



SUNRISE SHARES HOLDINGS LTD.
(Company Registration No. 198201457Z)
(Incorporated in the Republic of Singapore)

PROPOSED SUBSCRIPTION OF 31,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY BY MR. CHEUNG CHI HUNG ("PROPOSED SUBSCRIPTION")

1 INTRODUCTION

The Board of Directors (the "**Board**") of Sunrise Shares Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, on 8 November 2019, entered into a subscription agreement ("**Subscription Agreement**") with Mr. Cheung Chi Hung ("**Subscriber**"), pursuant to which the Subscriber proposes to subscribe for 31,000,000 new ordinary shares in the share capital of the Company ("**Subscription Shares**"), approximately 14.8% of the Company's enlarged share capital, at a subscription price of S\$0.0236 ("**Subscription Price**") for each Subscription Share ("**Proposed Subscription**").

The Subscription Price was arrived at following arm's length negotiations between the Company and the Subscriber and represents a discount of approximately 9.23% to the volume weighted average price of S\$0.026 for each share of the Company ("**Share**") for trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 6 September 2019 (being the last full market day immediately preceding the date of the Subscription Agreement for which the Shares were traded).

The offer of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2 RATIONALE FOR THE PROPOSED SUBSCRIPTION

The aggregate consideration payable by the Subscriber is S\$731,600. The estimated net proceeds from the Proposed Subscription is S\$709,600 (after deducting estimated fees and expenses of approximately S\$22,000) ("**Net Proceeds**"). The Company intends to utilise the Net Proceeds in the following manner:

- (a) Approximately 40% of the Net Proceeds shall be used for the Company's investments in overseas property management and consultancy and hospitality management opportunities; and

- (b) Approximately 60% of the Net Proceeds shall be used for the Company's general working capital purposes.

Pending deployment of the Net Proceeds for such purpose, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and will provide a status report on the use of the Net Proceeds in the annual report of the Company. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

3 INFORMATION ON THE SUBSCRIBER

The Subscriber is Mr Cheung Chi Hung, a private investor who was introduced to the Company by Mr Zhang Zhi Liang, the Company's former Executive Director and Chief Executive Officer. The Subscriber is subscribing for the Subscription Shares for investment purposes. As of the date of this announcement, the Subscriber does not have any Shares in the Company.

The Subscriber is a businessman who is primarily engaged in the manufacturing and materials-processing business in Hong Kong and Mainland China, whose customer network extends to USA, Canada, Taiwan and various countries in Southeast Asia. The Subscriber has no connection (including business dealings) with the Company, its substantial shareholders or its Directors, and will not hold the Subscription Shares in trust or as a nominee for other persons. The Subscriber is a strategic investor in the Company. The Company intends to leverage on the Subscriber's network to identify business opportunities and strengthen its presence overseas.

No placement agent has been appointed for the Proposed Subscription and no commission or finder's fee is payable by the Company to any person in relation to the Proposed Subscription.

Upon completion of the Proposed Subscription, the Subscriber will have an interest in 31,000,000 Shares representing approximately 14.8% of the enlarged share capital of the Company.

4 PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

4.1 Subscription Shares and Subscription Price

The Subscriber agrees to subscribe and pay for the 31,000,000 Subscription Shares at the Subscription Price of S\$0.0236.

The Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that they will not rank for any dividends, rights, allotments or other distributions, the Record Date of which falls on or before the date of completion of the Proposed Subscription ("**Completion Date**"). The term "**Record Date**" means the date fixed by the Company for the purposes of determining the entitlements to dividends or other distributions to or rights of holders of Shares.

4.2 Conditions Precedent

Completion of the Proposed Subscription ("**Completion**") shall be conditional upon the following:

- (a) receipt of the listing and quotation notice for the Subscription Shares on the Catalist board of the SGX-ST;
- (b) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the representations and warranties contained in the Agreement, as if they were repeated on and as of the Completion Date;
- (c) the Company or the Subscriber not in breach of any of the undertakings and covenants given in the Subscription Agreement as at the Completion Date, and if any of such undertakings and covenants are required to be fulfilled on or before the Completion Date, such undertakings and covenants shall have been fulfilled prior to Completion Date;
- (d) the Proposed Subscription not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Subscriber (including but not limited to the SGX-ST); and
- (e) all necessary approvals, consents and waivers from third parties, governmental or regulatory body or relevant competent authority, including but not limited to the Company's Sponsor and/or SGX, for the Proposed Subscription being granted or obtained, being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such approvals, consents and/or waivers are granted or obtained subject to any conditions, and if such conditions affect any of the Parties, such conditions being acceptable to the Party concerned, and if such conditions are to be fulfilled before Completion, such conditions being fulfilled before Completion.

