



SUNRISE SHARES HOLDINGS LTD.

ANNUAL
REPORT
2021



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LETTER TO SHAREHOLDERS

On behalf of the board of directors at Sunrise Shares Holdings Ltd. (“**Company**”, and together with its subsidiaries, the “**Group**”), I am pleased to present to you the Company’s annual report for the financial year ended 31 December (“**FY**”) 2021.

IMPORTANT EVENTS

During FY2021, the company’s subsidiary, Shenzhen Kimshek Consultancy Management Limited, terminated three existing contracts, which are investment loan and consultancy service agreement to Hainan Sun City Holding Company, consultancy and service agreement with Zhuhai Huitong Real Estate Development Limited, and sales agent agreement with Zhejiang Anji Tonglin Real Estate Development Limited. The termination of existing three contracts mainly resulted in a decrease of revenue.

The company’s wholly owned subsidiaries, Sunrise Industrial (Singapore) Pte. Ltd. has entered into two contracts with New Zealand Nan Fang Investment Limited and Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in quarter four of FY2021.

The two contracts signed in quarter four of FY2021 had been terminated on 30 June 2022.

There were two short-term investment provided by the Group to Shenzhen Xudao Real Estate Development Limited and Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in FY2021 with RMB13 million and S\$1.3 million respectively.

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2021.

PERFORMANCE REVIEW

Continuing operations

Property consultancy and management

In FY2021, the Group reported a 50% or approximately S\$575 thousand decrease in revenue, from approximately S\$1.15 million in FY2020 to approximately S\$577 thousand in FY2021, mainly due to the termination of existing three contracts.

Other income has increased by 201% or approximately S\$616 thousand, from approximately S\$306 thousand in FY2020 to approximately S\$922 thousand in FY2021, mainly due to the interest income received of approximately S\$484 thousand from the project investment loan to Hainan Sun City Holding Company, and S\$24 thousand from investment fund to Nan Fang (Singapore) Investment Fund Management Pte. Ltd, and compensation of RMB1.8 million received as a result of the termination of consultancy and service agreement with Zhuhai Huitong Real Estate Development Limited on 11 August 2021.

The Group reported net profit of approximately S\$68 thousand in FY2021, as compared to net profit of approximately S\$150 thousand in FY2020.

Investment Business

With the termination of the contract with Hainan Sun City, we recovered the project Investment loan of RMB18 million.

There were two short-term investment provided by the Group to Shenzhen Xudao Real Estate Development Limited and Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in FY2021 with RMB13 million and S\$1.3 million respectively. The short-term investment loan provided by Group to Shenzhen Xudao Real Estate Development Limited in a total amount of RMB13 million as at 27 December 2021 with 3.0% per month interest in FY2021 for a period of two months (repayable on demand). The loan is secured by the client’s properties revenue and fully repaid on 19 and 21 January 2022.

The other short-term investment loan by Group to Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in a total amount of S\$1.3 million as at 8 December 2021 with fixed investment return of S\$30,000 per month. The investment fund is secured by the client’s properties and repaid on 14 January 2022.

DIVIDENDS

The Board is not recommending a dividend for FY2021 as the Group intends to conserve its cash for growth in anticipation of an overall challenging business environment.

OUTLOOK

The real estate market in China is still expected to be challenging in year 2022 as latest epidemic control measures and the implementation of the government’s policies in the first-tier and second-tier cities aiming to keep the housing price at a relatively low level. The Group is actively seeking new investment opportunities to increase the return for shareholders.

The Group is exploring and considering demerger or sale of the Hong Kong subsidiaries together with Shenzhen subsidiaries to a third party. The company will make further announcement, where necessary, in due course. As at the date of this announcement, no definitive agreement has been entered into and that the Company is in the stage of discussion.

APPRECIATION

On behalf of the Board, I would like to thank your management and staff for their contribution and dedicated in helping the Group to overcome the many obstacles faced in the past years during the pandemic. I would also like to express my gratitude to our customers and business partners for their support and faith in us all this while. Finally, I would like to thank our shareholders for their unwavering support over the years. We look forward to your continual support as we strive to create greater shareholder value for everyone.

WONG SIU FAI

Executive Director and Chairman
15 July 2022



OPERATIONS REVIEW

PROPERTY CONSULTANCY AND MANAGEMENT

The Property Consultancy and Management segment is carried out by the Group's wholly-owned subsidiaries, Shenzhen Kimshek Consultancy Management Limited (SKCM) (f.k.a. Shenzhen Sunrise Consultancy Management Limited.) and Sunrise Industrial (Singapore) Pte. Ltd., which is engaged in provision of property management and consultancy services to property management and consultancy services to property management companies in China. In FY2021, revenue from operations decreased by 50% or approximately S\$575 thousand, from approximately S\$1.15 million in FY2020 to approximately S\$577 thousand in FY2021, mainly due to the termination of existing three contracts.

INVESTMENT BUSINESS

During FY2021, the Group entered into short-term investment fund agreement with Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in a total amount of S\$1.3 million as at 8 December 2021 with fixed investment return of S\$30 thousand per month. The investment fund is secured by the client's properties and repaid on 14 January 2022. The usage of the investment fund are restricted in the investment business conducted by Nan Fang (Singapore) Investment Fund Management Pte. Ltd.. Board is satisfied with the risk associated with the investment and recoverability of such investment.

The other short-term investment loan provided by Group to Shenzhen Xudao Real Estate Development Limited in a total amount of RMB13 million as at 27 December 2021 with 3.0% per month interest in FY2021 for a period of two months (repayable on demand). The loan is secured by the client's properties revenue and fully repaid on 19 and 21 January 2022.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

The Group reported revenue from operations decreased by 50% or approximately S\$575 thousand, from approximately S\$1.15 million in FY2020 to approximately S\$577 thousand in FY2021, mainly due to the termination of existing three contracts.

Other income has increased by 201% or approximately S\$617 thousand, from approximately S\$305 thousand in FY2020 to approximately S\$922 thousand in FY2021, mainly due to the interest income received of approximately S\$484 thousand from the project investment loan to Hainan Sun City Holding Company, and S\$24,000 from investment fund to Nan Fang (Singapore) Investment Fund Management Pte. Ltd, and compensation of RMB1.8 million received as a result of the termination of consultancy and service agreement with Zhuhai Huitong Real Estate Development Limited on 11 August 2021.

Selling and distribution expense decreased by 96% or approximately S\$70 thousand, from approximately S\$73 thousand in FY2020 to approximately S\$3 thousand in FY2021, mainly due to the sales of the property did not occur in the year of 2021 had decreased due to the effect of COVID-19.

Administrative expenses (comprising staff costs and other expenses) increased by 7% or approximately S\$67 thousand, from approximately S\$954 thousand in FY2020 to approximately S\$1.02 million in FY2021. This was mainly due to slight increase of staff cost of approximately S\$100 thousand.

Tax expense amounted to approximately S\$406 thousand in FY2021, as compared to approximately S\$278 thousand in FY2020. This related to the withholding tax paid during payment of dividend income. Since the dividend amount declared is quite huge as a result which resulted in higher tax expenses.

As a result of the above, the Group reported net profit of approximately S\$68 thousand in 2021, as compared to net profit of approximately S\$150 thousand in FY2020.

FINANCIAL POSITION

Assets

(i) Current Assets

Trade and other receivables decreased by approximately S\$816 thousand, mainly due the termination of existing contracts and no new commission receivable in FY2021. There were two short-term investment provided by the Group Shenzhen Xudao Real Estate Development Limited and Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in FY2021 with RMB13 million and S\$1.3 million respectively. The short-term investment loan provided by Group to Shenzhen Xudao Real Estate Development Co. Limited in a total amount of RMB13 million as at 27 December 2021 with 3.0% per month interest in FY2021 for a period of two months (repayable on demand). The loan is secured by the client's properties revenue and fully repaid on 19 and 21 January 2022. Board is satisfied with the risk associated with the investment and recoverability of such investment.

The short-term investment loan by Group to Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in a total amount of S\$1.3 million as at 8 December 2021 with fixed investment return of S\$30 thousand per month. The investment fund is secured by the client's properties and repaid on 14 January 2022. The usage of the investment fund are restricted in the investment business conducted by Nan Fang (Singapore) Investment Fund Management Pte. Ltd.. Board is satisfied with the risk associated with the investment and recoverability of such investment.

The Board confirms that the two short-term investment loan and fund were made in the ordinary course of business pursuant to the diversification of the Group's business to include the Investment Business as defined in the Company's circular dated 27 May 2019, which the Company had sought and obtained Shareholders' approval. These transactions were not IPT and that the directors and shareholders of Shenzhen Xudao and Nan

Fang (Singapore) are not related to and do not have any connection (including, inter alia, financial or business connection) with any of Director and/or substantial shareholders of the Company. Both Shenzhen Xudao and Nan Fang (Singapore) are currently 100% indirectly owned by Mr Li Panfeng.

The Company will release the key IA findings on SGXNET once they are made available to the Company.

Cash and cash equivalents is increased from S\$0.96 million as at 31 December 2020 to S\$2.26 million at 31 December 2021. The increase mainly due to the collection of management fee income and termination of contract.

(ii) Current Liabilities

Trade and other payables decreased by approximately S\$15 thousand, from approximately S\$274 thousand as at 31 December 2020 to approximately S\$259 thousand as at 31 December 2021.

Current tax liabilities decreased by approximately S\$82 thousand, from approximately S\$282 thousand as at 31 December 2020 to approximately S\$200 thousand as at 31 December 2021. The decrease of tax liabilities mainly due to the decrease of income tax payable in second half year in PRC operations.

(iii) Right of Use Asset

Right of use asset (“**ROU**”) pertains to the IFRS adjustment for Shenzhen Kimsek Consultancy Management Ltd where same accounting policy has been applied as per the audited financial statement as at 31 December 2020. The effect in the balance sheet as following: 1) The decrease of net book value of ROU pertains to depreciation of approximately S\$14 thousand charged to profit and loss 2) Increase of approximately S\$1 thousand current lease liabilities in current liabilities and 3) Decrease approximately S\$14 thousand non-current lease liabilities in non-current liabilities.

(iv) Working Capital

The Group recorded a positive working capital of approximately S\$5.68 million as at 31 December 2021, as compared to a positive working capital of approximately S\$5.40 million as at 31 December 2020.



FINANCIAL HIGHLIGHTS

For the Year	2021 \$'000	2020 \$'000	% Change
Continuing Operations			
REVENUE			
1st half	330	80	313%
2nd half	247	1,072	(77%)
Total	577	1,152	(50%)
PROFIT/(LOSS) from continuing operations			
1st half	(20)	(300)	NM
2nd half	88	450	NM
	68	150	NM
Discontinued operations	–	–	NM
Total	68	150	NM
Equity			
Share capital	25,668	25,668	
Reserves	(19,976)	(20,255)	
Shareholders' funds	5,692	5,413	
Total Equity	5,692	5,413	
Borrowings	–	–	NM
Total Assets	6,470	5,997	
Financial Ratios			
Earning/(Loss) per share (cents)			
Basic and diluted	0.03	0.07	NM
Net asset value per share (cents)	2.72	2.59	
Total debts to total equity	–	–	–

FIVE-YEAR FINANCIAL SUMMARY



Financial Results	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Continuing Operations					
Revenue	577	1,152	1,421	4,848	1,914
Profit/(Loss) before interest and tax	475	154	69	1,721	313
Interest income	508	274	56	284	13
Finance costs	–	–	–	–	–
Profit/(Loss) before tax	474	428	125	2,005	326
Taxation	(406)	(278)	(287)	(755)	(291)
Profit/(Loss) from continuing operations	68	150	(161)	1,250	36
Profit/(Loss) from discontinued operations	–	–	(1,065)	(5,033)	(75)
Profit/(Loss) for the year	68	150	(1,226)	(3,783)	(39)
Financial Position					
Non-current assets	15	28	–	1,406	835
Current assets	6,455	5,969	5,241	7,790	10,894
Total assets	6,470	5,997	5,241	9,196	11,729
Borrowings	–	–	–	(330)	(330)
Other liabilities and non-controlling interests	(779)	(584)	(910)	(4,253)	(2,907)
Total Net Assets	5,691	5,413	4,331	4,613	8,492
Share capital	25,668	25,668	24,937	24,937	24,937
Reserves	(19,976)	(20,255)	(20,606)	(20,324)	(16,445)
Shareholders funds	5,692	5,413	4,331	4,613	8,492
Financial Ratios					
Earning/(Loss) per share (cents)	0.03	0.07	(0.69)	(2.12)	(0.02)
Net asset value per share (cents)	2.72	2.59	2.43	2.59	4.76
Total borrowings to shareholders' funds	–	–	–	0.07	0.04

BOARD OF DIRECTORS

MR WONG SIU FAI

Executive Director and Chairman

Mr Wong Siu Fai (“**Mr Wong**”) is the Executive Chairman of the Company and was first appointed to the Board as an Executive Director on 13 September 2019. He was appointed as Executive Chairman on 13 November 2019.

Mr Wong is the controlling shareholder of the Company. Since March 1993, Mr Wong is the Senior Adviser of Guangdong Sunrise Group Limited till now.

Mr. Wong holds a Master degree from Shenzhen University, China.

MR ZHENG AIMIN

Lead Independent Director

Mr Zheng Aimin (“**Mr Zheng**”) is the Lead Independent Director of the Company and was first appointed to the Board as an Independent Non-Executive Director on 9 September 2016. He was appointed as the Independent Non-Executive Chairman on 8 June 2018 and ceased as Chairman of the board on 13 November 2019. He is also the Chairman of the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), as well as a member of the Audit Committee (“**AC**”).

Mr Zheng is the chairman of Beijing Dadu Wazao New Materials Technology Holdings Limited from 2013 till present. From 2003 to 2011, Mr Zheng was the general manager and chairman of Beijing Dadu Wazao New Materials Holdings Limited, and from 2000 to 2011, the vice chairman and general manager of Xiamen Sunrise Investment Holdings Limited. From 2013 till present, he is also the director of Beijing Dadu Wazao New Materials Technology Holdings Limited.

Mr Zheng holds a Master of Commerce (Economics) and a Bachelor of Economic Management from the Nankai University, China.

MR TANG AN

Independent Director

Mr Tang An (“**Mr Tang**”) was appointed to the Board as an Independent Director on 9 September 2016. He is the Chairman of the AC and a member of the NC and the RC.

Mr Tang is currently the managing partner and chief accountant of Shenzhen Changping Accounting Firm. From 2019 to present, he is the independent director of KeXing Bio-pharmaceutical Holdings Limited. From 2021 to present, Mr Tang is the independent director of Shenzhen AoNi Electronic Holdings Limited and HuaXun FangZhou Science and Technology Limited. From 2007 to 2016, he was a director of Xiamen Sunrise Investment Holdings Ltd.

Mr Tang holds a Master of Business Administration from the Nankai University, and a Bachelor of Law degree from Dongbei University of Finance and Economics. In addition, Mr Tang is a Certified Public Accountant in China and an affiliated member of the Association of International Accountants, and also holds the Certification of Securities Professional issued by the Securities Association of China.



BOARD OF DIRECTORS

MR WANG ZIQUAN

Independent Director

Mr Wang Ziquan (“**Mr Wang**”) was appointed to the Board as an Independent Director on 11 February 2019. He was appointed as a member of the AC, NC and RC on 15 June 2021.

