

**REVOCATION OF SALE AND PURCHASE AGREEMENT DATED 27 NOVEMBER 2019 BETWEEN SUNSURIA CITY SDN. BHD. (“SCSB”) AND SUNSURIA EVERRICH SDN. BHD. (“SESB”)**

**1. INTRODUCTION**

Reference is made to the announcement made by Sunsuria Berhad (“the Company” or “Sunsuria”) on 9 May 2016, 27 November 2019 and 29 November 2019 in relation to the following:

- a) Shareholders Agreement dated 6 May 2016 (“Shareholders Agreement”), entered into between the indirect subsidiary of Sunsuria, SCSB and direct subsidiary of Sunsuria, SGSB with Welcome Global to regulate the respective equity participation, rights and obligations as shareholders in SESB and the conduct of the business and affairs of SESB, which has been identified as the joint venture vehicle between SCSB, SGSB and Welcome Global to undertake the Proposed Joint Venture. A Supplemental Agreement in relation to the Shareholders Agreement dated 6 May 2016 (“Supplemental Agreement”) for the purposes of recording the various revisions and/or effecting amendments to the terms and conditions of the Shareholders Agreement was entered into on 27 November 2019; and
- b) Sale and Purchase Agreement dated 27 November 2019 (“SPA”) enter into between SCSB and SESB for the acquisition of that parcel of freehold land identified as GRN 333882, Lot 115623, Mukim Dengkil, Daerah Sepang, Negeri Selangor, Malaysia (“the Property”) (“Proposed Acquisition”).

*(Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those given to them in the announcements made on 9 May 2016, 27 November 2019 and 29 November 2019.)*

The Board of Directors of Sunsuria now wishes to announce the following:

- a) Revocation of the Proposed Acquisition, which SCSB, SESB and Welcome Global had on 23 April 2021 entered into the Deed of Revocation (“the Deed dated 23 April 2021”) to revoke and rescind the SPA (“Revocation of the SPA”).
- b) Upon the disposal of SESB’s shares held by Welcome Global, Welcome Global shall cease to be a party to the Shareholders Agreement and the shareholders’ equity interest in SESB shall be adjusted accordingly.

**2. SALIENT TERMS OF THE DEED DATED 23 APRIL 2021**

The salient terms of the Deed include, amongst others, the following:

**2.1 Agreement to Revoke**

Subject to the forfeiture of the deposit sum of Ringgit Malaysia Three Million Six Hundred Ninety-Three Thousand Eight Hundred and Eighty-Eight (RM3,693,888.00) only (“Deposit”) equivalent to 10% of the Purchase Price, as defined in the SPA, by SCSB in accordance with the clause in the SPA, SESB and SCSB agreed to release each other from all the obligations, observance and due performance of all the stipulations, covenants, terms and conditions under the SPA.

**2.2 Effect of the Deed dated 23 April 2021**

2.2.1 Upon the execution of the Deed dated 23 April 2021, the SPA shall be rendered null and void with immediate effect.

2.2.2 SESB and SCSB hereby confirm that upon the execution of the Deed dated 23 April 2021:

- (a) SCSB shall be entitled to forfeit absolutely the Deposit amount being the agreed liquidated damages payable by SESB to SCSB pursuant to the Clause in the SPA; and
- (b) subject to the forfeiture of the Deposit, SCSB shall thereafter refund or cause to be refunded free of interest all sums (less the Deposit) paid by SESB to SCSB pursuant to the provisions under the SPA within fourteen (14) days from the date of the Deed dated 23 April 2021 in exchange for the following:
  - (i) SESB shall redeliver or caused to be redelivered to SCSB the original issue document of title to the Property, the duplicate charge(s), the discharge of charge and/or all other relevant documents that may have been forwarded by SCSB to SESB or SESB's solicitors prior to the termination of the SPA with SCSB's interest intact; and
  - (ii) SESB shall redeliver to SCSB vacant possession of the said Property in the same state and condition as the same was delivered (if the same has been delivered to SESB); and
  - (iii) SESB shall withdraw or caused to be withdrawn any private caveat that SESB may have lodged over the said Property; and
- (c) whereupon the SPA shall be treated as null and void and cease to have any further effect and neither SESB and SCSB shall have any further claims against the other save for the following:
  - (i) the respective obligations of SESB and SCSB which are to be performed upon the lawful termination of the SPA; or
  - (ii) any obligation which is expressed to survive the termination of the SPA; or
  - (iii) any rights or obligations which have accrued to any party in respect of any breach of any of the provisions of the SPA prior to such termination; and
- (d) SCSB shall be at liberty to deal with the Property as it deems fit.

