SUNRISE SHARES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198201457Z)

ENTRY INTO CONSULTANCY SERVICE AGREEMENT

*Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings as in the announcement released on 30 December 2022 in relation to the consultancy and management service agreement with HKSAM and the termination announcement dated 23 March 2023 ("**Termination Announcement**").*

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Sunrise Shares Holdings Ltd. (the "**Company**", and together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company's subsidiary, Shenzhen Kimshek Consultancy Management Limited ("**SKCML**") has on 23 March 2023 entered into a Consultancy Service Agreement ("**Agreement**") with Zhuhai Tonglin Village Eco-Tourism Development Co., Ltd. ("**Zhuhai Tonglin**") in connection with providing the consultancy services to Zhuhai Tonglin for establishment of and branding for, Zhongtong Youth Apartment (being shared apartment integrating hotels, home stays, and shared hotels with shared common facilities) including development of the branding concept, brand management software, operation management, marketing and promotion. The Company only received the executed copy of the Agreement on 24 March 2023.

The Agreement is also for SKCML to assist Zhuhai Tonglin with the commencement of the first flagship [youth apartment], *inter alia,* for the following work:-

(1) Design/supervise the first flagship Zhongtong Youth Apartment
(2) Handle operation procedures
(3) Personnel recruitment/training and advertisement
(4) To attract investment
(5) Operation of the first and second floor of the flagship property.

The first flagship youth apartment is targeted to commence business on 8 October 2023.

The Directors confirmed that the entry into the Agreement is in the Group's ordinary course of business and it is in line with the business diversification mandate which has been approved by the Company's Shareholders at the extraordinary general meeting on 26 April 2017. Moreover, the Company has completed several similar project consultancy agreements (including development and management of brand for apartments in the Peoples Republic of China).

The Company's management has never given up the opportunity to find new business and this Agreement is a culmination of months of work to secure new contracts. The youth apartment project is a project in the field of real estate. At the same time, Zhuhai Tonglin just happened to have this plan and was willing to build a youth apartment chain brand. The counterparty for the Agreement believes that the Company has the necessary experience and professional knowledge to assist them in creating a youth apartment brand. The signing date of the Agreement is jointly negotiated and determined by both parties.

Shareholders should note that as announced pursuant the Termination Agreement, the interested person transaction was terminated as Hong Kong Sunrise Asset Management, which is a related party, and their substantial shareholder and its associates have no new business for the time being. Notwithstanding, the Company has been able to secure a contract for provision of services to Zhuhai Tonglin, who had requirements and whose Zhongtong Youth Apartment is being executed.

As announced pursuant to the Termination Agreement, the Company has been in negotiations with a third party (being Zhuhai Tonglin) for consulting services for a while and at the time of the Termination Announcement, the Company did not have confirmation or assurances that the said Agreement will be executed despite protracted negotiations. Whilst, the Agreement was dated 23 March 2023, the Company only received the executed copy from its counterparty on 24 March 2023, indicating acceptance by the counterparty on the scope as well as terms and conditions.

Shareholders should note that Zhuhai Tonglin and and Hong Kong Sunrise Asset Management, are not related companies and are owned by different ultimate and beneficiary shareholders.

2. INFORMATION ON ZHUHAI TONGLIN

Zhuhai Tonglin is a company incorporated in Zhuhai City, Guangdong Province, China which is principally engaged in the business of providing accommodation. Their business scope includes: license project: tourism business; accommodation service; construction project construction. (For items subject to approval according to law, business activities can only be carried out after approval by relevant departments. Specific business items shall be subject to approval documents or license of relevant departments.) General items: flower planting; gift flower sales; hotel management; TCM health care services (non-medical); health care services (non-medical). (Except for the items subject to approval according to law, independently carry out business activities according to law with the business license).

The legal representative and the sole director of Zhuhai Tonglin is Mr. Li Panfeng ("**Mr. Li**"), and its shareholder is Shenzhen Tonglin Village Management Co., Ltd. ("**Shenzhen Tonglin**"), which is wholly-owned by Mr. Li (ultimate beneficiary owner). Whilst the Group has business dealings with Mr. Li and his companies or companies owned by him in the past, the Company and the Directors confirmed that Zhuhai Tonglin, its shareholder and director and Mr.Li are not an Interested Person or an associate of an Interested Person (as defined under Chapter 9 of the Catalist Rules) and entry into the Agreement is not an Interested Persons Transaction as defined under Chapter 9 of the Catalist Rules.

