



SUNRISE SHARES HOLDINGS LTD.

**SUSTAINABILITY  
REPORT 2021**



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## CHAIRMAN'S MESSAGE

Dear Stakeholders,

I am pleased to present the Sustainability Report of Sunrise Shares Holdings Ltd. (“**the Company**”) and together with its subsidiaries (the “**Group**” or “Sunrise Shares”) for the financial year ended 31 December (“**FY**”) 2021.

As a company that provides property consultancy and management services, we always advise clients to develop their properties sustainably and prioritise occupants’ safety. We take extra precaution to ensure that our clients comply with relevant environmental and social laws and regulations. During FY2021, the company’s wholly owned subsidiaries, Sunrise Industrial (Singapore) Pte. Ltd. has entered into two new 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 will be terminated with effect from 30 June 2022. There were two short-term investments provided by the Group to the Shenzhen Xudao Real Estate Development Limited and Nan Fang (Singapore) Investment Fund Management Pte. Ltd., namely Nan Fang (Singapore) Fund Investment Management Pte. Ltd. and Shenzhen Xudao Real Estate Development Limited in FY2021. The Company endeavors for the contracts signed with their parties to have no negative impacts on environmental and social factors.

On behalf of the board of directors of the Company (“**Board**” or “**Directors**”), I would like to express my gratitude to our customers, business partners and shareholders for their unwavering support over the years. We look forward to your continued support as we strive to build a more sustainable business for a better world.

Chairman and Executive Director  
Wong Siu Fai  
15 July 2022

# OUR SUSTAINABILITY STORY

## OUR VISION

To expand and diversify our business, grow our customer base and increase our product offerings, to be a well-known quality brand domestically and internationally.

## OUR MISSION

To produce and develop quality products at a competitive price while building a sustainable company culture, and to serve our customers with utmost integrity.

## SUSTAINABILITY PHILOSOPHY

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. As safety is one of the most important control in the construction site, the Group provide construction safety lesson materials to clients and all of the on-site workers had attended safety lesson on the first day of work.

## SUSTAINABILITY TARGETS AND PERFORMANCE

We aim to achieve zero product health and safety incidents. We also endeavour to minimise our carbon footprint and work with clients to achieve zero workplace safety incidents in their operations. As the company main operations include property consultancy and management business in PRC, we introduce international environmental standard to our clients in order to minimise carbon footprint in our clients operations.

We endeavour to improve on the scope and range of our advice to clients, as in FY 2021, our scope including three main sections: Pre-construction section (construction planning, regulation planning and commercial planning), Construction Section (on-site management consulting, material solution consulting, environment regulation consulting, safety advising), Post-construction section (sales and property management) to help them develop greener buildings with advanced sustainability innovations and solutions.

Below is a summary of our sustainability performance in FY2021 and targets for FY2022.

Environmental Performance in FY2021	
FY2021 Target	Performance Update
<b>Zero</b> incidence of environmental non-compliance for our clients	Achieved <b>zero</b> incidence of environmental non-compliance for our clients
<b>Zero</b> incidence of environmental non-compliance	Achieved <b>zero</b> incidence of environmental non-compliance
Environmental Targets for FY2022	
FY2022 Target	Action Plan
<b>Zero</b> incidence of environmental non-compliance for our clients	Continue to regularly monitor clients' portfolio and activities to ensure that their operations are in strict compliance with environmental laws and regulations.
<b>Zero</b> incidence of environmental non-compliance	To maintain strict compliance with environmental laws and regulations.



# OUR SUSTAINABILITY STORY

Social Performance in FY2021	
FY2021 Target	Performance Update
<b>Zero</b> product health and safety incidence	Achieved <b>zero</b> product health and safety incidence
<b>Zero</b> workplace health and safety incidence	Achieved <b>zero</b> workplace safety incidence
Social Targets for FY2022	
FY2022 Target	Action Plan
<b>Zero</b> product health and safety incidence	To maintain strict compliance with product health and safety laws and regulations



## ORGANISATION PROFILE

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), Sunrise Shares is an investment holding company primarily involved in property consultancy and management. During FY2021, the Group operates mainly in the People’s Republic of China (“**PRC**”).

