

SUNSURIA BERHAD (“SUNSURIA” OR THE “COMPANY”)

PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE ORDINARY SHARES OF SUNSURIA

1. INTRODUCTION

On behalf of the board of directors of Sunsuria (“**Board**”), Inter-Pacific Securities Sdn. Bhd. (“**IPS**”) and Astramina Advisory Sdn. Bhd. (“**Astramina**”) wish to announce that the Company proposes to undertake a private placement of up to 10% of the issued ordinary shares of Sunsuria (“**Sunsuria Share(s)**”) at an issue price to be determined later (“**Proposed Private Placement**”).

The Proposed Private Placement will be undertaken in accordance with the approval obtained from the shareholders of the Company at the 50th Annual General Meeting (“**AGM**”) of the Company convened on 29 March 2019, whereby pursuant to Sections 75 and 76 of the Companies Act 2016 (“**Act**”), the Board was authorised to allot and issue new Sunsuria Shares provided that the number of new Sunsuria Shares does not exceed 10% of the existing issued Sunsuria Shares (“**General Mandate**”). Such authority shall continue to be in force until the conclusion of the next AGM of Sunsuria unless revoked or varied by the Company at a general meeting. Therefore, the Proposed Private Placement does not require another specific approval from the shareholders of Sunsuria.

Further details of the Proposed Private Placement are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

As at 4 April 2019, being the latest practicable date preceding the date of this announcement (“**LPD**”), Sunsuria has:

- (i) a share capital of RM442,050,445 comprising 863,917,302 Sunsuria Shares; and
- (ii) 158,358,462 outstanding warrants 2015/2020 (“**Warrant(s)**”).

The Proposed Private Placement will entail the issuance of up to 102,227,576 new Sunsuria Shares (“**Placement Share(s)**”) representing not more than 10% of the issued Sunsuria Shares as at the LPD (assuming all Warrants are exercised), at an issue price to be determined by the Board and announced at a later date.

The actual number of Sunsuria Shares to be issued pursuant to the Proposed Private Placement will be determined at a later date, after obtaining Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) approval for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities (“**Bursa’s Approval**”). Subject to the prevailing market conditions, the Proposed Private Placement may be implemented in multiple tranches, if required, within six (6) months from Bursa’s Approval (depending on investors’ interests at the point of implementation) or any extended period as may be approved by Bursa Securities, until the conclusion of the next AGM of the Company, to provide the Company with the flexibility to secure interested investors and to maximise the number of Placement Shares to be placed out. As such, there could potentially be several price-fixing dates depending on the number of tranches and timing of implementation.

The details of placees and the number of Placement Shares to be placed to each placee in accordance with Paragraph 6.15 of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”) will be submitted to Bursa Securities before the listing of the Placement Shares to be issued pursuant to the Proposed Private Placement.

2.1. Basis and justification on arriving at the issue price of the Placement Shares

The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately and fixed by the Board on a later date after the receipt of Bursa's Approval.

The Board will take into consideration amongst others, the prevailing market conditions and the provisions of Paragraph 6.04(a) of the Listing Requirements, in determining the issue price(s) of the Placement Shares at a discount of not more than 10% to the volume weighted average market price ("VWAP") of Sunsuria Shares for the five (5) market days immediately preceding the price fixing date(s).

For illustrative purposes, assuming the Placement Shares are issued at an indicative issue price of RM0.60 per Placement Share ("**Indicative Placement Issue Price**") based on an approximate 9.32% discount to the VWAP of Sunsuria Shares for the five (5) market days up to the LPD of RM0.6617, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM61.34 million.

2.2. Placement arrangement

The Placement Shares are proposed to be placed to independent third-party investor(s) ("**Placee(s)**") to be identified at a later date. In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Shares will not be placed to the following parties:

- (i) a director, major shareholder or chief executive of Sunsuria or a holding company of Sunsuria (if applicable), or person(s) connected with such director, major shareholder or chief executive; and
- (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Placees shall be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007.

2.3. Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing Sunsuria Shares, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotment 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 Placement Shares.

2.4. Listing of and quotation for the Placement Shares

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities.

2.5. Utilisation of proceeds

For illustration purposes, based on the proposed placement size of up to 102,227,576 Placement Shares at the Indicative Placement Issue Price, the Proposed Private Placement is expected to raise total gross proceeds of up to approximately RM61.34 million which will be utilised in the following manner:

	Notes	RM'000	Expected timeframe for utilisation of proceeds (from the date of listing of the Placement Shares)
Working capital	(i)	Up to 61,307	Within 12 months
Estimated expenses for the Proposed Private Placement	(ii)	30	Within 3 months
Total proceeds		61,337	

Notes:

- (i) The proceeds will be utilised as general working capital for its ongoing and upcoming property development projects, such as for the payment of expenses i.e: consultant and professional fees, payment to suppliers and contractors, site overhead as well as day-to-day operating and administrative costs, which include, inter alia, sales and marketing expenses, personnel costs, as well as office expenses to be incurred by Sunsuria and its subsidiaries (“**Sunsuria Group**” or “**Group**”).