Mr Wang is currently a business analyst of ZF Asia Pacific Pte. Ltd.. From 2015 to 2017, he was the supply chain planner of Prysmian Group and Pall Corporation. From 2021 to present, he is the director of Yunyi Fund Management Pte. Ltd., Yunyi Investment, Yunyi Musical Education Center and Arts Revenue Music Centre.

Mr Wang holds a Bachelor of Industrial and Management Engineering from National University of Singapore.



KEY MANAGEMENT

▶ **MR LIANG YONGDONG** is the Chief Executive Officer of the Company and is responsible to ensure efficiency of business process and overseeing the execution of strategies and policies as established by the Board. He joined the Company on 28 January 2022. He is the legal representative and executive director of Shenzhen Sunrise Development Limited, Shenzhen Kimshek Construction Project Management Limited and Shenzhen Kimshek Consultancy Management Limited. Mr Liang holds an Undergraduate of Visual Communication Design from Hunan International Economics University.

▶ **MS HUANG ANGELA ON YEE** is the Vice President of the Company and is responsible for the Company's overall development strategy, develop strategy plan and business plan, and be responsible for the organization and implementation of daily operations and management. She joined the Company on 8 March 2019. From 2016 to 2021, she was the director of Hong Kong Sunrise Development Limited, and from 2017 to 2021, she is the director of Sunrise Investment Limited. Ms Huang holds a Bachelor of Journalism and Communication from Hang Seng University.

▶ **MR HUANG RUI** has resigned as Vice President of the Company on 13 February 2022. Mr Huang was responsible for the Company's overall development strategy, develop strategy plan and business plan, and be responsible for the organization and implementation of daily operations and management. He joined the Company on 8 March 2019. From 2010 to 2011, he was the manager of publicity to the executive's office for Shenzhen Overseas Chinese Town Holding Company Limited. From 2011 to 2013, he was the manager of marketing and sales for Ping An Insurance Company, and from 2013 to 2019, he was the assistant to the president for Guangdong Sunrise Group Company Limited. From 2019 to present, he is the director of Hong Kong Sunrise Consultant Limited. Mr Huang holds a Bachelor of Art from Auckland University.

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Wong Siu Fai
(Executive Director and Chairman)

Zheng Aimin
(Lead Independent Director)

Tang An
(Independent Director)

Wang Ziquan
(Independent Director)

AUDIT COMMITTEE:

Tang An (Chairman)
Zheng Aimin
Wang Ziquan

NOMINATING COMMITTEE:

Zheng Aimin (Chairman)
Tang An
Wang Ziquan

REMUNERATION COMMITTEE:

Zheng Aimin (Chairman)
Tang An
Wang Ziquan

COMPANY SECRETARY:

Shirley Tan Sey Liy (FCS, FCG)

PRINCIPAL ACTIVITIES OF THE GROUP:

Property Fund Management
Property Business, Hospitality and
Fund Management Business

AUDITORS:

Messrs Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants, Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner in charge:
Mr Ong Kian Guan
(Appointed since the financial year ended 2019)

BANKERS:

United Overseas Bank Limited
DBS Bank Ltd
Shanghai Pudong Development Bank
Bank of China (Hong Kong)
The Hongkong and Shanghai Banking Corporation Limited
China CITIC Bank

REGISTERED OFFICE:

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Singapore 049712

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SHARE REGISTRAR:

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Singapore 049712

SPONSOR:

Asian Corporate Advisors Pte. Ltd.
160 Robinson Road
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Singapore 068914



SUSTAINABILITY REPORTING

The Company upholds the high standards of responsible and sustainable business practices. We are committed to instilling sustainability in our corporate culture and improving the economic, environmental and social wellbeing of our stakeholders. We prudently balance economic viability with sustainability and social progress for future generations.

The Group has always strived to ensure our property consultancy and management clients to develop their properties sustainably and incorporate sustainable designs and measures. We also advise them in the management of their contractors to ensure sustainable construction. We take extra precaution to ensure that our clients comply with relevant environmental and social laws and regulations.

The Group has assigned a Sustainability Task Force for each business segment to oversee sustainability reporting, to monitor our sustainability performance and the implementation of our sustainability policies and measures. We endeavor to streamline our business operations to improve efficiency and conserve resources.

Below is a summary table of the key topics that are relevant to the Group and our stakeholders.

ECONOMIC	ENVIRONMENTAL	SOCIAL
Anti-corruption	Environmental Compliance	Employment Training and Education Diversity and Equal Opportunity Local Communities Socioeconomic Compliance

More information on the Group's efforts on sustainability management in the FY2021 can be found in the 2021 Sustainability Report of Sunrise Shares Holdings Ltd. which is released separately on 15 July 2022.



CORPORATE GOVERNANCE REPORT

The board of directors (the “**Board**” or “**Directors**”) of Sunrise Shares Holdings Ltd. (the “Company”, and together with its subsidiaries, “**Group**”) is committed to observing and maintaining high standards of corporate governance and transparency within the Company and the Group by complying with the principles and guidelines as set out in the Code of Corporate Governance 2018 (“**Code**”).

This corporate governance report outlines the Group’s corporate governance structure and practices that were in place during the financial year ended 31 December (“**FY**”) 2021, with specific reference made to the principles of the Code pursuant to Rule 710 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). The Board confirms that the Group has complied substantially with the principles and guidelines of the Code for FY2021. Where there are deviations from the Code, appropriate explanations have been provided.

(A) BOARD MATTERS

BOARD’S CONDUCT OF ITS AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is responsible for setting the strategic direction of the Company, establishes goals for the management of the Company (“**Management**”) and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and is expected to act in good faith and always in the best interests of the Company as well as the shareholders of the Company (“**Shareholders**”).

The Board is entrusted with the responsibility for the overall management of the Company. The Board’s primary responsibilities include the review and approval of policy guidelines, as well as setting of direction to ensure that the strategies undertaken lead to enhanced shareholders’ wealth.

The principal functions of the Board are:

- provide entrepreneurial leadership and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- ensure that the necessary resources are in place for the Company to meet its strategic objectives;
- establish and maintain a sound risk management framework to effectively monitor and manage risks and to achieve an appropriate balance between risks and company performance;
- constructively challenge management and review its performance;
- instil an ethical corporate culture and ensure that the company’s values, standards, policies and practices are consistent with the culture;
- ensure transparency and accountability to key stakeholder groups;
- oversee the processes for evaluating the adequacy and effectiveness of internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- review and approve the appointment of Directors proposed by the Nominating Committee;
- appointment and removal of the Company Secretary, internal and external auditors and key management staff;
- assume responsibility for corporate governance;
- review and monitor the performance of the Management;
- review and approve interim and annual financial statements of the Company and the Group;
- declaration of interim dividends and proposal of final dividends to Shareholders; and
- set the Company’s values and standards, and ensure that obligations to Shareholders are understood and met.



The Board also monitors and evaluates the Group's operations and financial performance, sets targets and goals, works with and monitors the Management in achieving such targets and goals. The Board holds the Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest will recuse themselves from meetings discussions and decisions involving the issues of conflict. The Directors would also abstain from voting on such issues of conflict.

To facilitate effective management, the Board has delegated certain specific responsibilities to three (3) board committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, "**Board Committees**") each of which has its own written terms of reference which are reviewed on a regular basis. The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

The Board meets regularly and ad-hoc meetings are convened as warranted by particular circumstances as deemed appropriate by the Board members. The Company's Constitution allows a Board meeting to be conducted by way of telephone conference or video conference.

The table below sets out the number of Board and Board Committee meetings held during FY2021 and the attendance of each Director at these meetings:

	Board	AC	NC	RC	Annual General Meeting
No. of meetings held	2	2	1	1	1
Name of Directors	No. of Meetings Attended				
Wong Siu Fai	2	2*	1*	1*	1
Zhang Zhi Liang ⁽¹⁾	1	1*	1*	1*	1
Zheng Aimin	2	2	1	1	1
Tang An	2	2	1	1	1
Wang Ziquan	2	2	1	1	1

* By invitation

Note:

⁽¹⁾ Mr. Zhang Zhi Liang has resigned as the Chief Executive Officer ("CEO") and Executive Director of the Company with effect from 3 August 2021.

The Board has adopted a set of internal guidelines setting forth matters that require the Board's approval and clearly communicates this to the Management in writing. Matters which are specifically reserved to the Board for decision and approval, include, amongst others, matters that involve a conflict of interest of a controlling shareholder or a Director, or persons connected to such shareholder or Director, material acquisitions, disposal of assets, operating budgets and capital expenditure, corporate or financial restructuring, share issuances, declaration of dividends and other returns to Shareholders. Such matters will be disclosed in the Company's Annual Report.

The Board ensures that these guidelines and matters which require Board's approval are properly communicated to the Management in writing.

The Directors are also updated regularly on changes to the Catalyst Rules, risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as members of the Board or Board Committees.



News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority (“**ACRA**”) which are relevant to the Directors are regularly circulated to the Board. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditors update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

Directors are also encouraged to attend workshops and seminars to enhance their skills and knowledge, which will be funded by the Company. Regular training, particularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards, will be arranged and funded by the Company for all Directors, from time to time.

Newly-appointed Directors will receive appropriate orientation and briefings on director’s duties, responsibilities, disclosure duties and statutory obligations. Newly appointed Directors will also be briefed by the Management on the business activities of the Group, strategic directions, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company’s securities and restrictions on disclosure of price sensitive information. In addition, they are also given the opportunity to visit the Group’s operational facilities and meet with the management to gain a better understanding of the Group’s business operations. In accordance with Rule 406(3)(a) of the Catalist Rules, newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will be required to attend the prescribed training programmes set out in Practice Note 4D of the Catalist Rules within one (1) year from the date of their appointment to the Board, as well as any other relevant courses in areas such as accounting, legal and industry specific knowledge, where appropriate, in connection with their duties as Directors of the Company. The cost for attending such trainings will be borne by the Company. A formal letter of appointment will be furnished to every Director upon his/her appointment explaining, among other matters, his/her roles, obligations, duties and responsibilities as a member of the Board.

During FY2021, Mr. Zhang Zhi Liang (“**Mr. Zhang**”) submitted his resignation letter to the Company on July 2021 and has resigned as the CEO and Executive Director of the Company with effect from 3 August 2021. Mr. Zhang was the CEO and Executive Director of the Company for the period from July 2020 to August 2021.

The Company has adopted a policy where Directors are encouraged to make enquiries on any aspects of the Company’s operations or business issues from the Management. The Management or the Company Secretary will make the necessary arrangements for the briefings, informal discussions or explanations required. In addition, Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

All directors have separate and independent access to the Management and the Company Secretary at all times through email, telephone and face-to-face meetings. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board to decide as a whole, includes ensuring that Board procedures are followed; applicable rules and regulations are complied with, ensuring good information flow within the Board and its committees and between senior management and Non-Executive Directors, facilitating the Directors’ orientation programme, and assisting with professional developments as required. Any additional materials or information requested by the directors to make informed decisions is promptly furnished. Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and independent directors. The Company Secretary and/or her representative administer, attend and prepare the minutes of all Board and Board Committee meetings.

The Board in the furtherance of its duties, may seek independent professional advice at the Company’s expense.



The role of Non-Executive Director being:

- (a) be familiar with the business and stay informed of the activities of the company;
- (b) constructively challenge Management and help develop proposals on strategy;
- (c) review the performance of Management in meeting agreed goals and objectives; and
- (d) participate in decisions on the appointment, assessment and remuneration of the executive directors and key management personnel generally.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this report, the Board comprises four (4) Directors, three (3) of whom are Independent Directors (including the respective Chairmen of the Board Committees), details as set out below:

Name of Directors	Board	Board Committee Membership		
		AC	NC	RC
Wong Siu Fai	Chairman and Executive Director	–	–	–
Zheng Aimin	Lead Independent Director	Member	Chairman	Chairman
Tang An	Independent Director	Chairman	Member	Member
Wang Ziquan	Independent Director	Member	Member	Member

There is presently a strong and independent element on the Board with Independent Directors constituting majority of the Board. The criteria of independence are determined based on the definition as provided in the Code. The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Group's affairs. The Board has sought and obtained written confirmation from each of the Independent Directors that none of them has any relationship (in business or otherwise, including immediate family relationships) with other Directors, the Company, its subsidiaries, related corporations, substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement in the best interests of the Company. The NC had reviewed the independence of each Independent Director and is satisfied that the Independent Directors have met with the criterion of independence as set forth and each of them has the ability to act independently. The independence of the Independent Directors will be reviewed annually by the NC based on the guidelines given in the Code.

There is no Independent Director who has served on the Board beyond nine (9) years from the date of his first appointment. In consideration of Rule 406(3)(d) of the Catalist Rules, none of the Independent Director has been employed by the Company or any of its related corporations for the current or any of the past three (3) financial years, and none of the Independent Director has an immediate family who is employed or has been employed by the Company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the RC.

The Board, via the NC, has reviewed its size and composition, and is of the view that, after taking into account the scope and nature of operations of the Group in the financial year under review, the current Board size is appropriate, effective and adequate, and is able to meet the Company's existing scope of needs, nature of the operations and facilitate effective decision-making, and that no individual or small group of individuals dominates the Board's decision-making process. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience.



The Independent Directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. The Company does not have a board diversity policy, however the Board comprises individuals who have experience in accounting, finance, business, management, industry knowledge and strategic planning experience. With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 31 December 2022.

The Board conducts an annual review to assess if the existing attributes and core competencies of the Board are complementary and contributes to the efficacy of the Board. This enables the Board to maintain or enhance balance and diversity within the Board. The NC is of the view that the current Board comprises persons who as a group provide a diverse mix of capabilities such as skills, experience and knowledge required for the Board to be effective and to enable the Board to make decisions in the best interest of the Company.

To assist the Independent Directors in understanding the Group's businesses, operations and management, they will meet with the Management from time to time, and also assist the Executive Directors to review the performance of the Management and provide constructive suggestions to the Management to improve the Group's performance.

The Independent Directors participate actively during Board meetings. The Company has benefited from Management's access to Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Independent Directors communicate amongst themselves and with the Company's auditors and the Management. When necessary, the Company co-ordinates informal meetings for the Independent Directors to meet without the presence of the Executive Directors and/or Management.

The Independent Non-Executive Directors have met without the presence of the Management in FY2021. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. The lead independent director (Lead ID) plays an additional facilitative role within the Board, and where necessary, he may also facilitate communication between the Board and shareholders or other stakeholders of the company. Shareholders or other stakeholders can also contact the Lead ID to voice their concerns via email at 13910912616@163.com.

The role of the Lead ID may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to non-executive directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary. In addition, the Lead ID may also help the NC conduct annual performance evaluation and develop succession plans for the Chairman and CEO and help the RC design and assess the Chairman's remuneration.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and the CEO are separated to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

As the Executive Chairman, Mr. Wong, is responsible for overseeing the Board and, together with the AC, ensures the integrity and effectiveness of the governance process of the Board. He leads the Board for discussions and ensures that Board meetings are convened when necessary. In addition, the Chairman of the Board promotes a culture of openness and debate at the Board; ensures that the Directors receive complete, adequate and timely information; encourages constructive relations within the Board, and between the Board and Management; and facilitates the effective contribution of the Independent Directors in particular. The Chairman of the Board chairs the annual general meetings of the Company ("**AGM**"), and ensures constructive communication between Shareholders, the Board and Management.

Mr. Zhang had resigned as the CEO of the Company with effect from 3 August 2021, who was responsible for the management and the operation of the Group.



