CIRCULAR DATED 11 AUGUST 2023

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF SUNRISE SHARES HOLDINGS LTD. AND THE ADVICE OF HONG LEONG FINANCE LIMITED TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Sunrise Shares Holdings Ltd. (the "Company"). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

If you have sold or transferred all your issued and paid-up ordinary shares represented by physical share certificate(s) in the capital of the Company, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Company has opted for electronic dissemination of this Circular. Please note that no printed copies of this Circular will be despatched to Shareholders (as defined hereinafter). Only printed copies of the Notification Letter (as defined hereinafter) will be despatched to Shareholders.

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

The contact person for the Sponsor is Ms. Wong Bee Eng, Chief Executive Officer, at 96 Robinson Road, #13-01, SIF Building, Singapore 068899, telephone: (65) 6227 5810, email: wongbe@provenancecapital.com.

The legal adviser to the Company in relation to this Circular is Bird & Bird ATMD LLP.

SUNRISE SHARES HOLDINGS LTD.

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

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY CONDITIONAL CASH OFFER

by

RHT CAPITAL PTE. LTD.

(Company Registration No. 201109968H)
(Incorporated in the Republic of Singapore)

for and on behalf of

DATUK WIRA BOO KUANG LOON

for all the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by Datuk Wira Boo Kuang Loon

Independent Financial Adviser to the Independent Directors of Sunrise Shares Holdings Ltd.

HONG LEONG FINANCE LIMITED

(Company Registration No. 196100003D)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS (AS DEFINED HEREIN) SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 28 AUGUST 2023. THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON 28 AUGUST 2023 OR TO REVISE THE TERMS OF THE OFFER.

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

"**Acceptance Forms**"	:	The FAA and the FAT collectively or any one of them, as the case may be
"**Accepting Shareholder**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Acquisition**"	:	Has the meaning ascribed to it in Section 1.1 of the Offer Document
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**Adjusted Offer Price**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Books Closure Date**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Annual Report FY2022**"	:	Annual report of the Group containing the audited financial statements of the Group for FY2022
"**Board**"	:	The board of Directors as at the Latest Practicable Date
"**Business Day**"	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
"**Catalist Rules**"	:	Section B of the Listing Manual: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time up to the Latest Practicable Date
"**Circular**"	:	This circular to Shareholders dated 11 August 2023 in relation to the Offer enclosing, *inter alia*, the IFA Letter
"**Closing Date**"	:	**5.30 p.m. (Singapore time) on 28 August 2023,** being the last day for the lodgement of acceptances for the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
"**Concert Parties**"	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
"**Constitution**"	:	The constitution of the Company
"**Convertible Securities**"	:	Securities convertible or exchangeable into new shares or existing shares
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPF Board**"	:	Central Provident Fund Board
"**CPFIS**"	:	Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"**Derivatives**"	:	Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities

"**Directors**"	:	The directors of the Company as at the Latest Practicable Date, and "**Director**" means any one of them
"**DCS**"	:	Has the meaning ascribed to it in Section 2.5 of this Circular
"**Despatch Date**"	:	31 July 2023, being the date of despatch of the Offer Document Notification, the FAA and the FAT, and electronic dissemination of the Offer Document and its related documents
"**Dissenting Shareholders**"	:	Has the meaning ascribed to it in Section 6 of this Circular
"**Distributions**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Encumbrances**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Excluded Persons**"	:	(i) a person who is accustomed or is under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of the Offeror in respect of the Company; (ii) the Offeror's spouse, parent, brother, sister, son, adopted son, stepson, daughter, adopted daughter or stepdaughter; (iii) a person whose directions, instructions or wishes the Offeror is accustomed or is under an obligation whether formal or informal to act in accordance with, in respect of the Company; and (iv) a body corporate that is controlled (within the meaning of Section 215(12) of the Companies Act) by the Offeror or a persons in respect of (i), (ii) or (iii)
"**FAA**"	:	Form of Acceptance and Authorisation for Shares in respect of the Offer, applicable to Depositors whose Shares are deposited with CDP and which forms part of the Offer Document
"**FAT**"	:	Form of Acceptance and Transfer for Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
"**Final Day Rule**"	:	Has the meaning ascribed to it in Section 2.4 of this Circular
"**FY**"	:	Financial year ended or ending on, as the case may be, 31 December
"FY2020"	:	Financial year ended 31 December 2020
"FY2021"	:	Financial year ended 31 December 2021
"FY2022"	:	Financial year ended 31 December 2022
"**IFA Letter**"	:	The letter dated 11 August 2023 from the IFA to the Independent Directors in respect of the Offer as set out in **Appendix 1** to this Circular
"**Independent Directors**"	:	The Directors who are considered independent for the purposes of the Offer, being the entire Board of Directors, namely Mr. Zheng Aimin, Mr. Tang An and Mr. Wang Ziquan

"**Interested Person**"	:	As defined in Note on Rule 24.6 of the Code and read with Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer, or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer, or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% of more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
"**Latest Trading Date**"	:	7 July 2023, being the last Market Day on which the Shares were traded prior to the issue of the Offer Announcement
"**Latest Practicable Date**"	:	7 August 2023, being the latest practicable date prior to the printing of this Circular
"**Market Day**"	:	A day on which the SGX-ST is open for trading of securities
"**Minimum Acceptance Condition**"	:	Has the meaning ascribed to it in Section 2.2 of this Circular
"**Notification Letter**"	:	Has the meaning ascribed to it in Section 13 of this Circular
"**Offer**"	:	The mandatory conditional cash offer by RHTC, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT
"**Offer Announcement**"	:	The announcement in connection with the Offer released by RHTC for and on behalf of the Offeror, on the Offer Announcement Date
"**Offer Announcement Date**"	:	10 July 2023, being the date of the Offer Announcement
"**Offer Document**"	:	The offer document dated 31 July 2023, including the FAA and FAT, and any other document which may be issued by RHTC, for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
"**Offer Period**"	:	The period commencing from the Offer Announcement Date until the date the Offer is declared to have closed or lapsed

"**Offer Document Notification**"	:	Notification of electronic dissemination of the Offer Document and its related documents dated 31 July 2023
"**Offer Price**"	:	S$0.0218 in cash for each Offer Share
"**Offer Shares**"	:	All the issued Shares to which the Offer relates, as described in the Offer Document
"**Options**"	:	Options to subscribe for or purchase new Shares or existing Shares
"**Overseas Shareholder**"	:	A Shareholder whose address is outside Singapore as shown in the Register or in the Depository Register (as the case may be)
"**Reference Period**"	:	The period commencing six (6) months prior to the Offer Announcement Date and ending on the latest practicable date of the Offer Document, being 26 July 2023
"**Register**"	:	The register of holders of the Shares, as maintained by the Registrar
"**Relevant Day**"	:	Has the meaning ascribed to it in Section 2.5 of this Circular
"**Relevant Persons**"	:	The Offeror, his Concert Parties and RHTC
"**Relevant Securities**"	:	(i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in the Company
"**Restricted Jurisdiction**"	:	Any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction
"**Rule 22.6 Period**"	:	Has the meaning ascribed to it in Section 2.4 of this Circular
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"**Sale Shares**"	:	Has the meaning ascribed to it in Section 1.1 of the Offer Document
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore
"**Shareholders**"	:	Holders of Shares (other than CDP), including persons whose Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST
"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company
"**Shut-Off Notice**"	:	Has the meaning ascribed to it in Section 2.4 of this Circular
"**SRS**"	:	Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Shares pursuant to the SRS

"Substantial Shareholder"	:	A person who has an interest in not less than 5.0% of the total number of issued voting Shares
"VWAP"	:	Volume weighted average price
"**Warrants**"	:	Rights to subscribe for or purchase new Shares or existing Shares
"**%**" or "**per cent.**"	:	Per centum or percentage

COMPANIES/ORGANISATIONS

"**Auditors**"	:	PKF-CAP LLP
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	Sunrise Shares Holdings Ltd.
"**Corporate Secretarial Agent**"	:	In.Corp Corporate Services Pte. Ltd.
"**CPF**"	:	The Central Provident Fund
"**Group**"	:	The Company and its subsidiaries
"**IFA**" or "**HLF**"	:	Hong Leong Finance Limited, the independent financial adviser to the Independent Directors in respect of the Offer
"**Offeror**"	:	Datuk Wira Boo Kuang Loon
"**Registrar**"	:	In.Corp Corporate Services Pte. Ltd., in its capacity as the share registrar of the Company
"**RHTC**"	:	RHT Capital Pte. Ltd.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SIC**"	:	Securities Industry Council of Singapore
"**Sponsor**"	:	Provenance Capital Pte. Ltd.

Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code.

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them in Section 81 SF of the SFA.

The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

References to "**you**" and "**your**" in this Circular are, as the context so determines, to Shareholders.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or the Code or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules or the Code or any statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Circular to the total number of issued Shares is a reference to 209,337,290 Shares (the Company does not hold any treasury shares) as at the Latest Practicable Date, unless otherwise stated.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics, and capitalised terms used within these reproduced statements bear the same meanings as ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include, but are not limited to, those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "potential", "strategy", "forecast", "possible", "probable" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" or "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Date of electronic dissemination of Offer Document	:	31 July 2023
Date of electronic dissemination of Circular	:	11 August 2023
Closing Date	:	5.30 p.m. (Singapore time) on 28 August 2023, being the last day for the lodgement of acceptances of the Offer. As stated in the Offer Document, the Offeror does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on 28 August 2023 or to revise the terms of the Offer. Notice was given in the Offer Document that the Offer will close at 5.30 p.m. (Singapore time) on 28 August 2023 and will not be open for acceptance beyond 5.30 p.m. (Singapore time) on 28 August 2023 and the terms of the Offer will not be revised, save that such notice shall not be capable of being enforced in a competitive situation.
Settlement of consideration for valid acceptances of the Offer	:	(i) In respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) Business Days of that date. (ii) In respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) Business Days of the date of such receipt. Please refer to Appendix 1 to the Offer Document for further information.

LETTER TO SHAREHOLDERS

Sunrise Shares Holdings Ltd.

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

Directors:

Mr. Zheng Aimin, *Lead Independent Director*
Mr. Tang An, *Independent Director*
Mr. Wang Ziquan, *Independent Director*

Registered Office:

30 Cecil Street, #19-08
Prudential Tower
Singapore 049712

11 August 2023

To: The Shareholders

Dear Shareholders,

MANDATORY CONDITIONAL CASH OFFER BY RHTC, FOR AND ON BEHALF OF THE OFFEROR FOR ALL THE SHARES OF THE COMPANY

1. INTRODUCTION

1.1 OFFER ANNOUNCEMENT

The Company refers to the Offer Announcement made by RHTC, for and on behalf of the Offeror, on the Offer Announcement Date, in relation to the Offer.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 OFFER DOCUMENT

Shareholders should have by now received a copy of the Offer Document, as announced by RHTC, for and on behalf of the Offeror, which has been disseminated on 31 July 2023, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 and Appendix 1 to the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 INDEPENDENT FINANCIAL ADVISER

HLF has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

1.4 PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer, and to set out the recommendation of the Independent Directors and the advice of HLF to the Independent Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix 1 to this Circular carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether to accept or reject the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1 OFFER TERMS

The Offer is made by the Offeror on the principal terms set out in Section 2 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***2. THE OFFER***

2.1 ***Offer.*** *RHTC, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Offer Shares in accordance with Section 139 of the SFA and Rule 14 of the Code and on the terms and subject to the conditions set out in this Offer Document, and the FAA and/or the FAT, as the case may be.*

2.2 ***Offer Shares****. The Offer will be extended to all Offer Shares as at the Offer Announcement Date. For the avoidance of doubt, the Offer will be also extended to all Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert ("****Concert Parties****") with the Offeror.*

2.3 Offer Price. The consideration for each Offer Share is as follows:

For each Offer Share: S$0.0218 in cash ("Offer Price")

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

2.4 ***No Encumbrances****. The Offer Shares are to be acquired (i) fully paid; (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("****Encumbrances****"); and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, "****Distributions****" and each, a "****Distribution****") on or after the Offer Announcement Date.*

2.5 ***Adjustment for Distributions****. Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be announced, declared, paid or made by the Company on or after the Offer Announcement Date.*

*Accordingly, in the event any Distribution is or has been announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer ("****Accepting Shareholder****") shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:*

*2.5.1 if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution ("****Books Closure Date****"), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and*

*2.5.2 if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (Offer Price after such reduction, "****Adjusted Offer Price****") and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.*

2.7 ***No Convertible Securities****. As at the Latest Practicable Date, based on publicly available information, there are no outstanding instruments convertible into rights to subscribe for, and options in respect of, securities which carry voting rights, in the Company.*"

2.2 ACCEPTANCE CONDITION

Section 2.6 of the Offer Document sets out the acceptance condition of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"*2.6* ***Minimum Acceptance Condition****. The Offer will be conditional upon the Offeror having received, by the Closing Date of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and his Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50% of the total voting rights attributable to the Shares ("****Minimum Acceptance Condition****").*

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects."

2.3 WARRANTY

Section 2.8 of the Offer Document sets out the warranty in connection with the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"*2.8* ***Warranty****. A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof: (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.*"

2.4 DURATION OF THE OFFER

The duration of the Offer is set out in Paragraph 1 of Appendix 1 to the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***1. DURATION OF THE OFFER***

1.1 ***Closing Date****. The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 28 August 2023, being the Closing Date. The Offeror does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on 28 August 2023 and the Offer will not be open for acceptances beyond 5.30 p.m. on 28 August 2023. The Offeror does not intend to revise the terms of the Offer.*

Notice is hereby given, pursuant to Rule 22.6 of the Code, that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on 28 August 2023, save that such notice shall not be capable of being enforced in a competitive situation.

1.2 ***No Obligation to Extend the Offer.*** *The Offeror is not obliged to extend the Offer if the Minimum Acceptance Condition as set out in Section 2.5 (Minimum Acceptance Condition) of the Letter to Shareholders in this Offer Document is not fulfilled by the Closing Date.*

1.3 ***Offer to Remain Open for 14 Days After Being Declared Unconditional as to Acceptances.*** *Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for a period ("**Rule 22.6 Period**") of not less than 14 days after the date on which the Offer would otherwise have closed, in order to give Shareholders who have not accepted the Offer the opportunity to do so.*

*This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:*

(a) the Offeror may not give a Shut-Off Notice in a competitive situation; and

(b) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

For these purposes, the SIC would normally regard a "competitive situation" to have arisen if a competing offer for the Company has been announced.

*If a declaration that the Offer is unconditional is confirmed in accordance with **Paragraph 4.2 (a) of this Appendix 1**, the Rule 22.6 Period will run from the date of such confirmation (if given) or the date on which the Offer would otherwise have closed, whichever is later.*

1.4 ***Final Day Rule**. The Offer (whether revised or not) will not be capable:*

(a) *of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Despatch Date; or*

(b) *of being kept open after the expiry of such 60-day period unless the Offer has previously become or been declared to be unconditional as to acceptances, provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent ("**Final Day Rule**"). The SIC will normally grant such permission if a competing offer has been announced.*

Except with the SIC's consent, all conditions must be fulfilled or the Offer must lapse within 21 days of the Closing Date or of the date the Offer becomes or is declared to be unconditional as to acceptances, whichever is later.

As notice is hereby given pursuant to Rule 22.6 of the Code, that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on 28 August 2023, the Offer will close at 5.30 p.m. (Singapore time) on 28 August 2023, being the Closing Date, save that such notice shall not be capable of being enforced in a competitive situation. This means that if the Offer becomes unconditional as to acceptances before the Closing Date or even if the Offer becomes unconditional as to acceptances on the Closing Date itself, there will NOT be any further extension of the Closing Date and Shareholders who do not accept the Offer by the Closing Date will not be able to do so after the Closing Date. Acceptances of the Offer received after 5.30 p.m. on 28 August 2023 will be rejected.

1.5 ***Revision**. Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer. The Offeror does not intend to revise the Offer Price or any other terms of the Offer.*"

2.5 DETAILS OF THE OFFER

The details of the Offer relating to (i) the settlement of the consideration for the Offer; (ii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iii) the right of withdrawal of acceptances of the Offer are set out in Paragraphs 2, 3, and 4 of Appendix 1 of the Offer Document, extracts of which are set out below.

"***2. SETTLEMENT FOR THE OFFER***

Subject to the Offer becoming or being declared unconditional in all respects and to the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions set out in this Offer Document and in the relevant Acceptance Forms, and in the case of a depositor, the receipt by the Offeror of confirmations satisfactory to it that the number of Offer Shares tendered by the depositor in acceptance of the Offer are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to the Accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by means of:

*(a) in the case of an Accepting Shareholder who has subscribed to CDP's Direct Crediting Services ("**DCS**"), credited directly into such Shareholder's designated bank account for S$ via CDP's DCS. In the case of an Accepting Shareholder who has not subscribed to CDP's DCS, any monies to be paid to such Shareholder shall be credited to his Cash Ledger and be subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are as defined therein); or*

(b) in the case of an Accepting Shareholder holding share certificate(s) which are not deposited with CDP, a S$ crossed cheque drawn on a bank operating in Singapore and sent by ordinary post to his address stated in his FAT or if none is stated, to his address as indicated in the register of members of the Company, at the risk of the Accepting Shareholder or in such other manner as may be agreed between the Registrar and the Accepting Shareholder, as soon as practicable but in any event within seven (7) Business Days of the later of: (a) the date on which the Offer becomes or is declared to be unconditional in all respects, or (b) the Date of Receipt of such acceptance.