At this juncture, the Company has identified the following property development projects to be funded via the proceeds from the Proposed Private Placement:

Property development projects	Notes
Sunsuria City	(a)
The Forum 2	(b)

Notes:

- (a) Details of the various property development projects within Sunsuria City in Sepang, Selangor Darul Ehsan are set out as follows:

- (i) The Olive

Details	
Type of development	High-rise residential condominiums
Land area	17.8 acres
Tenure	Freehold
Type (built-up area) and total units	Condominium units (818 square feet (“sf”)) 663 units housed in 3 blocks
Estimated gross development value (“GDV”)	RM286 million
Total development cost	Approximately RM143 million
Commencement date	November 2016
Expected completion date	September 2019
Stage of completion	Approximately 72%

- (ii) Bell Suites

Details	
Type of development	Small office home office (“SOHO”) & serviced apartments
Land area	1.47 acres
Tenure	Freehold
Type (built-up area) and total units	SOHO (450 sf) Serviced apartment (970 sf) 478 units
Estimated GDV	RM178 million
Total development cost	Approximately RM82 million
Commencement date	March 2017
Expected completion date	April 2020
Stage of completion	Approximately 51%

(iii) Monet Lily (Phase 1 of Monet Residences)

Details	
Type of development	Landed residential terrace houses
Land area	15.8 acres
Tenure	Freehold
Type (area size) and total units	Intermediate (20 feet ("ft") x 70 ft) End unit (22 ft x 70 ft) Corner unit (24 ft x 70 ft) 2 storey terrace houses: 211 units
Estimated GDV	RM156 million
Total development cost	Approximately RM69 million
Commencement date	October 2017
Expected completion date	September 2019
Stage of completion	Approximately 67%

(iv) Monet Garden (Phase 2 of Monet Residences)

Details	
Type of development	Landed residential townhouses
Land area	18.7 acres
Tenure	Freehold
Type (area size) and total units	1.5 storey townhouse (24 ft x 75 ft): 132 units 3 storey townhouse (24 ft x 75 ft): 114 units
Estimated GDV	RM194 million
Total development cost	Approximately RM110 million
Commencement date	November 2017
Expected completion date	January 2021
Stage of completion	Approximately 36%

(v) Monet Springtime (Phase 3 of Monet Residences)

Details	
Type of development	Landed residential terrace houses
Land area	23.2 acres
Tenure	Freehold
Type (area size) and total units	Intermediate (20 ft x 70 ft) End unit (22 ft x 70 ft) Corner unit (24 ft x 70 ft) 2 storey terrace houses – 308 units
Estimated GDV	RM248 million
Total development cost	Approximately RM110 million
Commencement date	August 2018
Expected completion date	March 2021
Stage of completion	Approximately 25%

(vi) Giverny Walk (Phase 5 of Monet Residences)

Details	
Type of development	Dual frontage- 2 and 3 storey shop offices
Land area	4.71 acres
Tenure	Freehold
Type (built-up area) and total units	Type A (2,826 sf) + private terrace (409 sf) Type B (5,411 sf) + private terrace (549 sf) Type B1 (5,411 sf) + private terrace (1,152 sf) Type C (5,121 sf) + private terrace (930 sf) 33 units
Estimated GDV	RM67 million
Total development cost	Approximately RM17 million
Expected launch date	April 2019
Expected completion date	September 2020

(vii) The Chapter

Details	
Type of development	SOHO & affordable units
Land area	2.979 acres
Tenure	Freehold
Built-up area per unit	450 sf to 583 sf
Type (built-up area) and total units	SOHO- 450 sf to 583 sf Affordable units – 450 sf Total units: 610 units
Estimated GDV	RM152 million
Total development cost	Approximately RM90 million
Expected launch date	August 2019
Expected completion date	Year 2022

(viii) Tangerine Suites

Details	
Type of development	Serviced apartments
Land area	6.58 acres
Tenure	Freehold
Type and built-up area per unit	Type A: 550 sf Type B: 635 sf Type C: 700 sf Type D: 936 sf
Total units	Type A: 115 units Type B: 362 units Type C: 294 units Type D: 7 units
Estimated GDV	RM242 million
Total development cost	Approximately RM141 million
Expected launch date	May 2019
Expected completion date	December 2021

