falls below 10% of the issued share capital (excluding treasury shares) of the Company.

4. ELIGIBILITY

- 4.1 Subject to the sole discretion of the ESOS Committee, only Eligible Persons who fulfil the following conditions will be eligible to participate in the Scheme:
- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Date of Offer:
 - (i) at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) a permanent Employee who has been confirmed and served for at least continuous period of one (1) year or a contract Employee who has served for at least a period of one (1) year on a cumulative basis under the current and/or previous contract; and
 - (iii) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time; and
 - (b) in respect of a Director, the Director must fulfil the following criteria as at the Date of Offer:
 - (i) at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) has been appointed as a Director of the Company or any company in the Group for a minimum period of one (1) year before the Date of Offer; and
 - (iii) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time.

Except for By-Law 4.1 (a)(i), (ii) and (iii); and By-Law 4.1 (b)(i) and (ii), the ESOS Committee may at its sole discretion, waive any of the conditions of eligibility as set out in this By-Law 4.1. The eligibility and number of Shares comprised in the Option(s) to be offered to an Eligible Person under the Scheme shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- 4.2 Notwithstanding By-Law 4.1, the specific allotment to be made to any Eligible Person, who is a director (namely, director of Sunsuria within the meaning of Section 2(1) of the Capital Markets & Services Act 2007), major shareholder or chief executive of the Company or persons connected with such director, major shareholder or chief executive (as defined in the Listing Requirements), shall also be approved by the shareholders of the Company in general meeting.
- 4.3 Any Eligible Person who holds more than one (1) position within the Sunsuria Group and by holding such positions, the Eligible Person is in more than one category, shall only be entitled to the Maximum Allowable Allotment of any one of those categories. The ESOS Committee shall be entitled at its sole discretion to determine the applicable category.
- 4.4 An employee or director of a dormant company within the Group is not eligible to participate in the Scheme.
- 4.5 An Employee or Director who during the duration of the Scheme becomes an Eligible Person may, at the sole discretion of the ESOS Committee, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment.
- 4.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Options or the Shares comprised herein unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with By-Law 7 hereof.

5. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

- 5.1 Subject to By-Law 3 and any adjustment which may be made under By-Law 15, the number of Shares to be allocated to an Eligible Person at any time in each Offer made under the Scheme will be at the sole discretion of the ESOS Committee after taking into consideration the Eligible Person's designation, length of service, work performance and/or such other factors as the ESOS Committee may in its sole discretion deem fit, subject to the following conditions:
- (a) the total number of Shares made available under the Scheme shall not exceed the amount stipulated in By-Law 3.1;
 - (b) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of Shares made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued Shares (excluding treasury shares);
 - (c) not more than 50% of the total number of Shares to be issued under the Scheme would be allocated, in aggregate, to the Directors and senior management of the Group who are Eligible Persons (where "**senior management**" shall be subject to any criteria as may be determined at the sole discretion of the ESOS Committee from time to time, including but not limited to assessment on their position, employment grade, contribution, individual performance and such other factors as determined by the ESOS Committee at its sole discretion); and
 - (d) the Directors and senior management of the Group do not participate in the deliberation or discussion of their respective allocation,

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

provided that the Scheme is in accordance with the Listing Requirements, prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

- 5.2 The ESOS Committee will be entitled to determine the Maximum Allowable Allotment in relation to each class or grade of Employees and Directors under the Scheme from time to time, and the decision of the ESOS Committee shall be final and binding.
- 5.3 In the event that an Eligible Person is promoted, the maximum number of Shares applicable to such Eligible Person shall be the maximum number of Shares corresponding to the category of employee of which he/she then is a party, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 3.1.
- 5.4 A set of criteria on staff eligibility and allocations as determined by the ESOS Committee from time to time shall be made available to all Eligible Persons.
- 5.5 The Company shall ensure that allocation of Options pursuant to the Scheme is verified by the Audit Committee of Sunsuria at the end of each financial year as being in compliance with the criteria for allocation of Options which have been disclosed to the Eligible Persons. A statement by the Audit Committee of Sunsuria verifying such allocations shall be included in the annual report of the Company.
- 5.6 The ESOS Committee has the sole discretion to determine whether to stagger the allocation of Options available over the duration of the Scheme, whether there is any vesting period and whether to impose any vesting conditions for the Options granted under the Scheme.
- 5.7 If any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of the Options.
- 5.8 The ESOS Committee will take into consideration, amongst others, the following criteria before the Grantees are allowed to exercise their ESOS Options:
- (i) the overall performance target of the Sunsuria Group;
 - (ii) the overall performance target of the individual subsidiary companies of Sunsuria; and
 - (iii) the individual appraisal performance by the Grantees, seniority and years of service in the Sunsuria Group.

The selection of any Eligible Persons to participate in the Scheme will be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. The determination of eligibility and allocation will be performed by the ESOS Committee at the point of granting of the ESOS Options.

6. OFFER

- 6.1 During the duration of the Scheme, the ESOS Committee may, at its sole discretion, at any time and from time to time make an Offer in writing to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allotment. Each Offer shall be in a multiple of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the ESOS Committee. The Options shall only be accepted in multiples of one hundred (100) Shares or such other units of Shares constituting one board lot as may be determined by the ESOS Committee.
- 6.2 The ESOS Committee shall state the following particulars in the letter of Offer:

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (a) the number of Shares comprised in Options that are being offered to the Eligible Person;
 - (b) the number of new Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;
 - (c) the Option Period;
 - (d) the Option Price;
 - (e) the Offer Period;
 - (f) the closing date for acceptance of the Offer;
 - (g) the manner and conditions of exercise of the Options; and
 - (h) any other information deemed necessary by the ESOS Committee.
- 6.3 Without prejudice to By-Law 20, in the event the letter of Offer contains an error on the part of the Company in stating any of the particulars in By-Law 6.2 above, the following provisions shall apply:
- (a) as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correct particulars referred to in By-Law 6.2;
 - (b) in the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental letter of Offer shall remain as the Option Price as per the original letter of Offer; and
 - (c) in the event that the error relates to the Option Price, the applicable Option Price shall be the Option Price in the supplemental letter of Offer and with effect as at the date of the original letter of Offer, save and except with respect to any Options which have already been exercised as at the date of issue of the supplemental letter of Offer.
- 6.4 An Offer will be valid for acceptance for a period of thirty (30) days from the Date of Offer (inclusive) or such longer period as may be determined by the ESOS Committee on a case-by-case basis at its sole discretion.
- 6.5 No Offer shall be made to any Director, major shareholder and/or chief executive of the Company or persons connected with any Director, major shareholder and/or chief executive of the Company who are Eligible Persons unless such Offer and the related allotment of new Shares have previously been approved by the shareholders of the Company in general meeting.
- 6.6 Subject to By-Law 5, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to an Eligible Person **PROVIDED THAT** the total aggregate number of Shares comprised Options offered to such Eligible Person during the duration of the Scheme shall not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.7 The Company shall keep and maintain a register of Grantees at its expense and shall enter in that register the names and addresses of the Grantees and such information as may be prescribed by the ESOS Committee.
- 6.8 The actual number of Shares comprised in Options that may be granted to an Eligible Person shall be at the sole discretion of the ESOS Committee and subject to any adjustment that may be made under By-Law 15.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

7. ACCEPTANCE

- 7.1 An Offer shall be accepted by an Eligible Person within the Offer Period through written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the acceptance of the Offer.
- 7.2 The day of receipt by the Company of such written notice shall constitute the Date of Acceptance.
- 7.3 If an Offer is not accepted in the manner aforesaid within the Offer Period or in the event of death of the Eligible Person prior to his acceptance of the Offer during the Offer Period, the Offer will automatically lapse upon the expiry of the Offer Period and it will be null and void. The Options comprised in such Offer may be re-offered to other Eligible Persons, at the sole discretion of the ESOS Committee.
- 7.4 The Company shall within thirty (30) days from the acceptance of the Offer by the Eligible Person, issue to the Eligible Person an Option Certificate in such form as may be determined by the ESOS Committee.
- 7.5 Notwithstanding By-Law 6.4, if the Eligible Person ceases to be a Director or Employee within the Sunsuria Group or becomes a bankrupt, as the case may be, before the acceptance of the Offer made to the Eligible Person, such Offer shall automatically lapse and will not be valid.

8. NON-TRANSFERABILITY

Subject to the provisions in this By-Laws, an ESOS Option is exercisable by the Grantee personally during his/her employment or appointment within the Sunsuria Group and it shall not be transferred, assigned or disposed of by the Grantee.

An Offer is personal to the Eligible Person to whom an Offer is made (“**Offeree**”) and shall be accepted solely by the Offeree and is not capable of being accepted on behalf of the Offeree by his Representative or any other persons.

9. EXERCISE OF OPTIONS

- 9.1 Subject to the provisions of By-Laws 5.8, 9.10, 14, 16 and 17, an Option granted to a Grantee under the Scheme is exercisable only by that Grantee during his lifetime and whilst he/she is in the employment or appointment of the Group and within the Option Period (subject always to By-Laws 9.2 and 9.6).
- 9.2 The ESOS Committee may with its power under By-Law 20, at any time and from time to time, before and after the Options are granted, limit the exercise of the Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the Options during such periods within the Option Period and impose other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion.
- 9.3 Where an Option is exercised only in part, the Option Certificate shall be endorsed by the ESOS Committee stating, inter-alia, the number of new Shares which remain capable of being exercised.
- 9.4 A Grantee shall exercise the Options granted to him/her in multiples of and not less than one hundred (100) new Shares or such other units of Shares constituting one (1) board lot as may be determined by the ESOS Committee save and except where a Grantee’s balance of Options exercisable in accordance with these By-Laws shall be less than one hundred (100) new Shares or such other units of Shares constituting one

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (1) board lot as may be determined by the ESOS Committee, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an Option shall not preclude the Grantee from exercising the Option as to the balance of any new Option, if any, which he is entitled to subscribe under the Scheme.
- 9.5 Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the Option Period. Any Option which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.6 A Grantee shall exercise his Options by notice in writing to the Company in such form as the ESOS Committee may prescribe or approve ("**Notice of Exercise**"). The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the ESOS Committee from time to time.
- 9.7 Every Notice of Exercise shall state the number of new Shares an Eligible Person intends to subscribe and shall be accompanied by the relevant Option Certificate and a remittance for the full amount of the subscription monies payable in respect thereof **PROVIDED THAT** the number of new Shares stated therein shall not exceed the amount exercisable by such Eligible Person.
- 9.8 The Grantee shall state his CDS Account in the Notice of Exercise. Within eight (8) Market Days (or such other period as may be prescribed by Bursa Securities and subject to the Constitution) after the receipt of the complete and valid Notice of Exercise together with the remittance from the Grantee and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall allot and/or issue the relevant number of Shares and despatch a notice of allotment to the Grantee. The said Shares will be credited directly into the CDS Account of the Grantee or his/her financier, as the case may be. No physical certificates will be issued. For Grantees who do not have CDS Account, such Grantees are required to open a CDS Account at their own expense before they can exercise their Options.
- 9.9 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the sole discretion of the ESOS Committee. The ESOS Committee shall inform the Grantee of the rejection of the Notice of Exercise within ten (10) Market Days from the date of rejection and the Grantee shall then be deemed not to have exercised his/her Option.
- 9.10 Notwithstanding anything contrary herein contained in these By-Laws, the ESOS Committee shall have the right, at its sole discretion by notice in writing to the relevant Grantee to that effect, to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her Options pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate at its sole discretion, on the Grantee's right to exercise his/her Options having regard to the nature of the charges made or brought against such Grantee, **PROVIDED ALWAYS THAT:**
- (a) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the right of such Grantee to exercise his/her Options;

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
- (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its sole discretion whether or not the Grantee may continue to exercise his/her Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
- (d) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Option Period, the Option of such Grantee shall immediately lapse on the expiry of the Option Period without notice,

and nothing herein shall impose any obligation on the ESOS Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding(s) and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under this By-Law.