5 AUTHORITY TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be issued pursuant to the share issue mandate ("**Share Issue Mandate**") which was approved by shareholders of the Company at the annual general meeting of the Company convened on 30 April 2019 ("**AGM**"). Pursuant to the Share Issue Mandate, Directors of the Company have the authority to issue Shares and/or make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, such that the aggregate number of Shares to be issued (including Shares to be issued in pursuant of Instruments made or granted) does not exceed 100% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of Shares and convertible securities to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM.

As at the date of the AGM, the Company had an issued share capital of 178,337,290 Shares. As at the date of this announcement, no Shares were issued pursuant to the Share Issue Mandate. Accordingly, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 178,337,290 Shares, of which the maximum number of Shares that can be issued other than on a pro rata basis is 89,168,645 Shares. The 31,000,000 Subscription Shares that may be issued pursuant to the Proposed Subscription falls within the limits of the Share Issue Mandate.

6 FINANCIAL EFFECTS

For illustrative purposes only, the financial effects of the Proposed Subscription set out below were prepared based on the unaudited consolidated accounts of the Group for the financial year ended 30 June 2019 ("HY2019") and subject to the following assumptions:

- (a) for purposes of computing the effect of the net tangible asset ("**NTA**") per Share of the Group, it is assumed that the Proposed Subscription was completed on 30 June 2019;
- (b) for purposes of computing the effect of the Proposed Subscription on the earning per Share ("**EPS**"), it is assumed that the Proposed Subscription was completion on 1 January 2019;

	Before Completion of the Proposed Subscription	After Completion of the Proposed Subscription
Issued and paid-up share capital (S\$)	24,996,343	25,727,943
Number of Shares	178,337,290	209,337,290
NTA per Share (cents)	2.65	2.61
Loss per Share (cents)	2.12	1.81

It should be noted that the abovementioned financial effects have been calculated for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Subscription.

7 CHANGE IN SHAREHOLDING INTERESTS OF CONTROLLING SHAREHOLDERS

The shareholding interests of the controlling shareholders of the Company, before and after the Proposed Subscription, as a percentage of the current share capital of the Company as at the date of this announcement and the enlarged share capital, respectively, is set out below:

Name	Direct interest		Deemed interest		Total	
	(number of Shares)	%	(number of Shares)	%	As a % of the total share capital before Completion of the Proposed Subscription ⁽¹⁾	As a % of the total share capital after Completion of the Proposed Subscription ⁽²⁾
Sunrise Wealth Management Pte. Ltd. (" SWMPL ")	21,185,000	11.9	39,827,815 ⁽³⁾	22.3	34.2	29.1
Hong Kong Sunrise Wealth Management Company	-	-	61,012,815 ⁽⁴⁾	34.2	34.2	29.1

Limited
("HKSWMPL")

H Wealth Management Co. Limited ("HWM")	-	-	61,012,815 ⁽⁵⁾	34.2	34.2	29.1
Wong Siu Fai	45,351,537	25.4	61,012,815 ⁽⁶⁾	34.2	59.6	50.8

Notes:

- (1) Based on 178,339,290 Shares as at date of this announcement.
- (2) Based on the total enlarged share capital of the Company of 209,339,290 upon completion of the Proposed Subscription.
- (3) SWMPL is deemed interested in 39,827,815 Shares held through UOB Kay Hian Private Limited by virtue of Section 7 of the Companies Act (Cap. 50 of Singapore).
- (4) HKSWMPL is deemed interested in the Shares held by SWMPL through its 100% interest in the issued share capital of SWMPL.
- (5) HWM is deemed interested in the Shares held by SWMPL through its 100% interest in the issued share capital of HKSWMPL.
- (6) Mr Wong Siu Fai is deemed interested in the Shares held by SWMPL through his 100% interest in the issued share capital of HWM.

There will be no change in control in the Company pursuant to the completion of the Proposed Subscription.

8 DIRECTORS' OPINION ON WORKING CAPITAL

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Nevertheless, the Company intends to utilise the Net Proceeds partially for general working capital as the Directors believes it is in the Company's best interests to have adequate cash reserves at all times.

The Directors are of the opinion that, after taking into consideration the present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

9 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Subscription, other than through their respective interests in the Shares.

10 GENERAL

None of the Subscription Shares will be placed with any person or groups of persons as set out under Rule 812(1) of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("**Catalist Rules**"). The Subscriber has represented that he does not fall within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812(1) of the Catalist Rules.

None of the Directors of the Company have any interest, direct or indirect in the Proposed Subscription. The Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Proposed Subscription and has not received any notification of any interest in this transaction from any substantial shareholder of the Company.

None of the Directors have, and the Directors, to the best of their knowledge, are not aware of any substantial shareholder of the Company having, any connection (including business relationship) with the Subscriber.

The Company will make the necessary announcements once the listing and quotation notice for the Subscription Shares has been obtained from the SGX-ST.

11 DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the registered office of the Company at 30 Cecil Street #19-08 Prudential Tower Singapore 049712, during normal business hours for three (3) months from the date of this announcement.

12 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

BY ORDER OF THE BOARD

Shirley Tan
Company Secretary
8 November 2019

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

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

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.