(b) The Forum 2

The details of The Forum 2 are set out as follows:

Details	
Type of development	Mixed commercial development comprising retail mall, offices, SOHO and serviced apartments
Land area	6.6 acres
Tenure	Freehold
Type and total units	Retail: 180,684 sf SOHO: 653 units Office: 636 units Serviced apartments: 568 units
Estimated GDV	RM948.5 million
Total development cost	Approximately RM577 million
Commencement date	Office tower & SOHO had been launched in July 2018
Expected completion date	Year 2022
Stage of completion	Approximately 5%

Although the Company had earmarked the proceeds from the Proposed Private Placement for the property development projects above, the specific proportion of funds allocated for each project has not been determined. The actual utilization of the proceeds for the abovementioned projects will depend on the actual funding requirements and the timing of the progress of each property development project after the completion of the Proposed Private Placement. Any amount not utilized for one (1) or more of these projects will be utilized for the other projects set out above.

- (ii) This includes payment of fees to Bursa Securities and share issuance expenses in relation to the Proposed Private Placement. Any deviation in the actual amount of expenses for the Proposed Private Placement will be adjusted accordingly to/from the working capital of Sunsuria Group.

Pending the full utilisation of the proceeds raised from the Proposed Private Placement, 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.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The rationale for the Proposed Private Placement are as follows:

- (i) to allow Sunsuria to raise funds expeditiously as opposed to a pro-rata issuance of securities such as a rights issue;
- (ii) to provide an avenue for Sunsuria to tap into the equity market to raise additional funds effectively without incurring interest costs as compared to funding via bank borrowings;
- (iii) to reduce the gearing of the Group due to an increase in the net assets (“**NA**”) of the Group; and
- (iv) to strengthen the Group’s financial and capital position and may potentially improve the liquidity of Sunsuria Shares in the market.

The Board is of the opinion that the Proposed Private Placement is a cost-effective source of capital to raise additional working capital for its ongoing and upcoming property development projects and an expeditious way of fundraising from the capital market (pursuant to the General Mandate) as opposed to other forms of fundraising based on the following:

- (i) the Proposed Private Placement is a less risky avenue to raise the required quantum of funds as opposed to other forms of equity raising methods such as a rights issue exercise. 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; and
- (ii) the Proposed Private Placement also enables Sunsuria to raise funds for property development projects of the Group without having to incur additional borrowings with related interest expenses. The approximate interest savings arising from Sunsuria not incurring additional borrowings of up to approximately RM61.31 million (which shall instead be raised from the Proposed Private Placement under the Maximum Scenario) to fund the Group’s property development projects is estimated to be approximately RM3.33 million per annum based on the average effective interest rate of 5.43% per annum paid on the term loans of the Group for the financial year ended (“**FYE**”) 30 September 2018. This allows 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 fundraising from financial institutions or debt capital markets for committed capital expenditures as and when the need arises.

4. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

The pro forma effects of the Proposed Private Placement 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 Proposed Private Placement and 86,391,730 Placement Shares are allotted and issued to the placees.
Maximum Scenario	Assuming all the 158,358,462 outstanding Warrants as at the LPD are exercised prior to the Proposed Private Placement and 102,227,576 Placement Shares are allotted and issued to the placees.

4.1 Share capital

The pro forma effects of the Proposed Private Placement 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 the LPD	863,917,302	442,050	863,917,302	442,050
To be issued assuming full exercise of Sunsuria's outstanding Warrants	-	-	158,358,462	⁽ⁱ⁾ 285,837
	863,917,302	442,050	1,022,275,764	727,887
Placement Shares to be issued pursuant to the Proposed Private Placement ⁽ⁱⁱ⁾	86,391,730	51,835	102,227,576	61,337
Enlarged share capital of Sunsuria	950,309,032	493,885	1,124,503,340	789,224

Notes:

(i) Assuming all outstanding Warrants are exercised at RM1.50 per Warrant and the warrant reserves amounting to approximately RM48.30 million are transferred to the share capital.

(ii) Calculated based on the Indicative Placement Issue Price.