- 9.11 Every Option shall be subject to the condition that no new Shares shall be issued to the Grantee pursuant to the exercise of an Option if such an issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.
- 9.12 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESOS Committee shall not under any circumstances be held liable to the Grantee or his/her Representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation, lost profits or savings, directly or indirectly arising from any delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by the Grantee or any delay in receipt or non-receipt by the Company of the Notice to Exercise or for any error in any Offer.

10. OPTION PRICE

Subject to any adjustments in accordance with By-Law 15 and pursuant to the Listing Requirements, the Option Price shall be determined by the Board upon recommendation of the ESOS Committee which will be based on the weighted average market price of the Shares for the five (5) Market Days immediately before the Date of Offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme.

11. RIGHTS OF A GRANTEE

- 11.1 The Options will not carry any right to vote at any general meeting of the Company.
- 11.2 A Grantee will not be entitled to any dividends, rights and/or other distributions on his/her unexercised Options.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

12. RIGHTS ATTACHING TO SHARES

The new Shares to be allotted and issued arising from the exercise of Options will rank equally in all respects with the then existing issued Shares of the Company, save and except that these new Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other form of distributions, which may be declared, made or paid to shareholders, in which the Entitlement Date falls before the date of allotment and issuance of these new Shares. Such new Shares will be subject to the provisions of the Constitution of the Company.

13. RETENTION PERIOD

13.1 The new Shares to be allotted and issued to the Eligible Persons under the Scheme will not be subjected to any retention period. However, the Company encourages the Eligible Persons to hold the Shares subscribed by them as a long-term investment and not to sell these Shares to realise immediate gain. Notwithstanding the above, the ESOS Committee is entitled to prescribe and impose any conditions to the Offer in relation to any retention period or restriction on transfer as it sees fit.

13.2 Notwithstanding By-Law 13.1 and in compliance with the Listing Requirements, a Grantee who is a Non-Executive Director must not sell, transfer or assign any new Shares obtained through the exercise of Options offered to the Grantee under the Scheme within one (1) year from the Date of Offer.

14. TERMINATION OF OPTIONS

14.1 Any Option which has not been exercised by a Grantee shall be terminated in the following circumstances:

- (a) Termination or cessation of employment or appointment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the effective date of such termination or cessation. If a Grantee ceases his employment or appointment with the Group by reason of his resignation, the date of acceptance of a Grantee's resignation by the Group shall be deemed to be the effective date when a Grantee ceases his employment or appointment with the Group; or
- (b) Bankruptcy of the Grantee, in which event the Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (c) Winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (d) Termination of the Scheme pursuant to By-Law 19.5;

whichever shall be applicable.

Upon the termination of the Options pursuant to By-Laws 14.1(a), (b), (c) or (d) above, the Grantee shall not bring any claim, action, proceedings or otherwise against the Company for compensation, damages, expenses, loss or otherwise including any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- 14.2 Notwithstanding By-Law 14.1 above, a Grantee may apply in writing to the ESOS Committee to be allowed to continue to hold and to exercise any Option held by him/her upon termination of employment and/or appointment with the Group in the following circumstances:
- (a) Retirement upon or after attaining the age in accordance with the Company's retirement policy; or
 - (b) Retirement before the age specified under the above said retirement policy, with the consent of his/her employer; or
 - (c) Ill-health, injury, physical or mental disability; or
 - (d) Redundancy, retrenchment or voluntary separation scheme; or
 - (e) Transfer to any company outside the Group at the direction of the Company; or
 - (f) Any other circumstance as may be deemed as acceptable to the ESOS Committee.
- 14.3 Applications under By-Law 14.2 shall be made within the Option Period and:
- (a) in a case where By-Law 14.2(a), (b) or (f) is applicable, before the Grantee's last day of employment;
 - (b) in a case where By-Law 14.2(c) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability;
 - (c) in a case where By-Law 14.2(d) is applicable, within one (1) month after the Grantee is notified that he/she will be retrenched or, where he/she is given an offer by his employer as to whether he/she wishes to accept retrenchment upon certain terms, within one (1) month after he/she accepts such offer; and
 - (d) in a case where By-Law 14.2(e) is applicable, within one (1) month after the Grantee is notified that he/she will be transferred to a company outside the Group.
- 14.4 The ESOS Committee shall consider applications under By-Law 14.2 on a case-by-case basis and may at its sole discretion approve or reject any application in whole or in part without giving any reasons thereof and may impose any terms and conditions in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval for such period so approved by the ESOS Committee within the Option Period and subject to the provisions of By-Law 9. Any Options in respect of which an application is rejected shall be deemed automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 14.1 or on the date of the ESOS Committee's decision, whichever is the later.
- 14.5 In the event a Grantee dies before the expiration of the Option Period and at the time of his/her death held unexercised Options, such unexercised Options may be exercised by the Representative of the deceased Grantee after the date of his/her death provided that such exercise shall be within the Option Period subject to the approval of the ESOS Committee.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**15. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT**

15.1 Subject to By-Law 15.5 hereof, if there are any alteration in the capital structure of the Company during the duration of the ESOS Scheme, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or otherwise howsoever, the Company will adjust the following:

- (a) the Option Price;
- (b) the number of Shares comprised in Options granted to each Grantee (excluding the Options already exercised); and/or
- (c) the number of Shares and/or Option Price comprised in the Offer which is open for acceptance during the Offer Period (if such Offer is subsequently accepted in accordance with the terms and conditions of the Offer and these By-Laws),

to ensure that the capital outlay by a Grantee in subscribing for the same proportion of the Shares to which the Grantee was entitled prior to the event giving rise to such adjustments (i.e. not taking into account Options already exercised) remain unaffected.