### **PROPERTY CONSULTANCY AND MANAGEMENT**

The Company ventured into property consultancy and management business in PRC in 2017. The Group’s subsidiary, Shenzhen Kimshek Consultancy Management Limited (f.k.a Shenzhen ZhongTong Consultancy Management Limited or Shenzhen Sunrise Consultancy Management Limited), is engaged in the provision of property consultancy and management services to property management companies in PRC in relation to, among others, (i) construction execution planning, (ii) construction team management advising, (iii) material supplier consulting, (iv) budget advising, (v) property management team advising, and (vi) property marketing and brokerage service.

The Company also ventured into consultancy management service in 2021. The Company’s subsidiary, Sunrise Industrial (Singapore) Pte. Ltd. is engaged in the provision of consultancy management service with Singapore and New Zealand companies. Sunrise Industrial (Singapore) Pte. Ltd. provides the consultation and/or advice for the daily business conducted, including maintenance of business registration, property management, hospitality management, project management, marketing planning and property agent consultancy services in Asia.

### **HOSPITALITY BUSINESS, FUND MANAGEMENT AND INVESTMENT BUSINESS**

The Group had commenced the operations under Investment Business in FY2021. With the termination of the contract with Hainan Sun City, we recovered the project Investment loan from the contract. There were two short-term investments provided by the Group to the Shenzhen Xudao Real Estate Development Limited and Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in FY2021. One of the short-term investment loans provided by the Group was to Shenzhen Xudao Real Estate Development Limited in FY2021 for a period of two months (repayable on demand). The other short-term investment loan was provided by the Group Nan Fang (Singapore) Investment Fund Management Pte. Ltd. in FY2021, with fixed investment loan returns.



# ETHICS AND INTEGRITY

## **ANTI-CORRUPTION (GRI 205 -1, 205-2, 205-3)**

The Group strictly forbids any form of corruption in its business. All employees and associates are informed and educated on the Group's anti-corruption policies and zero tolerance against corruption. No employee or officer is permitted to engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantages with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee or officer, family member of an employee or officer, or agent unless it: (1) is non cash gift with a value under or equivalent to S\$100, (2) is consistent with customary business practices, (3) is reasonable in value, (4) cannot be construed as a bribe or payoff, and (5) does not violate any laws, regulations or applicable policies of the other party's organisation.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading.

These measures have effectively improved the Group's ability to resist corruption. There was no reported incident of corruption in FY2021, and we target to maintain a zero incidence of corruption in FY2022.

## **WHISTLE-BLOWING POLICY**

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 Audit Committee of the Company ("AC") oversees the administration of the policy. Where a complaint has been made, a report will be submitted to the AC for investigation and follow-up. The Company has not received any whistle blow report for FY2021 and the Company targeted not to have any whistle blow report for FY2022.

The Whistle Blowing Policy adopted by the Board serves to provide an effective mechanism for stakeholders of the Group to raise concerns regarding any illegal conduct or malpractice. The policy also allows such concerns to be raised without being subject to victimization, harassment or discriminatory treatment, and ensures that such concerns are properly channelled to the right party for further investigation. The Audit Committee is responsible for oversight and monitoring of whistleblowing.

## **INTERESTED PERSONS 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 in the Annual Report for FY2021, 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 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





# ETHICS AND INTEGRITY

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.