4.2 NA, NA per Sunsuria Share and gearing

The pro forma effects of the Proposed Private Placement on the NA, NA per Sunsuria Share and gearing of the Sunsuria Group are as follows:

Minimum Scenario

	(I) Audited as at 30 September 2018 (RM'000)	(II) After (I) and Issuance of Shares ⁽ⁱ⁾ (RM'000)	After (II) and the Proposed Private Placement ⁽ⁱⁱⁱ⁾ (RM'000)
Share capital	399,421	442,050	493,885
Share premium	175,838	175,838	175,838
Warrant reserves	48,299	48,299	48,299
Capital reserve	815	815	815
Capital redemption reserve	168	168	168
Retained profits	247,859	(ii)247,399	(iv)247,369
Shareholders' funds/ NA	872,400	914,569	966,374
Number of Sunsuria Shares issued ('000)	798,834	863,917	950,309
NA per Sunsuria Share (RM)	1.09	1.06	1.02
Borrowings (RM'000)	239,974	239,974	239,974
Gearing (times)	0.28	0.26	0.25

Notes:

- (i) After incorporating the issuance of 65,083,000 Sunsuria Shares to Ter Capital Sdn. Bhd. ("TCSB") at an issue price of RM0.655 per Sunsuria Share for a total cash consideration of RM42,629,365 on 4 April 2019.
- (ii) After deducting the estimated expenses for the Issuance of Shares and the proposed employees share option scheme of RM0.46 million.
- (iii) After incorporating the issuance of approximately 86.39 million Placement Shares at the Indicative Placement Issue Price.
- (iv) After deducting the estimated expenses for the Proposed Private Placement of approximately RM30,000.

Maximum Scenario

	(I) Audited as at 30 September 2018	(II) After (I) and Issuance of Shares ⁽ⁱ⁾	(III) After (II) and assuming full exercise of outstanding Warrants ⁽ⁱⁱ⁾ (RM'000)	After (III) and the Proposed Private Placement ^(iv) (RM'000)
	(RM'000)	(RM'000)		(RM'000)
Share capital	399,421	442,050	727,887	⁽ⁱⁱⁱ⁾ 789,224
Share premium	175,838	175,838	175,838	175,838
Warrant reserves	48,299	48,299	-	-
Capital reserve	815	815	815	815
Capital redemption reserve	168	168	168	168
Retained profits	247,859	⁽ⁱⁱⁱ⁾ 247,399	247,399	^(v) 247,369
Shareholders' funds/ NA	872,400	914,569	1,152,107	1,213,414
Number of Sunsuria Shares issued ('000)	798,834	863,917	1,022,276	1,124,503
NA per Sunsuria Share (RM)	1.09	1.06	1.13	1.08
Borrowings (RM '000)	239,974	239,974	239,974	239,974
Gearing (times)	0.28	0.26	0.21	0.20

Notes:

- (i) After incorporating the issuance of 65,083,000 Sunsuria Shares to TCSB at an issue price of RM0.655 per Sunsuria Share for a total cash consideration of RM42,629,365 on 4 April 2019.
- (ii) Assuming all outstanding Warrants are exercised at RM1.50 per Warrant and the warrant reserves amounting to approximately RM48.30 million are transferred to the share capital.
- (iii) After deducting the estimated expenses for the Issuance of Shares and proposed employee share options scheme of RM0.46 million.
- (iv) After incorporating the issuance of approximately 102.23 million Placement Shares at the Indicative Placement Issue Price.
- (v) After deducting the estimated expenses for the Proposed Private Placement of approximately RM30,000.

4.3 Earnings and earnings per share (“EPS”)

The Proposed Private Placement is not expected to have any immediate material effect on the earnings of the Group for the FYE 30 September 2019 as the Proposed Private Placement is only expected to be completed in the 3rd quarter of 2019 whilst the proceeds to be raised are expected to be utilised within 12 months from the date of the listing of the Placement Shares. However, the Proposed Private Placement is expected to contribute positively to the consolidated earnings of Sunsuria Group for the ensuing financial years when the benefits of the utilization of proceeds are realised.

The EPS will correspondingly be diluted as a result of the increase in the number of issued Sunsuria Shares pursuant to the Proposed Private Placement.

4.4 Convertible securities

The Proposed Private Placement will not have any effect on the outstanding Warrants.

4.5 Substantial shareholders’ shareholdings

For illustrative purposes, the effects of the Proposed Private Placement on the shareholdings of the substantial shareholders of Sunsuria are set out as follows:

Minimum Scenario

Substantial shareholders	(I) As at the LPD				After (I) and the Proposed Private Placement			
	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	21.13	-	-	182,557	19.21	-	-
Tan Sri Datuk Ter Leong Yap	168,640	19.52	369,666 ⁽ⁱ⁾	42.79	168,640	17.75	369,666 ⁽ⁱ⁾	38.90
TCSB	181,467	21.01	-	-	181,467	19.10	-	-
Ruby Technique Sdn. Bhd.	45,300	5.24	-	-	45,300	4.77	-	-
CBG Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱ⁾	5.24	-	-	45,300 ⁽ⁱⁱ⁾	4.77
Farsathy Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱⁱ⁾	5.24	-	-	45,300 ⁽ⁱⁱⁱ⁾	4.77
Chia Seong Pow	1,200	0.14	45,300 ⁽ⁱⁱⁱ⁾	5.24	1,200	0.13	45,300 ⁽ⁱⁱⁱ⁾	4.77
Chia Song Kun	-	-	49,300 ^(iv)	5.71	-	-	49,300 ^(iv)	5.19
Chia Seong Fatt	-	-	46,050 ^(v)	5.33	-	-	46,050 ^(v)	4.85

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)				(II)				After (II) and the Proposed Private Placement			
	As at the LPD				After (I) and assuming full exercise of Sunsuria's outstanding Warrants							
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
No. of Sunsuria Shares ('000)	%	No. of Sunsuria Shares ('000)	%	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	21.13	-	-	228,196	22.32	-	-	228,196	20.29	-	-
Tan Sri Datuk Ter Leong Yap	168,640	19.52	369,666 ⁽ⁱ⁾	42.79	205,940	20.15	420,938 ⁽ⁱ⁾	41.18	205,940	18.31	420,938 ⁽ⁱ⁾	37.43
TCSB	181,467	21.01	-	-	187,099	18.30	-	-	187,099	16.64	-	-
Ruby Technique Sdn. Bhd.	45,300	5.24	-	-	53,400	5.22	-	-	53,400	4.75	-	-
CBG Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱ⁾	5.24	-	-	53,400 ⁽ⁱⁱ⁾	5.22	-	-	53,400 ⁽ⁱⁱ⁾	4.75
Farsathy Holdings Sdn. Bhd.	-	-	45,300 ⁽ⁱⁱ⁾	5.24	-	-	53,400 ⁽ⁱⁱ⁾	5.22	-	-	53,400 ⁽ⁱⁱ⁾	4.75
Chia Seong Pow	1,200	0.14	45,300 ⁽ⁱⁱⁱ⁾	5.24	1,500	0.15	53,400 ⁽ⁱⁱⁱ⁾	5.22	1,500	0.13	53,400 ⁽ⁱⁱⁱ⁾	4.75
Chia Song Kun	-	-	49,300 ^(iv)	5.71	-	-	58,400 ^(iv)	5.71	-	-	58,400 ^(iv)	5.19
Chia Seong Fatt	-	-	46,050 ^(v)	5.33	-	-	54,350 ^(v)	5.32	-	-	54,350 ^(v)	4.83

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. APPROVALS REQUIRED

The Proposed Private Placement is subject to Bursa's Approval.

Shareholders' approval for the General Mandate was obtained from the shareholders of Sunsuria at the 50th AGM of the Company convened on 29 March 2019 which has given the Board the authority pursuant to Sections 75 and 76 of the Act to allot and issue new Sunsuria Shares provided that the number of new Sunsuria Shares does not exceed 10% of the issued Sunsuria Shares. Such authority shall continue to be in force until the conclusion of the next AGM of Sunsuria, unless revoked or varied by the Company at a general meeting. Therefore, the Proposed Private Placement does not require another specific approval from the shareholders of Sunsuria.

In the event the Proposed Private Placement is not completed before the 51st AGM of the Company, the Company will obtain a renewal of its General Mandate pursuant to Sections 75 and 76 of the Act and Paragraph 6.03 of the Listing Requirements at the next AGM of Sunsuria for the issuance of the Placement Shares.

The Proposed Private Placement is not conditional upon any other corporate proposal undertaken or to be undertaken by Sunsuria.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of Sunsuria and/or persons connected with them have any interest, direct or indirect, in the Proposed Private Placement.

7. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Private Placement (including but not limited to the rationale set out in Section 3 of this announcement, the pro forma effects set out in Section 4 of this announcement) and the proposed utilisation of proceeds, is of the opinion that the Proposed Private Placement is in the best interests of the Group and its shareholders.

8. ADVISER AND PLACEMENT AGENT

IPS has been appointed as the Adviser and the Placement Agent to the Company for the Proposed Private Placement.

Astramina has been appointed as the Financial Adviser to the Company for the Proposed Private Placement.

9. ESTIMATED TIMEFRAME FOR APPLICATION TO BURSA SECURITIES AND COMPLETION

Barring any unforeseen circumstance, the application to Bursa Securities in relation to the Proposed Private Placement is expected to be made within one (1) month from the date of this announcement.

The Proposed Private Placement is expected to be completed by the 3rd quarter of 2019.

This announcement is dated 10 April 2019.