3. ANNOUNCEMENTS

3.1 ***Timing and Contents****. Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the Market Day ("**Relevant Day**") immediately after the day on which the Offer is due to expire, or the Offer becomes or is declared to be unconditional as to acceptances or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):*

(a) for which valid acceptances of the Offer have been received;

(b) held by the Offeror and any of his Concert Parties before the Offer Period; and

(c) acquired or agreed to be acquired by the Offeror and any of his Concert Parties during the Offer Period,

and will specify the percentages of the total number of issued Shares represented by such numbers.

3.2 ***Suspension.*** *Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of* ***Paragraph 3.1*** *of this* ***Appendix 1****, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.*

3.3 ***Valid Acceptances****. Under Rule 28.1 of the Code and subject to* ***Section 15.4 (Valid Acceptances)*** *of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.*

Acceptances of the Offer will only be treated as valid for the purposes of the Minimum Acceptance Condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

3.4 ***Announcements****. In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by RHTC, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.*

4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFER

4.1 ***Acceptances Irrevocable.*** *Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.*

4.2 ***Right of Withdrawal of Shareholders****. A Shareholder who has accepted the Offer may:*

(a) *withdraw his acceptance immediately if the Offer has become or been declared to be unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in* ***Paragraph 3.1*** *of this* ***Appendix 1*** *by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight (8) days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in* ***Paragraph 3.1*** *of this* ***Appendix 1****. For the purposes of* ***Paragraph 1.3*** *of this* ***Appendix 1****, the Rule 22.6 Period referred to therein shall run from the date of such confirmation (if given) or the date on which the Offer would otherwise have expired, whichever is later;*

(b) *withdraw his acceptance after 14 days from the Closing Date, if the Offer has not by then become or been declared unconditional as to acceptances. Such entitlement to withdraw may be exercisable until such time as the Offer becomes or is declared unconditional as to acceptances; and*

(c) *withdraw his acceptance immediately if a competing offer for the Shares becomes or is declared unconditional as to acceptances. This right of withdrawal also applies in the converse situation, i.e. if the Offer becomes or is declared unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such competing offer immediately.*

4.3 ***Procedure for Withdrawal of Acceptances****. To withdraw his acceptance under the Offer:*

(a) an Accepting Shareholder holding Offer Shares which ***are not deposited*** *with CDP must give written notice to Datuk Wira Boo Kuang Loon c/o In.Corp Corporate Services Pte. Ltd., 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or*

*(b) an Accepting Shareholder holding Offer Shares which **are deposited** with CDP must give written notice to Datuk Wira Boo Kuang Loon c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.*

A notice of withdrawal shall be effective only if signed by the Accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror."

2.6 PROCEDURES FOR ACCEPTANCE

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

2.7 CLOSING DATE

Shareholders should note the Closing Date of **5:30 p.m. (Singapore time) on 28 August 2023.**

The Offeror has stated that he does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on 28 August 2023 and the Offer will not be open for acceptances beyond 5.30 p.m. on 28 August 2023. The Offeror does not intend to revise the terms of the Offer. The Offeror has given notice under Rule 22.6 of the Code that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on 28 August 2023, save that such notice shall not be capable of being enforced in a competitive situation.

3. <u>INFORMATION ON THE OFFEROR</u>

3.1. THE OFFEROR

Section 5 of the Offer Document sets out certain information on the Offeror, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***5. INFORMATION ON THE OFFEROR***

*5.1 **The Offeror.** The Offeror is a Malaysian businessman with interests in a range of industries including real estate development and investment holding. He is a substantial shareholder of Yong Tai Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad principally engaged in real estate development, and was appointed as Chief Executive Officer of Yong Tai Berhad, a position he held until 10 May 2023. He currently remains as an Executive Director of Yong Tai Berhad and has direct interest of 5.01% in Yong Tai Berhad.*

*5.2 **The Offeror and Concert Parties.** As at the Latest Practicable Date, the Offeror holds 69,012,815 Shares, representing approximately 32.97% of the total number of issued Shares. As at the Latest Practicable Date, none of the Concert Parties hold any Shares.*"

4. <u>IRREVOCABLE COMMITMENTS</u>

4.1 IRREVOCABLE COMMITMENTS TO ACCEPT THE OFFER

The Offeror has disclosed, in Section 11.3 of the Offer Document, that as at the latest practicable date of the Offer Document, none of the Relevant Persons has received any irrevocable commitment from any party to accept or reject the offer. The relevant paragraph is extracted below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"*11.3 **No Irrevocable Commitments**. As at the Latest Practicable Date, none of the Relevant Persons has received any irrevocable commitment from any party to accept or reject the Offer.*"

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions for the Company has been extracted from Sections 7 and 8 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extracts below carefully and note the Offeror's future plans for the Company.**

"***7. RATIONALE FOR THE OFFER***

As set out in Section 1.1 above, the Offer is made by the Offeror in compliance with the requirements of the Code because following the completion of the Acquisition, the Offeror will have acquired Shares which represents in excess of 30% of the voting rights of the Company.

8. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced, which may involve the disposal or cessation of under-performing businesses and assets, acquisition of new assets and the redeployment of certain employees of the Company and its subsidiaries, in the future.

Additionally, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which he may regard to be in the interests of the Group.

Save as disclosed above, the Offeror has no current intention to (a) introduce any material changes to the existing business of the Group, (b) re-deploy the Group's fixed assets, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. The Offeror, however, retains the flexibility at any time to consider options or opportunities which may present themselves."

6. COMPULSORY ACQUISITION AND LISTING STATUS

Section 10 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully.**

"***10. LISTING STATUS AND COMPULSORY ACQUISITION***

10.1 ***Listing Status and Trading Suspension****. Under Rule 1104 of the Catalist Rules, upon the announcement by the Offeror that valid acceptances have been received pursuant to the Offer that bring the holdings of the Offeror and the parties acting in concert with it to above 90% of the total number of Shares (excluding any treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public.*

Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) which is held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Rule 723 of the Catalist Rules requires the Company to ensure that at least 10% of the total number of Shares (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as

soon as practicable, notify its sponsor of that fact and announce that fact, and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

However, the Offeror reserves the right to re-evaluate his position, taking into account, among other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the percentage of Shares held in public hands falls below 10%.

10.2 ***Compulsory Acquisition****. Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of Shares (other than those already held by the Offeror, his nominees and any Excluded Persons) as at the date of the Offer and excluding treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer ("****Dissenting Shareholders****") at a price equal to the Offer Price.*

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by him, his nominees and any Excluded Persons, comprise 90% or more of the total number of Shares, the Dissenting Shareholders will have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

The Offeror intends to maintain the listing status of the Company, and presently has no intention of exercising his rights of compulsory acquisition under Section 215(1) of the Companies Act, should it be available to him."

7. FINANCIAL EVALUATION OF THE OFFER

Section 9 of the Offer Document sets out certain information on the financial evaluation of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***9. FINANCIAL EVALUATION OF THE OFFER***

The Offer Price represents the following discount to the historical transacted prices of the Shares on the SGX-ST:

Description	***Benchmark Price (S$)[1]***	***Premium over / (Discount) to the Benchmark Price (%)[2]***
Last transacted price per Share as quoted on the SGX-ST on the Last Trading Date	*0.0350*	*(37.71)*
VWAP[3] per Share for the 1-month period prior to and including the Last Trading Date	*0.0342*	*(36.26)*
VWAP[3] per Share for the 3-month period prior to and including the Last Trading Date	*0.0364*	*(40.11)*
VWAP[3] per Share for the 6-month period prior to and including the Last Trading Date	*0.0370*	*(41.08)*
VWAP[3] per Share for the 12-month period prior to and including the Last Trading Date	*0.0405*	*(46.17)*

Notes:

(1) Based on data extracted from Bloomberg L.P.. Figures have been rounded to the nearest four (4) decimal places.

(2) Percentage figures have been rounded to the nearest two (2) decimal places.

(3) The VWAP is calculated based on the turnover divided by volume of the Shares as extracted from Bloomberg L.P."

8. DISCLOSURE OF SHAREHOLDING AND DEALINGS

Section 11 and Appendix 4 of the Offer Document sets out certain information relating to the disclosure of shareholdings and dealings, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***11. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS IN RELEVANT SECURITIES***

11.1 ***Holdings and Dealings in Relevant Securities****. Save as disclosed in this Offer Document (in particular, but without limitation, in* ***Appendix 4*** *to this Offer Document), and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Relevant Persons:*

(a) own, control or have agreed to acquire any Relevant Securities; and

(b) have dealt for value in any Relevant Securities during the Reference Period.

11.2 ***Other Arrangements in respect of Relevant Securities****. Save as disclosed in this Offer Document (in particular, but without limitation, in* ***Appendix 4*** *to this Offer Document), based on the latest information available to the Offeror, none of the Relevant Persons have:*

(a) entered into an arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities which may be an inducement to deal or refrain from dealing;

(b) granted any security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise;

(c) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or

(d) lent any Relevant Securities to another person.

11.3 ***No Irrevocable Commitments****. As at the Latest Practicable Date, none of the Relevant Persons has received any irrevocable commitment from any party to accept or reject the Offer.*"

Appendix 4 of the Offer Document:

"***1. HOLDINGS IN RELEVANT SECURITIES***

As at the Latest Practicable Date, based on responses to enquiries that the Offeror has made, the holdings of the Relevant Persons in the Relevant Securities are set out below(1):

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares(1)	%(2)(3)	No. of Shares(1)	%(2)	No. of Shares(1)	%(2)(3)
Offeror	69,012,815	32.97	–	–	69,012,815	32.97

Notes:

(1) Being the Sale Shares which the Offeror acquired pursuant to the Acquisition.

(2) Based on 209,337,290 Shares in issue as at the Offer Announcement Date.

(3) Percentage figures have been rounded to the nearest two (2) decimal places.

2. DEALINGS IN RELEVANT SECURITIES DURING THE REFERENCE PERIOD

The dealings in the Relevant Securities by the Relevant Persons during the Reference Period are set out below.

Name	***Date***	***No. of Shares Acquired[1]***	***No. of Shares Disposed***	***Transaction Price per Share (S$)[2]***
Offeror	*10 July 2023*	*69,012,815*	*–*	*0.0217*

Notes:

(1) Being the Sale Shares which the Offeror acquired pursuant to the Acquisition.

(2) Figures have been rounded to the nearest four (4) decimal places."

9. CONFIRMATION OF FINANCIAL RESOURCES

Section 12 of the Offer Document sets out certain information on the confirmation of financial resources, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***12. CONFIRMATION OF FINANCIAL RESOURCES***

RHTC, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by holders of the Offer Shares on the basis of the Offer Price."

10. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Shares as at the Latest Practicable Date are set out in **Appendix 2** to this Circular.

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

11.1 INDEPENDENCE OF DIRECTORS

All the Directors are considered independent for the purposes of making a recommendation to Shareholders in relation to the Offer.

11.2 THE INDEPENDENT FINANCIAL ADVISER AND THE IFA LETTER

Hong Leong Finance Limited has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

Shareholders should read and consider carefully the advice of HLF to the Independent Directors in respect of the Offer as set out in the IFA Letter and the recommendation of the Independent Directors in their entirety before deciding whether to accept or reject the Offer. The IFA Letter is reproduced in Appendix 1 to this Circular.

11.3 ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS ON THE OFFER

Based on HLF's evaluation and assessment of the financial terms of the Offer, HLF has made its opinion and advice in respect of the Offer as set out in Section 10 of the IFA Letter and reproduced in italics below. The opinion and advice set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the IFA Letter.

"***10 RECOMMENDATION AND CONCLUSION***

Having carefully considered the information available to us, the analysis set out in this IFA Letter, and other relevant considerations as at the Latest Practicable Date, we are of the view that, on balance, the financial terms of the Offer are FAIR AND REASONABLE.

*In assessing the "**fairness**" of the Offer, we have considered the following pertinent factors from the perspective of the value of the Shares:*

(a) the audited NAV or NTA of the Group amounted to approximately S$3.8 million or S$0.0182 per Share (based on 209,337,290 issued Shares). Accordingly, the Offer Price represents a premium of approximately 19.8% over the audited NAV or NTA per Share of the Group as at 31 December 2022;

(b) the P/NAV or P/NTA ratio of 1.20 times (as implied by the Offer Price) is above the range of the P/NAV ratios of the Comparable Companies of between 0.21 times and 0.81 times;

(c) the P/NAV or P/NTA ratio of 1.20 times (as implied by the Offer Price) is (i) within the range of the P/NAV ratio of the Non-Privatisation Transactions of between 0.33 times and 2.19 times, and (ii) above the median and mean P/NAV ratio of the Non-Privatisation Transactions of 0.94 times and 0.96 times respectively;

(d) the Offer Price is higher than the estimated value of each Share;

(e) the Offer Price represents a discount of between 36.3% and 46.2% to the VWAP of the Shares for the 12-month, 6-month, 3-month, 1-month periods prior to and including the Last Trading Day, and up to the Latest Practicable Date; and

(f) the Non-Privatisation Transactions generally have a premium over the last transacted price on the Last Trading Day, 1-month, 3-month and 6-month VWAP while the Offer Price represents a discount to the last transacted price on the Last Trading Day, 1-month, 3-month and 6-month VWAP of the Shares.

Shareholders should note that there is no assurance that the market prices of the Shares would remain at the current prevailing level after the close of the Offer, and that past trading performance of the Shares is not in any way reflective of its future trading performance.

*In assessing the "**reasonableness**" of the Offer, we have considered the following pertinent factors other than from the perspective of the value of the Shares:*

(a) the average daily traded volumes of the Shares for the 12-month period prior to and including the Last Trading Day was less than 1.0% to the Company's free float of 71,970,160 Shares, and the Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity;

(b) the Group recorded significant decrease in revenue, and net profit attributable to Shareholders of the Company since FY2020;

(c) the Offer Price represents a premium of 0.5% to the price paid for the acquisition of Shares by the Offeror on 10 July 2023;

(d) the Company remains cautiously optimistic of the outlook of the Group, and will continue to pursue new contracts and opportunities that can add value to Shareholders. However, there is no certainty that the Group's financial performance and financial position will improve or will not deteriorate further;

(e) the Offeror's intentions to undertake a review of the business of the Group with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced following the close of the Offer. However, there is no certainty that the Offeror's review of the Group's business will lead to any corporate actions such as disposal or cessation of under-performing businesses and assets or acquisition of new assets, or in the event that these corporate actions are undertaken, the Group's financial performance or financial position will improve or will not deteriorate;

(f) the Offer being a conditional offer;

(g) the current intention of the Offeror to maintain the listing status of the Company on the Catalist board of the SGX-ST, and not to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act in the event that it receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptances) in respect of not less than 90% of the Offer Shares;

(h) there is no publicly available evidence of any alternative offer for the Shares from any third party;

(i) The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage or other trading costs; and

(j) the Directors have confirmed that the Company does not have a fixed dividend policy.

*Accordingly, on the balance of the above factors, we advise that the Independent Directors recommend Shareholders to **ACCEPT** the Offer. Shareholders who wish to realise their investment in the Company may also choose to sell their Shares on the open market if they are able to obtain a higher price after taking into account the applicable transaction costs.*

The Independent Directors should note that transactions of the Shares are subject to possible market fluctuations and, accordingly, our opinion and advice on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review."

Shareholders should read and consider carefully the key considerations relied upon by HLF in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

11.4 RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors, having considered carefully the terms of the Offer and the opinion and advice given by HLF to the Independent Directors in the IFA Letter, **concur** with the advice of HLF in respect of the Offer. Accordingly, the Independent Directors recommend that Shareholders should **ACCEPT** the Offer.

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are advised to read the full text of the IFA Letter set out in **Appendix 1** to this Circular and other relevant information set out in this Circular carefully before deciding whether to accept or reject the Offer. Shareholders should note that HLF's advice to the Independent Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept or reject the Offer.

Shareholders should note that trading of the Shares is subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by HLF to the Independent Directors in respect of the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established beyond the Latest Practicable Date.

In preparing the above advice and giving the above recommendation, HLF and the Independent Directors have not had regard to any general or specific investment objectives, financial situations, tax positions, risk profiles or particular needs and constraints or other particular circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice with regard to his Shares, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional adviser immediately.

SHAREHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS CIRCULAR, INCLUDING THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THIS OFFER AS SET OUT IN THE IFA LETTER IN APPENDIX 1 TO THIS CIRCULAR IN ITS ENTIRETY, BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT CAREFULLY.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders may accept the Offer in respect of all or any part of their holdings of Shares. Shareholders **who wish to accept the Offer** must do so not later than **5.30 p.m. (Singapore time) on 28 August 2023**. There are different procedures for acceptance for Depositors whose Securities Accounts are or will be credited with Shares and for Shareholders who hold Shares which are not deposited with CDP. Shareholders who wish to accept the Offer should take note of the "Procedures for Acceptance of the Offer" set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by the CDP (in respect of the FAA) or the Registrar (in respect of the FAT), as the case may be, not later than the Closing Date.

Shareholders **who do not wish to accept the Offer** need not take any further action in respect of the Offer Document and the FAA and/or FAT which have been sent to them.