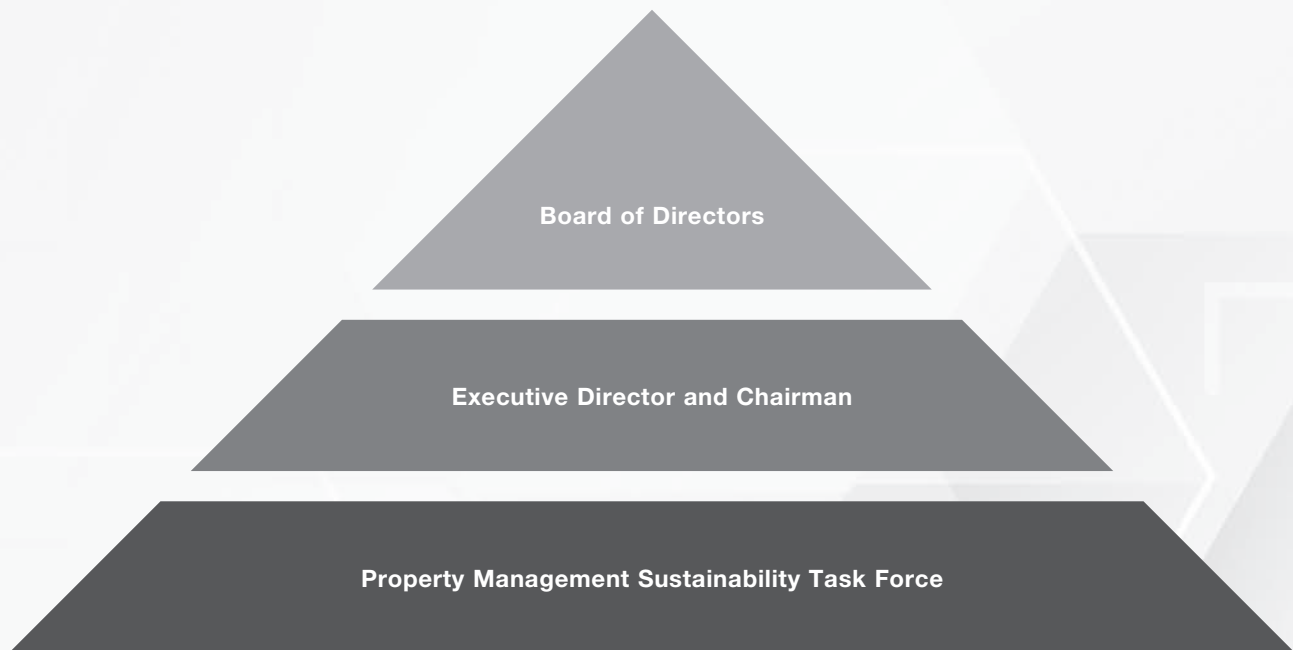
## DEALING IN SECURITIES

In line with Rule 1204(19) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**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 month prior to the announcement of the Company's unaudited half year and full year financial results and ending on the date of announcement of the results.

Directors and employees are also expected to observe applicable securities laws and 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 or on short-term considerations.

# GOVERNANCE AND STATEMENT OF THE BOARD

At Sunrise Shares, sustainability is prioritised at the Board level. The Group had established a Property Management Sustainability Task Force (the “**Sustainability Task Force**”) to implement and manage the Group’s sustainability measures. The Property Management Sustainability Task Force is chaired by the Administrative Director of Shenzhen Kimshek Consultancy Management Limited and reported to the Board through the Chief Financial Officer, Mr Chan Hing Yin before 30 September 2021. Mr Chan Hing Yin had resigned as the Chief Financial Officer from 30 September 2021. The reporting structure as of 31 December 2021 is set out below.



The Board incorporates sustainability issues into the strategic formulation of the Group. The Board approves the material environmental, social and economic factors identified by the Sustainability Task Force, and ensures that the factors identified are well-managed and monitored by the Sustainability Task Force. The Board oversees the management and monitoring of the material ESG factors.

The Group adopts a precautionary approach in strategic decision making and daily operations by implementing a comprehensive risk management framework.

The management review the business and operational activities regularly to identify areas of significant business risk as well as appropriate measures to control and mitigate these risks. More information on precautionary measures, corporate governance practices and risk management structure has been included in the Corporate Governance Report in our 2021 Annual Report which released on 15 July 2022.

# STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder engagement is integral to the building of a sustainable business. We determine our sustainability issues based on their materiality to stakeholders. We actively engage in meaningful and productive dialogues with our stakeholders and participate in various industry and government forums to keep abreast of any material stakeholder issues.

