

SUNSURIA BERHAD ("SUNSURIA" OR THE "COMPANY")

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS

PROPOSED ACQUISITION OF LAND BY SUNSURIA RESIDENCE SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF SUNSURIA BERHAD ("PROPOSED ACQUISITION")

1. **INTRODUCTION**

The Board of Directors of Sunsuria Berhad ("Sunsuria" or "the Company") wishes to announce that Sunsuria Residence Sdn Bhd ("Sunsuria Residence" or "the Purchaser"), a wholly owned subsidiary of the Company, had on 22 April 2022, entered into a Sale & Purchase Agreement ("SPA") to acquire a piece of vacant leasehold land held under H.S.(D) 5732, PT 10568, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor, measuring approximately 60.81 acres ("the said Land") from Superjet Revenue Sdn. Bhd. [Registration No.: 201101012778 (940918-W)] ("Superjet" or "the Vendor") for a purchase consideration of RM74,168,740.80 ("Purchase Consideration") (hereinafter referred to as "the Proposed Acquisition").

2. **RATIONALE OF THE PROPOSED ACQUISITION**

The Proposed Acquisition represents an opportunity for Sunsuria Group to accumulate strategic industrial land for property investment and/or development purposes. The said Land is situated in a strategic location where the necessary infrastructures are readily available, with positive industrial development potential within the area.

3. **DETAILS OF THE PROPOSED ACQUISITION**

3.1 **Information on the said Land**

- a) The Vendor is the registered and beneficial owner of all that piece of vacant leasehold land (99-year lease tenure expiring on 13 January 2101) held under H.S.(D). 5732, PT 10568, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor Darul Ehsan ("the said Land"). The said Land is currently an agriculture land but zoned for industrial.
- b) The said Land is presently free from all and any encumbrances. However, there is a private caveat on the said Land vide Presentation No. 28562/2018 entered into by TEH HOCK KIM (NRIC No.630830-10-6063) (hereinafter referred to as "the Existing Private Caveat").
- c) The said Land is subject to an express condition on restrictions in interest: "Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri."
- d) No valuation has been carried out on the said Land.

3.2 **Information on the Purchaser**

Sunsuria Residence is a private limited company incorporated in Malaysia on 20 May 1983 and having its registered address at Suite 8 Main Tower Sunsuria Avenue, Persiaran Mahogani, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The principal nature of business of Sunsuria Residence is property development.

The present issued share capital of Sunsuria Residence is RM500,000 comprising of 500,000 ordinary shares. Sunsuria Residence is a wholly-owned subsidiary of Sunsuria.

3.3 Information on the Vendor

Superjet is a private limited company incorporated in Malaysia on 18 April 2011 and having its registered address at No. 48A & 49A, Jalan Mohd Salleh, Batu Pahat, 83000 Johor.

The principal nature of business of Superjet is estate and property investment. The present issued share capital of Superjet is RM500,000 comprising of 500,000 ordinary shares.

The current Directors of Superjet are as follows:-

- a) Teh Hock Kim;
- b) Choo Woon Meng; and
- c) Yap Hong Choon

The Shareholders of Superjet are as follows:-

Name of shareholders	No. of shares
1. Choo Woon Meng	255,000
2. Teh Hock Kim	140,000
3. Wu Shu Chuan	95,000
4. Lee Boon Yeng	5,000
5. Yap Hong Choon	5,000

4. **BASIS AND JUSTIFICATION OF DETERMINING THE PURCHASE CONSIDERATION**

The Purchase Consideration is derived at based on “willing buyer-willing seller” basis negotiated by the parties, after taking into consideration the potential development of the said Land, accessibility of the site, development of the surrounding areas as well as comparative transacted prices and/or asking prices of similar properties in the surrounding areas.

5. **SALIENT TERMS OF THE SPA**

The salient terms and conditions of the SPA include, amongst others, the following:

- (a) The Vendor has agreed to sell and the Purchaser has agreed to purchase the said Land on an “as is where is basis” with vacant possession and free from any encumbrances, restraints, restrictions, caveats or liens of whatsoever nature, squatters, other occupiers and structures illegal dumping, altars, statutes for religious or worship purposes and/or buildings of whatsoever nature, and at the price and the terms and conditions contained therein the SPA.
- (b) Upon execution of the SPA, the Purchaser shall pay deposit of RM7,416,874.08 (“the Deposit Sum”) in the following manner:-
 - (i) a sum of RM2,225,062.02 (“Retention Sum”), being three percent (3%) of the Purchase Consideration for the purpose of the Real Property Gains Tax chargeable in respect of the sale and purchase therein in accordance with Section 21B of the Real Property Gains Tax Act 1976 to the Purchaser’s Solicitors; and
 - (ii) the balance sum of RM5,191,812.06 only to the Purchaser’s Solicitors as stakeholder who shall be authorized to release the same along with accrued interest, if any, to the Vendor as soon as possible upon the Purchaser’s Solicitors having received a certified true copy of the State Consent and in any case not exceeding ten (10) days;

(c) The SPA shall be conditional upon the following condition(s) precedent (“the Conditions Precedent”): -

- (i) the Vendor having obtained the letter of consent to transfer the said Land in favour of the Purchaser from the relevant State Authority (“State Consent”);
- (ii) the Vendor having caused the removal/withdrawal of the Existing Private Caveat.