13. ELECTRONIC DISSEMINATION OF THIS OFFEREE CIRCULAR

In line with the public statements issued by the SIC dated 6 May 2020, 29 September 2020 and 29 June 2021 on the despatch of take-over documents under the Code, no printed copies of this Circular will be despatched to the Shareholders.

Instead, this Circular has been disseminated electronically to the Shareholders through publication on the websites of both the SGX-ST and the Company. In connection with the electronic dissemination of this Circular, a hardcopy notification letter with instructions on how the Shareholders can locate this Circular electronically ("**Notification Letter**") will be despatched by ordinary post to the Shareholders.

Electronic copies of this Circular and the Notification Letter are available on the website of the SGX-ST at https://www.sgx.com/ and on the website of the Company at https://sunriseshares.com/download/index.html. Shareholders will need an internet browser and PDF reader to view this Circular on the websites of SGX-ST and/or the Company.

14. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Section 14 of the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***14. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS***

CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be) directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may be) should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks accordingly (as the case may be) by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Offer will receive the Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Offer, in their respective CPF investment accounts and SRS investment accounts."

15. OVERSEAS SHAREHOLDERS

Shareholders and Depositors holding Shares through CDP, whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an "**Overseas Shareholder**") should refer to Section 13 of the Offer Document extracts of which are set out below. Such Overseas Shareholders may be affected by the laws of the relevant overseas jurisdiction. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***13. OVERSEAS SHAREHOLDERS***

13.1 ***Overseas Jurisdictions****. This Offer Document does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable laws. The Offer will be made solely by the Offer Document and the relevant Acceptance Forms accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.*

The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Offer Document and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will be not capable of acceptance by any such use, means, instrumentality or facilities.

13.2 ***Overseas Shareholders**. The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable legal requirements in the relevant overseas jurisdictions.*

For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/or any related documents have not been, or may not be, despatched.

13.3 ***Copies of the Notification and the relevant Acceptance Forms**. Where there are potential restrictions on sending the Notification (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents), the relevant Acceptance Forms and/ or any related documents to any overseas jurisdiction, the Offeror and RHTC each reserves the right not to send these documents to such Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may nonetheless obtain copies of the Notification, the relevant Acceptance Forms and/or any related documents during normal business hours and up to the Closing Date from (1) CDP (if he is a Depositor), or (2) the office of the Registrar (if he is a scripholder). Overseas Shareholders may find the email address, address and/or telephone number of CDP and the Registrar below:*

(1) The Central Depository (Pte) Limited *Tel: +65 6535 7511* *Email: asksgx@sgx.com*	*(2) In.Corp Corporate Services Pte. Ltd.* *30 Cecil Street* *#19-08 Prudential Tower* *Singapore 049712* *Tel: +65 6812 1611* *Email: shareregistry@incorp.asia*

13.4 ***Request from CDP or Registrar**. Alternatively, an affected Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror: (a) through CDP at Robinson Road Post Office, P.O. Box 1984, Singapore 903934 (if he is a Depositor), or (b) through the Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 (if he is a scripholder), to request for the Notification, the relevant Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.*

13.5 ***Compliance with applicable laws**. It is the responsibility of any Overseas Shareholder who wishes to: (i) request for the Notification, the relevant Acceptance Forms and/or any related documents; and/or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on his behalf (including RHTC, CDP and the Registrar) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3) of the Companies Act. In (i) requesting for the Notification, the relevant Acceptance Forms*

and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, RHTC, CDP and the Registrar that he is in (a) full observance of the laws of the relevant jurisdiction in that connection and (b) full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

13.6 ***Notice****. The Offeror and RHTC each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement, notice or advertisement.*"

16. GENERAL

16.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

16.2 Consent of the IFA

Hong Leong Finance Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter which is set out in **Appendix 1** to this Circular and all references to its name in the form and context in which they appear in this Circular.

16.3 Consent of the Auditors

PKF-CAP LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the audited consolidated financial statements of the Group for FY2022, which are set out in **Appendix 4** to this Circular and all references to its name in the form and context in which they appear in this Circular.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of the preparation of this Circular) confirm that they have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed in this Circular (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer and the IFA Letter) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document and the IFA Letter) or obtained from the Offeror, the sole responsibility of the Directors (including any who may have delegated detailed supervision of the preparation of this Circular) has been to ensure through reasonable enquiries that such information is accurately extracted from such sources, or as the case may be, accurately reflected or reproduced in this Circular.

In respect of the IFA Letter, the responsibility of the Directors (including any who may have delegated detailed supervision of the preparation of this Circular) has been to ensure that the facts stated with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

The Directors jointly and severally accept full responsibility accordingly.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered address of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, during normal business hours from the date of this Circular up to and included the date of the Closing Date:

(i) the Constitution of the Company;

(ii) the annual reports of the Group for FY2020, FY2021 and FY2022;

(iii) the Offer Announcement;

(iv) the Offer Document;

(v) the IFA Letter, as set out in **Appendix 1** to this Circular;

(vi) the audited consolidated financial statements of the Group for FY2022, as set out in **Appendix 4** to this Circular; and

(vii) the letters of consent referred to in **Paragraph 16** above.

19. ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully,

For and on behalf of the Board of
Sunrise Shares Holdings Ltd.

Zheng Aimin
Lead Independent Director

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

LETTER FROM HONG LEONG FINANCE LIMITED TO THE INDEPENDENT DIRECTORS OF SUNRISE SHARES HOLDINGS LTD

11 August 2023

The Independent Directors
Regus One Fullerton
1 Fullerton Road
#02-01, One Fullerton
Singapore 049213

Dear Sirs,

MANDATORY CONDITIONAL CASH OFFER BY RHT CAPITAL PTE LTD FOR AND ON BEHALF OF DATUK WIRA BOO KUANG LOON TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SUNRISE SHARES HOLDINGS LTD

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*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 11 August 2023 (the "**Circular**") issued by Sunrise Shares Holdings Ltd shall have the same meaning herein.*

1. INTRODUCTION

On 10 July 2023, RHT Capital Pte Ltd ("**RHTC**") announced, for and on behalf of Datuk Wira Boo Kuang Loon ("**Offeror**"), that the Offeror has, on 10 July 2023 ("**Offer Announcement Date**"), purchased from Sunrise Wealth Management Pte Ltd ("**Vendor**") an aggregate of 69,012,815 ordinary shares ("**Sale Shares**", and each, a "**Sale Share**") in the capital of Sunrise Shares Holdings Ltd ("**Company**") representing approximately 32.97% of the total number of 209,337,290 issued and paid-up ordinary shares in the capital of the Company ("**Shares**"), for an aggregate consideration of S$1.5 million ("**Consideration**"), being approximately S$0.0217 for each Sale Share ("**Acquisition**").

The Acquisition was made pursuant to a sale and purchase agreement dated on the Offer Announcement Date, and entered into between the Offeror and the Vendor for the sale and purchase of the Sale Shares, and was effected by way of a married deal. The Consideration for the Acquisition was satisfied in cash.

Prior to the Acquisition, the Offeror did not own or control any Shares. Upon completion of the Acquisition, the Offeror owns and controls an aggregate of 69,012,815 Shares, representing approximately 32.97% of the total number of Shares.

As a consequence of the Acquisition, the Offeror is required to make a mandatory general offer for all the Shares (other than those already owned, controlled and agreed to be acquired by the Offeror) ("**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**").

Accordingly, RHTC had on 10 July 2023 announced, for and on behalf of the Offeror, that the Offeror intends to make a mandatory conditional cash offer ("**Offer**") for all the Offer Shares.

In connection with the Offer, the Company has appointed Hong Leong Finance Limited ("**HLF**") as the Independent Financial Adviser ("**IFA**") to the directors of the Company who are considered independent ("**Independent Directors**") for the purpose of making recommendation to the Shareholders in relation to the Offer.

This letter ("**IFA Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and our opinion on the financial terms of the Offer. This IFA Letter forms part of the Circular to Shareholders dated 11 August 2023, which provides, *inter alia*, the details of the Offer and the recommendations of the Independent Directors thereon.

2. TERMS OF REFERENCE

We have confined our evaluation of the Offer solely from a financial point of view on the bases set out herein.

We have relied upon and assumed, *inter alia*, the accuracy, adequacy and completeness of all publicly available information or information provided to or discussed with us by the Company or otherwise reviewed by or for us. We have not independently verified such information or its accuracy, adequacy or completeness. We do not represent or warrant, expressly or impliedly, and do not accept any responsibility for the accuracy, completeness or adequacy of such information. We have not conducted any valuation or appraisal of any assets or liabilities, (including without limitation, real properties) nor have we evaluated the solvency of the Company, the Company and its subsidiaries (the "**Group**") the Offeror (and parties acting in concert with them) or any other relevant party to the Offer under any applicable laws relating to bankruptcy, insolvency or similar matters. We are not legal, regulatory or tax experts. We are the financial advisers only and have relied on, without independent verification, the assessments made by advisers to the Company with respect to such issues. We have nevertheless made reasonable enquiries and exercised reasonable judgement as we deemed necessary or appropriate in assessing such information and we are not aware of any reason to doubt the reliability of the information.

In addition, we have assumed that the Offer will be consummated in accordance with the terms set forth in the Offer Document without any waiver, amendment or delay of any terms or conditions and that no conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer. We have further assumed, *inter alia*, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained and that no delays, limitations, conditions or restrictions will be imposed that would have any material adverse effect on the Company or on the contemplated benefits of the Offer.

Our opinion as set out in this IFA Letter is based upon prevailing market, economic, industry, monetary and other conditions (if applicable) and the information made available to us as of 7 August 2023 (the "**Latest Practicable Date**"). Developments after the Latest Practicable Date may affect the contents of this IFA Letter and we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect the contents of this IFA Letter. Our opinion is limited to the fairness and reasonableness, from a financial point of view, of the Offer. We express no opinion as to the fairness and reasonableness of the Offer to, or any consideration received in connection therewith by, the holders of any class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Offer.

We have not been requested to, and we do not, express any opinion on the structure of the Offer, the specific amount of the Offer Price, or any other aspects of the Offer, or to provide services other than the delivery of this IFA Letter. We were not involved in negotiations pertaining to the Offer nor were we involved in the deliberation leading up to the decision to put forth the Offer to the Shareholders. We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Shares and/or any other alternative transaction.

Our terms of reference also do not require us to evaluate or comment on the strategic merits, long term or otherwise, and/or on the commercial merits and risks (if any) of the Offer or the future prospects and earnings potential of the Company or the Group, nor do our terms of reference require us to evaluate or comment on the merits of the statements or opinions stated in any research reports on the Company, including any other reports issued by any other party. We have accordingly not made such evaluation or comments. Such evaluation or comments, if any, remains the sole responsibility of the Directors, although we may draw upon their views to the extent deemed necessary or appropriate by us in arriving at our opinion as set out in this IFA Letter. In addition, our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects and earnings potential of the Company and/or the Group. The Independent Directors may wish to advise Shareholders to take note of any announcement relevant to their consideration of the Offer, which may be released by the Company after the Latest Practicable Date.

The Directors have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information in connection with the Company, the Group, the Offer and the Circular has been disclosed to us, that such information constitutes a full and true disclosure in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group as stated in the Circular to be incomplete, inaccurate or misleading in any material respect. The Directors have jointly and severally accepted the responsibility for the accuracy and completeness of such information. We have relied upon such confirmation by the Directors and the accuracy and completeness of all information given to us by the Directors and/or management of the Company ("**Management**") and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent and warrant, expressly or impliedly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. For the purposes of providing this IFA Letter and our evaluation of the Offer from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company, the Group, or any part or division of any of the foregoing.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situation, tax position, risk profile, tax status or positions or particular needs and constraints or other particular circumstances of any Shareholder and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Independent Directors. As each Shareholder would have different investment objectives and profiles, the Independent Directors may wish to advise any Shareholder who may require specific advice in relation to his specific investment portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional adviser immediately.

This IFA Letter is addressed to the Independent Directors and is for their benefit in connection with and for the purpose of their consideration of the Offer. However, the recommendations made by them shall remain the responsibility of the Independent Directors. This IFA Letter is not addressed to and may not be relied upon by any third party including, without limitation, Shareholders of the Company, employees or creditors of the Company. This IFA Letter does not constitute, and should not be relied on, as advice or a recommendation to, or confer any rights or remedies upon, any Shareholders as to how such person should deal with their Shares in relation to the Offer or any matter related thereto.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE OFFER

The following paragraphs have been extracted from Section 2 of the Offer Document and are set out in *italics*. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.**

*"2.1 **Offer**. RHTC, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Offer Shares in accordance with Section 139 of the SFA and Rule 14 of the Code and on the terms and subject to the conditions set out in this Offer Document, and the FAA and/or the FAT, as the case may be.*

*2.2 **Offer Shares.** The Offer will be extended to all Offer Shares as at the Offer Announcement Date. For the avoidance of doubt, the Offer will be also extended to all Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert ("**Concert Parties**") with the Offeror.*

*2.3 **Offer Price.** The consideration for each Offer Share is as follows:*

For each Offer Share: S$0.0218 in cash ("Offer Price")

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

*2.4 **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid; (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("**Encumbrances**"); and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, "**Distributions**" and each, a "**Distribution**") on or after the Offer Announcement Date.*

*2.5 **Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be announced, declared, paid or made by the Company on or after the Offer Announcement Date.*

*Accordingly, in the event any Distribution is or has been announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer ("**Accepting Shareholder**") shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:*

*2.5.1 if such settlement date falls **on or before** the books closure date for the determination of entitlements to the Distribution ("**Books Closure Date**"), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and*

*2.5.2 if such settlement date falls **after** the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (Offer Price after such reduction, "**Adjusted Offer Price**") and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.*

2.6 ***Minimum Acceptance Condition.*** *The Offer will be conditional upon the Offeror having received, by the Closing Date of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and his Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50% of the total voting rights attributable to the Shares ("**Minimum Acceptance Condition**").*

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

2.7 ***No Convertible Securities.*** *As at the Latest Practicable Date, based on publicly available information, there are no outstanding instruments convertible into rights to subscribe for, and options in respect of, securities which carry voting rights, in the Company.*

2.8 ***Warranty.*** *A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof: (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to, the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date."*

4. FURTHER DETAILS OF THE OFFER

Please refer to **Appendix 1** to the Offer Document for details of the Offer on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

Please refer to **Appendix 2** to the Offer Document for the procedures for acceptance of the Offer.

5. INFORMATION ON THE OFFEROR

Please refer to Section 5 of the Offer Document for information and further disclosures on the Offeror.

6. INFORMATION ON THE COMPANY

Please refer to Section 6 of the Offer Document for information and further disclosures on the Company. Additional information on the Company is set out in **Appendix 3** to the Offer Document.

7. RATIONALE FOR THE OFFER

As set out in Section 1.1 of the Offer Document, the Offer is made by the Offeror in compliance with the requirements of the Code because following the completion of the Acquisition, the Offeror will have acquired Shares which represents in excess of 30% of the voting rights of the Company.

8. THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The following paragraphs have been extracted from Section 8 of the Offer Document and are set out in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the entire Offer Document including the relevant sections, as extracted below, carefully.**

"The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced, which may involve the disposal or cessation of under-performing businesses and assets, acquisition of new assets and the redeployment of certain employees of the Company and its subsidiaries, in the future.

Additionally, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which he may regard to be in the interests of the Group.

Save as disclosed above, the Offeror has no current intention to (a) introduce any material changes to the existing business of the Group, (b) re-deploy the Group's fixed assets, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. The Offeror, however, retains the flexibility at any time to consider options or opportunities which may present themselves."

9. FINANCIAL ASSESSMENT OF THE OFFER

For the purpose of our analyses in this IFA Letter, we wish to highlight the following dates:

(a) 7 July 2023 (the "**Last Trading Day**"), being the last full Market Day on which the Shares were traded immediately prior to the Offer Announcement Date;

(b) 10 July 2023, being the date that RHTC announced, for and on behalf of Datuk Wira Boo Kuang Loon, that the Offeror intends to make a mandatory conditional cash offer for all the Shares in the capital of the Company (the "**Offer Announcement**"); and

(c) 7 August 2023, being the Latest Practicable Date prior to the despatch of the Circular, save that where parts of the Offer Document (including the letter from RHTC to the Shareholders in the Offer Document) are reproduced, references to the "Last Practicable Date" in such reproduction shall mean the latest practicable date as defined in the Offer Document.