The Directors confirms that:

(a) the current director and current shareholder of Zhuhai Tonglin, and the current director(s) and shareholder(s) of any of its intermediate holding companies and ultimate holding company (if any) and its ultimate beneficiary shareholder (Mr. Li) do not act and are not accustomed to act in accordance to the instructions of the Company, its Directors and substantial shareholders and are not related or associates of each of them as defined under the Catalist Rules; and

(b) the past director(s) and the past shareholder(s) of Zhuhai Tonglin and any of its intermediate companies and ultimate holding company (if any) and the ultimate beneficial owner of Zhuhai Tonglin in the past, do not act and are not accustomed to act in accordance to the instructions of the Company, its Directors and substantial shareholders. Further such parties are not related of each of the Directors, and substantial shareholders, and, save as disclosed in this announcement, do not have any connection (including, *inter alia*, financial or business connection) with any of Director and/or substantial shareholders of the Company.

The Company's entry into the Agreement is beneficial to the Company and will support the Company's business development and current operations in particular due to the fact that the Group has no existing business contract as at the date of this announcement.

3. SALIENT TERMS OF THE AGREEMENT

The salient terms of the Agreement are, *inter-alia*, as follows: -

(a) The period of the Agreement is set for three (3) years, from date of the Agreement, i.e. 23 March 2023 to 23 March 2026.
(b) The agreed fee payable by Zhuhai Tonglin to SKCML includes (i) branding manual fees of RMB800,000 (RMB 200,000 to be paid within seven days after the signing of the Agreement, RMB 300,000 to be paid after SKCML's submission of the plan and confirmation thereof by Zhuhai Tonglin, and the balance shall be paid after the completion, review and confirmation of all the brand manual ; (ii) set-up costs for the opening of flagship store of RMB600,000 (RMB 180,000 to be paid within seven days after the signing of the Agreement, and the balance will be paid within three days after the commencement of official operation; and (iii) consultation management fee payable based on 6% of the revenue and 6% of the profit for each store (which is to be on quarterly basis).
(c) All the above-mentioned fees payable to SKCML are non-refundable.
(d) Either party can terminate the Agreement during the term of the Agreement subject to the negotiation between both parties.
(e) During the term of the Agreement, the Agreement may be terminated in advance with the consent of both parties, provided that Zhuhai Tonglin shall pay the outstanding amount as required by the Agreement.
(f) If the plan report submitted by SKCM for two consecutive times fails to be approved by Zhuhai Tonglin, Zhuhai Tonglin has the right to unilaterally terminate the Agreement, and the consultancy fee already collected by SKCM shall not be refunded as compensation.

According to previous years, the Company has completed a number of consulting agreements covering brand concept and brand management development, including brand apartment consulting services, engineering construction and marketing services. The Company believes that the professional service in brand apartment consulting is sufficient. SKCML has been engaged in consulting services for property management, hotel management, marketing, project management, project management and similar projects in mainland China. The

similar projects are: Hainan Tonglin Village Project Management, Zhuhai Huitong Project Management and Anji Tonglin Sales Consultancy.

Save as disclosed above, there is no other material terms for the Agreement. In the event there is any variation or any material development in relation to the Agreement, the Company will provide and announce such further information as may be needed in the course of the said Agreement.

4. FINANCIAL EFFECTS OF THE AGREEMENT

Following the termination of the consultancy contract between the Company's indirect wholly owned subsidiary Hong Kong Sunrise Consultant Limited and Hong Kong Sunrise Asset Management which was announced on 23 March 2023, the Group had no outstanding consultancy contracts. As such the Group's entry into the Agreement is expected to have a material favourable impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2023. The Termination Announcement has stated that the Company has been negotiating business, strive to sign the contract successfully, and strive to sign 2-3 projects in 2023. The entry into this Agreement is one of the projects for 2023.

The Directors confirm that the termination of the IPT contract as announced on 23 Mar 2023 was not made in contemplation of the entry into the Agreement for the youth apartment, nor was the entry into the Agreement made in contemplation of the termination of the IPT contract.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and other than through their respective shareholdings in the Company, none of the Directors, or to the best of the Directors' knowledge, substantial shareholders of the Company has any interest, direct or indirect in the Agreement or Zhuhai Tonglin (or its intermediate holding companies and ultimate holding company (if any) or ultimate beneficial shareholder).

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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 or circumstances about the Agreement, the Company and its subsidiaries, and the Directors 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 has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. The Agreement is subject to such further terms and conditions as are customary in similar transactions. The Company will provide further details, where necessary, in subsequent announcements in accordance with the listing rules of the SGX-ST at the appropriate junctures. Shareholders and potential investors are advised to consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The Agreement will be made available for inspection at the Company's registered office, at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Wong Siu Fai
Executive Director and Chairman
27 March 2023

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*This announcement 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 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 Ms. Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271