### **3. CHANGE OF PARTIES TO THE SHAREHOLDERS AGREEMENT**

- 3.1 Welcome Global had vide a letter dated 15 April 2021 informed SESB and SCSB that considering the uncertainty in the global economy due to the COVID-19 pandemic, having reviewed and exhausted all available avenues to perform its obligation in the Shareholders Agreement, they have concluded that they are no longer in the financial condition to perform their obligation as shareholder of SESB and unable to contribute to the payment of the Second Payment and/or Final Payment in accordance to the terms and conditions of the SPA.
- 3.2 In view of Clause 3.1 above and pursuant to the clause in the Shareholders Agreement, Welcome Global has offered the disposal of 100,000 ordinary shares held in SESB to SGSB and SCSB at the aggregate purchase consideration of RM1.00 ("Sale of Shares"). SGSB has no intention to acquire the Shares and SCSB will purchase 100,000 ordinary shares of SESB at aggregate purchase consideration of RM1.00.
- 3.3 Upon completion of the Sale of Shares in SESB, SCSB will own 95% shareholding in SESB and the 5% shareholding held by SGSB remains unchanged.
- 3.4 Upon completion of the Sale of Shares in SESB by Welcome Global, Welcome Global shall cease to be a party to the shareholders' agreement, and the shareholders' equity interest in the Company shall be adjusted accordingly.

### **4. BASIS, JUSTIFICATION AND RATIONALE**

In view of the inability of Welcome Global to perform its obligation as per the Shareholders' Agreement and in the best interest of the Company that SCSB takes up the 100,000 ordinary shares of SESB at the aggregate consideration of RM1.00 and agreed to the Revocation of the SPA as the Company would take up the development of the Property on its own since the Property is located within the Company's development project at Sunsuria City, Sepang.

The execution of the Deed dated 23 April 2021 is in line with the strategies and plans for rationalisation of the business of Sunsuria and its group of companies ("Sunsuria Group") and to facilitate the Project implementation.

### **5. LIABILITIES TO BE ASSUMED**

Sunsuria is not expected to assume other liabilities, including contingent liabilities and guarantees arising from the execution of the Deed dated 23 April 2021.

### **6. FINANCIAL EFFECTS**

The execution of the Deed dated 23 April 2021 and the purchase of the Sales of Shares by SCSB will have no material effect on the earnings per share, net assets per share, gearing, share capital and the substantial shareholders' shareholdings of Sunsuria for the financial year ending 30 September 2021, save for the writing-off of the property development and related expenses incurred by SESB which will have a net financial impact of approximately RM2.4 million to Sunsuria Group.



**SUNSURIA BERHAD**

Registration No.: 196801000641 (8235K)

**7. APPROVALS REQUIRED**

The execution of the Deed dated 23 April 2021 and the purchase of the Sales of Shares by SCSB are not subject to the approvals of any authority and/or the shareholders of the Company.

**8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST**

None of the Directors and/or major shareholders of Sunsuria and/or persons connected to them, has any interests, direct or indirect in the execution of the Deed dated 23 April 2021.

**9. STATEMENT BY DIRECTORS**

The Board of Directors of Sunsuria, having taken into consideration all aspects of the execution of the Deed dated 23 April 2021 and the purchase of the Sales of Shares by SCSB, is of the opinion that the aforesaid transactions are in the best interest of Sunsuria Group.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

The Deed dated 23 April 2021 is available for inspection at the registered office of the Company at Suite 8 Main Tower Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 23 April 2021.