In the course of our evaluation of whether the Offer is fair and reasonable from a financial point of view, we have considered the following factors based on publicly available information and information made available to us by the Company as of the Latest Practicable Date:

(a) Historical share price performance and trading activity of the Shares;

(b) Historical share price performance relative to market index;

(c) Net asset value ("**NAV**") of the Group;

(d) Historical financial performance of the Group;

(e) Valuation ratios of selected listed companies which are broadly comparable with the Group;

(f) Selected precedent non-privatisation transactions on the SGX-ST;

(g) Estimated values of the Shares; and

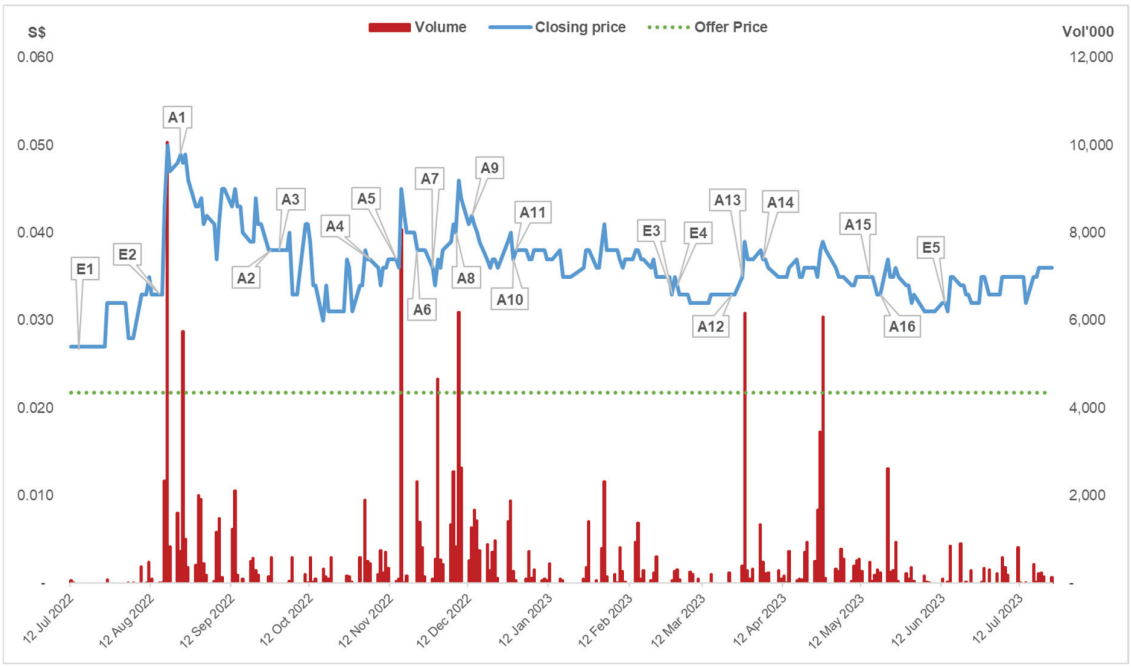
(h) Other relevant considerations.

The figures, underlying financial and market data used in our analysis have been extracted from Bloomberg L.P., the SGX-ST, and other public filings as at the Latest Practicable Date or as provided by the Company where relevant. HLF makes no representation or warranty, express or implied, on the accuracy or completeness of such information.

9.1 Historical share price performance and trading activity of the Shares

We have compared the Offer Price to the daily closing prices of the Shares for (i) the 12-month period between 12 July 2022 and the Last Trading Day on 7 July 2023; and (ii) the period after the Offer Announcement Date and up to the Latest Practicable Date.

Closing price (in S$) and volume (in thousands) of the Shares for the 12-month period prior to and including the Last Trading Day



Source: Bloomberg L.P. and the Company's announcements on the SGX-ST

Earnings announcements:

E1. **15 July 2022:** The Company announced its audited financial statements for FY2021 in which the Group's net profit decreased by approximately S$82,000 or 54.7% from approximately S$150,000 in FY2020 to approximately S$68,000 in FY2021.

E2. **15 August 2022:** The Company announced its unaudited financial statements for the six-month financial period ended 30 June 2022 in which the Group recorded a net profit of approximately S$205,000 compared to a net loss of S$20,000 year-on-year.

E3. **28 February 2023:** The Company announced that the Group is expected to report a net loss for FY2022 as compared to a net profit for FY2021 mainly due to i) lower revenue from its property consultancy and management services; ii) forex trading losses; iii) higher administrative expenses; and iv) lower finance income.

E4. **2 March 2023:** The Company announced its unaudited financial statements for FY2022 in which the Group recorded a net loss of approximately S$1.9 million compared to a net profit of S$68,000 in FY2021.

E5. **13 June 2023:** The Company announced i) the discrepancies between the unaudited financial statements and audited financial statements for FY2022; ii) the independent auditor's qualified opinion on the financial statements for FY2022; and iii) the audited financial statements for FY2022 in which the Group recorded a net loss of S$1.9 million compared to a net profit of approximately S$68,000 in FY2021.

Other significant announcements:

A1. **23 August 2022:** The Company announced the responses to questions from the SGX-ST in relation to its unaudited financial statements for the six-month financial period ended 30 June 2022.

A2. **27 September 2022:** The Company announced the cessation of Ms. Huang Angela On Yee as the Vice President with effect from 15 October 2022.

A3. **1 October 2022:** The Company announced the appointment of Virtus Assure Pte Ltd as its independent reviewer to perform review of the five issues highlighted by the external auditors which formed the bases for the disclaimer of opinion for its audited financial statements for FY2021 ("**Independent Review**").

A4. **4 November 2022:** The Company announced the proposed appointment of PKF-CAP LLP as the new independent auditors of the Group for FY2022.

A5. **14 November 2022:** The Company announced that the draft report including the key findings of the Independent Review is expected to be made available on or around 18 November 2022.

A6. **22 November 2022:** The Company announced that the extraordinary general meeting for the proposed appointment of PKF-CAP LLP as the new independent auditors of the Group will be held on 7 December 2022.

A7. **27 November 2022:** The Company announced the completion of the Independent Review and did not find any interested persons for the five transactions or contracts highlighted by the then external auditors which formed the bases for the disclaimer of opinion for its audited financial statements for FY2021.

A8. **7 December 2022:** The Company announced that the resolution for the appointment of PKF-CAP LLP as the new independent auditors of the Group was duly passed at the extraordinary general meeting.

A9. **13 December 2022:** The Company announced that the extraordinary general meeting for the proposed adoption of the interested person transaction mandate will be held on 29 December 2022.

A10. **29 December 2022:** The Company announced that the resolution for the adoption of the interested person transaction mandate was duly passed at the extraordinary general meeting.

A11. **30 December 2022:** The Company announced that it has entered into a consultancy and management service agreement with Hong Kong Sunrise Asset Management pursuant to the interested person transaction mandate obtained on 29 December 2022.

A12. **23 March 2023:** The Company announced the termination of the consultancy and management service agreement with Hong Kong Sunrise Asset Management.

A13. **27 March 2023:** The Company announced that it has entered into a consultancy service agreement with Zhuhai Tonglin Village Eco-Tourism Development Co Ltd.

A14. **4 April 2023:** The Company announced the cessation of Mr. Wong Siu Fai as the Executive Director and Chairman with effect from 3 April 2023.

A15. **15 May 2023:** The Company announced the responses to questions from the SGX-ST in relation to the entry of the consultancy agreement with Zhuhai Tonglin Village Eco-Tourism Development Co Ltd, and the termination of the consultancy and management service agreement with Hong Kong Sunrise Asset Management.

A16. **19 May 2023:** The Company announced that it has entered into a consultancy service agreement with Zhuhai Mucun Construction Engineering Co Ltd.

Based on the above, the closing price of the Shares during the 12-month period prior to and including the Last Trading Day had ranged between a high of S$0.0500 (on 18 August 2022) and a low of S$0.0270 (on 12 July 2022 and 13 July 2022). We note that during the aforesaid period, the Shares had been traded on 195 Market Days out of the 249 Market Days for the 12-month period prior to the Offer Announcement Date, and the Offer Price of S$0.0218 is below the closing price of the Shares for the 12-month period prior to and including the Last Trading Day.

Closing price (in S$) and volume (in thousands) of the Shares after the Offer Announcement Date and up to the Latest Practicable Date



Source: Bloomberg L.P. and the Company's announcements on the SGX-ST

Significant announcements:

A1. **10 July 2023:** Trading halt in the Shares of the Company.

A2. **10 July 2023:** The Offer Announcement was made.

A3. **14 July 2023:** The Company announced that it has entered into a supplemental consultancy agreement with Zhuhai Tonglin Village Eco-Tourism Development Co Ltd to amend certain terms and conditions of the agreement announced on 27 March 2023.

A4. **31 July 2023:** The Offeror announced the despatch of the Offer Document to the Shareholders.

Based on the above, the closing price of the Shares during the period from the Offer Announcement Date and up to the Latest Practicable Date had closed at between S$0.0320 and S$0.0400. We note that during the aforesaid period, the Shares had been traded on 17 Market Days out of the 20 Market Days for the period after the Offer Announcement Date and up to the Latest Practicable Date, and the Offer Price of S$0.0218 is below the closing price of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date. Accordingly, we observe that the closing prices of the Shares during this period does not appear to have been affected by the Offer Price of S$0.0218.

We have sought to benchmark the Offer Price against the volume-weighted average price ("**VWAP**") of the Shares, and historical trading volumes of the Shares for (i) the 12-month period prior to the Offer Announcement Date; and (ii) the period after the Offer Announcement Date and up to the Latest Practicable Date:

	VWAP[(1)] (S$)	**Discount of Offer Price to VWAP (%)**	**Average daily trading volume[(2)] ("ADTV")**	**ADTV as a percentage of free float[(2)(3)] (%)**
Periods prior to the Offer Announcement Date				
12-month	0.0405	(46.2)	581,361	0.81
6-month	0.0370	(41.1)	423,049	0.59
3-month	0.0364	(40.1)	478,062	0.66
1-month	0.0342	(36.3)	223,753	0.31
Last Trading Day	0.0350[(4)]	(37.7)	188,000	0.26
Period after the Offer Announcement Date and up to the Latest Practicable Date				
After the Offer Announcement Date and up to the Latest Practicable Date	0.0369	(40.9)	349,090	0.49
Latest Practicable Date	0.0380[(5)]	(42.6)	213,100	0.30

Source: Bloomberg L.P. and HLF's calculations

Notes:

(1) The VWAPs have been weighted based on the average traded prices and traded volumes of the Shares for the relevant trading days for each of the above periods.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded for each of the above periods divided by the number of Market Days during those periods.

(3) Free float refers to approximately 71,970,160 Shares or 34.4% of the issued share capital of the Company held by the public (as defined in the Listing Manual) for (i) the 12-month period prior to and including the Last Trading Day, and (ii) the period after the Offer Announcement Date and up to the Latest Practicable Date, as extracted from publicly available information.

(4) Refers to the closing price of the Shares on the Last Trading Day.

(5) Refers to the closing price of the Shares on the Latest Practicable Date.

We note the following:

Periods prior to the Offer Announcement Date

(a) The daily closing prices of the Shares over the 12-month period prior to the Offer Announcement Date were between a low of S$0.0270 and a high of S$0.0500. The Offer Price of S$0.0218 represents a discount of approximately 19.3% to the lowest closing price and a discount of approximately 56.4% to the highest closing price.

(b) The Offer Price represents a discount of approximately 37.7% to the closing price of S$0.0350 per Share on the Last Trading Day.

(c) The Offer Price represents a discount of approximately 36.3%, 40.1%, 41.1%, and 46.2% to the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date, respectively.

(d) The Shares had been traded on 195 Market Days out of the 249 Market Days for the 12-month period prior to the Offer Announcement.

(e) The average daily trading volumes of the Shares were 223,753 Shares, 478,062 Shares, 423,049 Shares and 581,361 Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date, respectively. Accordingly, the average daily trading volume of the Shares as a percentage of free float was 0.31%, 0.66%, 0.59% and 0.81% for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date, respectively.

Period after the Offer Announcement Date and up to the Latest Practicable Date

(f) The daily closing prices of the Shares does not appear to have been affected by the Offer subsequent to the Offer Announcement Date and up to the Latest Practicable Date.

(g) The Offer Price represents (i) a discount of approximately 40.9% to the VWAP of S$0.0369 for the period after the Offer Announcement and up to the Latest Practicable Date; and (ii) a discount of 42.6% to the last transacted price of the Shares of S$0.0380 as at the Latest Practicable Date.

(h) The Shares had been traded on 17 Market Days out of the 20 Market Days for the period after the Offer Announcement and up to the Latest Practicable Date, and the average daily trading volume of the Shares was approximately 349,090 Shares, representing approximately 0.49% of free float, during the period after the Offer Announcement and up to the Latest Practicable Date.

Shareholders should note that based on the above, the trading volume of the Shares for the 12-month period prior to and including the Last Trading Day and up to the Latest Practicable date was less than 1.0% to the Company's free float. Shareholders should also note that there is no assurance that the market prices of the Shares would remain at the current prevailing level after the close of the Offer, and that past trading performance of the Shares is not in any way reflective of its future trading performance.

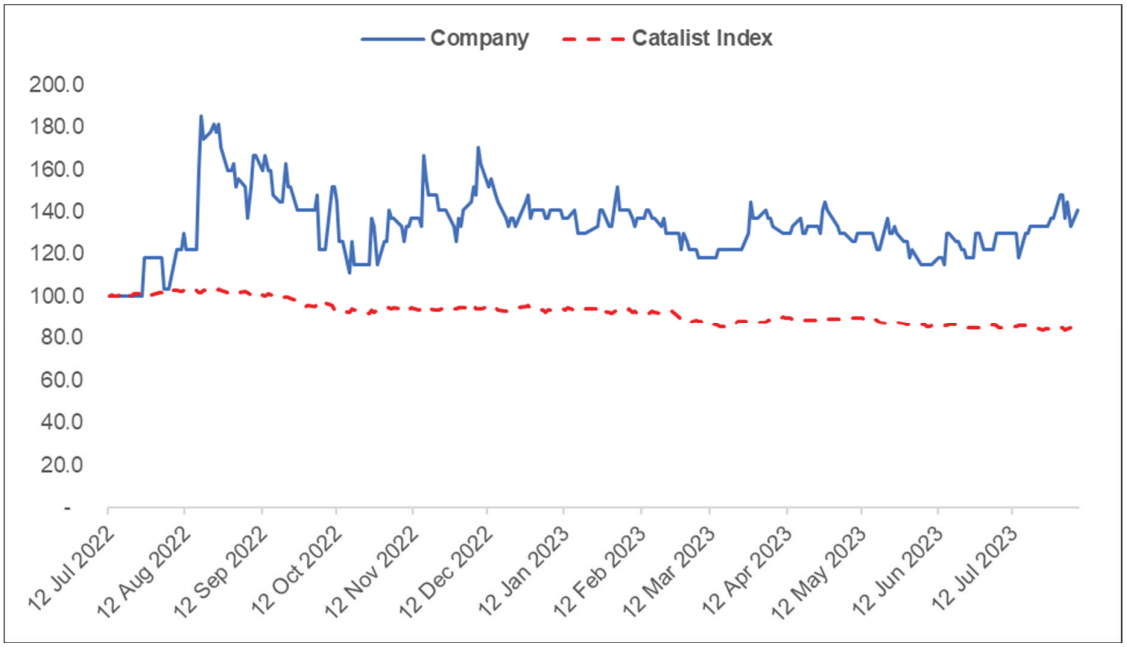
We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time.

9.2 Historical share price performance relative to market index

To gauge the market price performance of the Shares relative to the general performance of the Singapore equity market, we have compared the market price movement of the Shares against the FTSE ST Catalist Index ("**Catalist Index**"), which is a market capitalisation-weighted stock market index that tracks the performance of sponsored companies listed on the SGX-Catalist.

The relative market price performance of the Shares *vis-à-vis* the Catalist Index for the period commencing 12-month prior to the Offer Announcement Date and ending on the Latest Practicable Date is illustrated below:

Share price performance against the Catalist Index (rebased) for the period commencing 12-month prior to the Offer Announcement Date and ending on the Latest Practicable Date



Source: Bloomberg L.P.

We also set out in the table below the movements in the closing prices of the Shares and the Catalist Index between the Last Trading Day and the Latest Practicable Date:

	As at Last Trading Day	As at Latest Practicable Date	Percentage change (%)
Shares (S$)	0.0350	0.0380	8.6
Catalist Index	207.4	205.3	(1.0)

Source: Bloomberg L.P.

Based on the above, we note the following:

(a) during the period commencing 12-month prior to the Offer Announcement and ending on the Last Trading Day, the Shares were relatively volatile and had generally outperformed the rebased Catalist Index; and

(b) between the Last Trading Day and the Latest Practicable Date, the Shares had generally outperformed the rebased Catalist Index, having increased by approximately 8.6% as compared to the decrease of 1.0% in the rebased Catalist Index over the same period.

Shareholders should note that any comparison of the historical price performance of the Shares with the Catalist Index is for illustrative purposes only.

9.3 The Group's NAV

NAV of the Group as at 31 December 2022

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all liabilities of the group. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders' equity.

Shareholders should nonetheless note that an analysis based on the NAV of the Group provides only an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised. While the asset base of the Group can be a basis for valuation, such valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

A summary of the audited financial position of the Group as at 31 December 2022 is set out below:

	Audited As at 31 December 2022 S$'000
Current assets	
Trade and other receivables	28
Cash and cash equivalents	4,134
Total current assets	**4,162**
Total assets	**4,162**
Current liabilities	
Trade and other payables	307
Tax payable	53
Total current liabilities	**360**
Total liabilities	**360**
Equity	
Share capital	25,668
Foreign currency translation reserve	125
Statutory reserve	523
Accumulated losses	(22,514)
Equity attributable to owners of the Company	**3,802**
Total liabilities and equity	**4,162**
Number of issued Shares as at 31 May 2023	209,337,290
NAV per Share (S$)	**0.0182**
Premium of the Offer Price over the NAV per Share	**19.8%**
Price-to-NAV ("P/NAV") ratio as implied by the Offer Price	**1.20 times**

As set out in the table above, the audited NAV of the Group amounted to approximately S$3.8 million or S$0.0182 per Share (based on 209,337,290 issued Shares). Accordingly, the Offer Price represents a premium of approximately 19.8% over the audited NAV per Share of the Group as at 31 December 2022, and would value the Group at a P/NAV ratio of 1.20 times.