We identify key stakeholders as groups which have material impact or could potentially be impacted by our operations. The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement platforms	Key concerns	Read more in the following sections
Property Management Customers	<ul style="list-style-type: none"> <li>Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Property design for safety</li> <li>Sustainable property design</li> <li>Contractor assessment</li> </ul>	<ul style="list-style-type: none"> <li>Design for Safety</li> <li>Design for Sustainability</li> <li>Contractor Management</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Performance appraisal system</li> </ul>	<ul style="list-style-type: none"> <li>Employee Health and Safety</li> <li>Remuneration</li> <li>Staff Benefits</li> <li>Ethics and Conduct</li> <li>Compliance with local labour laws</li> </ul>	<ul style="list-style-type: none"> <li>Our People, Our Assets</li> </ul>
Governments and Regulators	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Sustainability reporting</li> <li>Ongoing dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with Regulatory and Industrial requirements</li> <li>Environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Environmental Compliance</li> <li>Socioeconomic Compliance</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact</li> <li>Impact of built environment on community</li> </ul>	<ul style="list-style-type: none"> <li>Energy and Emissions Management</li> <li>Impact Assessment of Properties</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Investor relations management</li> <li>Annual general meetings</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Economic value generated</li> </ul>	<ul style="list-style-type: none"> <li>Anti-corruption</li> </ul>

# REPORTING PRACTICE

This sustainability report is produced in accordance with the Global Reporting Initiative (“GRI”) standards’ “Core” option, covering our Group’s performance from 1 January 2021 to 31 December 2021.

The GRI standards represent the global best practices for reporting on economic, environmental and social topics. The Group adopted the GRI standards as it has established norms for how companies present information on sustainability. This allows our investors, potential investors and other interest parties to easily compare different companies and measure their progress in key areas relating to sustainability.

Moreover, adopting GRI standards help the Group defining materiality and thus priorities, creating accountability, identifying and managing long term risk and sharing information in a transparent and uniform manner.

The report also incorporates the primary components of report content as set out by the SGX-ST’s “Comply or Explain” requirements on sustainability reporting under Rule 711B of the Catalyst Rules.

GRI does not require external assurance and the Sustainability Task Forces assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year.

This report should be read together with the Group’s 2021 Annual Report. Detailed section references with GRI Standards is found at the GRI Standards Content Index section of this report.

The Group’s material topics are identified based on its impacts on our internal and external stakeholders, as outlined in the Stakeholder Engagement section of this report.

<b>Material Topics</b>	<b>Boundaries (i.e. which segment, country or subsidiary, where applicable)</b>
<b>ECONOMIC</b>	
GRI 205: Anti-corruption	The Group
<b>ENVIRONMENTAL</b>	
GRI 302: Energy	Property Consultancy and Management
GRI 307: Environmental Compliance	The Group
GRI 308: Supplier Environmental Assessment	Property Consultancy and Management
<b>SOCIAL</b>	
GRI 401: Employment	The Group
GRI 403: Occupational Health and Safety	Property Consultancy and Management
GRI 404: Training and Education	The Group
GRI 405: Diversity and Equal Opportunity	
GRI 413: Local Communities	Property Consultancy and Management
GRI 414: Supplier Social Assessment	
GRI 416: Customer Health and Safety	Property Consultancy and Management
GRI 419: Socioeconomic Compliance	The Group



## REPORTING PRACTICE

The Company continues to reaffirm its commitment towards sustainability with an annual sustainability report aiming to provide stakeholders a holistic and transparent account of the Group's sustainability approach, initiatives and performance in the ESG aspects.

Each year, we use a structured process to select the report's content and confirm its relevance and prominence, particularly in relation to the environment and society.

The key areas covered in FY2021 were as follows:

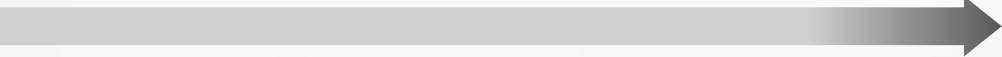

- Advice on safe and sustainable property development
- Occupational health and safety
- Employee development
- Contributions to our community

Our 2021 Sustainability Report focuses on the key sustainability challenges the Group faces for each business segment and explores the many ways that we are responding. We have structured the report by segments and identified the following key areas for FY2021:

- Advice on safe and sustainable property development
- Occupational health and safety
- Employee development
- Contributions to our community

As the Group main operations has no material changes in FY 2021 as compared to FY 2020, the Board is satisfied with the relevance of the selected factors, which are relevant to the Group's business strategy and outcomes.

Below are the risk matrix that identified the severity and likelihood for the material topics.