Mr. Liang Yongdong, nephew-in-law of Mr. Wong, is appointed as the CEO of the Company with effect from 28 January 2022, who is responsible to ensure efficiency of business process and overseeing the execution of strategies and policies as established by the Board.

As the Chairman of the Board is not independent, the Company has appointed Mr. Zheng Aimin as the Lead Independent Director with effect from 13 November 2020 to provide leadership in situations where the Chairman is conflicted. The Board is of the view that there are sufficient safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. All major decisions are made in consultation with the Board and where necessary, external consultants are invited to attend Board meetings to assist the Directors in deliberation. All the Board Committees are chaired by Independent Directors.

The Independent Directors collectively are and will continue to make themselves available to Shareholders to address their concerns (if any). The Independent Directors will meet periodically (in the absence of the Executive Directors and Management), where necessary, and will provide feedback to the Chairman after such meetings.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

NOMINATING COMMITTEE

The NC comprises the following members:

Mr. Zheng Aimin	(Chairman of the NC and Lead Independent Director of the Board)
Mr. Tang An	(Independent Director)
Mr. Wang Ziquan	(Independent Director)

The terms of reference set out clearly the principal responsibilities of the NC which are as follows:

- identify suitable candidates and review all nominations for appointment and re-appointment of Directors;
- conduct annual reviews of the composition, structure and size of the Board;
- review the independence of the Directors annually in accordance with Guidelines 2.1 of the Code;
- determine whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- evaluate the performance and effectiveness of the Board as a whole and the contribution of each Director;
- review the board succession plans for the Directors, in particular, the Chairman, the CEO and key management; and
- review the training and professional development programmes for the Board.

The Board, through delegation of authority to the NC, uses its best efforts to ensure that Directors appointed to the Board possess the necessary knowledge, skills and experience, including but not limited to, those in areas of finance, business and management. Each of the Directors, bring to the Board his/her skills and knowledge, and provides an independent and objective perspective in view of the decisions to be made.



The NC is responsible for identifying and recommending new Directors to the Board. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new Directors are put to the Board for its consideration. New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next AGM following their appointments.

The NC reviews annually the independence declaration made by the Independent Directors based on the criterion of independence under the guidelines provided in the Code. For FY2021, the NC is of the view that the Independent Directors are independent (as defined in the Code) and are able to exercise judgment on the corporate affairs of the Group independent of the Management. The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

The Board does not limit the maximum number of listed company board representation the Directors may hold as long as each of the Directors is able to commit his/her time and attention to the affairs of the Company. Save for Tang An who is a director of another listed company, none of the Directors holds directorship in other listed company. The Board believes that each individual Director is best placed to determine and ensure that he/she is able to devote sufficient time and attention to discharge his/her duties and responsibilities as a Director of the Company, bearing in mind his/her other commitments. For Directors who have board representations in other listed companies and other principal commitments, the NC has reviewed the work and other commitments of such Directors and assessed their ability to diligently discharge their Board responsibilities. The NC is satisfied that the Directors are able to commit sufficient time, effort and attention to the affairs of the Group. The NC is of the view that fixing a limit on the number of such board representations is not meaningful in the context of the Group. The Board has accepted and affirmed the view of the NC. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems fit.

There is no alternate Director appointed to the Board as at the date of this report.

In accordance with the Company's Constitution, each Director is required to submit for re-nomination and re-election at least once in every three (3) years by rotation, and all newly appointed Directors will have to retire by rotation and submit themselves for re-election at the next AGM following their appointments.

With effect from 1 January 2019, pursuant to Rule 720(4) of the Catalist Rules, all Directors, including Executive Directors, must submit themselves for re-nomination and re-appointment at least once every three (3) years. Within three (3) years of 1 January 2019, a Director appointed or re-appointed before 1 January 2020 must submit himself for re-nomination and re-appointment to the Board at a general meeting no later than 31 December 2021.

The NC has recommended, and the Board has agreed that Mr. Wong Siu Fai and Mr. Zheng Aimin be nominated for re-election at the forthcoming AGM pursuant to Regulation 91 of the Company's Constitution (collectively, the "**Retiring Directors**"). The Retiring Directors have offered themselves for re-election at the forthcoming AGM. Each member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he/she has a conflict of interest in the subject matter under consideration. In its deliberations on the re-election and re-appointment of existing Directors, the NC takes into consideration the relevant Director's competency, commitment, contribution and performance (including, if applicable, his/her contribution and performance as a Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of input and contributions.

Please refer to the section entitled "Additional Information on Directors Nominated for Re-election – Appendix 7F to the Catalist Rules" of this report as well as the "Board of Directors" section of this Annual Report for more information on the Retiring Directors.



Other than the key information regarding the Directors set out below, information pertaining to the Directors' interests in shares, options and other convertible securities are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out in the "Board of Directors" section of this Annual Report.

Name of Director	Board appointment	Date of first appointment	Date of last re-election	Directorship or Chairmanship both present and held over the preceding three (3) years in other listed companies
Wong Siu Fai	Chairman and Executive Director	13 September 2019	26 June 2020 (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> None <u>Past Directorship or Chairmanship</u> Sunrise Wealth Family Office Pte. Ltd. (a.k.a. LStar Family Office Pte. Ltd.) (Resigned as director on 5 November 2021)
Zheng Aimin	Lead Independent Director	9 September 2016	26 June 2020 (To be re-elected at the forthcoming AGM)	<u>Present Directorship or Chairmanship</u> None <u>Past Directorship or Chairmanship</u> None
Tang An	Independent and Non-Executive	9 September 2016	29 April 2021	<u>Present Directorship or Chairmanship</u> Hubei Mailyard Share Co., Ltd. (Appointed on 28 March 2022) None <u>Past Directorship or Chairmanship</u> None



Name of Director	Board appointment	Date of first appointment	Date of last re-election	Directorship or Chairmanship both present and held over the preceding three (3) years in other listed companies
Wang Ziquan	Independent and Non-Executive	11 February 2019	29 April 2021	<u>Present Directorship or Chairmanship</u> None <u>Past Directorship or Chairmanship</u> None

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC has adopted a formal process to assess the effectiveness of the Board and Board Committees as a whole, as well as the performance of each individual Director. The qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of strategic objectives set by the Board.

The assessment of the Board, Board Committees and the Directors are carried out once every financial year. Each member of the NC is required to abstain from voting on any resolution in respect of the assessment of his or her performance or re-nomination as a Director. The evaluation of Board's and Board Committees' performance deals with matters on Board composition, information to the Board, Board procedures and Board accountability. The evaluation of individual Director deals with matters on attendance at meetings, Directors' duties and know-how and interaction with fellow Directors.

The NC had adopted the following annual assessment forms which required the completion by each Director and respective Board Committees' member:

- Board Evaluation Form as a whole
- Individual Director Evaluation Form
- AC Evaluation Form
- NC Evaluation Form
- RC Evaluation Form

(Collectively, "**Annual Evaluation Forms**")



The completed Annual Evaluation Forms are collated for the NC's for review and deliberation. The NC will then present the results, conclusions and its recommendations to the Board. The NC focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to discharging its principal responsibilities and the Directors' standards of conduct in assessing the Board's performance as a whole. The performance criteria have not been changed from year-to-year, and where circumstances deem it necessary for any of the criteria to be changed, the Board should justify the reason.

Given the EA and IA findings, the NC will review the effectiveness of the Board and the Board Committee and will make such recommendation including, inter alia, the needs to beef up the Board composition.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

REMUNERATION COMMITTEE

Mr. Zheng Aimin	(Chairman of the RC and Lead Independent Director of the Board)
Mr. Tang An	(Independent Director)
Mr. Wang Ziquan	(Independent Director)

The RC comprises three (3) directors, all of them are Independent Directors.

The responsibilities of the RC are to:

- make recommendations to the Board on matters relating to remuneration, including but not limited to fees, salaries, allowances, bonuses, options and benefits-in-kind of Directors and key management personnel;
- review the appropriateness of remuneration of Directors and key management personnel;
- review and recommend to the Board, the terms of service agreements of Directors and key management personnel; and
- review and recommend annually the total remuneration to the Directors and key management personnel.

The RC is established for the purpose of ensuring that there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and key management personnel. The overriding principle is that no Director should be involved in deciding his or her own remuneration. The RC has adopted written terms of reference that defines its membership, roles and functions and administration.

No Director is involved in deciding his or her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC has full authority to engage any external professional to advise on matters relating to remuneration as and when the need arises, and the expense of such services shall be borne by the Company. For FY2021, the RC did not seek any external professional advice on remuneration of the Directors.



All recommendations of the RC will be submitted for endorsement by the entire Board. In determining remuneration packages of Executive Directors and key management personnel, the RC seeks to ensure that the Executive Directors and key management personnel are adequately but not excessively rewarded. The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

In reviewing the service agreements of the Executive Directors and key management personnel of the Company, the RC will review the fairness and reasonableness of the termination clauses contain in the service agreements and the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to ensure that all such aspects of remuneration are fair and avoid rewarding poor performance.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Independent Directors are paid Directors' fees appropriate to their level of contribution to the Board, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be overcompensated to the extent that their independence may be compromised.

The Directors' fees are proposed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of S\$160,000 for FY2020 had been approved by Shareholders at the last AGM held on 29 April 2021. Directors' fees of S\$90,000 for FY2021 have been recommended by the Board and will be subject to the approval of Shareholders at the forthcoming AGM of the Company. No Director is involved in deciding his or her own remuneration.

Presently, the Company does not have any long-term incentive schemes for the Directors and key management personnel.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company's remuneration policy is to reward performance and attract, retain and motivate Directors and key management personnel. The RC will take into account the industry norms, the Group's, performance as well as the contribution and performance of each Director when determining remuneration packages. The RC will review the remuneration of the Directors and key management personnel from time to time.



A breakdown showing the level and mix of each Directors' remuneration for FY2021 is as follows:

Name of Directors	Salary (%)	Directors' Fee (%)	Variable Bonus (%)	Allowances (%)	Total (%)
S\$250,000 and below					
Wong Siu Fai	100	–	–	–	100
Zhang Zhi Liang (resigned on 3 August 2021)	100	–	–	–	100
Zheng Aimin	–	100	–	–	100
Tang An	–	100	–	–	100
Wang Ziquan	–	100	–	–	100

In FY2021, the remuneration of the key management personnel (who are not Directors or the CEO) in the bands of S\$250,000 is set out below:

Key Management Personnel ⁽¹⁾	Salary ⁽²⁾ (%)	Variable Bonus (%)	Allowances (%)	Benefits-in-kind (%)	Total (%)
S\$250,000 and below					
Chan Hing Yin ⁽²⁾	100	–	–	–	100
Huang Angela On Yee	100	–	–	–	100
Huang Rui ⁽³⁾	100	–	–	–	100

Notes:

- ⁽¹⁾ The Group only had three (3) key management personnel (who are not Directors or the CEO) in FY2021.
⁽²⁾ Mr Chan Hing Yin has resigned as Chief Financial Officer with effect from 30 September 2021.
⁽³⁾ Mr Huang Rui has resigned as Vice President with effect from 13 February 2022.

In view of the confidentiality of remuneration matters and possible negative impact on the Group's business interest, the Board, on review, has decided not to disclose the exact remuneration of each Director, the CEO and key management personnel and that the disclosure made based on the above remuneration bands is appropriate.

For FY2021, the aggregate total remuneration paid to the abovementioned top three (3) key management personnel amounted to S\$90,000. There were no terminations, retirement or post-employment benefits granted to Directors and relevant key management personnel other than the standard contractual notice period and termination payment in lieu of service in FY2021.

The remuneration package of each of the Executive Director and the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. The performance-related component of the remuneration package is designed to align the interests of the Executive Directors and the key management personnel with those of Shareholders and link rewards to the Group's financial performance. Service agreements for the Executive Director and the key management personnel are for a fixed appointment period and do not contain onerous removal clauses. Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardships of the Company and key management personnel to successfully manage the company for long term.



Immediate Family Member of Directors or CEO or Substantial Shareholders

Ms. Huang Angela On Yee is the daughter of Mr. Wong, Mr. Huang Rui is the nephew of Mr. Wong, while Mr. Liang Yongdong is the nephew-in-law of Mr. Wong. There were no employees, including Ms. Huang Angela On Yee, Mr. Huang Rui and Mr Liang Yongdong, who are immediate family members of a Director or the CEO whose remuneration exceeded S\$100,000 during FY2021. Mr. Liang Yongdong was only appointed with effect from 28 Jan 2022 (after FY2021).

The Company has not adopted any employee share option scheme or performance share plan. The RC has reviewed with the consideration of the Company's business and structure, the RC is satisfied that the existing remuneration structure of the key management personnel and employees is appropriate and adequate to award the performance of the key management personnel and employees. The Company is of the view that the existing remuneration structure is consistent with the intent of Principle 8 of the Code which includes linking key management personnel's remuneration to corporate and individual performance. The RC and the Company would consider the share option scheme or performance share plan when necessary.

ACCOUNTABILITY AND AUDIT

Risk management and internal controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is accountable to Shareholders while the Management is accountable to Board. The Management provides the Board with management accounts and such explanation and information on a timely basis, and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

The Board reviews and approves the half year and full year financial results announcements, as well as any announcements before they are released on SGXNet or through the media. Shareholders are provided with the half-year financial results, full year financial results and annual financial reports on a timely manner. In presenting the half year and full year financial results announcements to Shareholders, it is the aim of the Board to provide Shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. The Board also furnishes timely information and ensures disclosure of material information to Shareholders via SGXNET.

The Board provides effective oversight of the Management's performance and control, compliance with legislative and regulatory requirements including continuing disclosure requirements under the Catalist Rules. For instance, in line with the Catalist Rules, the Board provides a negative assurance statement to the Shareholders in its half-year financial results announcement, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial results false or misleading in any material aspect. All the Directors and executive officers of the Group have also signed a letter of undertaking pursuant to Rule 720(1) of the Catalist Rules.

The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interest and the Group's assets and to manage risk. In order to streamline the functions of the Board and the Board Committees, the Audit Committee assists the Board in the role of overseeing the Group's risk management and internal control systems. As such, the Board is of the view that it is not necessary to set up a Board Risk Committee to assist the Board in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The Group maintains a system of internal controls for all companies within the Group, but recognises that no internal control system will preclude all material errors, poor judgment in decision making, human errors, losses, fraud or other irregularities. The risk management and internal control system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and are to provide reasonable, but not absolute, assurance to safeguard shareholders' investments and the Group's assets.



CORPORATE GOVERNANCE REPORT

Management is responsible for designing, implementing and monitoring the risk management and internal control systems within the Group. The Management reviews the Group's business and operational activities regularly to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews regularly all significant control policies and procedures, and highlights all significant matters to the Board and the AC. The Company's internal auditors will assess these risks and recommend internal controls to be implemented by the Management to address these risks.

The AC assists the Board in overseeing the Group's risk management and internal control system. The AC reviews the adequacy and effectiveness of the Group's risk management and internal control system annually. In particular, internal and external audit reports on any material non-compliance or internal control weaknesses, including financial, operational, compliance and information technology controls and recommendations for improvements are submitted to the AC for review at least annually.

