



**SUNRISE SHARES HOLDINGS LTD.**  
(Company Registration No. 198201457Z)  
(Incorporated in Singapore)

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## **RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS**

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The board of directors (the “**Board**”) of Sunrise Shares Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 10 June 2020 in relation to the annual general meeting (“**AGM**”) of the Company to be held on 26 June 2020. In particular, shareholders of the Company (the “**Shareholders**”) have the discretion to submit questions in advance relating to the resolutions to be tabled for approval at the AGM. Accordingly, the Company has received the following questions from the Shareholders and the Company wishes to provide its responses:

### **Questions Received from Shareholders:**

1. Performance under continuing operations has been disappointing. The Group reported a 71% decrease in revenue to \$1.4million in FY2019 due to decrease in income from sales brokerage commission due to completion of one property consultancy contract. Can the Chairman advise:

- (a) How many property consultant contracts does the company has currently?

The Group currently has several property consultant and sales agency contracts. However as mentioned in the annual report for FY2019, such new contracts and renewal contracts had been delayed due to the temporary suspension of business as a result of the lock-down imposed by the People’s Republic of China in view of the COVID-19 outbreak, and have only recently commenced pursuant to the relaxation of lock-down measures in the People’s Republic of China.

- (b) Why was the completed contract not renewed? What is the typical duration of a property consultant contract and the contract value?

In respect of the completed contract that was not renewed, the contract itself is to assist the client in the sale of the properties. Henceforth, when the sale of the properties is completed, the contract is naturally terminated. For the avoidance of doubt, consultancy in real estate involves the development and sale of the real estate, as such it is often a one-time partnership for a development project. Notwithstanding that it is a one-time partnership, there may be other factors which may affect the length of the contract, including among others, policy factors, procedures for real estate projects, the scale of the project development, the progress of the development and the sales. Henceforth, depending on the terms and length of the contract, the contract value may range from approximately S\$0.1 million to S\$1 million.

- (c) Why did the administrative expense not decrease in tandem with the sharp drop in company revenue?

Administrative expenses relate to audit fees, sponsor fees, lawyer fees, and listing-related fees, which are not affected by the amount of revenue.

2. The Group has obtained shareholder's approval to diversify its core business to include investment business. An investment committee has also been set up. Has the group identified any potential good business to invest in? What kind of investment business is the Group actually targeting at and if the Group has the necessary expertise in this area?

The Group is still actively seeking good investment opportunities. The area of investments that the Group is looking at have been listed out under section 3.2 of the circular dated 27 May 2019. The Group has previously announced on the formation of the investment committee ("**Investment Committee**") on 15 May 2020 which consists of, among other, the Chief Financial Officer of the Company, Chan Hing Yin, Huang Angela On Yee and Liang Yongdong. The role of the Investment Committee is to provide advisory support to the management of the Company, the Board and the Audit Committee. Notwithstanding the aforementioned, the Investment Committee will also recommend to the Board to hire experts to evaluate and execute the investment project when a favorable opportunity arises.

3. Why are there so many key man and directors changes for 2019? CEO Zhang Zhi Liang, Ms Huang Anna Yi and Mr Ng Clarence Kar Lung all resigned respectively. Two of them are executive positions. Did this contribute to the Group's poor performance?

As announced previously on the SGXNET, the reasons for the cessation of the directors were mainly due to personal reasons, including among others, for other career opportunities and to devote more time to family commitments. As such, these cessations were not a contributing factor to the Group's performance.

4. FY2020 is expected to be a tougher business environment. What concrete steps will the Group be taking to enhance the Group's performance?

In view of the current global economic climate that has been heavily affected by the COVID-19 outbreak, the Group will continue to maintain the cost-cutting measures and will be very cautious in developing our investment business.

## **BY ORDER OF THE BOARD**

Shirley Tan Sey Liy  
Company Secretary  
25 June 2020

*This announcement has been prepared by the Company and reviewed by the sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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