		SEVERITY 				
		1	2	3	4	5
LIKELIHOOD 	1	LOW	LOW Supplier Environmental Assessment	LOW Energy	LOW Supplier Social Assessment	MEDIUM
	2	LOW	LOW Local Communities	LOW Diversity and Equal Opportunity	MEDIUM Customer Health and Safety	MEDIUM
	3	LOW	LOW	MEDIUM Training and Education	MEDIUM Occupational Health and Safety	MEDIUM Employment
	4	LOW	MEDIUM Socioeconomic Compliance	MEDIUM	HIGH	HIGH Anti-corruption
	5	LOW	MEDIUM	MEDIUM	HIGH Environmental Compliance	HIGH

The board assess and identify the likelihood and severity of the material topics according to the business external environment and internal operation and come up with the above risk matrix. In this report we have separate paragraphs to discuss the material topics which are under high risk factors (red area) and medium risk factors (yellow area). In the process of identify the selected factors, the Group has considered (i) value drivers; (ii) stakeholder engagement; (iii) risk management; (iv) external factors; (v) internal factors; (vi) qualitative perspectives; (vii) timeframe.



## REPORTING PRACTICE

The Board will determine the material ESG factors and the issuer's response to the attendant risk and opportunities.

The Company has taken the following steps for assessing ESG factors:

1. Based on engagement with stakeholders and the Group's knowledge of our risk environment, the Company identified the risks which are likely to be of significant impact to the Group;
2. The Company then ranked the risks in order of impact to the Group's operations and importance to stakeholders; and
3. The Company prioritise the risks with an ESG impact, the impact to stakeholders' decision making process, and the overall significance to the Group, to place them in the materiality matrix below.

The FY 2021 Sustainability report will be made available on SGXNET and on our Group website (<http://sunriseshares.com>).

# PROPERTY CONSULTANCY AND MANAGEMENT

The Group is committed to integrating sustainability into our property consultancy services. Our role is to add value to our property management clients and improve the social and environmental sustainability as well as safety standards of their building design, construction and building management.

## IMPACT ASSESSMENT OF PROPERTIES

### GRI 413-1

We recognise the importance of impact assessment in property development. We will assist clients in hiring qualified Environmental Impact Assessment (“EIA”) companies to conduct on-site survey of the project and prepare environmental assessment reports according to the planning and design of the project. The EIA report needs to be organised for expert review and reported to the PRC’s Environmental Protection Agency for final approval.

We also conduct comprehensive environmental and social impact assessments on clients’ properties to ensure that construction and development of the property is in compliance with environmental and social legislations, and do not have significantly negative impacts on the biological and socio-economic environment.

We aspire to conduct annual EIAs to ensure that our environmental measures and policies are adequate and up-to-date to mitigate environmental impacts and risks in a timely manner.

## DESIGN FOR SAFETY

### GRI 416-1

We advise our clients to incorporate high safety standards into their building design and construction to ensure the safety of the users in their properties. We review the safety aspects of our clients’ property and project construction designs comprehensively, including but not limited to the materials used and structural design of the building. We conduct thorough reviews of the construction drawings and specifications before commencement of construction and regularly collaborate with the design unit to identify potential safety hazards in the construction process to rectify safety risks in the construction design.

Notably, we prioritise the safety review of the height of parapets, indoor window sills, balconies, as well as the design, style, material and width of stair railings and balcony railings, as these structures pose significant safety risks. We will provide recommendations on how to improve on the safety features, such as suggesting the use of imitation stone or texture paint for the exterior wall of the building instead of marble stone bricks to increase structural safety and mitigate the risk of marble stone tiles crumbling and injuring people over time.

Another essential safety feature that we review is the design of the building’s fire-protection system, as it is paramount to providing the building and its occupants with protection in the event of a fire. All fire safety designs must be reviewed and approved by the fire department, and we strictly supervise the construction of the fire system, including the fire protection materials used and their respective measurements. We will put forward our suggestions for the brands and models for clients subcontracting fire protection materials.

All construction drawings must be assessed by professional drawing examining companies to ensure compliance with national architectural design regulations, as well as to ensure that the basic requirements of building structures such as heating, ventilation, lighting, water supply and drainage, fire-protection system, elevators and power are met.

Other than engaging external professionals to assess regulatory compliance of our clients’ buildings, we go the extra mile and engage consultants to design high-grade security systems for our clients. The security system designs include systems for video surveillance in buildings, anti-theft surveillance, access control, visual intercom, patrol and parking management. This is to safeguard residential security and ensure occupant safety at our clients’ buildings.