As announced on 8 July 2022, based on the Company's submissions and representations to the SGX-ST, SGX-ST has no objection to the Company's application for a further extension till 29 July 2022 to hold its FY2021 AGM pursuant to Catalyst Rules 707(1), and an extension till 13 July 2022 to issue its FY2021 Sustainability Report pursuant to Catalyst Rule 711A (collectively, the "**Waivers**"). The Company had on 29 June 2022 applied and has received the approval from the ACRA on 8 July 2022, to hold the Company's FY2021 AGM by 18 July 2022 and to file the Company's annual return by 30 August 2022. In its letter, ACRA has stated that the said extension is a final extension and future requests will not be granted. In view that the Waivers from SGX-ST is to hold the Company's FY2021 AGM by 29 July 2022, the Company has made further application to ACRA to seek its approval for further extension. The Company confirms that, save for application to ACRA for further extension, it is not/will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waivers.

Messrs Baker Tilly TFW LLP, the Company's External Auditor has raised five issues being identified that resulted in the auditors issuing a Disclaimer of Opinion. The five issues are a) consultancy management services to New Zealand Nan Fang Investment Limited; b) sales brokerage commission; c) property consultancy and management fee; d) loan to corporation; and e) loan to Nan Fang (Singapore) Investment Fund Management Pte. Ltd. The External Auditor did the background searches and is unable to satisfactorily assess and conclude whether these contracts are related party transactions, and whether the contracts are entered into on normal commercial terms. In concern of the disclaimer of opinion which the External Auditor has raised, the Board has conducted sufficient background search following the Group's IPT policy.

Messrs Baker Tilly TFW LLP had indicated to the Company on 10 May 2022, and relevant announcement had been made on the 21 May 2022, that Messrs Baker Tilly TFW LLP are unable to obtain appropriate sufficient explanations and information, nor perform any alternative procedures to satisfy themselves that the issues are highlighted are adequately resolved thus Messrs Baker Tilly TFW LLP will not seek re-appointment as auditor of the Company subsequent to the conclusion of FY2021, at the upcoming annual general meeting for FY2021. The Company is cognizant and undertakes to comply with the requirement under Section 205AF(1)(i) of the Companies Act (Chapter 50) of Singapore which requires the Directors to call a general meeting as soon as practicable, and in any case not more than 3 months after the date of the auditor's resignation, for the purpose of appointing an auditor in place of the auditor who desires to resign or has resigned.

The Company has also engaged the Internal Auditor to, *inter alia*, review the overall IPT process of the Company and to make such recommendations to rectify control deficiencies identified and reviewed during the course of their work.

The Company undertakes that it will, *inter alia*, implement such measures as recommended by the professionals engaged to address deficiencies in its internal control and risk management systems and to ensure compliance with rules and regulations.



CORPORATE GOVERNANCE REPORT

In addition, the Company will also appoint an independent third-party reviewer to perform further review on the five issues that have been raised by the External Auditor and to give such recommendations on how the Group's overall internal control can be strengthened as soon as possible. The Board is also seeking to appoint a new Chief Financial Officer ("CFO") as soon as possible to beef up the finance function. Since the resignation of the previous CFO in September 2021, the Company has engaged In. Corp Global Pte. Ltd. as an outsourced accountant, and the finance function and accounting matters are handled by the Group's team of accountants in the PRC and overseen by the Chairman of the Company.

Based on the findings, observations and works performed by the professionals engaged, the Board accepted the findings and the Board's observations are as follows:-

- (a) There is insufficient evidence to conclude if the consultancy services to NZ Nan Fang constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given the close link of the controlling shareholder and Management of the Company and shareholders of NZ Nan Fang. In addition, the payment made by NZ Luck Star on behalf of NZ Nan Fang to the Company may constitute an IPT in accordance with Chapter 9 of the Catalist Rules given the concern as to whether the payment made by NZ Luck Star on behalf of NZ Nan Fang to the Company was motivated by economical and commercial reasons.
- (b) The findings did not provide comment as to whether the sales brokerage commission constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given, *inter alia*, the effective shareholding of the said counter party for the said transaction prior to 1 January 2021 was not available.
- (c) There is insufficient evidence to conclude if the property consultancy and management fee constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given the close link of the controlling shareholder and Management of the Company and shareholders of the counter party and its holding company.
- (d) There is insufficient evidence to conclude if the loan to corporation constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given that Huang Rui, VP of the Company (from March 2019 to February 2022) and nephew of the controlling shareholder of the Company, was director of H Wealth Management Co., Ltd. (100% shareholder of the said corporation) and the concern as to whether the loan to corporation was motivated by economical and commercial reasons.
- (e) There is insufficient evidence to conclude if the loan to Nan Fang (Singapore) Investment Fund Management Pte. Ltd. constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given that Huang Rui, VP of the Company (from March 2019 to February 2022) and nephew of the controlling shareholder of the Company, was director of H Wealth Management Co., Ltd. (100% shareholder of the said corporation) and the concern as to whether the loan to Nan Fang (Singapore) Investment Fund Management Pte. Ltd. was motivated by economical and commercial reasons.

The Board also noted from the findings that the associated person of the Executive Director were not declared.

Based on the findings and recommendations by the professionals engaged, the Board had instructed the Management to implement such measures, *inter alia*, to clearly define and identify related parties; to properly document and seek the Board's approval for commercial and economic incentives of agreements with third parties; and to ensure the associated persons of the Directors are declared in the conflict of interest. Such measures will be implemented by 30 September 2022 to address deficiencies in its internal control and risk management systems and to ensure compliance with rules and regulations.

The Company will also consult the SGX-ST and the Sponsor for, *inter alia*, requirements to rectify the transactions which may be deemed as IPT and in particular the property consultancy and management fee referred to in point (c) above which may be deemed as IPT based on the fact that Zhang Zhi Liang was the CEO of the Company and a 91% shareholder of NZ Nan Fang, which is the holding company of the said corporation for certain period of the contract.

The Board acknowledges deficiencies in its internal control and risk management systems.



Given the disclaimer of opinion issued by and concerns raised by the Company's External Auditor as well as the findings and recommendations from the professionals engaged, the Audit Committee and the Board are of the view that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of the Group may not be adequate nor effective and there is a need to strengthen the Group's internal controls and risk management systems.

The Company will engage independent third-party reviewer to perform further review on the five issues that have been raised by the External Auditor and to give such recommendations on how the Group's internal control and risk management systems can be strengthened.

Save for the matters highlighted under the disclaimer of opinion issued by the External Auditor and the findings and recommendations from the professionals engaged, the Board confirmed that it has received assurance from the Executive Director and Chairman, and the CEO that:-

- (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of the Group are adequate and effective taking into account the current business environment and the size of the Group's operations.

Given the disclaimer of opinion issued by and concerns raised by the Company's External Auditors as well as the findings and recommendations from the professionals engaged, the Audit Committee and the Board are of the view that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of the Group may not be adequate nor effective and there is a need to strengthen the Group's internal controls and risk management systems.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises three (3) members, all of whom, including the AC Chairman are Independent Directors. All of the members of the AC are Independent Directors. The AC comprises:

Mr. Tang An	(Chairman of the AC and Independent Director)
Mr. Zheng Aimin	(Lead Independent Director of the Board)
Mr. Wang Ziquan	(Independent Director)

The Chairman of the AC and a member of the AC are appropriately qualified, having the necessary accounting or related financial management expertise to discharge their responsibilities.

The AC has been entrusted with the following functions:

- review at least annually the audit plans, evaluation of the system of internal controls, risk management systems, audit report and management letter of the external auditors, and to ensure the adequacy and effectiveness of the Group's system of accounting controls;
- review of the financial statements before submission to the Board for the release of announcements, financial reporting issues and judgments to ensure the integrity of the Company's financial statements and any other announcements relating to the Company's financial performance;
- review the assurance from the CEO on the financial records and financial statements;
- review the adequacy, effectiveness, independence, scope and results of the external audit and the internal audit function and ensuring co-ordination between the internal auditor, external auditors and the Management;



- review the co-operation given by the Company's officers to the external auditors;
- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs, and reports received from the regulators;
- review the cost effectiveness, independence and objectivity of the external auditors;
- review the nature and extent of non-audit services, if any, provided by the external auditors to ensure independence of the external auditors;
- make recommendations to the Board on the proposals to the Shareholders on the appointment and removal of external auditors, nominate the reappointment of external auditors and approve their remuneration and terms of engagement;
- reviewing the policy and arrangement for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately to be followed up on;
- ensures the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- reviewing and ratifying all interested person transactions falling within the scope of Chapter 9 of the Catalist Rules to ensure that they complied with the approved internal control procedures and had been conducted at arm's length basis.

The AC has reviewed and is satisfied with the level of co-operation rendered by the Management to the external auditors, the adequacy of scope and quality of their audits, and the independence and objectivity of the external auditors.

The AC will meet with the external auditors without the presence of the Management, at least once annually, and as and when necessary, to review the adequacy of audit arrangement, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the external auditors and internal auditors. The AC has met with the external auditors without the presence of the Management during FY2021.

Annually, the AC will also conduct a review of the independence and objectivity of the external auditors through discussions with the external auditors. A breakdown of the audit fees paid to the Company's auditors is disclosed in note 7 of the financial statements in this Annual Report. The aggregate amount of fees paid or payable by the Group to the external auditors, Baker Tilly LLP and their Independent Member Firms for FY2021 amounted to S\$55,000 and HKD\$207,271 respectively for audit services. There were no non-audit services fees paid to the external auditors in FY2021 and accordingly, the AC is satisfied with the independence and objectivity of the external auditors.

The AC is satisfied that the external auditors of the Company, Baker Tilly LLP, an auditing firm registered with ACRA, are independent and that they had also provided a confirmation of their independence to the AC. The AC had assessed the external auditors of the Company based on factors such as performance, adequacy of resources and experience of their audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. The AC has also taken into consideration the Audit Quality Indicators Disclosure Framework published by ACRA in assessing the external auditors of the Company. For FY2021, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. No former partner or director of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation, has acted as a member of the AC.

Accordingly, the AC is satisfied with the independence and objectivity of the external auditors.



Messrs Baker Tilly TFW LLP (“BT”) had indicated to the Company on 10 May 2022 that BT are unable to obtain appropriate sufficient explanations and information, nor perform any alternative procedures to satisfy themselves that the issues as highlighted are adequately resolved thus BT will not seek re-appointment as auditor of the Company subsequent to the conclusion of FY2021, at the AGM. Accordingly, BT will cease to be auditor of the Company following the conclusion of the AGM.

The Company has promptly commenced efforts to identify suitable candidate and will actively seek to appoint new auditor in place of BT not more than three (3) months after the cessation of BT. The Company is cognizant and undertakes to comply with the requirement under Section 205AF(1)(i) of the Companies Act 1967 of Singapore which requires the Directors to call a general meeting as soon as practicable, and in any case not more than 3 months after the date of the auditor’s resignation, for the purpose of appointing an auditor in place of the auditor who desires to resign or has resigned. With regard to the request for professional clearance from the succeeding auditors, the succeeding auditors will be referred to the disclaimer of opinion in the Auditor’s Report.

The Company will make further announcement(s) in due course. The Company and Board confirms that it is currently and have undertaken to comply with Catalist Rules, Companies Act, Company’s Constitution and any other relevant rules and regulation pertaining to the change of Auditor.

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements. The AC considered the key audit matters (“**KAM**”) presented by the external auditors together with the Management. The AC reviewed the KAM and concurred and agreed with the external auditors and the Management on their assessment, judgements and estimates on the KAM reported by the external auditors.

The Company has instituted a whistle-blowing policy to provide a channel for employees of the Group to report in good faith and in confidence, without fear of reprisals, concern about possible improprieties in financial reporting and other matters. The objective of the policy is to ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken. The AC (a) over sights and monitoring the administration of the whistle-blowing policy; (b) the issuer ensures that the identity of the whistleblower is kept confidential; (c) the issuer discloses its commitment to ensure protection of the whistleblower against detrimental or unfair treatment. Where a complaint has been made, a report will be submitted to the AC for investigation and follow-up. No whistle-blowing reports were received in FY2021.

In addition to 5 transactions raised by the EA, there were confirmed IPTs being the loans/advances from Prosperity Luck Overseas.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors.

INTERNAL AUDIT

The Company has outsourced its internal audit function to Crowe Horwath First Trust Risk Advisory Pte Ltd (“**Internal Auditors**” or “**Crowe Horwath**”). The Internal Auditors reports directly to the AC and will propose recommendations to enhance the Group’s internal controls and to resolve any instances of inadequate internal control processes. The Internal Auditors is a member of the Institute of Internal Auditors Singapore (“**IIA**”). Crowe Horwath is a professional service firm with more than 1,000 experienced risk practitioners with geographic, functional and industry expertise. Its practice areas include, among others, risk management and internal audit. At present, the Singapore office provides internal audit, and enterprise risk management, and sustainability reporting services to 32 publicly listed corporations in Singapore. The internal audit work carried out is guided by the International Standards for Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. The AC approves the hiring, removal, evaluation and compensation of the Internal Auditors.



The Internal Auditors plan their audit schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to implementation. The AC reviews the activities of the Internal Auditors, and meets with the Internal Auditors at least once a year to approve their plans and to review their report prior to the reporting period. The AC will review annually the independence, adequacy and effectiveness of the internal audit function. The Internal Auditors were appointed to review on a regular basis, and in accordance with the Standards for the Professional Practice of Internal Auditing laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors, the internal controls of the Group addressing financial, operational, compliance and information technology controls. The internal audit review is led by Mr. Chia Shu Siang, a Certified Internal Auditor by the Institute of Internal Auditors Singapore, with more than 20 years of industry experience in providing financial assurance and risk consulting services to companies ranging from multinationals, public listed companies and government corporations.

The AC had reviewed the adequacy and effectiveness of the internal audit function, and is satisfied that the Internal Auditors are adequately resourced, staffed with persons with the relevant qualifications and experience and have the appropriate standing and independence within the Group to fulfil their mandate. The AC is also of the view that the Internal Auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Group.

AC confirms that the IA function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

In line with continuous obligations of the Company under the Catalist Rules and the Companies Act, the Board's policy is that all Shareholders have equal standing and on a timely basis be informed of all major developments that impact the Group via SGXNet.

Shareholders are informed of general meetings through announcements released on the SGXNet and notices contained in the annual reports or circulars sent to all Shareholders. These notices are also advertised in a national newspaper. Shareholders are also informed on the poll voting procedures at the general meetings. All Shareholders are entitled to attend the general meetings and provided the opportunity to participate effectively in the general meetings and vote at general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All the resolutions at the general meetings are single item resolutions.

All Directors, including the Chairman of the Board and the respective chairpersons of the Board Committees, are present and available to address questions at the general meetings. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation of the auditors' report. The attendance of the Directors at the general meetings held during the financial year is disclosed in the Company's Annual Report.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "**Relevant Intermediary**" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the Central Provident Fund ("**CPF**") investors. With this amended legislation, the Company allows Relevant Intermediaries to appoint more than two (2) proxies to attend the Company's general meetings.



The AGM for FY2021 (“**FY2021 AGM**”) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”), and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020 and the joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020 and 1 October 2020, by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority and the Singapore Exchange Regulation to provide guidance on the conduct of general meetings during the period when elevated safe distancing measures are in place.

Pursuant to the Order, the Company will implement alternative arrangements relating to attendance at the FY2021 AGM by electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or audio-only means), submission of questions to the Chairman of the FY2021 AGM in advance of the FY2021 AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the FY2021 AGM as proxy at the AGM.

Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the FY2021 AGM in person. Members may watch the FY2021 AGM proceedings through a live webcast using their computers, tablets or mobile phones or listen to the FY2021 AGM proceedings using their phones. The live webcast can be accessed through an online platform that will be provided to registered and authenticated members on the day before the FY2021 AGM, and the audio-only means can be accessed through a telephone number that will be provided to registered and authenticated members on the day before the FY2021 AGM.