In our evaluation of the financial terms of the Offer, we have considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 31 December 2022 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group or announced by the Company that are likely to impact the NAV of the Group as at 31 December 2022.

Based on the audited financial position of the Group as at 31 December 2022, we note that the Group does not have any intangible assets and hence the Group's NAV is equivalent to the Group's net tangible asset ("**NTA**"). In addition, we note that the Group does not have any non-current assets or non-current liabilities as at 31 December 2022, and that the Group has a positive working capital (current assets minus current liabilities) of approximately S$3.8 million. We also note that cash and cash equivalents accounted for approximately 99.3% of the Group's total assets as at 31 December 2022. The Directors have confirmed, to the best of their knowledge and belief as at the Latest Practicable Date, that no material provisions on the trade and other receivables are required.

In respect of the above, the Directors have also confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

(a) there are no material differences between the realisable values of the Group's assets and their respective book values as at the Latest Practicable Date which would have a material impact on the NAV or NTA of the Group as at 31 December 2022;

(b) they are not aware of any circumstances which may cause the NAV or NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the audited balance sheet of the Group as at 31 December 2022;

(c) there are no other contingent liabilities, bad or doubtful debts, impairment losses or material events which would likely have a material impact on the NAV or NTA of the Group as at 31 December 2022;

(d) there are no litigation, claim or proceedings pending or threatened against the Company or the Group or likely to give rise to any proceedings which may materially and adversely affect the financial position of the Company and/or the Group as at 31 December 2022; and

(e) there are no material acquisitions or disposals of assets by the Group between 31 December 2022 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisitions or disposal of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business.

As set out in Section 8 of the Offer Document, the Offeror does not currently have any intention to (i) introduce any material changes to the existing business of the Group, (ii) re-deploy the fixed assets of the Group, or (iii) discontinue the employment of any of the employees of the Group, other than in the ordinary course of business. The Offeror, however, retains the flexibility at any time to consider any options or opportunities which may present themselves.

Following the close of the Offer, the Offeror intends to undertake a review of the business of the Group with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced, which may involve the disposal or cessation of under-performing businesses and assets, acquisition of new assets and the redeployment of certain employees of the Company and its subsidiaries, in the future.

9.4 Historical financial performance of the Group

For the purpose of evaluating the financial terms of the Offer, we have considered the audited consolidated financial statements of the Group for the last three financial years ended 31 December 2020, 2021 and 2022 ("**FY2020**", "**FY2021**" and "**FY2022**", respectively).

The following summary of the financial information should be read in conjunction with the full text of the Group's published financial statements for FY2020, FY2021 and FY2022, in respect of the relevant financial years including the notes thereto.

Profit and Loss Statement

Summary of the Group's Profit and Loss Statement	**Audited**		
S$'000	**FY2022**	**FY2021**	**FY2020**
Revenue	400	577	1,152
(Loss)/profit before tax	(1,639)	474	429
Net (loss)/profit attributable to Shareholders of the Company	(1,874)	68	150
Net profit margin	N.M[(1)]	11.8%	13.0%

Source: Annual reports for FY2022 and FY2021

Note:

(1) Denotes not meaningful as the Group had recorded net losses in FY2022.

FY2022 vs FY2021

The revenue of the Group decreased by 30.7% from S$577,000 in FY2021 to S$400,000 in FY2022, mainly due to the termination of the consultancy service and management agreements with New Zealand Nan Fang Investment Limited and Nan Fang (Singapore) Investment Fund Management Pte Ltd on 30 June 2022.

In FY2022, there was a significant increase in administrative expense and other expenses by 120.0% from S$1.0 million in FY2021 to S$2.2 million in FY2022. The higher administrative expense and other expenses were mainly due to an increase in professional fees and loss on forex trading activities. Consequently, the Group recorded a loss before tax of S$1.6 million in FY2022 compared to a profit before tax of S$474,000 in FY2021.

Taking into account the income tax expense, the Group recorded a net loss of S$1.9 million in FY2022 compared to a net profit of S$68,000 in FY2021.

FY2021 vs FY2020

The revenue of the Group decreased by 51.9% from S$1.2 million in FY2020 to S$577,000 in FY2021, mainly due to the termination of three contracts, namely, i) the investment loan and consultancy service agreement to Hainan Sun City Shares Limited; ii) the consultancy and service agreement with Zhuhai Huitong Real Estate Development Limited; and iii) the sales agent agreement with Zhejiang Anji Tonglin Real Estate Development Limited.

Other income increased by 201.3% from S$306,000 in FY2020 to S$922,000 in FY2021. The increase in other income was mainly due to interest income received from the project investment loan to Hainan Sun City Shares Limited and Nan Fang (Singapore) Investment Fund Management Pte Ltd, and compensation received from the termination of the consultancy and service agreement with Zhuhai Huitong Real Estate Development Limited.

Consequently, the profit before tax of the Group increased by 10.5% from S$429,000 in FY2020 to S$474,000 in FY2021.

Taking into account the income tax expense, the net profit for the year decreased by 54.7% from S$150,000 in FY2020 to S$68,000 in FY2021. Accordingly, the net profit margin decreased from 13.0% in FY2020 to 11.8% in FY2021.

Cash Flows Statement

Summary of the Group's Cash Flows	**Audited**		
S$'000	**FY2022**	**FY2021**	**FY2020**
Net cash (used in)/from operating activities	(2,073)	1,030	(781)
Net cash from/(used in) investing activities	4,238	(43)	(3,364)
Net cash (used in)/from financing activities	(279)	249	44
Cash and cash equivalents at end of period/year	4,134	2,263	961

Source: Annual reports for FY2022 and FY2021

In FY2022, net cash used in operating activities amounted to S$2.1 million was a result of operating cash outflows before changes in working capital of S$1.7 million and income tax paid of S$0.4 million and partially offset by working capital inflows of S$23,000. Net cash flows generated from investing activities of S$4.2 million was due mainly to repayment of loan from a third party and interest received. Net cash flows used in financing activities of S$279,000 was due to repayment of loan to a shareholder of S$264,000 and repayment of lease liabilities and interest paid of S$15,000. Taking into account the cash and cash equivalents at the beginning of FY2022 of S$2.3 million and the net increase in cash and cash equivalents of S$1.9 million, the Group's cash and cash equivalents as at 31 December 2022 amounted to S$4.1 million.

In FY2021, net cash generated from operating activities amounted to S$1.0 million was a result of operating cash outflows before changes in working capital of S$19,000, income tax paid of S$0.3 million and working capital inflows of S$1.4 million. Net cash flows used in investing activities of S$43,000 was due to loan to a third party of S$4.2 million, partially offset by interest received of S$471,000 and repayment of loan from a third party of S$3.6 million. Net cash flows from financing activities of S$249,000 was due to loan received from a shareholder of S$671,000, partially offset by repayment of loan to a shareholder of S$407,000 and repayment of lease liabilities of S$14,000. Taking into account the cash and cash equivalents at the beginning of FY2021 of S$1.0 million, the Group's cash and cash equivalents as at 31 December 2021 amounted to S$2.3 million.

In FY2020, net cash used in operating activities amounted to S$781,000 was a result of operating cash inflows before changes in working capital of S$169,000, income tax paid of S$83,000 and working capital outflows of S$867,000. Net cash flows used in investing activities of S$3.4 million was due mainly to loan to a third party of S$3.6 million, partially offset by interest received of S$274,000. Net cash flows from financing activities of S$44,000 was due to proceeds from issuance of ordinary shares of S$58,000, partially offset by repayment of lease liabilities and interest paid of S$14,000. Taking into account the cash and cash equivalents at the beginning of FY2020 of S$5.0 million, the Group's cash and cash equivalents as at 31 December 2020 amounted to S$961,000.

9.5 Valuation ratios of selected listed companies which are broadly comparable with the Group

Based on the annual report of the Company for FY2022, the Group operates predominantly in the property consultancy and management business, which accounted for 100% of the Group's total revenue in FY2022 and approximately 64.8% of the reportable segment assets as at 31 December 2022. In addition, the Group has entered into a supplemental agreement and two new contracts with: i) Zhuhai Tonglin Village Eco-Tourism Development Limited on 23 March 2023 and Zhuhai Tonglin Hotel Management Limited on 10 July 2023; and ii) Zhuhai Mucun Construction Engineering on 17 May 2023. Although the Group's NAV comprised cash and cash equivalents and trade and other receivables, we note that the Company is not considered a cash company as defined under Catalist Rule 1017.

We wish to highlight that the Management is of the view that there are no companies listed on the SGX-ST and regional securities exchanges engaging in similar business activities which are directly comparable to the Group in terms of, *inter alia*, scale of business operation and profitability.

Nevertheless, solely for illustrative purposes, in our evaluation of whether the Offer is fair and reasonable from a financial point of view, we have compared the valuation ratios of the Group (as set out in the table below) with those of selected companies listed on the SGX-ST or regional securities exchanges in a developed market in Asia with a market capitalisation of up to approximately S$50.0 million (or its equivalent in foreign currency) and are principally engaged in the property consultancy and management business in the People's Republic of China including the Hong Kong Special Administrative Region ("**PRC**"), which we consider to be broadly comparable to the Group ("**Comparable Companies**").

Based on the abovementioned criteria, we have identified five Comparable Companies which are listed on the Hong Kong Stock Exchange.

We have had discussions with the Management of the Company about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available information of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The selected Comparable Companies' accounting policies with respect to the values for which the assets and liabilities or the revenue and cost are recorded may differ from that of the Group.

In evaluating the Comparable Companies, we have applied and used the following valuation ratios:

Valuation ratio	**Description**
Price-earnings ("**P/E**") ratio	The P/E ratio illustrates the ratio of the market price of a company's shares in relation to its earnings per share. As such, it is affected by, *inter alia*, a company's capital structure, tax position and accounting policies relating to revenue recognition, depreciation and intangible assets.
Enterprise value-to-earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**") ratio	EV refers to enterprise value, which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation. The EV/EBITDA ratio is an earnings-based valuation methodology. The difference between the EV/EBITDA ratio and the P/E ratio (described above) is that the former does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges.
Price-net asset value ("**P/NAV**") ratio	The NAV refers to consolidated net asset value, which is the total assets less total liabilities of a company. The P/NAV ratio refers to the ratio of a company's share price divided by NAV per share. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.

A brief description of the Comparable Companies is as follows:

Company	Description	Country of listing	Financial year-end
Modern Living Investments Holdings Ltd ("**Modern Living**")	Modern Living is a company principally engaged in the provision of property management services, with a primary focus on public housing. The company's property management services include estate management services (entailing general management, tenancy management, financial management, minor repair and maintenance as well as project management services), security services and cleaning services.	Hong Kong	31 December 2022
Shi Shi Services Ltd (formerly known as Heng Sheng Holdings Ltd) ("**Shi Shi Services**")	Shi Shi Services is principally engaged in the provision of property management services. The Company operates its business through three segments. The provision of property management and related services segment is engaged in the provision of property management services in Hong Kong under the Kong Shum brand, providing a series of property management services including cleaning, security, repair and maintenance, as well as financial management. The money lending business segment is engaged in the provision of loans. The property investment segment is engaged in the property investment business.	Hong Kong	31 March 2023
Zhong Ao Home Group Ltd ("**Zhong Ao Home**")	Zhong Ao Home is principally engaged in the provision of property management services and property management consulting services. The company operates its business through three segments: southern region, eastern and central region and northern region in the PRC. Through its subsidiaries, the company is also engaged in the provision of ancillary services and sale assistance services.	Hong Kong	31 December 2022

Company	Description	Country of listing	Financial year-end
Redsun Services Group Ltd ("**Redsun Services**")	Redsun Services is principally engaged in providing property management services. The company operates three segments. The property management services segment provides various services to property owners, residents and tenants, including security, cleaning, landscaping and gardening. The value-added services to non-property owners segment mainly provides value-added services to real estate developers, and the services include preliminary planning and design consulting services for property development projects, and inspection services. The community value-added services segment provides residential property owners and residents with related services, such as property brokerage services. The company operates its businesses in the PRC through its subsidiaries.	Hong Kong	31 December 2022
ISP Holdings Ltd (formerly known as Synergis Holdings Ltd) ("**ISP**")	ISP is principally engaged in the provision of property and facility management services. The company operates its business through three segments. The property and facility management segment mainly provides. The interiors and special projects segment mainly engaged in the interior business, and others. The ancillary business segment mainly provides integrated procurement, laundry, cleaning, security, maintenance, and technical support services.	Hong Kong	31 December 2022

Source: Bloomberg L.P. and annual reports of the Comparable Companies

The valuation ratios of the Comparable Companies based on their respective closing share prices as at the Latest Practicable Date and the latest available published financial information are set out below:

Company	Market capitalisation (S$'million)	P/E (times)	EV/EBITDA (times)	P/NAV (times)
Modern Living	20.9	5.81	4.73	0.81
Shi Shi Services	10.0	N.M	N.M	0.21
Zhong Ao Home	51.1	2.03	N.M	0.29
Redsun Services	39.7	1.84	N.M	0.24
ISP	17.8	0.24	N.M	0.52
Minimum		0.24	4.73	0.21
Median		1.94	4.73	0.29
Mean		2.48	4.73	0.41
Maximum		5.81	4.73	0.81
Sunrise Shares Holdings Ltd (implied by the Offer Price)	**4.6**	**N.M(1)**	**N.M(1)**	**1.20**

Source: Bloomberg L.P. and HLF's computations

Note:

(1) Denotes not meaningful as the Group had recorded net losses and negative EBITDA in FY2022.

Based on the above, we observe that:

(a) the Company had recorded a net loss in FY2022, hence the P/E ratio of the Company (as implied by the Offer Price) is not applicable. Solely for illustrative purposes, the P/E ratios of the Comparable Companies ranged between 0.24 times and 5.81 times, with the mean and median P/E ratios at 2.48 times and 1.94 times respectively;

(b) the Company had recorded a negative EBITDA in FY2022, hence the EV/EBITDA ratio of the Company (as implied by the Offer Price) is not applicable. Save for Modern Living, the Comparable Companies had also recorded negative EBITDA in the respective financial years, hence the EV/EBITDA ratio of the Comparable Companies is not applicable. Solely for illustrative purposes, the EV/EBITDA ratio of Modern Living is 4.73 times; and

(c) the P/NAV ratio of the Company (as implied by the Offer Price) of 1.20 times is above the range of P/NAV ratios of the Comparable Companies of between 0.21 times and 0.81 times.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no company listed on the SGX-ST and regional securities exchanges that may be identical to the Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/ industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different profitability objectives. Shareholders should note that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons made may not necessarily reflect the perceived market valuation of the Group as at the Latest Practicable Date.

9.6 Selected precedent non-privatisation transactions on the SGX-ST

As set out in Section 6 of the Circular, it is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST. As such, we have compared the trading and valuation statistics of the Company (based on the Offer Price) *vis-à-vis* those in respect of recent non-privatisation take-over offers of companies listed on the SGX-ST (excluding real estate investment trusts and business trusts) where the offeror has triggered the obligation to undertake a general offer, and had indicated its intention to preserve the listing status of the offeree company (the "**Non-Privatisation Transactions**"), which were announced since 1 January 2020 and completed as at the Latest Practicable Date.

We wish to highlight that the target companies set out under the Non-Privatisation Transactions may not be directly comparable to the Company in terms of operations, market capitalisation, business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, future prospects and other relevant criteria. Each of the Non-Privatisation Transactions must be considered on its own commercial and financial merits. We also wish to highlight that the list of Non-Privatisation Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

Details of the Non-Privatisation Transactions announced since 1 January 2020 and up to the Latest Practicable Date are set out below:

			Premium/(discount) of offer price over/to[2]				
Announcement Date[1]	**Company**	**Circumstances giving rise to the offer**	**Last transacted price (%)**	**1-month VWAP %)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**Offer price to NAV or RNAV[3] (times)**
5 May 2020	Darco Water Technologies Limited	The offeror increased its stake from 29% to 43%	30.8	33.3	30.6	(15.9)	0.40
2 Jun 2020	Axington Inc.	The offeror acquired 66.9% in offeree company	43.4	40.1	41.3	78.6	1.27
7 Jul 2020	TEE International Limited	The offeror acquired 36.8% in offeree company	12.7	13.8	26.6	(9.9)	0.95
17 Nov 2020	Lum Chang Holdings Limited	The offeror increased its stake to 51.8%	8.6	8.6	8.7	8.8	0.52
20 Feb 2021	Transit-Mixed Concrete Ltd	The offeror acquired 71.4% in offeree company	75.0	85.9	88.9	75.0	0.93
21 Apr 2021	JEP Holdings Limited	The offeror increased its stake from 40.7% to 53.8%	–	0.7	1.3	1.7	1.40
14 Jun 2021	Lian Beng Group Ltd	The offeror increased its stake by 1.2%	6.4	7.1	1.6	6.6	0.33
21 Jan 2022	Keong Hong Holdings Limited	The offeror increased its stake from 27% to 46%	3.8	7.9	11.1	11.0	0.50
20 May 2022	Procurri Corporation Limited	The offeror increased its stake from 29.5% to 30.8%	–	3.3	9.4	17.3	2.19
16 Nov 2022	Halcyon Agri Corporation Limited	The offeror acquired 36.0% in offeree company	42.4	64.2	68.7	71.0	1.10
Minimum			–	0.7	1.3	(15.9)	0.33
Median			10.7	11.2	18.9	9.9	0.94
Mean			22.3	26.5	28.8	24.4	0.96
Maximum			75.0	85.9	88.9	78.6	2.19
10 Jul 2023	**Sunrise Shares Holdings Ltd (implied by the Offer Price)**	**The Offeror acquired 32.97% stake in the Company**	**(37.7)**	**(36.3)**	**(40.1)**	**(41.1)**	**1.20**

Source: Respective companies' filings and publicly available information

Notes:

(1) Date of announcements refer to the date of first announcement, including holding announcement, of offers.