# PROPERTY CONSULTANCY AND MANAGEMENT

## DESIGN FOR SUSTAINABILITY

### GRI 302-5

Green building is the upcoming trend in the property development industry. We assess the environmental impacts of our clients' property designs and advise them on the sustainability of their properties, such as the materials used and management of the property after construction. This is to ensure minimal impact on the environment and resources.

We recommend clients to implement the Leadership in Energy and Environmental Design (LEED) green building certification program to help them be environmentally responsible and use resources efficiently in the design, construction, operation and maintenance of their properties. We assess the suitability of the layout and orientation of buildings to enhance indoor environmental quality for occupants in aspects such as space planning for privacy, ventilation and lighting.

## CONTRACTOR MANAGEMENT

### GRI 308-1, 414-1

We are aware of the importance of engaging reliable and quality contractors for our clients to guarantee the property quality. We add value to our client's property management by reducing contractor risk and improving their contractor management.

We assess all contractors based on their environmental protection and sustainable construction practices in the prevention of water, air and noise pollution. Below are some sustainable measures implemented during the construction stage:

Water Pollution Control	Air Pollution Control	Noise Pollution Control
<ul style="list-style-type: none"> <li>• Complete construction of site drainage and wastewater treatment facilities before commencement of construction and ensure their effectiveness so as to mitigate water on site, drainage overflow, blockage and ensure water quality standards</li> <li>• Foundation pit dewatering to drain and discharge effluent discharges into the municipal pipeline after 3 levels of precipitation</li> <li>• Waste slurry transported out of construction site and treated in compliance with relevant environmental regulations</li> <li>• Implement emergency drainage systems in rainy and flood season</li> <li>• Water supply and drainage facilities to prevent water accumulation and water pipes from running, dripping and leaking</li> </ul>	<ul style="list-style-type: none"> <li>• Implement sprinkler and dust-control system to prevent dust from rising</li> <li>• Strictly forbid incineration of waste and substances that produce toxic gases, smoke and odor at the construction site</li> <li>• Vehicles and stoves in canteens use clean energy sources such as natural gas and electricity, strictly forbid use of fuels such as coal, wood and sawdust</li> <li>• Ensure smoke emissions from on-site use of stoves meet emission regulations, monitor emissions weekly and document emissions data</li> </ul>	<ul style="list-style-type: none"> <li>• Implement noise reduction measures and monthly noise monitoring to ensure noise emissions during construction meets national and municipal noise emission standards</li> <li>• No construction that produce noise at night. Any emergency operations at night shall be submitted to the Municipal Bureau of Environmental Protection for approval</li> </ul>

# PROPERTY CONSULTANCY AND MANAGEMENT

## PROPERTY CONSULTANCY TARGETS AND COMPLIANCE

### GRI 307-1

The Group has reviewed the progress and development of its clients' properties in FY2021 to ensure that they are well-managed, on schedule and in strict compliance with local legislations. We have developed an action plan for FY2022 to further improve our property consultancy service as set out below.

Property Consultancy Performance in FY2021	
FY2021 Target	Performance Update
<b>Zero</b> incidence of environmental non-compliance for our clients	Achieved <b>zero</b> environmental non-compliance for our clients
<b>Zero</b> client contractor incidence	Achieved <b>zero</b> client contractor incidents
Property Consultancy Targets for FY2022	
FY2022 Target	Action Plan
<b>Zero</b> incidence of environmental non-compliance for our clients	Regularly monitor clients' portfolio and activities to ensure that their works are in strict compliance with environmental laws and regulations
<b>Zero</b> client contractor incidence	Regularly monitor clients' portfolio and activities to ensure that their works are in strict compliance with occupational health and safety laws and regulations