Any adjustment (except for an adjustment due to a bonus issue, subdivision or consolidation of shares) must be confirmed in writing by the external auditors or the Principal Adviser of the Company.

15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 15.1:

- (a) Any adjustment to the Option Price shall be rounded down to the nearest one (1) sen; and
- (b) In determining a Grantee's entitlement to subscribe for Shares, any fractional entitlements will be disregarded.

15.3 Subject to By-Law 15.2, the Option Price and/or the number of new Shares relating to the Options granted to each Grantee so far unexercised shall from time to time be adjusted, calculated and determined by the ESOS Committee in accordance with the following relevant provisions in consultation with the external auditor of the Company:

(a) Consolidation and subdivision

Whenever a Share by reason of any consolidation or subdivision, the Option Price and/or the additional number of new Shares relating to the Options to be issued shall be adjusted, calculated or determined in the following manner:

$$(i) \quad \text{New Option Price} = EP \times \frac{\text{Closing Market Price on Ex-Date}}{\text{Closing Market Price Before Ex-Date}}$$

(ii) For consolidation of shares

$$\text{New number of Shares} = T \times \left(\frac{\text{Closing Market Price Before Ex-Date}}{\text{Closing Market Price on Ex-Date}} \right)$$

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**(iii) For subdivision of Shares**

Additional number of Shares to be issued =

$$T \times \left(\frac{\text{Closing Market Price Before Ex-Date}}{\text{Closing Market Price on Ex-Date}} \right) - T$$

Where:

EP = Existing Option Price; and

T = existing number of Shares relating to the Options held.

Such adjustment will be effective from the close of business on the Market Day immediately following the Entitlement Date on which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities at the new par value), or such other period as may be prescribed by Bursa Securities.

(b) Capitalisation of profits/reserves

If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid-up, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A+B}$$

and the additional number of new Shares relating to the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left(\frac{A+B}{A} \right) - T$$

Where:

A = the aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid-up by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

T = T as in By-Law 15.3(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

(c) If and whenever the Company shall make:

(i) **Capital Distribution**

a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(ii) **Rights issue of Shares**

any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or

(iii) **Rights issue of convertible securities**

any offer or invitation to ordinary shareholders by way of rights which they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 15.3(c)(ii) hereof, the number of additional new Shares comprised in the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left(\frac{C}{C - D^*} \right) - T$$

Where:

T = T as in By-Law 15.3(a) above;

C = the prevailing market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 15.3(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 15.3(c)(iii) above, the value of rights attributable to one (1) existing Share (as defined below); or

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (bb) in the case of any other transaction falling within By-Law 15.3(c) hereof, the fair market value as determined (with the concurrence of the external auditor) by the Principal Adviser of the Company of that portion of the Capital Distribution attributable to one (1) existing Share.

For the purpose of definition (aa) of D above, the “**value of rights attributable to one (1) existing Share**” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

- C = C as in By-Law 15.3(c) above;
- E = the subscription price for one (1) additional Share under the terms of such offer or invitation or one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares;
- F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into Shares or one (1) additional security with right to acquire or subscribe for Shares; and
- D* = The “**value of rights attributable to one (1) existing Shares**” (as defined below).

For the purpose of definition D* above, the “**value of the rights attributable to one (1) existing Share**” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

- C = C as in By-Law 15.3(c) above;
- E* = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and
- F* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of By-Law 15.3(c) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 15.3(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund).

Any dividend charged or provided for in the audited accounts of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited statement of comprehensive income of the Company for any period as shown in the audited consolidated profit and loss accounts of the Company.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(d) **Capitalisation of profits/reserves and rights issue of Shares/convertible securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 15.3(c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 15.3(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Shares comprised in the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = the aggregate number of issued Shares on the Entitlement Date;

C = C as in By-Law 15.3(c) above;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

B = B as in By-Law 15.3(b) above; and

T = T as in By-Law 15.3(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**(e) Rights issue of Shares and rights issue of convertible securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new Shares as provided in By-Law 15.3(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares as provided in By-Law 15.3(c)(iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of additional Shares comprised in the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 15.3(d) above;

C = C as in By-Law 15.3(c) above;

H = H as in By-Law 15.3(d) above;

H* = H* as in By-Law 15.3(d) above;

I = I as in By-Law 15.3(d) above;

I* = I* as in By-Law 15.3(d) above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = T as in By-Law 15.3(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**(f) Capitalisation of profits/reserve, rights issue of Shares and rights issue of convertible securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 15.3(c)(ii) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 15.3(c)(iii) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of additional Shares comprised in the Options to be issued shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 15.3(d) above;

C = C as in By-Law 15.3(c) above;

H = H as in By-Law 15.3(d) above;

H* = H* as in By-Law 15.3(d) above

I = I as in By-Law 15.3(d) above;

I* = I* as in By-Law 15.3(d) above

J = J as in By-Law 15.3(e) above;

K = K as in By-Law 15.3(e) above;

B = B as in By-Law 15.3(b) above; and

T = T as in By-Law 15.3(a) above;

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 15.3(c)(ii), 15.3(c)(iii), 15.3(d), 15.3(e) or 15.3(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than 90% of the Average Price (as defined below) for one (1) Share or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

Where:

- L = the number of Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustments of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 15.3(g), “**Total Effective Consideration**” shall be determined by the ESOS Committee with the concurrence of the external auditor and shall be:

- (i) In case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) In the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) In the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights,

in each case, without any deduction of any commission, discount or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration per Share**” shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