(2) Last transacted price is calculated based on the last price on either the last trading day or last market day as defined in the respective circulars.

(3) Based on the NAV per share or the adjusted NAV or RNAV per share, where available, as published in the independent financial adviser's letter set out in the respective circular of the companies.

Based on the information above, we note the following:

(a) the Offer Price represents a discount of 37.7% to the last transacted price of the Shares on the Last Trading Day while the Non-Privatisation Transactions have a premium of up to 75.0%;

(b) the Offer Price represents a discount of 36.3% to the 1-month VWAP of the Shares while the Non-Privatisation Transactions have a premium of between 0.7% and 85.9%;

(c) the Offer Price represents a discount of 40.1% to the 3-month VWAP of the Shares while the Non-Privatisation Transactions have a premium of between 1.3% and 88.9%;

(d) the Offer Price represents a discount of 41.1% to the 6-month VWAP of the Shares while the Non-Privatisation Transactions have a discount of 15.9% and a premium of up to 78.6%; and

(e) the Group's P/NAV ratio of 1.20 times (as implied by the Offer Price) is (i) within the range of the P/NAV ratios of the Non-Privatisation Transactions of between 0.33 times and 2.19 times, and (ii) above the median and mean P/NAV ratio of 0.94 times and 0.96 times respectively.

Shareholders should note that the level of premium or discount which an offeror would normally pay for acquiring a listed company varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies to be gained by the offeror from integrating the target company's businesses with its existing business (if any), the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the extent of control the offeror already has in the target company and prevailing market expectations. Consequently, each Non-Privatisation Transaction has to be judged on its own merits (or otherwise) and as such, we have not considered the opinion of the independent financial advisers for the respective Non-Privatisation Transactions.

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Non-Privatisation Transactions and would not, therefore, be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Accordingly, it should be noted that the above comparison merely serves as a general guide to provide an indication of the premium or discount in connection with the Non-Privatisation Transactions. Therefore, any comparison of the Offer with the Non-Privatisation Transactions is for illustration purposes only and conclusions drawn from the comparisons made may not necessarily reflect the perceived market valuation of the Group as at the Latest Practicable Date.

9.7 Estimated value of the Shares

In the foregoing sections, we have evaluated various factors and considered, *inter alia*, the market prices of the Shares, the financial performance and financial position of the Group, and the valuation ratios of the Comparable Companies and Non-Privatisation Transactions.

As set out in Section 9.1 of this IFA Letter, we note that the closing price of the Shares and the VWAP of the Shares for the 12-month period prior to and including the Last Trading Day and up to the Latest Practicable Date ranged from S$0.0270 to S$0.0500 and S$0.0342 to S$0.0405 respectively, which is deemed too wide and may not be a meaningful indicator of the estimated value of the Shares. Further, given that the Group reported a net loss and negative EBITDA for FY2022, the earnings-based approach such as the P/E ratio and the EV/EBITDA ratio will not be relevant in our consideration of the estimated range of values of the Shares.

Accordingly, we have focused on the asset-based approach, namely the NAV of the Group and the P/NAV ratio in our consideration of the estimated range of values of the Shares.

(a) As set out in Section 9.3 of this IFA Letter, we note that the NAV of the Group as at 31 December 2022 was S$0.0182 per Share;

(b) As set out in Section 9.5 of this IFA Letter, we note that the P/NAV ratio of the Comparable Companies ranged from 0.21 times to 0.81 times with a mean of 0.41 times. Applying the P/NAV ratio of the Comparable Companies to the NAV of the Group as at 31 December 2022 of S$0.0182 per Share would imply a value of between S$0.0038 and S$0.0147 per Share. Applying the mean P/NAV ratio of the Comparable Companies to the NAV of the Group as at 31 December 2022 of S$0.0182 per Share would imply a value of S$0.0075 per Share;

(c) As set out in Section 9.6 of this IFA Letter, we note that the P/NAV ratios of the Non-Privatisation Transactions ranged from 0.33 times to 2.19 times and a mean of 0.96 times. Applying the P/NAV ratio of the Non-Privatisation Transactions to the NAV of the Group as at 31 December 2022 of S$0.0182 per Share would imply a value of between S$0.0060 and S$0.0399 per Share. Applying the mean P/NAV ratio of the Non-Privatisation Transactions to the NAV of the Group as at 31 December 2022 of S$0.0182 per Share would imply a value of S$0.0175.

Based on the above, we note that the estimated value of the Shares would range from S$0.0038 to S$0.0399 based on the lowest P/NAV ratios of the Comparable Companies and the highest P/NAV ratios of the Non-Privatisation Transactions which is deemed too wide and may not be meaningful. However, we note that the P/NAV ratio of the Group as implied by the Offer Price of 1.20 times as at 31 December 2022 falls within the range of P/NAV ratios for the Non-Privatisation Transactions. As such, applying the mean P/NAV ratio of 0.96 times (since the range of the P/NAV ratios of the Non-Privatisation Transactions is deemed too wide) of the Non-Privatisation Transactions to the NAV of the Group as at 31 December 2022 of S$0.0182 per Share would imply a value of S$0.0175 per Share.

Further, as set out in Section 9.3 of this IFA Letter, we note that the Group does not have any intangible assets and hence the Group's NAV is equivalent to the Group's NTA. We also note that the Group does not have any non-current assets or non-current liabilities and assuming that the Company undertakes a voluntary liquidation and realises the value of all its assets and liabilities over a reasonable period of time while not incurring additional losses, the asset-based approach of 1.0 time will be an appropriate indicator of the estimated value of the Shares. Based on the NAV per Share of the Group as at 31 December 2022, the estimated value of each Share will be equivalent to S$0.0182.

Based on the above, the estimated value of each Share should be between S$0.0175 and S$0.0182 per Share. Hence the Offer Price is higher than the estimated value of each Share.

9.8 Other relevant considerations

9.8.1 Previous acquisition of Shares by the Offeror

On 10 July 2023, the Offeror had completed the acquisition of 69,012,815 Shares, representing approximately 32.97% of the Company's existing issued and paid-up share capital, for a total consideration of S$1.5 million. This would translate into an acquisition price of approximately S$0.0217 per Share.

We note that the Offer Price represents a premium of approximately 0.5% to the price paid for previous acquisition of Shares by the Offeror.

Shareholders should note that the determination of the transacted price relating to the previous acquisition of the Shares is dependent on the circumstances and market sentiment prevailing at the time of the acquisition. Consequently, the above comparison merely serves as a general guide.

9.8.2 Outlook of the Group

We note that the Group's revenue had declined significantly in the last three financial years ended 31 December 2020, 2021 and 2022. In the Company's annual report for FY2022, it was stated that with the gradual re-opening of the economy in China and elsewhere, the management remains cautiously optimistic of the outlook of the Group, and will continue to pursue new contracts and opportunities that can add value to Shareholders.

In addition, the following is an extract from the Company's announcement on 2 March 2023 on the Group's unaudited financial statements for FY2022:

*"The Company has terminated the two consultant agreements with Nan Fang Singapore and NZ Nan Fang on 30 June 2022. However, as announced on 30 December 2022, the Company's indirect wholly-owned subsidiary, Hong Kong Sunrise Consultant Limited ("**HKSCL**") has entered into a consultancy and management service agreement (the "**Consultancy Agreement**") dated 30 December 2022 with Hong Kong Sunrise Asset Management ("**HKSAM**") in connection with the provision of consultancy management services by HKSCL to HKSAM. Please refer to the announcement dated 30 December 2022 released by the Company on the SGXNET.*

The Company is also actively looking for new investment for the Investment Business and has also commenced forex trading activities since 1HY2022. The Company will still be continuing with the forex trading.

In addition, the Board believes that the Company's stock can continue to be traded because of the Company's commitment to (1) appoint a Chief Financial Officer, and (2) secure new contracts."

Since 2 March 2023, we note that the Company has not announced any appointment of a Chief Financial Officer and had entered into a supplemental agreement and two new contracts with: i) Zhuhai Tonglin Village Eco-Tourism Development Limited on 23 March 2023 and Zhuhai Tonglin Hotel Management Limited on 10 July 2023; and ii) Zhuhai Mucun Construction Engineering on 17 May 2023. There is no certainty that the Group's financial performance and financial position will improve or will not deteriorate further.

9.8.3 Offeror's intentions for the Company

The Offeror does not currently have any intention to (i) introduce any material changes to the existing business of the Group, (ii) re-deploy the fixed assets of the Group, or (iii) discontinue the employment of the employees of the Group, other than in the ordinary course of business. The Offeror, however, retains the flexibility at any time to consider any options or opportunities which may present themselves.

Following the close of the Offer, the Offeror intends to undertake a review of the business of the Group with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced, which may involve the disposal or cessation of under-performing businesses and assets, acquisition of new assets and the redeployment of certain employees of the Company and its subsidiaries, in the future.

Shareholders should note that there is no certainty that the Offeror's review of the Group's business will lead to any corporate actions such as disposal or cessation of under-performing businesses and assets or acquisition of new assets, or in the event that these corporate actions are undertaken, the Group's financial performance or financial position will improve or will not deteriorate.

9.8.4 Conditional offer

The Offer will be conditional upon the Offeror having received, by the Closing Date of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and his Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and his Concert Parties holding such number of Shares carrying more than 50% of the total voting rights attributable to the Shares ("**Minimum Acceptance Condition**").

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

9.8.5 Listing status of the Company and intention of the Offeror

Pursuant to Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Company must ensure that at least 10% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public (the "**Free Float Requirement**").

Pursuant to Rule 1104 of the Catalist Rules, in the event that the Offeror and its Concert Group should, as a result of the Offer or otherwise, own or control more than 90% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public.

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10%, failing which the Company may be delisted from the SGX-ST.

We note that the Offeror has stated that its current intention is to maintain the listing status of the Company on the Catalist board of the SGX-ST and in the event that the percentage of Shares held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted. However, in the event that the Company does not meet the Free Float Requirement at the close of the Offer, the Offeror reserves the right to re-evaluate its position, taking into account, *inter alia*, the ultimate level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

9.8.6 Compulsory acquisition and intention of the Offeror

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), in the event that the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at a price equal to the Offer Price.

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at a price equal to the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.

We note that the Offeror has stated that he intends to maintain the listing status of the Company, and presently has no intention of exercising his rights of compulsory acquisition under Section 215(1) of the Companies Act, should it be available to him.

9.8.7 No competing offers

The Directors have confirmed, to the best of their knowledge and belief as at the Latest Practicable Date, that (i) no other third parties have approached the Company with an intention to make an offer for the Company; and (ii) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company.

9.8.8 Transaction costs in connection with the disposal of the Shares

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage or other trading costs.

9.8.9 Dividend track record

The Company had not declared and/or paid any dividend since the financial year ended 31 December 1997.

The Directors have confirmed that the Company does not have a fixed dividend policy and that they may recommend future dividends after taking into consideration the Company's cash and financial position, financial performance of the Group, working capital requirements, projected capital expenditure and other investment plans. The Directors have also confirmed that the Group currently does not have any plan to distribute its cash to its shareholders by way of a special dividend or otherwise. Hence there is no certainty that Shareholders will receive any dividend distribution in the near future.

We wish to highlight that the above is not an indication of the Company's future dividend policy, and there is no assurance that the Company will or will not pay dividends in the future and/or maintain the level of dividends paid in past periods.

10. RECOMMENDATION AND CONCLUSION

Having carefully considered the information available to us, the analysis set out in this IFA Letter, and other relevant considerations as at the Latest Practicable Date, we are of the view that, on balance, the financial terms of the Offer are FAIR AND REASONABLE.

In assessing the "**fairness**" of the Offer, we have considered the following pertinent factors from the perspective of the value of the Shares:

(a) the audited NAV or NTA of the Group amounted to approximately S$3.8 million or S$0.0182 per Share (based on 209,337,290 issued Shares). Accordingly, the Offer Price represents a premium of approximately 19.8% over the audited NAV or NTA per Share of the Group as at 31 December 2022;

(b) the P/NAV or P/NTA ratio of 1.20 times (as implied by the Offer Price) is above the range of the P/NAV ratios of the Comparable Companies of between 0.21 times and 0.81 times;

(c) the P/NAV or P/NTA ratio of 1.20 times (as implied by the Offer Price) is (i) within the range of the P/NAV ratio of the Non-Privatisation Transactions of between 0.33 times and 2.19 times, and (ii) above the median and mean P/NAV ratio of the Non-Privatisation Transactions of 0.94 times and 0.96 times respectively;

(d) the Offer Price is higher than the estimated value of each Share;

(e) the Offer Price represents a discount of between 36.3% and 46.2% to the VWAP of the Shares for the 12-month, 6-month, 3-month, 1-month periods prior to and including the Last Trading Day, and up to the Latest Practicable Date; and

(f) the Non-Privatisation Transactions generally have a premium over the last transacted price on the Last Trading Day, 1-month, 3-month and 6-month VWAP while the Offer Price represents a discount to the last transacted price on the Last Trading Day, 1-month, 3-month and 6-month VWAP of the Shares.

Shareholders should note that there is no assurance that the market prices of the Shares would remain at the current prevailing level after the close of the Offer, and that past trading performance of the Shares is not in any way reflective of its future trading performance.

In assessing the "**reasonableness**" of the Offer, we have considered the following pertinent factors other than from the perspective of the value of the Shares:

(a) the average daily traded volumes of the Shares for the 12-month period prior to and including the Last Trading Day was less than 1.0% to the Company's free float of 71,970,160 Shares, and the Offer will provide an exit option for those Shareholders who wish to realise their investments in the Shares but find it difficult to do so as a result of the low trading liquidity;

(b) the Group recorded significant decrease in revenue, and net profit attributable to Shareholders of the Company since FY2020;

(c) the Offer Price represents a premium of 0.5% to the price paid for the acquisition of Shares by the Offeror on 10 July 2023;

(d) the Company remains cautiously optimistic of the outlook of the Group, and will continue to pursue new contracts and opportunities that can add value to Shareholders. However, there is no certainty that the Group's financial performance and financial position will improve or will not deteriorate further;

(e) the Offeror's intentions to undertake a review of the business of the Group with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced following the close of the Offer. However, there is no certainty that the Offeror's review of the Group's business will lead to any corporate actions such as disposal or cessation of under-performing businesses and assets or acquisition of new assets, or in the event that these corporate actions are undertaken, the Group's financial performance or financial position will improve or will not deteriorate;

(f) the Offer being a conditional offer;

(g) the current intention of the Offeror to maintain the listing status of the Company on the Catalist board of the SGX-ST, and not to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act in the event that it receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptances) in respect of not less than 90% of the Offer Shares;

(h) there is no publicly available evidence of any alternative offer for the Shares from any third party;

(i) The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage or other trading costs; and

(j) the Directors have confirmed that the Company does not have a fixed dividend policy.

Accordingly, on the balance of the above factors, we advise that the Independent Directors recommend Shareholders to **ACCEPT** the Offer. Shareholders who wish to realise their investment in the Company may also choose to sell their Shares on the open market if they are able to obtain a higher price after taking into account the applicable transaction costs.

The Independent Directors should note that transactions of the Shares are subject to possible market fluctuations and, accordingly, our opinion and advice on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Offer. The recommendation made by them to the Shareholders in relation to the Offer shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of HLF in each specific case, except for the purpose of the Offer. Our opinion and advice are governed by, and construed in accordance with, the laws of Singapore, and are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours truly,
For and on behalf of
Hong Leong Finance Limited

Chia Beng Kwan
Vice President

Kaeson Chui
Vice President

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Description
Mr. Zheng Aimin	c/o 30 Cecil Street #19-08 Prudential Tower, Singapore 049712	Lead Independent Director
Mr. Tang An	c/o 30 Cecil Street #19-08 Prudential Tower, Singapore 049712	Independent Director
Mr. Wang Ziquan	c/o 30 Cecil Street #19-08 Prudential Tower, Singapore 049712	Independent Director

2. REGISTERED OFFICE

The registered office of the Company is at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712.

3. PRINCIPAL ACTIVITIES

The Company is a public company limited by shares and was incorporated in Singapore on 12 April 1982. Its Shares have been listed on the Catalist of the SGX-ST since 14 December 1994. The principal activities of the Company and its subsidiaries ("**Group**") are that of investment holding, property fund management and real estate investment trusts and property consultancy, management and related services.

4. SHARE CAPITAL

4.1 Issued Capital

As at the Latest Practicable Date, the Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the total issued and paid-up share capital of the Company is S$25,727,943 comprising 209,337,290 Shares. The Company does not hold any treasury shares. The issued Shares are quoted and listed on the Catalist of the SGX-ST.