# OUR PEOPLE, OUR ASSETS

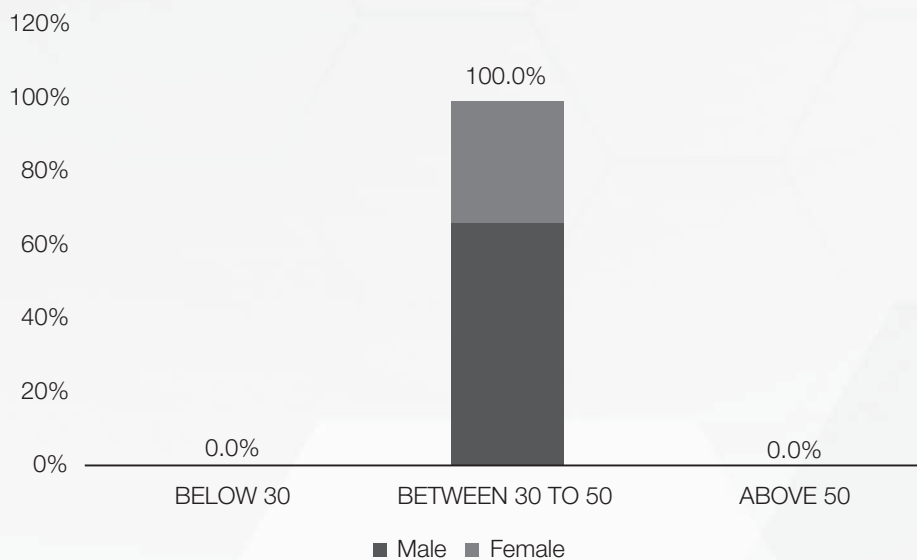
The Group is committed to the development, safety and wellbeing of its staff. We value and compensate fairly the contributions of all our staff, and treat everyone equally and with respect. Our team includes experts in real estate/construction field, financial field and management field which brings skills diversity in our workforce.

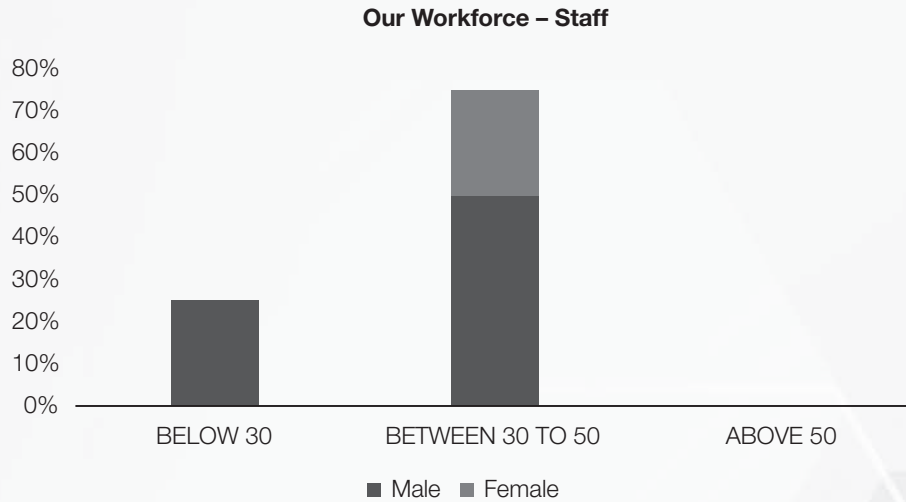
The Company does not have a board diversity policy, however the Board comprises individuals who have experience in accounting, finance, business, management, industry knowledge and strategic planning experience. With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, 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. Please refer to pages 16 to 17 of the Annual Report.

## OUR WORKFORCE GRI 401-1, 405-1

The Group does not discriminate against gender or age in staff employment. In FY2021, our total staff strength stood at 11 employees, with a new hire rate of 20% and a moderate turnover rate. The target for FY2021 is to achieve 40 training hours per employee and achieve zero incidence of non-compliance with labour regulations, the targets for FY2021 had been achieved. The target set for FY2022 will be to continue maintaining the labour compliance achievements.

### Our Workforce – Management





## EMPLOYEE REMUNERATION AND BENEFITS

### GRI 401-2, 401-3, 404-3

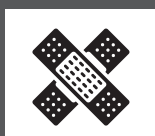
At Sunrise Shares, we ensure that our employees are rewarded with competitive benefits and wages in line with industry standards. In FY2021, we had operations in the PRC and the wages for our staff are well above the local legislated minimum wages. We implement a merit-based remuneration system and strongly believe in equal work for equal pay regardless of gender. Annual performance appraisals are conducted for all staff to ensure they are compensated fairly, based on their performance and contributions.