A member who wishes to raise any matters at the FY2021 AGM would be able to do so by submitting such matters or any questions related to the FY2021 AGM via email to the Company.

The Company will publish the minutes of the FY2021 AGM within one (1) month after the FY2021 AGM on SGXNET as well as the Company’s corporate website.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company believes in high standards of transparent corporate disclosure and is committed to disclosing to its Shareholders, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The information is disseminated and communicated to Shareholders on a timely basis through:

- annual reports that are prepared and sent to all Shareholders. The Board ensures that annual reports include all relevant material information about the Company and the Group, including future developments and other disclosures required by the Companies Act and Singapore Financial Reporting Standards (International);
- half year and full year financial results announcements containing a summary of the financial information and affairs of the Group for the relevant period; and
- notices of explanatory memoranda for AGMs and Extraordinary General Meetings (“**EGM**”). The notices of AGMs and EGMs are also advertised in a national newspaper.



The Company does not have a dedicated investor relations policy, however it has in place various policies and procedures to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. Shareholders can access the information on the Group through the Company's website at <http://sunriseshares.com/>. Shareholders can also contact the Company to voice their concerns or reach out to us directly via email at sunriseshares@126.com or mail to the Company office at 1 Fullerton Road #02-01, One Fullerton Singapore 049213. The lead independent director (Lead ID) plays an additional facilitative role within the Board, and where necessary, he may also facilitate communication between the Board and shareholders or other stakeholders of the company. Shareholders or other stakeholders can also contact the Lead ID to voice their concerns via email at 13910912616@163.com

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. All Shareholders will receive a copy of the notice of general meetings by post and the notice of general meetings is published in the newspaper within the mandatory period. Shareholders are given opportunities to express their views and ask the Board and management questions regarding the operations of the Company at any general meetings of the Company.

The Company does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Board is not recommending any dividend distribution to Shareholders in FY2021 on the basis that the Group has just reported a small profit in its continuing operations for FY2021 and thus intends to reserve its cash for operating activities as well as business expansion.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. Notice of the general meeting are dispatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the general meetings. The Company's Constitution does not provide the provision to allow for absentia voting at the general meetings as the integrity of the information and authentication of the identity of Shareholders and other related security issues remain as a concern to the Company.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. The Company will make available minutes of general meetings to Shareholders by publishing these minutes on its corporate website and SGX website via SGXNet within one (1) month after the conduct of the relevant general meeting. Such minutes will record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting, as well as responses from the Board and Management.

All Directors, including the respective Chairman of the Board, the AC, the NC and the RC, are required present and available to address questions relating to the matters under the purview of the Board and their respective Board Committees at general meetings. Furthermore, the Company Secretary, the sponsor of the Company and the external auditors are also present to assist the Board in addressing any relevant queries raised by the Shareholders.

To ensure that all Shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company will be conducted by poll where Shareholders are accorded voting rights proportionate to their shareholding and all votes will be counted and announced immediately at the meeting. The Company will put all resolutions to vote by poll at general meetings and the detailed results of the total number and percentage of votes cast for and against each resolution will be announced via SGXNet after the conclusion of the general meeting on the same day.

The Company may consider providing longer notice for meetings, especially when dealing with complex transactions, of if the Company has numerous overseas shareholders. The Company would use its best endeavours to avoid scheduling meetings during peak periods.



Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has undertaken the process in identifying its stakeholders and material aspects relevant to the Group's business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. The key stakeholders include, but are not limited to employees, suppliers & service providers, investors & shareholders, customers and regulators. The Company has adopted both formal and informal channels of communication to understand the needs of key stakeholders, and incorporated these into the Company's corporate strategies to achieve mutually beneficial relationships. The Company has disclosed its strategy and key areas of focus in relation to the management of stakeholder relationships in the Company's sustainability report for FY2021, which will be released on the SGXNet within stipulated timeline.

The Company maintains its website in Chinese at <http://sunriseshares.com/> to communicate and engage with stakeholders. The Company is working on the english version for the corporate website. The Company also publishes its sustainability report annually on SGXNET for stakeholders to refer to. On the website, stakeholders can find explanations about our products, the Company Profile, career opportunities, Annual Reports and other information.

DEALING IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company has procedures in place on dealings in securities, whereby there should be no dealings in the Company's shares by the Company, its Directors and officers during the period commencing one (1) month prior to the announcement of the Company's unaudited half year and full year financial results and ending on the date of the announcement of the relevant results and at any time they are in possession of unpublished material price sensitive information in relation to these securities.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods or when they are in possession of unpublished price sensitive information they are not to deal in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Company has established internal control policies to ensure that transactions with interested persons are reviewed, approved, and are conducted at arm's length basis. The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction. Any Director, the CEO and/or controlling shareholder of the Company who is interested in a transaction, will abstain and refrain from deliberating, discussing, making recommendations and approving the transaction.

Given that the concerns raised by the External Auditor and the findings from the professionals engaged, the Company will adopt and implement more stringent internal policies in respect of any transaction in compliance with the recommendations from the professionals engaged as well as such other recommendations from the independent third-party reviewer to be engaged.

The Company does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

In June 2021, a related party, which has the same controlling shareholder as the Company, extended two loans to the Company. The amount of the loan are USD300,000 and USD200,000, each loan carry an annual interest of 1.2% and the loan ends in 12 months commencing from the time when the loan was disbursed. The interest will be paid at the end of the loan period. The Company has received USD300,000 on 3 June 2021 and the USD200,000 has been received on 1st July 2021. The loans are unsecured and there are no collateral provided. The Company has repaid the loan USD300,000 on 27th October 2021, and has repaid the outstanding loan USD200,000 on 20th January 2022 together with the total interest expenses for the two loans of USD2,850.



As described earlier, the Company will also consult the SGX-ST and the Sponsor for, *inter alia*, requirements to rectify the transactions which may be deemed as IPT and in particular the property consultancy and management fee referred to in point (c) below which may be deemed as IPT based on the fact that Zhang Zhi Liang was the CEO of the Company and a 91% shareholder of NZ Nan Fang, which is the holding company of the said corporation for certain period of the contract.

The Company's Independent Auditors, Messrs Baker Tilly TFW LLP, have included a disclaimer of opinion in their Independent Auditors' Report dated 20 May 2022 in relation to the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2021. The following briefly explained the bases for the Disclaimer of Opinion:

- a. Consultancy management services to New Zealand Nan Fang Investment Limited
- b. Sales brokerage commission
- c. Property consultancy and management fee
- d. Loan to a corporation
- e. Loan to Nan Fang (Singapore) Investment Fund Management Pte Ltd

The External Auditor did the background searches and is unable to satisfactory assess and conclude whether these contracts are related party transactions, and whether the contracts are entered into on normal commercial terms.

In concern of the disclaimer of opinion which the External Auditor has raised, the Board has conducted sufficient background search following the Group's IPT policy.

As for the audit issues mentioned above, the Board is not agreeable to the auditors' disclaimer of opinion. The transactions mentioned by the External Auditor are not related or interested persons transaction, and the transactions were entered into and recorded under normal commercial terms and not prejudicial to the interest of the Company and its minority shareholders.

The Company has also engaged the Internal Auditor to, *inter alia*, review the overall IPT process of the Company and to make such recommendations to rectify control deficiencies identified and reviewed during the course of their work.

Based on the findings, observations and works performed by the professionals engaged, the Board accepts the findings and the Board 's observations are as follows:-

- (a) There is insufficient evidence to conclude if the consultancy services to NZ Nan Fang constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given the close link of the controlling shareholder and Management of the Company and shareholders of NZ Nan Fang. In addition, the payment made by NZ Luck Star on behalf of NZ Nan Fang to the Company may constitute an IPT in accordance with Chapter 9 of the Catalist Rules given the concern as to whether the payment made by NZ Luck Star on behalf of NZ Nan Fang to the Company was motivated by economical and commercial reasons.
- (b) The findings did not provide comment as to whether the sales brokerage commission constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given, *inter alia*, the effective shareholding of the said counter party for the said transaction prior to 1 January 2021 was not available.
- (c) There is insufficient evidence to conclude if the property consultancy and management fee constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given the close link of the controlling shareholder and Management of the Company and shareholders of the counter party and its holding company.
- (d) There is insufficient evidence to conclude if the loan to corporation constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given that Huang Rui, VP of the Company (from March 2019 to February 2022) and nephew of the controlling shareholder of the Company, was director of H Wealth Management Co., Ltd. (100% shareholder of the said corporation) and the concern as to whether the loan to corporation was motivated by economical and commercial reasons.



- (e) There is insufficient evidence to conclude if the loan to Nan Fang (Singapore) Investment Fund Management Pte. Ltd. constitutes an IPT in accordance with Chapter 9 of the Catalist Rules given that Huang Rui, VP of the Company (from March 2019 to February 2022) and nephew of the controlling shareholder of the Company, was director of H Wealth Management Co., Ltd. (100% shareholder of the said corporation) and the concern as to whether the loan to Nan Fang (Singapore) Investment Fund Management Pte. Ltd. was motivated by economical and commercial reasons.

The Board also noted from the findings that the associated person of the Executive Director were not declared.

Based on the findings and recommendations by the professionals engaged, the Board had instructed the Management to implement such measures, *inter alia*, to clearly define and identify related parties; to properly document and seek the Board's approval for commercial and economic incentives of agreements with third parties; and to ensure the associated persons of the Directors are declared in the conflict of interest. Such measures will be implemented by 30 September 2022 to address deficiencies in its internal control and risk management systems and to ensure compliance with rules and regulations.

In addition, the Company will also appoint an independent third-party reviewer to perform further review on the five issues that have been raised by the External Auditor and to give such recommendations on how the Group's overall internal control can be strengthened as soon as possible. The Board is also seeking to appoint a new CFO as soon as possible to beef up the finance function.

MATERIAL CONTRACTS

There were no material contracts entered into between the Company or any of its subsidiaries involving the interests of the CEO, any Director or controlling Shareholder, which were still subsisting at the end of the financial year reported on, or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to Asian Corporate Advisors Pte. Ltd. during FY2021.

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Mr. Wong Siu Fai and Mr. Zheng Aimin, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Details	Name of Retiring Director	
	Wong Siu Fai (“Mr. Wong”)	Zheng Aimin (“Mr. Zheng”)
Date of Appointment	9 September 2016	11 February 2019
Date of last re-appointment (if applicable)	26 June 2020	29 April 2020
Age	63	57
Country of principal residence	Hong Kong	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Wong as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Wong's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Zheng as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Zheng's qualifications, skills, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Yes. Mr Wong is responsible for exploring overseas business opportunities and overseeing the asset management segment of the Group.	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chairman	Lead Independent Director, Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee
Professional qualifications	Mater in Business Management, Shenzhen University	Master of Commerce (Economics) Bachelor of Economic Management from Nankai University, China
Working experience and occupation(s) during the past 10 years	March 1993 to Current Guangdong Sunrise Group Limited – Senior Adviser	Year 2013 to Current Beijing Dadu Wazao New Materials Technology Holdings Limited – Chairman
Shareholding interest in the listed issuer and its subsidiaries	Mr Wong is the controlling shareholder of the Company. He is deemed interest in 137,364,352 shares held by Prosperity Luck Overseas Inc. Through his 100% interest in the issued share capital of Sino Yu Pte. Ltd.	No



ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Details	Name of Retiring Director		
	Wong Siu Fai (“Mr. Wong”)	Zheng Aimin (“Mr. Zheng”)	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Wong is the controlling shareholder of the Company, and the father of Ms Huang Angela On Yee (Vice President of the Company), and uncle-in-law of Mr Liang Yongdong (Chief Executive Officer of the Company).	No	
Conflict of interest (including any competing business)	No	No	
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	
Other Principal Commitments Including Directorships	Present Directorship: Sunrise Investment Limited Hong Kong Sunrise Consultant Limited Sunrise Wealth Management Pte. Ltd. Sino Yu Pte. Ltd. Aim Billion Investments Ltd Prosperity Luck Overseas Inc. Lion City Worldwide Limited Sunrise Investment Management Pte. Ltd. Zhonglin Investment Pte. Ltd. New Zealand Luck Star Investment Limited New Zealand Sunrise Development Limited	No	
The general statutory disclosures of the Directors are as follows:			
a.	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Details		Name of Retiring Director	
		Wong Siu Fai (“Mr. Wong”)	Zheng Aimin (“Mr. Zheng”)
b.	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c.	Whether there is any unsatisfied judgment against him?	No	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No



ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Details		Name of Retiring Director	
		Wong Siu Fai (“Mr. Wong”)	Zheng Aimin (“Mr. Zheng”)
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Details		Name of Retiring Director	
		Wong Siu Fai (“Mr. Wong”)	Zheng Aimin (“Mr. Zheng”)
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii. Any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No



ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Details		Name of Retiring Director	
		Wong Siu Fai (“Mr. Wong”)	Zheng Aimin (“Mr. Zheng”)
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Information required Disclosure applicable to the appointment of Director only.			
	Any prior experience as a director of an issuer listed on the Exchange?	Not Applicable This is a re-election of a director.	Not Applicable This is a re-election of a director.
	If yes, please provide details of prior experience.	Not Applicable	Not Applicable
	If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable	Not Applicable



DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Sunrise Shares Holdings Ltd. (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 46-77 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Zheng Aimin	Lead Independent Director
Tang An	Independent Director
Wang Ziquan	Independent Director
Wong Siu Fai	Chairman and Executive Director

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

	Number of ordinary shares			
	Shareholdings registered in the name of the director		Shareholdings in which a director is deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
The Company				
Wong Siu Fai	45,351,537	–	61,012,815	137,364,352

The directors' interests in the ordinary shares of the Company as at 21 January 2021 were the same as those as at 31 December 2021.



DIRECTORS' STATEMENT

Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of Company or its subsidiary corporation under option at the end of the financial year.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Tang An	(Chairman, Independent Director)
Zheng Aimin	(Independent Director)
Wang Ziquan	(Independent Director)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Report on Corporate Governance.

The Audit Committee is satisfied with the independence and objectivity of the independent auditors.

On behalf of the directors

Wong Siu Fai
Director

Zheng Aimin
Director

20 May 2022



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNRISE SHARES HOLDINGS LTD.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Sunrise Shares Holdings Ltd. (the "Company") and its subsidiaries (the "Group") as set out on pages 46 to 77, which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) Consultancy management services to New Zealand Nan Fang Investment Limited

On 28 October 2021, the Group entered into an agreement with New Zealand Nan Fang Investment Limited ("NZ Nan Fang") to provide consultancy management services ("Consultancy Services") to NZ Nan Fang and its associate companies. The fees charged amounted to \$120,000 per quarter, starting from 1 November 2021. The Group recognised consultancy management service revenue of \$80,000 for the financial year ended 31 December 2021 and a contract liability of \$40,000 as at 31 December 2021. On 9 November 2021, the Group received an amount of \$120,000 from New Zealand Luck Star Investment Limited ("NZ Luck Star"). Management represented that this represents payment made on behalf of NZ Nan Fang by NZ Luck Star to the Group for the consultancy management services.

Management of the Group represented that the provision of Consultancy Services to NZ Nan Fang and the receipt from NZ Luck Star are not related party transactions for the Group.