For the purpose of By-Law 15.3(g), “**Average Price**” of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the next Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the next Market Day immediately following the date on which the Company determines the subscription price of such Shares. Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

- (h) For the purpose of By-Laws 15.3(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.
- (i) Such adjustments must be confirmed in writing by the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the ESOS Committee, to be in their opinion, fair and reasonable, **PROVIDED ALWAYS THAT:**
 - (i) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen;
 - (ii) in the event that a fraction of a new Share arising from the adjustment referred to in these By-Laws would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee’s entitlement shall be rounded down to the nearest whole number;
 - (iii) upon any adjustment being made pursuant to these By-Laws, the ESOS Committee shall, within thirty (30) calendar days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his/her Representative where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of Shares comprised in the Options to be issued; and
 - (iv) any adjustments made must be in compliance with the provisions for adjustment as provided in these By-Laws.

Notwithstanding the foregoing, any adjustments to the Option Price and/or the number of Shares comprised in the Options to be issued so far as unexercised arising from bonus issues, need not be confirmed in writing by the external auditors of the Company.

- 15.4 Save as expressly provided for herein, the external auditors must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors shall be final, binding and conclusive.
- 15.5 The provisions of this By-Law 15 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
 - (a) An issue of Shares pursuant to the exercise of Options under the Scheme; or
 - (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (c) An issue of securities pursuant to a private placement; or
 - (d) An issue of securities pursuant to a special issue approved by the relevant governmental authorities; or
 - (e) A restricted issue of securities; or
 - (f) An issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities and the issuance of new Shares arising from the conversion of such securities; or
 - (g) A purchase by the Company of its own Shares and cancellation of all or a portion of such Shares purchased pursuant to Section 127 of the Act.
- 15.6 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, By-Law 15.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 is applicable, but By-Law 15.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 is not applicable as described in By-Law 15.5.
- 15.7 An adjustment pursuant to By-Law 15.1 shall be made according to the following terms:
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.

Upon any adjustment being made, the ESOS Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his/her Representative where the Grantee is deceased, to inform him/her of the adjustment and the event giving rise thereto.

- 15.8 Notwithstanding the provisions referred to in this By-Law, the ESOS Committee may exercise its sole discretion to determine whether any adjustments to the Option Price and/or the number of Shares comprised in the Options be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Option Price and/or the number of Shares comprised in the Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

16. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS AND RECONSTRUCTIONS

16.1 In the event of:

- (a) A take-over offer being made for, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-Overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over (“**Offeror**”) or any persons acting in concert with the Offeror), a Grantee will be entitled within such period to be determined by the ESOS Committee, to exercise all or any part of his/her Options and the Directors of Sunsuria shall use their best endeavours to procure that such a general offer be extended to the new Shares that may be issued pursuant to the exercise of the Options under this By-Law; or
- (b) The Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Grantee that it intends so to exercise such rights on a specific date (“**Specified Date**”), a Grantee will be entitled to exercise all or any part of his/her Options from the date of service of the said notice to the Company until the expiry of the Specified Date.

In the foregoing circumstances, if the Grantee fails to exercise his/her Options to elects to exercise only in respect of a portion of such Shares, then any Options to the extent unexercised by the expiry of the periods stipulated in the aforesaid circumstances shall automatically lapse and be null and void.

16.2 Notwithstanding the provisions of By-Law 9 and subject to the sole discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 or any other provisions of the Act or the Company decided to merge with other company or companies, a Grantee may be entitled to exercise all or any part of his/her Options which remains unexercised at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective **PROVIDED ALWAYS THAT** no Option shall be exercised after the expiry of the Option Period. Upon the compromise or arrangement becoming effective, all unexercised Options shall automatically lapse and shall become null and void and of no further force and effect.

17. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

17.1 If a Grantee is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from the Group, then the ESOS Committee will have the right to determine at its sole discretion whether or not the Grantee:

- (a) will be entitled to continue to hold and to exercise all the unexercised or partially exercised Options which were granted to him/her under the Scheme within a period which will be decided by the ESOS Committee, failing which the right of such Grantee to subscribe for that number of new Shares or any part thereof granted under such unexercised or partially exercised ESOS Option(s) shall automatically lapse and be null and void and of no further force and effect upon the expiry of the relevant period; and
- (b) shall be eligible to participate for further Options under the Scheme.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

17.2 For the purposes of By-Law 17.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

17.3 In the event that:

- (a) an employee who was employed in a company which is not related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of “**the Group**”) and is subsequently transferred from such company to any company within the Group; or
- (b) an employee who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above;

(the first abovementioned company in (a) and (b) herein referred to as the “**Previous Company**”), such an employee of the Previous Company will be eligible to participate in this Scheme for its remaining Option Period, if the affected employee becomes an “**Eligible Person**” within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the tenure of the Scheme, the Scheme shall apply to the employees of such company on the date of such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of “**Eligible Person**” under By-Law 1 and the provisions of these By-Laws shall apply.

18. WINDING UP

All outstanding Options shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise the Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise the Options shall accordingly be unsuspended.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

19. DURATION AND TERMINATION OF SCHEME

- 19.1 The Effective Date for the implementation of the Scheme shall be at the date of full compliance with all relevant requirements in the Listing Requirements, including the following:
- (a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and checklist showing compliance with Appendix 6E of the Listing Requirements;
 - (b) receipt of the approval from Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the exercise of Options granted under the Scheme;
 - (c) procurement of the approval of the shareholders of the Company for the Scheme in a general meeting;
 - (d) receipt of the approval of any other relevant authorities whose approvals are necessary in respect of the Scheme; and
 - (e) fulfilment of all conditions attached to any of the abovementioned approvals, if any.