As at the Latest Practicable Date, the Company has not issued any Shares since the end of FY2022.

4.2 Rights in Respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution of the Company, which is available for inspection at the registered address of the Company at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712 during normal business hours for the period during which the Offer remains open for acceptance. For ease of reference, selected texts of the Constitution of the Company relating to the same have been extracted and reproduced in **Appendix 3** to this Circular. Capitalised terms and expressions not defined in the extracts have the meaning ascribed to them in the Constitution and/or the Companies Act.

5. COMPANY CONVERTIBLE SECURITIES

As at the Latest Practicable Date, the Company does not have any outstanding Convertible Securities of the Company.

6. DISCLOSURE OF INTERESTS

6.1 Interests of the Directors in Shares and Convertible Securities of the Company

As at the Latest Practicable Date, none of the Directors have an interest, direct or indirect, in the Shares or Convertible Securities of the Company.

6.2 Dealings in Shares and Convertible Securities of the Company by the Directors

None of the Directors have dealt in the Shares or Convertible Securities of the Company during the period commencing six (6) months prior to 10 July 2023, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.3 Interests of the IFA in Shares and Convertible Securities of the Company

The IFA does not own or control any Shares or Convertible Securities as at the Latest Practicable Date. The IFA does not manage the investment of any funds which own or control any Shares or Convertible Securities.

6.4 Dealings in Shares and Company Convertible Securities by the IFA

During the period commencing six (6) months prior to 10 July 2023, being the Offer Announcement Date, and ending on the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Shares or Convertible Securities.

7. OTHER DISCLOSURES

7.1 Directors' Service Contracts

As at the Latest Practicable Date, (a) there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and (b) there are no such service contracts entered into or amended between any of the Directors or proposed director with the Company or any of its subsidiaries during the period between the start of six (6) months preceding the Offer Announcement Date and the Latest Practicable Date.

7.2 No Payment or Benefit to Directors

As at the Latest Practicable Date, it is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

7.3 No Agreement Conditional Upon Outcome of the Offer

As at the Latest Practicable Date, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

7.4 Material Contracts Entered Into by the Offeror

As at the Latest Practicable Date, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

8. FINANCIAL INFORMATION OF THE GROUP

A summary of the financial information of the Group for FY2020, FY2021 and FY2022 (based on the audited consolidated financial statements for each of FY2020, FY2021 and FY2022) is set out below.

A summary of the financial information of the Group as set out in this Paragraph 8 is extracted from, and should be read together with, the annual reports and relevant financial statements, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 30 Cecil Street #19-08 Prudential Tower Singapore 049712 during normal business hours for the period during which the Offer remains open for acceptance.

(i) Consolidated Statements of Comprehensive Income

SUNRISE SHARES HOLDINGS LTD.
CONSOLIDATED INCOME STATEMENTS

	(Audited) FY2020 31.12.2020 S$	(Audited) FY2021 31.12.2021 S$	(Audited) FY2022 31.12.2022 S$
Turnover	1,152,365	576,637	400,000
Profit/(Loss) before tax	428,697	474,126	(1,639,184)
Profit/(Loss) after tax	150,458	67,817	(1,873,884)
Non-controlling interests	–	–	–
Net earnings per share (basic) (cents)	0.07	0.03	(0.90)
Net earnings per share (diluted) (cents)	0.07	0.03	(0.90)
Net dividend per share (cents)	–	–	–

There were no exceptional items for the financial periods set out in the table above.

(ii) Statements of Financial Position

SUNRISE SHARES HOLDINGS LTD.
CONSOLIDATED BALANCE SHEET

	(Audited) As at 31.12.2020 S$	(Audited) As at 31.12.2021 S$	(Audited) As at 31.12.2022 S$
ASSETS			
Non-current Assets			
Right-of-use assets	27,533	14,583	–
Investment in subsidiaries	–	–	–
Total non-current assets	27,533	14,583	–
Current Assets			
Trade and other receivables	5,008,130	4,192,204	27,769
Cash and cash equivalents	960,978	2,263,133	4,134,205
Total current assets	5,969,108	6,455,337	4,161,974
TOTAL ASSETS	5,996,641	6,469,920	4,161,974
EQUITY AND LIABILITIES			
Equity			
Share Capital			
Share capital	25,668,295	25,668,295	25,668,295
Foreign currency translation reserve	(70,604)	140,231	124,937
Statutory reserve	523,157	523,157	523,157
Accumulated losses	(20,708,232)	(20,640,415)	(22,514,299)
Total equity	5,412,616	5,691,268	3,802,090
Non-Current Liability			
Lease liabilities	14,299	–	–
Total non-current liability	14,299	–	–
Current Liabilities			
Trade and other payables	274,082	258,991	307,145
Contract liability	–	40,000	–
Loan from shareholder	–	264,230	–
Lease liabilities	13,760	15,147	–
Tax payable	281,884	200,284	52,739
	569,726	778,652	359,884
Total Liabilities	584,025	778,652	359,884
TOTAL EQUITY AND LIABILITIES	5,996,641	6,469,920	4,161,974

9. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in the audited consolidated financial statements of the Group for FY2022, and any other information on the Group which is publicly available (including but not limited to that contained in the Annual Report FY2022 and the announcements released by the Group on the SGX-ST), there have been no material changes to the financial position of the Company since 31 December 2022, being the date of the last audited accounts of the Company laid before the Shareholders in general meeting.

10. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Group are disclosed in Note 2.2 of the audited consolidated financial statements of the Group for FY2022, which are reproduced in **Appendix 4** to this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the Annual Report FY2022, the audited financial statements of the Group for FY2022 and the announcements released by the Group on the SGX-ST), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

11. CHANGES IN ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation as with those in the audited financial statements of the Group for FY2022 and there are no changes in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

12. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in the information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

13. MATERIAL CONTRACTS

As at the Latest Practicable Date, there have been no material contracts (not being contracts entered into during the ordinary course of business carried on by the Company) entered into by the Company or any of its subsidiaries with Interested Persons, during the three (3) years preceding the Offer Announcement Date and ending on the Latest Practicable Date.

14. MATERIAL LITIGATION

As at the Latest Practicable Date:

(a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group taken as a whole; and

(b) save as disclosed above, the Directors are not aware of any litigation, claim, arbitration or other proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group taken as a whole.

RELEVANT ARTICLES IN THE COMPANY'S CONSTITUTION

The provisions in the Company's Constitution relating to the rights of Shareholders in respect of capital, dividends and voting, are reproduced below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the office of the Corporate Secretarial Agent at In.Corp Corporate Services Pte. Ltd., c/o Sunrise Shares Holdings Ltd. 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, during normal business hours until the Closing Date.

(a) Rights in respect of capital

"ISSUE OF SHARES

4. Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors, may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:-

(a) no Director shall participate in any issue of shares to employees unless the members in General Meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity;

(b) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;

(c) no shares shall be issued at a discount except in accordance with the Statutes;

(d) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and

(e) any other issue of shares, the aggregate of which would in any one financial year of the Company exceed ten per cent. of the issued capital of the Company at the date of such issue, shall be subject to the approval of the Company in General Meeting.

5.(A) In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

VARIATION OF RIGHTS

6. (A) Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders ,of three-quarters in nominal value of the issued shares of the class concerned" within two months of such General Meeting shall be as valid and effectual ,as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

(B) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

8.(A) Subject to any direction to the contrary that may be given by the Company in General Meeting, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).

(B) Notwithstanding Article 8(A) above but subject to the Statutes, the Company may apply to the Stock Exchange of Singapore Limited to waive the convening of an Extraordinary General Meeting to obtain shareholders' approval for further issues of shares (other than bonus or rights issues) where:-

(a) in accordance with the provisions of Section 161 of the Act there is still in effect a resolution approving the issue of shares by the Company; and

(b) the aggregate issues of which in any financial year (other than by way of bonus or rights issues) do not exceed ten per cent. of the issued capital of the Company.

(c) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

9. The Company may by Ordinary Resolution:-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;

(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

(d) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

10. The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust; and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.

12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether- as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.

13. Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

14. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within 10 market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. "Market day" shall have the meaning ascribed to it in Article 18. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

17.(A) The Company shall not be bound to register more than three persons as the registered holder of a share except in the case of executors or administrators of the estate of a deceased member.

(B) In the case of a share registered jointly in the names of several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.

18. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive within 10 market days of the closing date of any application for shares (or such other period as maybe approved by. any Stock Exchange upon which the shares of the Company may be listed) or within 15 market days after the date of lodgment of a registrable transfer (or such other period as may be approved by any Stock Exchange upon which the shares of the Company may be listed) one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of $2 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed. For the purposes of this Article 18, "market day" shall mean a day on which the Stock Exchange of Singapore Limited is open for trading in securities.

19.(A) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

19.(B) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of $2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed.

(C) In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders.

20. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any Stock Exchange upon which the Company is listed or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding $2 as the Directors may from time to time require together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

CALLS ON SHARES

21. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

22. Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

24. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes, payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

26. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not while carrying interest confer a right to participate in profits.

FORFEITURE AND LIEN

27. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

28. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

30. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

31. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.

32. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

34. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted

or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

36. All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by any Stock Exchange upon which the Company may be listed. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

37. The Register of Members maybe closed at such times and for such period as the Directors may from time to time determine, provided always that such Register shall not be closed for more than thirty days in any year, Provided always that the Company shall give prior notice of such closure as may be required to any Stock Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the closure is made.

38.(A) There shall be no restriction on the transfer of fully paid up shares (except where required by law, the listing rules of any Stock Exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any Stock Exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve, Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within 10 market days beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:-

(a) all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding $2 as the Directors may from time to time require, is paid to the Company in respect thereof;

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;

(c) the instrument of transfer is in respect of only one class of shares; and

(d) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.

39. If the Directors refuse to register a transfer of any shares, they shall within ten market days after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes.

40. All instruments of transfer which are registered may be retained by the Company.

41. There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding $2 as the Directors may from time to time require or prescribe.

42. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid 'and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:-

(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and

(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

43.(A) In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(B) In the case of the death of a member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(C) Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

44. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.

45. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share pursuant to Article 43(A) or (B) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which-he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.

STOCK

46. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.

48. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as, regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

(b) Rights in respect of dividends

"DIVIDENDS

121. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

122. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

123. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

124. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

125. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

126.(A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

127. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share - in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

128. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

129. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the. Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 131, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

130. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

131. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

CAPITALISATION OF PROFITS AND RESERVES

132. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account, Capital Redemption Reserve Fund or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of

shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(c) Rights in respect of voting

"GENERAL MEETINGS

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

51. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-

(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed.

52.(A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

(a) declaring dividends;

(b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);

(e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and

(f) fixing the remuneration of the Directors proposed to be paid under Article 79.

54. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

55. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

56. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.

57. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such 'other day, time or place as the directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

58. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

59. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

60. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

61. At any General Meeting a resolution put to the-vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

(a) the chairman of the meeting; or

(b) not less than two members present in person or by proxy and entitled to vote; or

(c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) a member present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right;

Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

62. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint' scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

64. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

65. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company each member entitled to vote may vote in person or by proxy. On a show of hands every member who is present in person and each proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

66. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the" exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.

67. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

68. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

69. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

70. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

71.(A) A member may appoint not more than two proxies to attend and vote at the same General Meeting provided that if the member is a Depositor, the Company shall be entitled and bound:-

(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General- Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of-proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(D) A proxy need not be a member of the Company.

72.(A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:-

(a) in the case of an individual shall be signed by the appointor or his attorney; and

(b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

(B) The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power-of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

73. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

75. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

76. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat."

(d) Alteration and Amendment to Constitution and Name of Company

*"**ALTERATION OF ARTICLES***

147. Where these presents have been approved by any Stock Exchange upon which the shares in the Company may be listed, no provisions of these presents shall be deleted, amended or added without the prior written approval of such Stock Exchange which had previously approved these presents."

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2022

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF SUNRISE SHARES HOLDINGS LTD.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Sunrise Shares Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Qualified 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 from 1 November 2021 to 30 June 2022. The fees charged amounted to $120,000 per quarter. The Group recognised consultancy management service revenue of $240,000 for the financial year ended 31 December 2022.

On 9 November 2021, the Group received an amount of $120,000 from New Zealand Luck Star Investment Limited ("NZ Luck Star") for the period from November 2021 to January 2022.

On 21 February 2022, the Group received an amount of $120,000 from NZ Luck Star for the period from February to April 2022.

On 8 June 2022, the Group received the final amount of $80,000 from Nan Fang (Singapore) Investment Fund Management Pte Ltd ("Nan Fang Singapore") for the period from May to June 2022.

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

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

Basis for Qualified Opinion (cont'd)

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

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

a) the shares of NZ Nan Fang have been transferred numerous times among certain individuals ("Group of Individuals") and the Corporation H during 2021 and 2022. The Group of Individuals 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 Corporation H were held by the Controlling Shareholder and his family members, and were transferred numerous times among the Controlling Shareholder, NZ Nan Fang and the Group of Individuals during 2021 and 2022.

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. From 8 December 2021 to 2 April 2022, the shares of NZ Luck Star were transferred back to NZ Sunrise Development, a company controlled by the Controlling Shareholder.

We are not able to satisfy ourselves with respect to the commercial rationale and substance of these changes in the shareholdings of NZ Nan Fang and the Corporation H 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.

As such, we are unable to satisfy ourselves with respect to management's representation that the provision of Consultancy Services to NZ Nan Fang and receipt of consultancy services fee from Nan Fang Singapore in 2022 are not related party transactions. Consequently, we are unable to conclude if any further disclosures are required in the consolidated financial statements with respect to the property consultancy and management fee from NZ Nan Fang.

2) 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 Corporation H. The loan was fully settled in January 2022, and interest income of RMB310,000 (equivalent to $59,000) was recognized for the financial year ended 31 December 2022.

Based on the findings and explanations of the basis mentioned in section (1) of the Basis for Qualified 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 Corporation H, prior to the Group extending the loan to SZXD.

As such, we are unable to satisfy ourselves with respect to management's representation that the interest income from SZXD is not a related party transaction. Consequently, we are unable to conclude if any further disclosures are required in the consolidated financial statements with respect to the interest income from SZXD. Consequently, we are unable to conclude if any further disclosures are required in the consolidated financial statements with respect to the interest income from SZXD.

3) Consultancy management services to Nan Fang (Singapore) Investment Fund Management Pte Ltd

On 23 December 2021, the Group entered into a consultancy management services agreement with Nan Fang (Singapore) Investment Fund Management Pte Ltd ("Nan Fang Singapore") for the provision of daily industrial and commercial registration maintenance and business consulting management services, including property management, hotel management, project management, marketing planning and investment consulting. The initial contract period was from 1 January 2022 to 30 December 2024 and the revenue per quarter was $80,000. The contract was terminated on 30 June 2022. Revenue of $160,000 was recognized for the financial year ended 31 December 2022.

Based on the background search on Nan Fang Singapore, it came to our attention that the shares of Nan Fang Singapore were transferred among the Group of Individuals, Premier Success Investment Pte Ltd and NZ Nan Fang, in the previous and current financial years.

We are not able to satisfy ourselves with respect to the commercial rationale and substance of these changes in shareholdings of Nan Fang Singapore and the Group of Individuals prior and during the consultancy service period with Nan Fang Singapore. As such, we are unable to satisfy ourselves with respect to management's representation that the provision of Consultancy Services to Nan Fang Singapore are not related party transactions.