Based on the background search performed on NZ Nan Fang, NZ Luck Star, and a corporation ("Connected Corporation"), it came to our attention that:

- (a) the shares of NZ Nan Fang have been transferred numerous times among certain individuals ("Connected Parties") and the Connected Corporation during the financial year. The Connected Parties were at various periods appointed as director or key management personnel of the Company and/or companies linked to the Company's controlling shareholder ("Controlling Shareholder").
- (b) the shares of the Connected Corporation were held by the Controlling Shareholder and his family members, and were transferred numerous times among the Controlling Shareholder, NZ Nan Fang and the Connected Parties during the financial year.
- (c) the shares of NZ Luck Star are held by a company ("NZ Sunrise Development") except for the period from 3 October 2021 to 7 December 2021 when its shares were held by a substantial shareholder ("Substantial Shareholder") of the Company. On 8 December 2021, the shares of NZ Luck Star were transferred back to NZ Sunrise Development, a company controlled by the Controlling Shareholder.

In the course of our discussion with the Connected Parties, we received representations of circumstances where individuals whose names are recorded in the registers of shareholdings of NZ Nan Fang and the Connected Corporation were purportedly holding these shares on behalf of other individuals.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNRISE SHARES HOLDINGS LTD.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(1) Consultancy management services to New Zealand Nan Fang Investment Limited (cont'd)

We are not able to satisfy ourselves with respect to the commercial rationale and substance of these numerous changes in the shareholdings of NZ Nan Fang and the Connected Corporation prior to the Group entering into the Consultancy Services agreement with NZ Nan Fang, and the commercial rationale for the Substantial Shareholder's temporary holding of NZ Luck Star's shares at the time of payment for the Consultancy Services by NZ Luck Star. In addition, we received inconsistent representations from the Connected Parties in the course of our audit, and as such, we are unable to satisfactorily assess and conclude whether the provision of Consultancy Services to NZ Nan Fang and receipt of consultancy services fee of \$120,000 from NZ Luck Star are related party transactions and whether the Consultancy Services agreement is entered into on normal commercial terms.

Consequently, we are unable to conclude if any adjustments and further disclosures are required on the consolidated financial statements with respect to the provision of Consultancy Services and the payment received.

(2) Sales brokerage commission

On 17 August 2020, the Group entered into a sale brokerage contract with a customer ("Customer ZJ"). The contract was subsequently terminated on 2 February 2021. The Group has recognised sales brokerage commission from Customer ZJ amounting to \$79,534 and \$872,771 for the financial year 31 December 2021 and 31 December 2020 respectively.

Management represented that the provision of sale brokerage services ("Sale brokerage") to Customer ZJ is not a related party transaction for the Group.

On 6 November 2020, an intermediate holding corporation of Customer ZJ ("GS 88"), was acquired by a company ("PSuccess") which is owned by NZ Nan Fang.

Based on the background search performed on PSuccess, it came to our attention that the shares of PSuccess have been transferred numerous times among the Connected Parties and NZ Nan Fang in the previous financial year before its acquisition of GS 88 and Customer ZJ. In the course of our discussion with the Connected Parties, we also received representations of circumstances where individuals whose names are recorded in the register of shareholdings of PSuccess were purportedly holding these shares on behalf of other individuals.

We are not able to satisfy ourselves with respect to the commercial rationale and substance of these numerous changes in the shareholdings of PSuccess, prior to its acquisition of GS 88 and Customer ZJ. In addition, we received inconsistent representations from the Connected Parties in the course of our audit, and as such, we are unable to satisfactorily assess and conclude whether the provision of Sale brokerage services is a related party transaction and whether the sale brokerage contract is entered into on normal commercial terms.

Consequently, we are unable to conclude if further disclosures are required on the prior year's and current year's consolidated financial statements with respect to provision of Sale brokerage services to customer ZJ.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNRISE SHARES HOLDINGS LTD.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(3) Property consultancy and management fee

On 28 May 2020, the Group entered into a property consultancy and management service contract with a customer ("Customer HN"). The contract was subsequently terminated on 31 December 2021. The Group has recognised property consultancy and management service fee from Customer HN amounting to \$281,378 for the financial year ended 31 December 2021.

Management represented that the provision of property consultancy and management services ("Property Consultancy") to Customer HN is not a related party transaction to the Group.

On 12 July 2021, the shares in the intermediate holding corporation of Customer HN were transferred to GS 88 which is owned by PSuccess and ultimately owned by NZ Nan Fang.

Based on the findings and explanations of the basis mentioned in sections (1) and (2) of the *Basis for Disclaimer of Opinion*, we are not able to satisfy ourselves with respect to the commercial rationale and substance of these numerous changes in the shareholdings of NZ Nan Fang and PSuccess, prior to their acquisition of Customer HN. In addition, we received inconsistent representations from the Connected Parties in the course of our audit, and as such, we are unable to satisfactorily assess and conclude whether the provision of Property Consultancy services to Customer HN is a related party transaction.

Consequently, we are unable to conclude if any adjustments and further disclosures are required on the current year's consolidated financial statements with respect to the provision of Property Consultancy to Customer HN.

(4) Loan to a corporation

On 27 December 2021, the Group entered into a loan agreement to provide a loan of RMB13,000,000 to a corporation ("SZXD"), as disclosed in note 12 to the financial statements. The ultimate holding corporation of SZXD was the Connected Corporation.

Based on the findings and explanations of the basis mentioned in section (1) of the *Basis for Disclaimer of Opinion*, we are not able to satisfy ourselves with respect to the commercial rationale and substance of these numerous changes in the shareholdings of the Connected Corporation, prior to the Group extending the loan to SZXD. In addition, we received inconsistent representations from the Connected Parties in the course of our audit, and as such, we are unable to satisfactorily assess and conclude whether the loan to SZXD is a related party transaction and whether the loan agreement is entered into on normal commercial terms.

Consequently, we are unable to conclude if further disclosures are required on the current year's consolidated financial statements with respect to the loan to SZXD.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNRISE SHARES HOLDINGS LTD.

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(5) Loan to Nan Fang (Singapore) Investment Fund Management Pte Ltd

On 8 December 2021, the Group entered into a loan agreement to provide a loan of \$1,300,000 to Nan Fang (Singapore) Investment Fund Management Pte Ltd ("Nan Fang Singapore"), as disclosed in note 12 to the financial statements.

Based on the background search on Nan Fang Singapore, it came to our attention that the shares of Nan Fang Singapore have been transferred numerous times among the Connected Parties, PSuccess and a company linked to the Controlling Shareholder, in the previous and current financial years. In the course of our discussion with the Connected Parties, we also received representations of circumstances where individuals whose names are recorded in the register of shareholdings of Nan Fang Singapore were purportedly holding these shares on behalf of other individuals.

We are not able to satisfy ourselves with respect to the commercial rationale and substance of these numerous changes in shareholdings of Nan Fang Singapore, before the loan of \$1,300,000 was provided by the Group. In addition, we received inconsistent representations from the Connected Parties in the course of our audit, and as such, we are unable to satisfactorily assess and conclude whether the loan to Nan Fang Singapore is a related party transaction and whether the loan agreement is entered into on normal commercial terms.

Consequently, we are unable to conclude if any adjustments and further disclosures are required on the current year's financial statements with respect to the loan to Nan Fang Singapore.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNRISE SHARES HOLDINGS LTD.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

20 May 2022



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group	
	Note	2021 \$	2020 \$
Revenue	4	576,637	1,152,365
Other income:			
– Interest	5	508,364	273,651
– Others	5	413,733	31,814
Expenses			
Selling and distribution expense		(2,699)	(73,463)
Administrative expense		(1,021,103)	(954,421)
Finance costs		(806)	(1,249)
Profit before tax		474,126	428,697
Tax expense	6	(406,309)	(278,239)
Profit for the year	7	67,817	150,458
Other comprehensive income:			
<i>Item that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		210,835	199,977
Other comprehensive income for the year, net of tax		210,835	199,977
Total comprehensive income for the year		278,652	350,435
Profit attributable to:			
Equity holders of the Company		67,817	150,458
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		278,652	350,435
Earnings/(loss) per share (cents per share) – Basic and diluted	9	0.03	0.07

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2021

Note	Group		Company		
	2021 \$	2020 \$	2021 \$	2020 \$	
ASSETS					
Non-current assets					
Right-of-use assets	10	14,583	27,533	-	-
Investment in subsidiaries	11	-	-	10,000	336,568
Total non-current assets		14,583	27,533	10,000	336,568
Current assets					
Trade and other receivables	12	4,192,204	5,008,130	1,818,831	474,337
Cash and cash equivalents		2,263,133	960,978	1,641,290	152,067
Total current assets		6,455,337	5,969,108	3,460,121	626,404
Total assets		6,469,920	5,996,641	3,470,121	962,972
EQUITY AND LIABILITIES					
Equity					
Share capital	13	25,668,295	25,668,295	25,668,295	25,668,295
Foreign currency translation reserve	14	140,231	(70,604)	-	-
Statutory reserve	15	523,157	523,157	-	-
Accumulated losses		(20,640,415)	(20,708,232)	(22,665,666)	(24,832,835)
Total equity		5,691,268	5,412,616	3,002,629	835,460
Non-current liability					
Lease liabilities	10	-	14,299	-	-
Current liabilities					
Trade and other payables	16	258,991	274,082	203,262	127,512
Contract liability		40,000	-	-	-
Loan from shareholder	17	264,230	-	264,230	-
Lease liabilities	10	15,147	13,760	-	-
Tax payable		200,284	281,884	-	-
Total current liabilities		778,652	569,726	467,492	127,512
Total liabilities		778,652	584,025	467,492	127,512
Total equity and liabilities		6,469,920	5,996,641	3,470,121	962,972

The accompanying notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital \$	Foreign currency translation reserve \$	Statutory reserve \$	Accumulated losses \$	Total equity \$
Group 2021					
Balance at 1 January 2021	25,668,295	(70,604)	523,157	(20,708,232)	5,412,616
Profit for the year	-	-	-	67,817	67,817
<i>Other comprehensive income</i>					
Currency translation differences arising on consolidation	-	210,835	-	-	210,835
Total comprehensive income for the year	-	210,835	-	67,817	278,652
Balance at 31 December 2021	25,668,295	140,231	523,517	(20,640,416)	5,691,268
2020					
Balance at 1 January 2020	24,936,695	(270,581)	301,873	(20,637,406)	4,330,581
Profit for the year	-	-	-	150,458	150,458
<i>Other comprehensive income</i>					
Currency translation differences arising on consolidation	-	199,977	-	-	199,977
Total comprehensive income for the year	-	199,977	-	150,458	350,435
Issue of shares (Note 13)	731,600	-	-	-	731,600
Transfer to statutory reserve fund	-	-	221,284	(221,284)	-
Balance at 31 December 2020	25,668,295	(70,604)	523,157	(20,708,232)	5,412,616

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital	Accumulated losses	Total equity
	\$	\$	\$
Company 2021			
Balance at 1 January 2021	25,668,295	(24,832,835)	835,460
Profit and total comprehensive income for the year	–	2,167,169	2,167,169
Balance at 31 December 2021	25,668,295	(22,665,666)	3,002,629
2020			
Balance at 1 January 2020	24,936,695	(24,160,354)	776,341
Issue of shares (Note 13)	731,600	–	731,600
Loss and total comprehensive loss for the year	–	(672,481)	(672,481)
Balance at 31 December 2020	25,668,295	(24,832,835)	835,460

The accompanying notes form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
Cash flows from operating activities		
Profit before tax	474,126	428,697
Adjustments for:		
Depreciation of right-of-use assets	13,995	13,108
Interest income	(508,364)	(273,651)
Interest expense	806	1,249
Operating cash flows before working capital changes	(19,437)	169,403
Changes in operating assets and liabilities		
Trade and other receivables	1,367,342	(969,049)
Trade and other payables	24,908	101,990
Cash used in operations	1,372,813	(697,656)
Income tax paid	(342,364)	(82,883)
Net cash generated from/(used in) operating activities	1,030,449	(780,539)
Cash flows from investing activities		
Interest received	471,440	273,651
(Loan to)/repayment from a third party	(4,152,471)	(3,637,980)
Repayment of loan from a third party	3,637,980	–
Net cash generated from financing activities	(43,051)	(3,364,329)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	–	58,265
Repayment of loan from a related party	(406,770)	–
Loan received from shareholder	671,000	–
Repayments of lease liabilities	(13,988)	(12,607)
Interest paid	(806)	(1,249)
Net cash generated from financing activities	249,436	44,409
Net decrease in cash and cash equivalents	1,236,834	(4,100,459)
Cash and cash equivalents at beginning of the financial year	960,978	4,978,794
Effects of exchange rate changes on cash and cash equivalents	65,321	82,643
Cash and cash equivalents at end of the financial year	2,263,133	960,978

Cash and cash equivalents comprise cash and bank balances.

The accompanying notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

The Company (Co. Reg. No. 198201457Z) is incorporated and domiciled in Singapore. The address of its registered office is at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712.

The Company was listed on the Catalist Board of the SGX-ST on 14 December 1994.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 11.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are presented in Singapore dollar (“\$”), which is the Company’s functional currency. The financial statements have been prepared in accordance with the provisions of the Companies Act, 1967 and Singapore Financial Reporting Standards (International) (“SFRS(I)”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting date but are not yet effective for the financial year ended 31 December 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Revenue recognition

Property consultancy and consultancy management and sales brokerage commission

Revenue from property consultancy service, consultancy management services and sales brokerage commission are recognised as follows:

Over time

- (i) Property consultancy fees arising from the management of development projects are recognised using the output method based on specific service deliverables achieved over the duration of the development property project.
- (ii) Consultancy management fees are recognised on a monthly basis as management services are rendered.

Revenue is recognised when the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's property consultancy and property management services. The Group will bill customer progressively in accordance to the billing terms in the sales contract and customers are required to pay within 30 days from the invoice date. No element of financing is deemed present.

At a point in time

- (iii) Sales brokerage commission arising from the sale of development projects are recognised at a point in time when the specified terms stipulated in the customers' contracts are achieved and when the Group's enforceable right to payment is unconditional because only the passage of time is required before the payment is due.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Revenue recognition (cont'd)

Interest income (including interest income from investment business)

Interest income is recognised using the effective interest method.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Basis of consolidation (cont'd)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss, if any, is recognised in profit or loss.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

e) Impairment of non-financial assets

At end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented as a separate line in the statement of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct costs, less any lease incentives received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Leases (cont'd)

When a Group entity is the lessee (cont'd)

Right-of-use assets (cont'd)

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies FRS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(e).

g) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the financial assets. The Group classifies its financial assets at amortised cost. The classification is based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments include cash and cash equivalents and trade and other receivables (excluding prepayments).

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Financial assets (cont'd)

Impairment (cont'd)

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

i) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

j) Financial liabilities

Financial liabilities include trade and other payables and lease liabilities. Financial liabilities are recognised on the statement of financial position when and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

k) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Reserve fund

In accordance with the relevant laws and regulations in PRC applicable to foreign investments enterprises and the Articles of Association of the PRC subsidiary companies, the subsidiary companies are required to make appropriation from profit after taxation as reported in the PRC statutory financial statements to reserve fund at a rate as determined by the Board of Directors. The transfer to this reserve must be made before the payment of dividends to shareholders. In the event that the PRC subsidiary company has accumulated losses, the transfer of this reserve can only be made after the accumulated losses are fully set off against current year net profit.