The Principal Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of Bursa Securities stating the Effective Date of implementation of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

- 19.2 The Scheme will be in force for a duration of five (5) years from the Effective Date. Upon recommendation of the ESOS Committee and if the Board deems fit and in the best interest of the Company, the Scheme may be extended for a period of up to a maximum of five (5) years from the day after the expiry date of the original five (5) years period. Such extended Scheme shall be implemented in accordance with the terms of the By-Laws set out herein, except for any amendment and/or change to the relevant statutes and/or regulations. There are no further approvals required by the relevant authorities and the Company shall serve appropriate notices to each Grantee and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within thirty (30) days before the Date of Expiry or such other period as may be stipulated by Bursa Securities. The approval from the shareholders of the Company is not required for such extension.
- 19.3 Offer can only be made during the duration of the Scheme before the Date of Expiry.
- 19.4 Notwithstanding anything to the contrary, all unexercised Options shall lapse on the Date of Expiry.
- 19.5 The Scheme may be terminated by the ESOS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities and complies with the requirements of Bursa Securities or any other relevant authorities. The announcement shall include:

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (a) the effective date of termination (“**Termination Date**”);
 - (b) the number of ESOS Options exercised or Shares vested; and
 - (c) the reasons and justification for termination.
- 19.6 In the event of termination as stipulated in By-Law 19.5 above, the following provisions shall apply:
- (a) No further Offer shall be made by the ESOS Committee from the Termination Date;
 - (b) All Offer which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
 - (c) All outstanding Options which have yet to be exercised by Grantees shall be automatically terminated on the Termination Date.
- 19.7 Approval or consent of the shareholders of the Company by way of a resolution in an EGM and written consent of Grantees who have yet to exercise their Options are not required to effect a termination of the Scheme.

20. ADMINISTRATION

- 20.1 The Scheme shall be administered by the ESOS Committee. The ESOS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall deem fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESOS Committee shall be final and binding.
- 20.2 Without limiting the generality of By-Law 20.1, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its sole discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and Options granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The ESOS Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
 - (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.
- 20.3 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESOS Committee as it shall deem fit.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

21. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

- 21.1 Subject to By-Law 21.2, the ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its sole discretion deem fit and the Board shall have the power, at any time, by resolution to add to, amend, modify or delete all or any of terms in the By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that the amendment or modification is in compliance with the provisions of the Listing Requirements pertaining to the Scheme and the Rules of Bursa Depository.
- 21.2 Subject to By-Law 21.3, the approval of the shareholders of the Company in a general meeting is not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws unless such additions, modifications or amendments to or deletions of these By-Laws will:
- (a) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee;
 - (b) prejudice any rights of the shareholders of the Company without prior approval of the Company's shareholders in a general meeting; or
 - (c) alter to the advantage of the Eligible Persons in respect of any matters which are required to be contained in the By-Laws without the prior approval of the Company's shareholders in a general meeting unless allowed by the provisions of the Listing Requirements.
- 21.3 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 2, 3.1, 3.2, 4.1, 5.1, 5.4, 5.5, 7, 8, 9.8, 10, 11, 12, 13, 15.1, 15.2, 15.3, 15.5, 18, 19.1, 19.2, 19.5, 21.3, 29.1 and 33.2 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders obtained at a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

22. INSPECTION OF ACCOUNTS

All Grantees are entitled to inspect the latest audited financial statements of the Company at the registered office of the Company during normal business hours on any working day of the registered office.

23. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Eligible Person.

24. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any Options or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the Offer or consideration for the Offer afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the Options) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any company within the Group;
- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her Options or his/her rights/Options ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board (including Directors that had resigned but were on the Board during the Option Period) or the ESOS Committee shall in no event be liable to the Grantee or his/her Representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the ESOS Committee has been advised of the possibility of such damage.

25. DISPUTES

- 25.1 In case any dispute or difference shall arise between the ESOS Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESOS Committee during the duration of the Scheme, then the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person and/or Grantee, as the case may be **PROVIDED THAT** where the dispute is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the ESOS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESOS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.
- 25.2 Notwithstanding the foregoing provisions of By-Law 25.1 above, matters concerning adjustments made pursuant to By-Law 15 shall be referred to external auditors or the Principal Adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

26. COSTS AND EXPENSES

Unless otherwise stipulated by the Company in the Offers, all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the exercise of Options, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the Options under the Scheme and any holding or dealing of Shares to be allotted and issued pursuant to the exercise of the Options, including but not limited to brokerage commissions and stamp duties.

27. CONSTITUTION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the provisions of the Constitution shall at all times prevail.

28. TAXES

All taxes (including income tax), if any, arising from the exercise of any Options under the Scheme shall be borne by the Grantee.

29. LISTING AND QUOTATION OF SHARES

- 29.1 An application will be made by the Company for the listing of and quotation for such new Shares to be issued arising from the exercise of the Options on the Main Market of Bursa Securities.
- 29.2 The Company and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list the Shares for which the Grantee is entitled to subscribe.

30. NOTICE

- 30.1 Any notice under the Scheme required to be given to or served upon the ESOS Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee to the ESOS Committee shall be given or made in writing and either delivered by hand or sent to the ESOS Committee or the Company by facsimile or ordinary letter. Notwithstanding the foregoing, proof of posting shall not be evidence of receipt of the letter.
- 30.2 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:
- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received three (3) Market Days after posting;
 - (b) if it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; and

DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)

- (c) if it is sent by facsimile to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received at the time indicated on the transmission report produced by the sender's facsimile machine indicating that the facsimile was sent in its entirety to the addressee's facsimile or if received after 6 p.m. in the place of receipt or on a day which is not a Market Day, at 9 a.m. on the next Market Day.

Any change of address or facsimile number of the Eligible Person or the Grantee shall be communicated in writing to the Company.

- 30.3 Where any notice which the Company or the ESOS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Grantee (as the case may be) pursuant to the Scheme, the Company or the ESOS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 30.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

31. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

32. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the Audit Committee of the Company verifying that the allocation of Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Persons.

33. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEME

- 33.1 Subject to the approval of Bursa Securities and any other relevant authorities, the Company may establish a new employees' share option scheme after the expiry date of this Scheme or upon termination of this Scheme.
- 33.2 The Company may implement more than one (1) Scheme provided that the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

34. GOVERNING LAW AND JURISDICTION

The Scheme, these By-Laws, all Offers made and Options granted and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Eligible Persons, by accepting the Offer in accordance with the By-Laws and terms of the Scheme and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information contained 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. CONSENT AND DECLARATION OF CONFLICT OF INTEREST**2.1 IPS**

IPS, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

IPS, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Principal Adviser to Sunsuria for the Proposals.

2.2 Astramina

Astramina, being the Financial Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Astramina, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Financial Adviser to Sunsuria for the Proposals.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither Sunsuria nor any of its subsidiary companies are engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of Sunsuria Group and the Board has no knowledge of any proceedings, pending or threatened, against the Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of the Group.

4. MATERIAL COMMITMENTS

As at the LPD, Sunsuria Group has not incurred or known to incur any material commitments which may materially impact the financial results/position of Sunsuria Group.

5. CONTINGENT LIABILITIES

As at the LPD, Board is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/position of Sunsuria Group.

FURTHER INFORMATION (Cont'd)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are 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 Darul Ehsan, during normal business hours (except public holidays) from the date of this Circular up to the time set for holding the EGM or at any adjournment thereof:

- (i) the constitution of Sunsuria;
- (ii) the audited consolidated financial statements of Sunsuria for the past two (2) financial years up to the FYE 30 September 2018 and the unaudited quarterly result for the 3-month FPE 31 December 2018;
- (iii) the Subscription Agreement;
- (iv) the letters of consent and declarations of conflict of interest referred to in Section 2 above; and
- (v) the draft By-Laws for the Proposed ESOS.

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SUNSURIA
SUNSURIA BERHAD
(Company No. 8235-K)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Sunsuria Berhad (“**Sunsuria**” or the “**Company**”) will be held at Sunsuria City Celebration Centre, Persiaran Sunsuria, Bandar Sunsuria, 43900 Sepang, Selangor Darul Ehsan on Friday, 29 March 2019 at 11.30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the 50th Annual General Meeting of the Company scheduled to be held on the same venue and on the same date at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit to pass the following resolutions, with or without any modifications:

ORDINARY RESOLUTION 1

PROPOSED ALLOTMENT AND ISSUANCE OF 65,083,000 NEW ORDINARY SHARES IN SUNSURIA (“SUNSURIA SHARE(S)”) (“ISSUANCE SHARE(S)”) TO TER CAPITAL SDN. BHD. AT AN ISSUE PRICE OF RM0.655 PER ISSUANCE SHARE FOR A TOTAL CONSIDERATION OF RM42,629,365 (“PROPOSED ISSUANCE OF SHARES”)

“**THAT** subject to the approval of the relevant authority and/or parties being obtained (where required) approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue the Issuance Shares representing approximately 7.53% of the enlarged issued share capital of Sunsuria after the Proposed Issuance of Shares at the issue price of RM0.655 per Issuance Share to Ter Capital Sdn. Bhd. in accordance with the Subscription Agreement;

THAT approval be and is hereby given for the Company to utilise the proceeds from the Proposed Issuance of Shares for the purposes set out in the circular to the shareholders of the Company dated 14 March 2019, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interests of the Company;

THAT the Issuance Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Sunsuria Shares, save and except that the Issuance Shares shall not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid for which the entitlement date is before the date of allotment of such Issuance Shares;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds, things and execute, sign, deliver and cause to be delivered on behalf of the Company all necessary documents as the Board may consider necessary and expedient, and to take all such necessary steps to give effect and complete the Proposed Issuance of Shares with full powers to consent to and to adopt such conditions, variations, modifications, and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Issuance of Shares or as the Board may deem necessary or expedient, and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect and complete to the Proposed Issuance of Shares in the best interests of the Company.”

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY AT ANY POINT IN TIME TO BE GRANTED TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF SUNSURIA AND ITS SUBSIDIARIES (EXCLUDING SUBSIDIARY COMPANIES WHICH ARE DORMANT) ("PROPOSED ESOS")

"**THAT** subject to the approvals of all relevant authorities being obtained, the Board be and is hereby authorised to:

- (i) establish and implement an employees' share option scheme for the benefit of the employees and directors of the Company and its subsidiaries (excluding dormant subsidiaries) who fulfil the eligibility criteria for participation in the Proposed ESOS ("**Eligible Person(s)**"), under which options will be offered to the Eligible Persons to subscribe for new Sunsuria Shares at a pre-determined price ("**ESOS Options**"), which shall be administered by a committee to be appointed by the Board ("**ESOS Committee**") in accordance with the by-laws of the Proposed ESOS ("**By-Laws**");
- (ii) allot and issue such number of new Sunsuria Shares from time to time to the Eligible Persons as may be required for the purpose of or in connection with the Proposed ESOS, provided that the total number of Sunsuria Shares which may be issued under the Proposed ESOS and any other schemes involving issuance of new Sunsuria Shares to Eligible Persons which may be implemented from time to time by the Company shall not in aggregate exceed 10% of the total number of issued Sunsuria Shares (excluding treasury shares) at any one time, and that such new Sunsuria Shares will, upon allotment and issuance, rank *pari passu*, in all respects with the existing Sunsuria Shares, save and except that the new Shares to be issued arising from the exercise of the ESOS Options will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid prior to the date of allotment and issuance of the new Sunsuria Shares;
- (iii) do all the necessary for the listing of and quotation for the new Sunsuria Shares that may be allotted and issued from time to time under the Proposed ESOS;
- (iv) modify and/or amend the Proposed ESOS and the By-Laws from time to time, provided that such modifications and/or amendments are permitted and are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments; and
- (v) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and the terms of the By-Laws;

AND THAT the Board be and is hereby empowered and authorised to give effect to the Proposed ESOS with full power to consent to and to adopt any such conditions, modifications, variations and/or amendments (including adopting such modifications, variations and/or amendments to the By-Laws) as it may deem fit and/or expedient and/or as may be required by the relevant regulatory authorities and to take all steps as it may consider necessary or expedient to implement, finalise and give full effect to and in connection to the above;

AND THAT the draft By-Laws as set out in Appendix II of the circular to shareholders of the Company dated 14 March 2019, which is in compliance with the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), be and is hereby approved and adopted."