Consequently, we are unable to conclude if any further disclosures are required on the consolidated financial statements with respect to the property consultancy and management fee from Nan Fang Singapore.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matter

The consolidated financial statements of the Group for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021 were audited by another independent auditor who expressed a disclaimer of opinion on those financial statements on 20 May 2022 as detailed in Note 23 to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2022 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

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)s, 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 Titus Kuan Tjian.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

12 June 2023

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $	2021 $
Revenue	4	**400,000**	576,637
Other income:			
– Interest	5	**89,022**	508,364
– Others	5	**82,529**	413,733
Expenses			
Selling and distribution expense		**(394)**	(2,699)
Administrative expense		**(1,523,295)**	(964,206)
Other expenses	7	**(686,249)**	(56,897)
Finance costs	10	**(797)**	(806)
(Loss)/ Profit before tax	7	**(1,639,184)**	474,126
Tax expense	6	**(234,700)**	(406,309)
(Loss)/ Profit for the year		**(1,873,884)**	67,817
Other comprehensive (loss)/income:			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		**(15,294)**	210,835
Total comprehensive (loss)/income for the year		**(1,889,178)**	278,652
(Loss)/ Profit attributable to:			
Equity holders of the Company		**(1,873,884)**	67,817
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(1,889,178)**	278,652
(Loss)/Earnings per share (cents per share) – Basic and diluted	9	**(0.90)**	0.03

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

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2022

	Note	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
ASSETS					
Non-current assets					
Right-of-use assets	10	**–**	14,583	**–**	–
Investment in subsidiaries	11	**–**	–	**10,000**	10,000
Total non-current assets		**–**	14,583	**10,000**	10,000
Current assets					
Trade and other receivables	12	**27,769**	4,192,204	**956,505**	1,818,831
Cash and cash equivalents	15	**4,134,205**	2,263,133	**331,110**	1,641,290
Total current assets		**4,161,974**	6,455,337	**1,287,615**	3,460,121
Total assets		**4,161,974**	6,469,920	**1,297,615**	3,470,121
EQUITY AND LIABILITIES					
Equity					
Share capital	13	**25,668,295**	25,668,295	**25,668,295**	25,668,295
Foreign currency translation reserve	14	**124,937**	140,231	**–**	–
Statutory reserve	15	**523,157**	523,157	**–**	–
Accumulated losses		**(22,514,299)**	(20,640,415)	**(24,707,515)**	(22,665,666)
Total equity		**3,802,090**	5,691,268	**960,780**	3,002,629
Current liabilities					
Trade and other payables	16	**307,145**	258,991	**336,835**	203,262
Contract liability		**–**	40,000	**–**	–
Loan from shareholder	17	**–**	264,230	**–**	264,230
Lease liabilities	10	**–**	15,147	**–**	–
Tax payable		**52,739**	200,284	**–**	–
Total liabilities		**359,884**	778,652	**336,835**	467,492
Total equity and liabilities		**4,161,974**	6,469,920	**1,297,615**	3,470,121

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital $	Foreign currency translation reserve $	Statutory reserve $	Accumulated losses $	Total equity $
Group					
2022					
Balance at 1 January 2022	**25,668,295**	**140,231**	**523,157**	**(20,640,415)**	**5,691,268**
Loss for the year	**–**	**–**	**–**	**(1,873,884)**	**(1,873,884)**
Other comprehensive loss					
Currency translation differences arising on consolidation	**–**	**(15,294)**	**–**	**–**	**(15,294)**
Total comprehensive loss for the year	**–**	**(15,294)**	**–**	**(1,873,884)**	**(1,889,178)**
Balance at 31 December 2022	**25,668,295**	**124,937**	**523,157**	**(22,514,299)**	**3,802,090**
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
Other comprehensive income					
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	523,157	(20,640,415)	5,691,268

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		2022 $	2021 $
Cash flows from operating activities			
(Loss)/Profit before tax		**(1,639,184)**	474,126
Adjustments for:			
Depreciation of right-of-use assets	7	**12,962**	13,995
Interest income	5	**(89,022)**	(508,364)
Interest expense	10	**797**	806
Operating cash flows before working capital changes		**(1,714,447)**	(19,437)
Changes in working capital			
Trade and other receivables		**15,040**	1,367,342
Trade and other payables		**8,154**	24,908
Cash (used in)/generated from operations		**(1,691,253)**	1,372,813
Income tax paid		**(382,245)**	(342,364)
Net cash (used in)/generated from operating activities		**(2,073,498)**	1,030,449
Cash flows from investing activities			
Interest received		**89,022**	471,440
Loan to a third party		**–**	(4,152,471)
Repayment of loan from a third party		**4,149,395**	3,637,980
Net cash generated from/(used in) investing activities		**4,238,417**	(43,051)
Cash flows from financing activities			
Repayment of loan to a shareholder	17	**(264,230)**	(406,770)
Loan received from shareholder	17	**–**	671,000
Repayments of lease liabilities	10	**(13,702)**	(13,988)
Interest paid	10	**(797)**	(806)
Net cash (used in)/ generated from financing activities		**(278,729)**	249,436
Net increase in cash and cash equivalents		**1,886,190**	1,236,834
Cash and cash equivalents at beginning of the financial year		**2,263,133**	960,978
Effects of exchange rate changes on cash and cash equivalents		**(15,118)**	65,321
Cash and cash equivalents at end of the financial year		**4,134,205**	2,263,133

Cash and cash equivalents comprise cash and bank balances.

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

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

1 CORPORATE INFORMATION

Sunrise Shares Holdings Ltd. (Co. Reg. No. 198201457Z) (the 'Company') is a Company 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 company. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Singapore dollars ("S$"), which is the functional currency of the Company.

2.2 Adoption of new and amended standards and interpretations

New and revised standards that are adopted

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the 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 INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and amended standards and interpretations (cont'd)

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 2022 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.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) Practise Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.3 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Property consultancy and management

Revenue from property consultancy services, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Revenue recognition (cont'd)

Over time (cont'd)

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

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.

Interest income

Interest income is recognised using the effective interest method.

2.4 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Disposal

When a change in the Group'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 are derecognised. Amounts previously 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 entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2.5 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 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 and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payment and right-of-use assets representing the right to use the underlying leased assets.

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). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of -use assets include the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, deprecation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.5.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed 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.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if 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. The Group's lease liabilities are included in Note 10.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Leases (cont'd)

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

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.) It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

2.7 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when 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 affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Income taxes (cont'd)

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when 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 affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Group only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. 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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. 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 (a12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises 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 for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Cash and cash equivalents

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

2.11 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.

2.12 Statutory reserve

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.

2.13 Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.14 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Currency translation

(a) 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 ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD" or "$"), which is the functional currency of the Company.

b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other income".

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.

c) 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 presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange 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 currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for 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 2022 is $52,739 (2021: $200,284).

4 REVENUE

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

	Group	
	2022	**2021**
	$	**$**
Timing of revenue recognition		
At a point in time:		
Sales brokerage commission	**–**	79,534
Over time:		
Property consultancy and management fee	**400,000**	497,103
	400,000	576,637

5 OTHER INCOME

	2022	**2021**
	$	**$**
Interest income from third party	**89,022**	508,364
Others		
– Foreign currency exchange gain, net	**82,529**	413,733
	171,551	922,097

6 TAX EXPENSE

	Group	
	2022	**2021**
	$	**$**
Tax expense attributable to profits is made up of:		
– Current income tax provision	**48,950**	248,004
– Withholding tax expenses	**185,750**	158,305
	234,700	406,309

6 TAX EXPENSE (CONT'D)

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	
	2022	**2021**
	$	**$**
(Loss)/Profit before tax	**(1,639,184)**	474,126
Tax calculated at a tax rate of 17%	**(278,661)**	80,601
Effect of different tax rates in other countries	**–**	42,672
Others	**–**	3,599
Non-deductible expenses	**106,218**	22,487
Non-taxable income	**(17,425)**	–
Withholding tax	**185,750**	158,305
Deferred tax assets not recognised	**238,818**	98,645
	234,700	406,309

At 31 December 2022, the Group has deferred tax assets in respect of tax losses of $2,957,713 (2021: $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 (LOSS)/PROFIT BEFORE TAX

	Group	
	2022	**2021**
	$	**$**
(Loss)/Profit before tax is arrived at after charging:		
Audit fees paid/payable to:		
– auditor of the Company	**140,000**	55,000
– other auditors*	**6,650**	33,248
Professional fee	**878,635**	247,961
Short term lease expenses (Note 10)	**7,970**	–
Staff costs (Note 8)	**372,489**	510,736
Depreciation of right-of-use assets (Note 10)	**12,962**	13,995
Other expenses:		
– Loss on investment in short term foreign currencies	**–**	56,897
– Loss on forex trading activities	**569,689**	–
– Commission paid to forex trading activities	**116,560**	–
	686,249	56,897

* Includes independent member firms of the PKF International network.

8 STAFF COSTS

	Group	
	2022	**2021**
	$	**$**
Salaries and related costs	**368,096**	505,427
Contributions to defined contribution plans	**4,393**	5,309
	372,489	510,736

9 (LOSS)/EARNINGS 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	
	2022	**2021**
(Loss)/Profit for the year	**(1,873,884)**	67,817
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	**209,337**	209,337
Basic and diluted (loss)/earnings per share (cents per share)	**(0.90)**	0.03

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.

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 18.

Amounts recognised in statement of financial position

	2022	**2021**
	$	**$**
Carrying amount of right-of-use assets		
Office unit	**–**	14,583
Carrying amount of lease liabilities		
Current	**–**	15,147

There were no additions during the financial year.

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

The Group as a lessee (cont'd)

Nature of the Group's leasing activities (cont'd)

Amounts recognised in profit or loss

	2022 $	2021 $
Depreciation charge for the financial year		
Office unit	**12,962**	13,995
Lease expense not included in the measurement of lease liabilities		
Lease expense – short term leases	**7,970**	–
Interest expense on lease liabilities	**797**	806

During the financial year, total cash flow for leases amounted to S$22,469 (2021: $14,794).

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

	Lease liabilities	
	2022 $	2021 $
Balance at 1 January	**15,147**	28,059
Changes from financing cash flows:		
– Principal repayments	**(13,703)**	(13,988)
– Interest paid	**(797)**	(806)
Non-cash changes:		
– Interest expense	**797**	806
– Effect of changes in foreign exchange rates	**(1,444)**	1,076
Balance at 31 December	**–**	15,147

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2022 $	2021 $
Unquoted equity shares, at cost		
At 1 January	**10,000**	336,568
Disposal	**–**	(326,568)
At 31 December	**10,000**	10,000

11 INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of subsidiaries held by the Company are:

Name of subsidiary and country of business/incorporation	Principal activities	Effective equity interest	
		2022 %	2021 %
Sunrise Industrial (Singapore) Pte. Ltd.[2] (Singapore)	Property fund management and real estate investment trusts	**100**	100
Sunrise Investment Limited[1] (Cayman Island)	Investment holding	**100**	100
Held by Sunrise Industrial (Singapore) Pte. Ltd.			
Hong Kong Sunrise Industrial Development Limited[3] (Hong Kong)	Property consultancy, management and related services	**100**	100
Held by Hong Kong Sunrise Industrial Development Limited			
Hong Kong Sunrise Consultant Limited[3] (Hong Kong)	Investment holding company	**100**	100
Held by Hong Kong Sunrise Consultant Ltd			
Shenzhen Sunrise Development Limited[1] (China)	Property consultancy, management and related services	**100**	100
Held by Shenzhen Sunrise Development Limited			
Shenzhen Kimshek Consultancy Management Limited[1] (China)	Property consultancy, management and related services	**100**	100
Shenzhen Zhongtong Apartment Management Limited (Formerly known as Shenzhen Kimshek Construction Project Management Limited)[1] (China)	Property consultancy, management and related services	**100**	100

1 Not required to be audited.

2 Audited by PKF-CAP LLP.

3 Audited by independent member firm of PKF International.

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
Prepayments	**308**	2,809	**–**	2,809
Other receivables	**27,461**	4,189,395	**2,809**	1,374,000
Amount due from subsidiaries	**–**	–	**953,696**	442,022
	27,769	4,192,204	**956,505**	1,818,831

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

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	Company	
	2022 $	2021 $
Balance as at the beginning of the year	**69,655**	69,655
Provision for expected credit losses	**693,045**	–
Reversal of provision for expected credit losses	**(69,655)**	–
Balance as at end of the year	**693,045**	69,655

As at 31 December 2021, included in other receivables are loans to third parties of $4,149,395. 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	$2,825,395
B	Unsecured	Nil	3% per month	$1,300,000	$1,324,000
					$4,149,395

13 SHARE CAPITAL

	2022		2021	
	Number of issued shares	Issued share capital $	Number of issued shares	Issued share capital $
Issued and fully paid ordinary shares				
Balance at beginning and end of financial year	**209,337,290**	**25,668,295**	209,337,290	25,668,295

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.

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	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Trade payables	**59,564**	50,830	**–**	–
Accruals	**171,207**	188,567	**168,900**	133,062
Other payables	**76,374**	19,594	**49,927**	–
Amount due to a subsidiary	**–**	–	**118,008**	70,200
	307,145	258,991	**336,835**	203,262

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

17 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, on terms agreed by the parties concerned:

Loan from shareholder

Loan from shareholder is non-trade in nature, unsecured, bears interest of 1.2% per annum and repayable within one year.

	Group	
	2022	**2021**
	$	**$**
At 1 January	**264,230**	–
Loan received from shareholder	**–**	671,000
Repayment of loan to shareholder	**(264,230)**	(406,770)
At 31 December	**–**	264,230

	Group	
	2022	**2021**
	$	**$**
Payment received from a related party on behalf of a customer	**120,000**	–

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Key management personnel compensation

	Group	
	2022	**2021**
	$	**$**
Directors' fee	**90,000**	90,000
Short-term employee benefits	**232,950**	203,000
Contributions to defined contribution plans	**2,750**	–
Total key management personnel compensation incurred by the Group	**325,700**	293,000

18 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.

Foreign currency risk

The Group operates internationally and is subject to various currency exposures, primarily with respect to the United States Dollar ("USD"), Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD"). Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's foreign operations in Malaysia and Indonesia are kept at a minimal level. The Group does not presently hedge this foreign exchange exposure.

Generally, recognised assets and liabilities are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily in Singapore Dollar, USD, RMB and HKD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The Group monitors exposure of foreign currency risk on an ongoing basis by reviewing the liquid assets and liabilities held in currencies other than the Singapore Dollar to ensure that the net exposure are within acceptable parameters.

18 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (cont'd)

	Singapore Dollar S$	United States Dollar S$	Chinese Renminbi S$	Hong Kong Dollar S$	Total S$
2022					
Group					
Trade and other receivables	**7,571**	**–**	**19,890**	**–**	**27,461**
Cash and cash equivalents	**2,908,690**	**278,502**	**538,523**	**408,490**	**4,134,205**
Trade and other payables	**(229,618)**	**–**	**(60,456)**	**(17,071)**	**(307,145)**
Net financial assets	**2,686,643**	**278,502**	**497,957**	**391,419**	**3,854,521**
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currency	**(60,269)**	**–**	**(497,957)**	**(162,425)**	**(720,651)**
Currency exposure	**2,626,374**	**278,502**	**–**	**228,994**	**3,133,870**

Sensitivity analysis for foreign currency risk

A 10% strengthening/weakening of SGD against foreign currency denominated balances as at the reporting date would increase/(decrease) net profit by the amounts shown below. This analysis assumes that all other variables remain constant.

		Increase/(decrease) net profit 2022 S$
USD against SGD	– Strengthened 10%	**27,805**
	– Weakened 10%	**(27,805)**
HKD against SGD	– Strengthened 10%	**32,826**
	– Weakened 10%	**(32,826)**

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	
	2022 $	2021 $
Fixed rate instrument		
Other receivables	**–**	4,189,395

18 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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 Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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

Trade receivables

For trade receivables, the Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Other receivables

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Maximum exposure and concentration of credit risk

At the reporting date, approximately Nil (2021: 100%) of the Group's trade and other receivables (excluding prepayments) generated were due from Nil (2021: 2) major customers. The Company has no significant concentration of credit risk except for amount due from subsidiaries.

18 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

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.

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			
2022			
Trade and other payables	**307,145**	**–**	**307,145**
2021			
Trade and other payables	258,991	–	258,991
Loan from shareholder	274,862	–	247,862
Lease liabilities	15,415	–	15,415
	549,268	–	549,268
Company			
2022			
Trade and other payables	**336,835**	**–**	**336,835**
2021			
Trade and other payables	203,262	–	203,262
Loan from shareholder	274,862	–	274,862
	478,124	–	478,124

19 FAIR VALUES OF ASSETS AND LIABILITIES

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximation of fair values due to their short-term nature.

20 CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
Financial assets at amortised costs	**4,161,666**	6,452,528	**1,717,615**	3,457,312
Financial liabilities at amortised cost	**307,145**	538,368	**766,835**	467,492

21 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Group comprises issued share capital and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

22 SEGMENT INFORMATION

The Group has one (2021: two) reportable segment(s), 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 the directors (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 management services

(b) Investment business – short term loans to third parties

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 services $	Others $	Total $
2022			
Segment revenue			
Sales to external customers	**400,000**	**–**	**400,000**
Depreciation	**12,962**	**–**	**12,962**
Loss before tax	**387,973**	**(2,027,157)**	**(1,639,184)**
Tax expense	**(48,778)**	**(185,922)**	**(234,700)**
Net loss attributable to owners of the Company	**339,195**	**(2,213,079)**	**(1,873,884)**
Assets and liabilities:			
Reportable segment assets	**2,698,864**	**1,463,110**	**4,161,974**
Reportable segment liabilities	**307,145**	**52,739**	**359,884**

22 SEGMENT INFORMATION (CONT'D)

	Property consultancy and management services $	Investment business $	Total $
2021			
Segment revenue			
Sales to external customers	576,637	–	576,637
Depreciation			
Profit before tax	437,202	36,924	474,126
Tax expense	(406,309)	–	(406,309)
Net profit attributable to owners of the Company	30,893	36,924	67,817
Assets and liabilities:			
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

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.

The Group's revenue is derived solely from China.

For the financial year ended 31 December 2021, the Group's non-current assets are located in China.

Information about major customers

Revenue of approximately $400,000 (2021: $576,637) are derived from 2 (2021: 3) external customers who individually contributed 10% or more of the Group's revenue reported under the property consultancy and management segment.

23 BASIS FOR DISCLAIMER OF OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The independent auditor's report dated 20 May 2022 contained a disclaimer of opinion on the financial statements for the financial year ended 31 December 2021. The extract of the basis for disclaimer of opinion is as follows:

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 $40,0000 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.

23 BASIS FOR DISCLAIMER OF OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Basis for Disclaimer of Opinion (cont'd)

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

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.

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.

23 BASIS FOR DISCLAIMER OF OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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 Corporation H.

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 Corporation H, 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 any adjustments and further disclosures are required on the current year's consolidated financial statements with respect to the loan to SZXD.

23 BASIS FOR DISCLAIMER OF OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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.

24 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the board of directors of the Company dated 12 June 2023.