The reserve fund can only be used to set off against accumulated losses or to increase the registered capital of the PRC subsidiary company, subject to approval from the PRC authorities. This reserve fund is not available for dividend appropriation to the shareholders.

m) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

n) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

o) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of the Group and the Company are presented in Singapore Dollar, which is the Company's functional currency.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Foreign currencies (cont'd)

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

p) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgement in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

Revenue recognition – property consultancy and management segment

Management judgement is required in determining the timing of satisfaction of performance obligations in its customer contracts taking into account that revenue arrangements are bespoke to each customer both in terms of their fee structures and the range and/or type of service provided.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, the amount and timing of future taxable income and deductibility of certain expenditure. Accordingly, there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is concluded and different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of income tax payables of the Group at 31 December 2021 is \$200,284 (2020: \$281,884).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4 REVENUE

	Group	
	2021	2020
	\$	\$
Segment revenue		
Sales brokerage commission	79,534	872,771
Property consultancy and consultancy management fee	497,103	279,594
	497,103	279,594

The following table provides a disaggregation of the Group's revenue by timing of revenue recognition.

	Group	
	2021	2020
	\$	\$
<i>Timing of revenue recognition</i>		
At a point in time:		
Sales brokerage commission	79,534	872,771
Over time:	-	
Property consultancy and consultancy management fee	497,103	279,594
	576,637	1,152,365

5 OTHER INCOME

	2021	2020
	\$	\$
Interest income		
– Bank deposits	-	10,579
– Third party	508,364	263,072
	508,364	273,651
Others		
– Compensation income from termination of contract with customer	355,162	-
– Government grant income	-	17,537
– Foreign currency exchange gain, net	58,571	14,277
	413,733	31,814
	922,097	305,465

Included in the government grant income is \$7,875 that was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government co-funded gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Company's operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6 TAX EXPENSE

	Group	
	2021	2020
	\$	\$
Tax expense attributable to profits is made up of:		
– Current income tax provision	406,309	278,239

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax due to the following factors:

	Group	
	2021	2020
	\$	\$
Profit before tax from:	474,126	428,697
Tax calculated at a tax rate of 17% (2020: 17%)	80,601	72,878
Effect of different tax rates in other countries	42,672	87,699
Others	3,599	4,991
Non-deductible expenses	22,487	8,563
Withholding tax	158,305	–
Deferred tax assets not recognised	98,645	104,108
	406,309	278,239

At 31 December 2021, the Group has deferred tax assets in respect of tax losses of \$ 2,133,471 (2020: \$1,552,903) that are available for carry forward to offset against future taxable income subject to agreement by the tax authority and compliance with relevant provisions of the Singapore Income Tax Act. The potential deferred tax assets have not been recognised in the financial statements as it is not probable that future taxable profit will be sufficient to allow the related tax benefits to be utilised. The unutilised tax losses do not expire under current tax legislation.

7 PROFIT FOR THE YEAR

	Group	
	2021	2020
	\$	\$
Loss for the financial year is arrived at after charging:		
Audit fees paid/payable to:		
– auditor of the Company	55,000	45,000
– other auditors*	33,248	32,388
Professional fee	247,961	226,832
Lease expenses (Note 10)	–	6,754
Sales agent fee	–	73,463
Staff costs (Note 8)	510,736	557,392
Depreciation of right-of-use assets	13,995	13,108
Loss on investment in short term foreign currencies	56,987	–

* Includes independent member firms of the Baker Tilly International network.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8 STAFF COSTS

	Group	
	2021	2020
	\$	\$
Salaries and related costs	505,427	551,476
Contributions to defined contribution plans	5,309	5,916
	510,736	557,392

9 EARNING/(LOSS) PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Total	
	2021	2020
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	209,337	209,337
Basic and diluted earnings/(loss) per share (cents per share)	0.03	0.07

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

- i) The Group leases office unit from non-related party with a tenure of 3 years.
- ii) The Group leases shared office space with contractual terms of 6 months. The Group has elected not to recognise right-of-use assets and lease liabilities for this short-term lease.

The maturity analysis of the lease liabilities is disclosed in Note 19(b).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in statement of financial position

	2021	2020
	\$	\$
<u>Carrying amount of right-of-use assets</u>		
Office unit	14,583	27,533
<u>Carrying amount of lease liabilities</u>		
Non-current	-	14,299
Current	15,147	13,760
	15,147	28,059
	2021	2020
	\$	\$
Additions during the financial year	-	41,299

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as a lessee (cont'd)

Information about leases for which the Group is a lessee is presented below (cont'd):

Amounts recognised in profit or loss

	2021 \$	2020 \$
Depreciation charge for the financial year		
Office unit	13,995	13,108
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense – short term leases	–	6,754
Interest expense on lease liabilities	806	1,249

During the financial year, total cash flow for leases amounted to \$14,794 (2020: \$20,610).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	
	2021 \$	2020 \$
Balance at 1 January	28,059	–
Additions	–	41,299
Changes from financing cash flows:		
– Repayments	(13,988)	(12,607)
– Interest paid	(806)	(1,249)
Non-cash changes:		
– Interest expense	806	1,249
– Effect of changes in foreign exchange rates	1,076	(633)
Balance at 31 December	15,147	28,059

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2021 \$	2020 \$
Unquoted equity shares, at cost		
At 1 January	336,568	336,568
Disposal	(326,568)	–
At 31 December	10,000	336,568

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held by the Company are:

Name of subsidiary and country of incorporation	Principal activities	Effective equity interest	
		2021 %	2020 %
Sunrise Industrial (Singapore) Pte. Ltd. ⁽³⁾ (Singapore)	Property fund management and real estate investment trusts	100	100
Sunrise Investment Limited ⁽¹⁾ (Cayman Island)	Investment holding	100	100
<u>Held by Sunrise Industrial (Singapore) Pte. Ltd.</u>			
Hong Kong Sunrise Industrial Development Limited (f.k.a Hong Kong Sunrise Consultant Investment Limited) ⁽⁴⁾ (Hong Kong)	Property consultancy, management and related services	100	100
Australia Sunrise Consultant Management Pty. Ltd. ⁽¹⁾⁽²⁾ (Australia)	Property consultancy, management and related services	–	100
<u>Held by Hong Kong Sunrise Industrial Development Limited</u>			
Hong Kong Sunrise Consultant Ltd ⁽⁴⁾⁽⁶⁾ (f.k.a “Hong Kong Sunrise Development Ltd”) (Hong Kong)	Investment holding company	100	100
<u>Held by Hong Kong Sunrise Consultant Ltd</u>			
Shenzhen Sunrise Development Ltd (f.k.a “Shenzhen Tonglin Development Limited or Shenzhen Zhongtong Development Limited”) ⁽⁵⁾ (China)	Property consultancy, management and related services	100	100
<u>Held by Shenzhen Sunrise Development Ltd (f.k.a “Shenzhen Tonglin Development Limited or Shenzhen Zhongtong Development Limited”) (China)</u>			
Shenzhen Kimshek Construction Project Management Ltd (f.k.a Shenzhen ZhongTong Development Limited or Shenzhen Sunrise Construction Project Management Limited) ⁽⁵⁾ (China)	Property consultancy, management and related services	100	100
Shenzhen Kimshek Consultancy Management Ltd (f.k.a Shenzhen ZhongTong Consultancy Management Limited or Shenzhen Sunrise Consultancy Management Limited) ⁽⁵⁾ (China)	Property consultancy and project management	100	100

¹ Not required to be audited.

² The entity had been dissolved at 10 November 2021.

³ The entity commenced operations during the year. Audited by Baker Tilly TFW LLP.

⁴ Audited by independent member firm of Baker Tilly International.

⁵ Audited by independent member firm of Baker Tilly International for group consolidation purpose.

⁶ This subsidiary was held directly by the Company for the year 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Trade receivables	-	1,016,050	-	-
Deposits	-	4,187	-	-
Prepayments	2,809	303,165	2,809	-
Other receivables	4,189,395	3,684,728	1,374,000	-
Amount due from subsidiaries	-	-	442,022	474,337
	4,192,204	5,008,130	1,818,831	474,337

Amount due from subsidiaries is non-trade in nature, unsecured, interest free and repayable on demand.

As at 31 December 2021, included in other receivables are loans to third parties of \$4,189,395. These loans were repaid in January 2022. The terms of these loans are as follows:

Loan	Security	Pledge	Interest	Principal amount	Balance at 31.12.2021
A	Secured	Property	2% per month	RMB13,000,000	\$2,815,395
B	Unsecured	Nil	3% per month	\$1,300,000	\$1,324,000

As at 31 December 2020, included in other receivables is loan to a third party of \$3,637,980. This loan is secured by the third party's properties revenue, bears interest of 13.8% per annum and repayable within one year.

13 SHARE CAPITAL

	2021		2020	
	Number of issued shares	Issued share capital \$	Number of issued shares	Issued share capital \$
Balance at beginning of financial year	209,337,290	25,668,295	178,337,290	24,936,695
Share issue	-	-	31,000,000	731,600
Balance at end of financial year	209,337,290	25,668,295	209,337,290	25,668,295

The Company issued 31,000,000 ordinary shares of \$0.0236 per share on 2 January 2020, to provide funds for the Group's general working capital purposes.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

14 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15 STATUTORY RESERVE

In accordance with the Foreign Enterprise Law applicable to entities in the PRC, the Group's PRC subsidiaries are required to make appropriation to a Statutory Reserve Fund (SRF). At least 10% of the profit after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the PRC entity's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the PRC entity. The SRF is not available for dividend distribution to shareholders.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Trade payables	50,830	81,780	–	–
Accruals	188,567	187,478	133,062	104,112
Other payables	19,594	4,824	–	–
Amount due to a subsidiary	–	–	70,200	23,400
	258,991	274,082	203,262	127,512

Amount due to a subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

17 LOAN FROM SHAREHOLDER

Loan from shareholder is non-trade in nature, unsecured, bears interest of 1.2% per annum and repayable within one year. Reconciliation of movements of the loan from shareholder are as follows:

	2021 \$
Balance at beginning of financial year	–
Loan received	671,000
Repayment of loan	(406,770)
Balance at end of financial year	264,230

18 RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2021 \$	2020 \$
Loan from shareholder	671,000	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18 RELATED PARTY TRANSACTIONS (CONT'D)

Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Group	
	2021 \$	2020 \$
Directors of the Company		
– Directors' fee	90,000	110,000
Directors of the subsidiaries		
– Short-term employee benefits	53,000	47,746
Other key management personnel		
– Short-term employee benefits	150,000	159,000
Total key management personnel compensation incurred by the Group	293,000	316,746

19 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Financial assets				
Financial assets at amortised costs	6,452,528	5,665,943	3,457,312	626,404
Financial liabilities				
Financial liabilities at amortised cost	538,368	302,141	467,492	127,512

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's and the Company's overall financial risk management strategy seeks to minimise adverse effects from these financial risks on the Group's and the Company's financial performance. The Audit Committee oversees management's monitoring of compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's operations and risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Foreign currency risk

The Group and the Company do not have exposure to foreign currency risk during the financial year.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk related primarily to interest bearing financial assets.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management was as follows:

	Group	
	2021	2020
	\$	\$
<i>Fixed rate instrument</i>		
Other receivables	4,189,395	3,637,980

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. For trade receivables, the Group adopt the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

The Group considers the above as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meets the following criteria are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Definition of default (cont'd)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless The Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Maximum exposure and concentration of credit risk

At the reporting date, approximately 100% (2020: 100%) of the Group's trade and other receivables (excluding prepayments) generated were due from 3 (2020: 3) major customers. The Company has no significant concentration of credit risk except for amount due from subsidiaries.

The management has assessed that the credit risk exposure on trade and other receivables as at 31 December 2021 and 31 December 2020 to be negligible as the balance were collected after the year end.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Other financial assets at amortised cost

The credit loss exposure in relation to cash and cash equivalents and other receivables (excluding prepayments) are immaterial and accordingly, no credit loss allowance is recognised at 31 December 2021 and 31 December 2020.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less \$	1 to 5 years \$	Total \$
Group			
2021			
Trade and other payables	258,092	–	258,092
Loan from shareholder	274,862	–	274,862
Lease liabilities	15,415	–	15,415
	549,268	–	549,268
Group			
2020			
Trade and other payables	274,082	–	274,082
Lease liabilities	14,552	14,552	29,104
	288,634	14,552	303,186
Company			
2021			
Trade and other payables	203,262	–	203,262
Loan from shareholder	274,862	–	274,862
	478,124	–	478,124
2020			
Trade and other payables	127,512	–	127,512

20 FAIR VALUES OF ASSETS AND LIABILITIES

a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- a) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No fair value hierarchy information is disclosed for the Group's and Company's financial assets and financial liabilities measured at amortised cost as the carrying amount of these financial assets and liabilities approximate their fair values.

b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonableness approximation of fair value

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

c) The Group and the Company has no other financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21 SEGMENT INFORMATION

The Group had three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO and other key management personnel (collectively CODM) reviews internal management reports on a monthly basis to make strategic decisions and resource allocation. The following summary describes the operations in each of the Group's reportable segments:

- (a) Property consultancy and consultancy management – advisory services relating to property development and property management to customers
- (b) Investment business – short term loans to third parties (new operating segment in 2021)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment (loss)/profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	Property consultancy and management \$	Investment business \$	Total \$
2021			
Segment revenue			
Sales to external customers	576,637	–	576,637
Intersegment sales	–	–	–
Total revenue	576,637	–	576,637
Segment profit/(loss) before tax	437,202	36,924	474,126
Profit before tax	437,202	36,924	474,126
Tax expense	(406,309)	–	(406,309)
Net income attributable to owners of the Company	30,893	36,924	67,817
Interest income	471,440	36,924	508,364
<i>Assets and liabilities:</i>			
Reportable segment assets	2,280,525	2,548,105	4,828,630
Unallocated assets			1,641,290
			6,469,920
Reportable segment liabilities	578,368	–	578,368
Unallocated liabilities			200,284
			778,652

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21 SEGMENT INFORMATION (CONT'D)

	Property consultancy and management \$	Investment business \$	Total \$
2020			
Segment revenue			
Sales to external customers	1,152,365	–	1,152,365
Intersegment sales	–	–	–
Total revenue	<u>1,152,365</u>	<u>–</u>	<u>1,152,365</u>
Segment profit/(loss) before tax	1,092,993	–	1,092,993
Others			<u>(664,296)</u>
Loss before tax			428,697
Tax expense			<u>(278,239)</u>
Net loss attributable to owners of the Company			<u>150,458</u>
Interest income	273,651	–	<u>273,651</u>
<i>Assets and liabilities:</i>			
Reportable segment assets	5,510,085	–	5,510,085
Unallocated assets			<u>486,556</u>
			<u>5,996,641</u>
Reportable segment liabilities	459,152	–	459,152
Unallocated liabilities			<u>124,873</u>
			<u>584,025</u>

Unallocated assets consist mainly of head office cash balances and other receivables. Unallocated liabilities mainly consists of income tax payable balances.

Geographical segments

The property consultancy and management segment operates in China. The investment business is managed locally and operate in two principal countries, namely Singapore and China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

For the financial year ended 31 December 2021 and 2020, the Group's revenue is derived solely from China and the Group's non-current assets are mainly located in China.

Information about major customers

Revenue of approximately \$576,637 (2020: approximately \$1,152,365) are derived from 3 (2020: 3) external customers who individually contributed 10% or more of the Group's revenue reported under the property consultancy and management segment.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22 CAPITAL MANAGEMENT

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group mainly consists of equity and borrowings and the Group's overall strategy remains unchanged from 2020.