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF ESOS OPTIONS TO TAN SRI DATUK TER LEONG YAP

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Tan Sri Datuk Ter Leong Yap, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF ESOS OPTIONS TO KOONG WAI SENG

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Koong Wai Seng, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF ESOS OPTIONS TO TAN PEI GEOK

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Tan Pei Geok, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' QUEK NGENG MENG

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Dato' Quek Ngee Meng, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to him if he, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF ESOS OPTIONS TO DATIN LOA BEE HA

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Datin Loa Bee Ha, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 8

PROPOSED ALLOCATION OF ESOS OPTIONS TO PUAN SRI DATIN KWAN MAY YUEN

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Puan Sri Datin Kwan May Yuen, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 9

PROPOSED ALLOCATION OF ESOS OPTIONS TO TER LEONG PING

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Ter Leong Ping, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 10

PROPOSED ALLOCATION OF ESOS OPTIONS TO TER SHIN NIE

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Ter Shin Nie, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

ORDINARY RESOLUTION 11

PROPOSED ALLOCATION OF ESOS OPTIONS TO TER SHIN ANN

“**THAT**, subject to the passing of Ordinary Resolution 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time throughout the duration of the Proposed ESOS, ESOS Options to subscribe for up to such number of new Sunsuria Shares under the Proposed ESOS to Ter Shin Ann, provided that not more than 10% of the Sunsuria Shares made available under the Proposed ESOS and any other employee share schemes which may be implemented from time to time by the Company is allocated to her if she, either singly or collectively through persons connected with her, holds 20% or more of the total number of issued Sunsuria Shares (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

**BY ORDER OF THE BOARD
SUNSURIA BERHAD**

**LEE SWEE KHENG (MIA 12754)
LIM SIEW TING (MAICSA 7029466)**
Company Secretaries
Petaling Jaya
Malaysia
14 March 2019

Notes:

1. *Only a depositor whose name appears on the Record of Depositors as at 25 March 2019 (“General Meeting Record of Depositors”) shall be eligible to attend and vote at the meeting or appoint proxy(ies) to attend and vote on his/her stead.*
2. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
3. *A proxy may but need not be a member of the Company.*
4. *A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“SICDA”), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
6. *An exempt authorised nominee refers to an authorised nominee defined under the SICDA, which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
7. *Where a member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
8. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited with the Share Registrar of the Company 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 48 hours before the time set for holding the meeting or any adjournment thereof.*
9. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.*

[The rest of this page has been intentionally left blank]

FORM OF PROXY

(Please refer to the notes below before completing this form)

Number of shares held		
CDS Account No.		
Telephone No.		
Proportion of holdings to be represented by each proxy	Proxy 1	Proxy 2
	%	%

I / We NRIC No.
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

being a member of **Sunsuria Berhad** hereby appoints.....

..... NRIC No.
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

or failing him/her, NRIC No.
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to attend and vote for *me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Sunsuria City Celebration Centre, Persiaran Sunsuria, Bandar Sunsuria, 43900 Sepang, Selangor Darul Ehsan on Friday, 29 March 2019 at 11.30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the 50th Annual General Meeting of the Company scheduled to be held at the same venue and on the same date at 10.00 a.m., whichever is later.

Ordinary Resolutions:	For	Against
1. Proposed Issuance of Shares		
2. Proposed ESOS		
3. Proposed allocation of ESOS Options to Tan Sri Datuk Ter Leong Yap		
4. Proposed allocation of ESOS Options to Koong Wai Seng		
5. Proposed allocation of ESOS Options to Tan Pei Geok		
6. Proposed allocation of ESOS Options to Dato' Quek Ngee Meng		
7. Proposed allocation of ESOS Options to Datin Loa Bee Ha		
8. Proposed allocation of ESOS Options to Puan Sri Datin Kwan May Yuen		
9. Proposed allocation of ESOS Options to Ter Leong Ping		
10. Proposed allocation of ESOS Options to Ter Shin Nie		
11. Proposed allocation of ESOS Options to Ter Shin Ann		

(Please indicate with an "X" or "√" in the appropriate boxes above on how you wish your vote to be casted. If you do not do so, the proxy shall vote or abstain from voting at his/their discretion)

Dated this day of 2019

Signature of Shareholder/ Common Seal of Member



Notes:

1. *Only a depositor whose name appears on the Record of Depositors as at 25 March 2019 (“**General Meeting Record of Depositors**”) shall be eligible to attend and vote at the meeting or appoint proxy(ies) to attend and vote on his/her stead.*
 2. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
 3. *A proxy may but need not be a member of the Company.*
 4. *A member may appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
 5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an exempt authorised nominee appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
 6. *An exempt authorised nominee refers to an authorised nominee defined under the SICDA, which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
 7. *Where a member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
 8. *The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited with the Share Registrar of the Company 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 48 hours before the time set for holding the meeting or any adjournment thereof.*
 9. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.*
- * *Strike out whichever is not valid.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
SUNSURIA BERHAD
(Company No. 8235-K)
c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite,
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi 59200
Kuala Lumpur, Malaysia

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