The Group implements comprehensive employee welfare policies for the benefit and wellbeing of its employees. All employees may seek outpatient medical consultation at any government polyclinic or private clinic and claim reimbursement from the Company. In addition, to provide financial assistance to employees in the event of hospitalisation, permanent disability or death, all full-time employees [regardless of jurisdiction,] are automatically entitled to the following group insurance plans from the commencement of their employment:



#### Group Hospital and Surgical Insurance

- Covers medical expenses incurred by employees for hospitalisation and/or surgical treatment as a result of illness or injury.



#### Workmen's Compensation

- Covers injuries in the workplace or in the course of employment. the coverage of this policy is in accordance with the Workmen's Compensation Act of Singapore



#### Group Personal Accident Insurance

- Covers employees who suffered an accidental physical injury which results in death or permanent disability

# OUR PEOPLE, OUR ASSETS

In Singapore, confirmed female employees with at least 3 continuous months of services are entitled to 16 weeks of maternity leave, and confirmed male employees are eligible for paternity leave of 2 weeks for the birth of his legal child.

In the PRC, confirmed female employees with at least 3 continuous months of services are entitled to 98 days of maternity leave, and confirmed male employees are eligible for paternity leave of 15 days for the birth of his legal child.

In FY2021, no staff has taken paternity leave or maternity leave.

## WORKFORCE TARGETS AND COMPLIANCE

### GRI 419-1

In order to maintain strict compliance with labour laws and regulations and achieve our employee development targets in FY2022, we have reviewed the effectiveness of our employee retention strategies in FY2021 and developed an action plan for FY2022.

Staff Development Performance in FY2021	
FY2021 Target	Performance Update
Achieve 40 training hours per employee	Employee development programmes has been implemented
Labour compliance	Achieved zero incidence of non-compliance with labour regulations
Staff Development Targets for FY2022	
FY2022 Target	Action Plan
Maintain Labour compliance	Maintain the achieved zero incidence of non-compliance with labour regulations

# SGX-ST FIVE PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"><li>• Reporting Practice</li></ul>
2	Policies, Practices and Performance	<ul style="list-style-type: none"><li>• Chairman's Message</li><li>• Our Sustainability Story</li><li>• Property Consultancy and Management</li></ul>
3	Board Statement	Governance and Statement of the Board
4	Targets	Our Sustainability Story
5	Framework	Reporting Practice

# GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Our Workforce
102-9	Supply chain	Organisation Profile
102-11	Precautionary principle or approach	Governance and Statement of the Board
102-13	Membership of associations	Organisation Profile
102-14	Statement from senior decision-maker	CEO Message
102-15	Key impacts, risks, and opportunities	Stakeholder Engagement
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
201-1	Direct economic value generated and distributed	Financial Highlights section in Annual Report 2019
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training on anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
302-1	Energy consumption within the organisation	Energy and Emissions Management

## GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure Content	Section Reference
302-3	Energy Intensity	Energy and Emissions Management
302-5	Reductions in energy requirements of products and services	Design for Sustainability
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	Energy and Emissions Management
305-4	Greenhouse Gas Emissions Intensity	Energy and Emissions Management
307-1	Environmental Compliance	Environmental Targets and Compliance, Property Consultancy Targets and Compliance
308-1	Percentage of new suppliers that were screened using environmental criteria	Contractor Management
401-1	New employee hires and employee turnover	Our Workforce
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Remuneration and Benefits
401-3	Parental Leave	Employee Remuneration and Benefits
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety
404-3	Regular Performance and Career Development Review	Employee Remuneration and Benefits
405-1	Diversity of governance bodies and employees	Our Workforce
413-1	Operations with local community engagement, impact assessments, and development programs	Impact Assessment of Properties
414-1	New suppliers that were screened using social criteria	Contractor Management
416-1	Assessment of the health and safety impacts of product and service categories	Product Health and Safety, Design for Safety, Managing Our Suppliers
416-2	Incidents of non-compliance concerning the health and safety impact of products and services	Product Safety Targets and Compliance
419-1	Non-compliance with laws and regulations in the social and economic area	Workforce Targets and Compliance



## SINGAPORE

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