23 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors dated 20 May 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 28 JUNE 2022

Issued and fully paid-up share capital	S\$25,727,943
Class of shares	– Ordinary shares
Number of issued shares (excluding treasury shares and subsidiary holdings)	– 209,337,290 (with voting rights)
Voting rights	– One (1) vote per ordinary
Number of treasury shares and percentage	– Nil
Number of subsidiary holdings and percentage	– Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.13	10	0.00
100 – 1,000	153	19.69	140,150	0.07
1,001 – 10,000	271	34.88	1,456,900	0.70
10,001 – 1,000,000	338	43.50	39,994,443	19.10
1,000,001 AND ABOVE	14	1.80	167,745,787	80.13
TOTAL	777	100.00	209,337,290	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SUNRISE WEALTH MANAGEMENT PTE. LTD.	92,012,815	43.95
2	PROSPERITY LUCK OVERSEAS INC	45,351,537	21.66
3	CITIBANK NOMINEES SINGAPORE PTE LTD	5,411,100	2.58
4	NAN FANG (SINGAPORE) INVESTMENT FUND MANAGEMENT PTE. LTD.	5,000,000	2.39
5	PHILLIP SECURITIES PTE LTD	3,736,135	1.78
6	CHEE SUWEN	2,800,000	1.34
7	YEO SENG BUCK	2,500,000	1.19
8	PEH SEE CHUAN	2,050,000	0.98
9	DBS NOMINEES (PRIVATE) LIMITED	1,692,800	0.81
10	LIM & TAN SECURITIES PTE LTD	1,555,100	0.74
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,508,100	0.72
12	TOCK SAW KEOW	1,478,000	0.71
13	MO PIN SUM	1,409,900	0.67
14	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,240,300	0.59
15	LI YING	1,000,000	0.48
16	WONG LIANG SWAN	1,000,000	0.48
17	WU YUE	1,000,000	0.48
18	IFAST FINANCIAL PTE. LTD.	932,500	0.45
19	TAN JUN LIAT MAURICE (CHEN JUNLIE MAURICE)	800,000	0.38
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	780,200	0.37
TOTAL		173,258,487	82.75



STATISTICS OF SHAREHOLDINGS

AS AT 28 JUNE 2022

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 28 June 2022)

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Sunrise Wealth Management Pte. Ltd.	92,012,815	43.95	–	–
Prosperity Luck Overseas Inc. ⁽¹⁾	45,351,537	21.66	92,012,815	43.95
Sino Yu Pte. Ltd. ⁽²⁾	–	–	137,364,352	65.61
Wong Siu Fai ⁽³⁾	–	–	137,364,352	65.61

Notes:

- (1) Prosperity Luck Overseas Inc. is deemed to be interested in the Company's shares ("**Shares**") held by Sunrise Wealth Management Pte. Ltd. ("**SWM**") through its 100% interest in the issued share capital of SWM.
- (2) Sino Yu Pte. Ltd. is deemed interested in the Shares held by SWM through its 100% interest in the issued share capital of Prosperity Luck Overseas Inc.
- (3) Wong Siu Fai is deemed interested in the Shares held by SWM through his 100% interest in the issued share capital of Sino Yu Pte. Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 28 June 2022, 34.39% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Catalist Rules of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Sunrise Shares Holdings Ltd. (“**Company**”) will be held by way of electronic means on Saturday, 30 July 2022 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors’ Statement for the financial year ended 31 December 2021 together with the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company who are retiring pursuant to Regulation 91 of the Constitution of the Company:

Mr. Wong Siu Fai (Regulation 91) **(Resolution 2)**
Mr. Zheng Aimin (Regulation 91) **(Resolution 3)**

[See Explanatory Note (i)]
3. To approve the payment of Directors’ fees of S\$90,000 for the financial year ended 31 December 2021 (FY2020: S\$160,000) **(Resolution 4)**
4. To note the retirement of Messrs Baker Tilly TFW LLP as the Auditors of the Company.

[See Explanatory Note (ii)]
5. To transact any other ordinary business which may properly be transacted at an AGM.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as an Ordinary Resolution, with or without any modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited**

That, pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and subject to Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, convertible securities or other instruments convertible into shares,

at any time during the continuance of this authority or thereafter and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

(“Share Issue Mandate”)



NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued pursuant to the Instruments made or granted pursuant to this Resolution) shall not exceed one hundred percent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (iii) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed,
- (ii) the aggregate number of shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not be more than fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) (as calculated in accordance with sub-paragraph (iii) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (iii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-para (i) and (ii) above, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the date this Resolution is passed after adjusting for:-
 - (a) new shares arising from the conversion or exercise of any convertible securities outstanding and/or subsisting at the time this authority is given;
 - (b) new shares arising from the exercise of share options or vesting of share awards provided the share options or share awards (as the case may be), were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of the Company's shares.

Adjustments in accordance with Catalist Rule 806(3)(a) or Catalist Rule 806(3)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (iv) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (v) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory note (iii)]

(Resolution 5)

By Order of the Board

Shirley Tan Sey Liy
Company Secretary
Singapore, 15 July 2022



Explanatory Notes:

- (i) Mr. Wong Siu Fai will, upon re-election as Director of the Company, remains as the Executive Chairman and Executive Director of the Company.

Mr. Zheng Aimin will, upon re-election as Director of the Company, remains as the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.

Please refer to pages 34 to 39 of the Annual Report for the detailed information for Mr. Wong Siu Fai and Mr. Zheng Aimin pursuant to Rule 720(5) of the Catalyst Rules.

- (ii) Messrs Baker Tilly TFW LLP (“**BT**”) had indicated to the Company on 10 May 2022 that BT are unable to obtain appropriate sufficient explanations and information, nor perform any alternative procedures to satisfy themselves that the issues as highlighted are adequately resolved thus BT will not seek re-appointment as auditor of the Company subsequent to the conclusion of FY2021, at the AGM. Accordingly, BT will cease to be auditor of the Company following the conclusion of the AGM. The Company has promptly commenced efforts to identify suitable candidate and will actively seek to appoint new auditor in place of BT not more than three (3) months after the cessation of BT. The Company is cognizant and undertakes to comply with the requirement under [Section 205AF(1)(i)] of the Companies Act (1967) of Singapore which requires the Directors to call a general meeting as soon as practicable, and in any case not more than 3 months after the date of the auditor’s resignation, for the purpose of appointing an auditor in place of the auditor who desires to resign or has resigned. With regard to the request for professional clearance from the succeeding auditors, the succeeding auditors will be referred to the disclaimer of opinion in the Auditor’s Report. The Company will make further announcement(s) in due course. The Company and Board confirms that it is currently and have undertaken to comply with Catalyst Rules, Companies Act, Company’s Constitution and any other relevant rules and regulation pertaining to the change of Auditor.
- (iii) Ordinary Resolution 5, if passed, will authorise and empower the Directors of the Company from the date of the above AGM until the next AGM to allot and issue Shares and/or convertible securities. The aggregate number of Shares and/or convertible securities which the Directors may allot and issue under this Resolution shall not exceed in aggregate one hundred percent (100%) of the total issued Shares (excluding treasury shares and subsidiary holdings), of which the total number of Shares and/or convertible securities issued other than on a *pro-rata* basis to existing shareholders shall not exceed fifty percent (50%) of the total issued Shares (excluding treasury shares and subsidiary holdings) at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instruments issued under this authority.

Notes relating to measures to minimise the risk of COVID-19:

General

1. Pursuant to the COVID-19 (Temporary Measures) Act that was passed by Parliament on 7 April 2020 (“**Temporary Measures Act**”) and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Minister of Law on 13 April 2020 (as amended from time to time) (“**Meeting Orders**”), issuers are able to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company’s constitution). As such, the AGM will be held by way of **electronic means and shareholders will NOT be allowed to attend the AGM in person**. This Notice will be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>, and the Company’s website at the URL <http://sunriseshares.com/>.
2. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:
 - (a) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Note 3 below;
 - (b) submitting questions ahead of the AGM. Please refer to Notes 7 to 9 below for further details; and
 - (c) voting by proxy at the AGM. Please refer to Notes 10 to 16 below for further details.

Printed copies of all documents (including the Annual Report 2021, instrument appointing the Chairman as proxy (“**Proxy Form**”) and this Notice of AGM) (“**AGM Documents**”) or information relating to the business of this AGM will not be sent to members. Instead, the AGM Documents or information relating to the business of this AGM have been, or will be, published on the Company’s website at <http://sunriseshares.com/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Shareholders and investors are advised to check SGXNet regularly for the Company’s updates, if any.



NOTICE OF ANNUAL GENERAL MEETING

Participation in the AGM via live webcast or live audio feed

3. A shareholder of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a “live” webcast via mobile phone, tablet or computer (“**Live Webcast**”). In order to do so, the member must pre-register by 10.00 a.m. on 28 July 2022 (“**Registration Deadline**”), at the following URL: <https://conveneagm.com/sg/sunrise2022> (“**Sunrise AGM Website**”), to create an account.
4. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.
5. Shareholders who have registered by the Registration Deadline in accordance with paragraph 2 above but do not receive an email response by 12:00 p.m. on 29 July 2022 may contact the Company for assistance at the following email address: sunriseshares@126.com, with the following details included: (1) the member’s full name; and (2) his/her/its identification/registration number.
6. Non-SRS holders whose shares are registered under Depository Agents (“DAs”) must **also** contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceedings.

Submission of questions prior to the AGM

7. A shareholder of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company’s businesses and operations. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will also address any subsequent clarifications sought, or follow-up questions, in respect of substantial and relevant matters. The Company will address the relevant and substantial questions prior to the AGM via SGXNet. All substantial and relevant questions received from the shareholders prior to the AGM will be publicly addressed by the Board of Directors and/or management via SGX-NET at least 48 hours prior to the closing date and time for the lodgment of the proxy forms.

The Company will also publish the minutes of the AGM on SGXNET and the Company’s website within one month after the date of AGM.

8. To do so, all questions must be submitted **no later than 23 July 2022 at 10.00 a.m.** through any one of the following means:
 - (a) via the Sunrise AGM Website; or
 - (b) in physical copy by depositing the same at the office of the Company’s Share Registrar at In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (c) by email to SunriseShares@126.com.
9. If the questions are deposited in physical copy at the Company’s registered office or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member’s full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid. The questions which have not been addressed prior to the AGM will be addressed at the AGM.

Voting by proxy

10. Shareholders may only exercise their voting rights at the AGM via proxy voting. Shareholders will not be able to vote online at the AGM. Instead, if shareholders (whether individuals or corporates) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf. The accompanying proxy form for the AGM may be accessed via the Sunrise AGM Website and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Although the Company is strive to despatch the hardcopy of the Notice of AGM and Proxy Form to the Shareholders, the Shareholders are reminded to access the proxy form via the Sunrise AGM Website or the SGX website at the URL <https://www.sgx.com/securities/company-announcements> to submit their voting instruction for the Chairman of the Meeting **no later than 10.00 a.m. on 28 July 2022** (being 48 hours before the time appointed for the AGM).

11. Shareholders (including Relevant Intermediary*) who wish to vote on any or all of the resolutions at the AGM must submit a proxy form to appoint the Chairman of the Meeting as their proxy to do so on their behalf.



NOTICE OF ANNUAL GENERAL MEETING

12. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
- if submitted by post, be lodged with the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712; or
 - if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia.
 - via the following URL: <https://conveneagm.com/sg/sunrise2022> in the electronic format accessible on the Sunrise AGM Website;

in either case, **by no later than 28 July 2022, 10.00 a.m., being at least forty-eight (48) hours before the time appointed for holding the Meeting.**

In the case of submission of the Proxy Form other than via the Sunrise AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

13. In the case of submission of the Proxy Form other than via the Sunrise AGM Website, the instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.
14. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") and wishes to vote, should approach their respective CPF and/or SRS Operators to submit their votes to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the AGM.
15. A Depositor's name must appear on the Depository Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.
16. **Please note that shareholders will not be able to vote through the Live Webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

Due to the fast-evolving COVID-19 situation in Singapore, the Company may be required to change its Meeting arrangements at short notice. The Company is taking the relevant steps in accordance with the Part 4 of the COVID-19 (Temporary Measures) Act 2020. Shareholders are advised to refer to the Company's announcement(s) on the SGXNet for the latest updates on the status of the AGM, if any.

* A Relevant Intermediary is:

- a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.



PERSONAL DATA PRIVACY

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This Notice has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

The contact person for the Sponsor is Ms. Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271.



SUNRISE SHARES HOLDINGS LTD.

(Company Registration No. 198201457Z)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Annual General Meeting ("Meeting") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Order 2020. **In view of the current COVID-19 situation and the advisories issued by the relevant authorities as well as the related safe distancing measures in Singapore, a member will not be able to physically attend the Meeting. A member (including Relevant Intermediary**) must appoint the Chairman of the Meeting as proxy to vote on his/her/it behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
2. Alternative arrangements relating to the attendance of the Meeting through electronic means, as well as conduct of the Meeting and relevant guidance with full details are set out in the accompanying Company's announcement dated 15 July 2022, which can be accessed via the SGX website at: <https://www.sgx.com/securities/company-announcements>.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") and wishes to vote, should approach their respective CPF and/or SRS Operators to submit their votes to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the Meeting.
4. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC/Passport No)
of _____ (Address)
being a member/members of **SUNRISE SHARES HOLDINGS LTD. ("Company")**, hereby appoint:

the Chairman of the Annual General Meeting ("Meeting") as my/our proxy/proxies to vote for me/us on my/our behalf at the Meeting of the Company to be held by way of electronic means on Saturday, 30 July at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. In terms of proxy voting, the shareholder/shareholders must appoint the Chairman of the Meeting to act as proxy and direct the vote at the Meeting.

No.	Resolutions relating to:	No. of votes 'For'***	No. of votes 'Against'***	No. of Votes 'Abstain'**
Ordinary Business				
1	Audited Financial Statements and Directors' Statement for the financial year ended 31 December 2021			
2	Re-election of Mr. Wong Siu Fai as a Director			
3	Re-election of Mr. Zheng Aimin as a Director			
4	Approval of Directors' fees for the financial year ended 31 December 2021			
Special Business				
5	Authority to allot and issue shares			

** If you wish to exercise all your votes 'For', 'Against' or 'Abstain from Voting', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
and/or Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

Due to the fast-evolving COVID-19 situation in Singapore, the Company may be required to change its Meeting arrangements at short notice. The Company is taking the relevant steps in accordance with the Part 4 of the COVID-19 (Temporary Measures) Act 2020.

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy of proxies shall be deemed to relate to all the Shares held by you.
2. **In light of the current COVID-19 measures in Singapore, members will not be able to attend the Meeting in person. A member of the Company (including a Relevant Intermediary*) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - a. if submitted by post, be lodged with the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712; or
 - b. if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia.
 - c. via the following URL: <https://conveneagm.com/sg/sunrise2022> in the electronic format accessible on the Sunrise AGM Website;

in either case, **by no later than 28 July 2022, 10.00 a.m., being at least forty-eight (48) hours before the time appointed for holding the Meeting.**

In the case of submission of the Proxy Form other than via the Sunrise AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. In the case of submission of the Proxy Form other than via the Sunrise AGM Website, the instrument appointing Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to vote, should approach their respective CPF and/or SRS Operators to submit their votes to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 July 2022.

SINGAPORE

SUNRISE SHARES HOLDINGS LTD.

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