The parties agreed that the timeline to secure fulfillment of the Conditions Precedent is within Nine (9) months from the date of the SPA or within any extension period as the parties may mutually agree in writing (“the Conditional Period”) provided that there is no fault or delay or blameworthy conduct of the Vendor.

- (d) The parties agreed that the date of which the SPA shall become unconditional will be the date the Purchaser’s Solicitors receiving a certified true copy of the State Consent and a copy of the latest land search evidencing the removal/withdrawal of the Existing Private Caveat (“the Unconditional Date”).
- (e) Within three (3) months from the Unconditional Date (hereinafter referred to as “the Completion Period”), the Purchaser shall pay the balance sum of RM66,751,866.72 only (hereinafter referred to as “the Balance Purchase Price”) to the Vendor’s Solicitors as stakeholders.
- (f) In the event that the Purchaser is unable to pay the Balance Purchase Price within the Completion Period for any reason, the Vendor shall grant to the Purchaser an extension of one (1) month from the date of expiry of the Completion Period (hereinafter referred to as “the Extended Completion Period”) to pay the Balance Purchase Price PROVIDED ALWAYS that the Purchaser shall pay to the Vendor interest on the Balance Purchase Price or any outstanding balance thereof at the rate of six per centum (6%) per annum calculated on a day to day basis from the first day of the Extended Completion Period until the date of receipt of full payment by the Vendor’s Solicitors.
- (g) In the event the Purchaser fails, refuses or neglects to pay the Balance Purchase Price in accordance with the provisions of the SPA after the Vendor has complied with the terms and conditions therein, the Vendor shall be entitled to terminate the SPA by a notice in writing and the Deposit Sum paid by the Purchaser together with interest accrued from the Deposit Sum (if any) shall be forfeited by the Purchaser in favour of the Vendor absolutely as agreed liquidated damages.
- (h) In the event of the Vendor fails, neglects or refuses to complete the sale and purchase of the said Land in accordance with the provisions of the SPA and/or the Vendor commits a breach of the SPA after the Purchaser has complied with the terms and conditions therein (and without prejudice to any other any remedy available to the Purchaser in equity and at law and subject to the provisions of such law), the Purchaser shall be entitled to as follows:-
 - (i) the remedy of specific performance against the Vendor and to all the relief following therefrom and in such a case it is hereby mutually agreed that an alternative remedy of monetary compensation shall not be regarded as sufficient compensation; or
 - (ii) to terminate the SPA and in which event the Vendor shall refund absolutely all other monies paid by the Purchaser towards the Purchase Consideration and the Purchaser shall be entitled to claim a sum equivalent to the Deposit Sum as liquidated damages from the Vendor.

6. **LIABILITIES TO BE ASSUMED**

There are no liabilities, including contingent liabilities and guarantees to be assumed by Sunsuria arising from the Proposed Acquisition.

7. **SOURCE OF FUNDING**

The Purchase Consideration will be funded by a combination of bank borrowings and internally generated funds.

8. **STATEMENT BY DIRECTORS**

The Directors are of the opinion that the Proposed Acquisition is in the best interest of the Company and it is fair and reasonable and is not detrimental to the Company and its shareholders.

9. **EFFECTS OF THE PROPOSED ACQUISITION**

The effects of the Proposed Acquisition are as follows: -

9.1 Share Capital

The Proposed Acquisition will not have any effect on the issued and paid-up share capital of Sunsuria.

9.2 Earnings and Net Assets per Share

The Proposed Acquisition is not expected to have any material impact on the earnings and net assets per share of Sunsuria Group for the current financial year ending 30 September 2022.

9.3 Gearing

Assuming that 75% of the Purchase Consideration is financed through bank borrowings, the Proposed Acquisition will increase the Company's gearing ratio from 0.49 times to 0.54 times.

10. **PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Securities is 7.09%.

11. **RISK FACTORS**

The Board does not foresee any material risks pursuant to the Proposed Acquisitions except for the political and economic risk, as well as the inherent business risk factors associated with property development industry, and general risks such as non-compliance of the SPA.

12. **APPROVALS SOUGHT**

Save for the approval to be obtained from the State Authority, the Proposed Acquisition does not require approval from the shareholders of the Company and other regulatory authorities.

13. **INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED**

None of the Directors, major shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition.

14. **ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed within twelve (12) months from the date of the SPA.

15. **DOCUMENTS AVAILABLE FOR INSPECTION**

The SPA will be made 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 business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 22 April 2022.