

MANDATORY CONDITIONAL CASH OFFER

By

HONG LEONG FINANCE LIMITED

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

for and on behalf of

WONG SIU FAI

to acquire all the issued and paid-up ordinary shares in the capital of

SUNRISE SHARES HOLDINGS LTD.

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

other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror

OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1 The Acquisition

Hong Leong Finance Limited ("**Hong Leong Finance**") wishes to announce, for and on behalf of Wong Siu Fai ("**Offeror**") that, Hong Kong Zhong Tong Wealth Management Limited ("**HKZT**"), a company controlled by the Offeror, has on 6 December 2018 acquired from Cheung Chi Hung ("**CCH**") an aggregate of 9,000 ordinary shares in the capital of Quality Able Limited ("**QAL**") ("**QAL Sale Shares**"), representing 90% of the total issued and paid-up share capital of QAL ("**Acquisition**") at the price of S\$13.60 per QAL Sale Share, for a total of S\$122,400 ("**Consideration**"). QAL is a shareholder of Sunrise Shares Holdings Ltd. (the "**Company**", together with its subsidiaries, to be referred to as the "**Group**"), holding in aggregate 8,000,000 issued ordinary shares ("**Shares**") in the capital of the Company, representing approximately 4.49% of the total number of issued Shares.

Prior to the Acquisition, the Offeror owns or controls, directly or indirectly, in aggregate 53,012,815 Shares, representing approximately 29.73% of the total issued Shares. As a result of the Acquisition, as the Offeror is the beneficial owner of HKZT, the Offeror owns or controls an aggregate of 61,012,815 Shares, representing approximately 34.22% of the total number of issued Shares¹.

1.2 Mandatory Offer

As a consequence of the Acquisition, the Offeror is required to make a mandatory conditional cash offer ("**Offer**") for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror, in accordance with Section

¹ As a result of the acquisition, the Offeror holds an indirect interest in 90% of the total issued and paid-up share capital of QAL, and is therefore deemed interested in all the 8,000,000 Shares held by QAL.

139 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) and Rule 14 of the Singapore Code on Take-overs and Mergers (“Code”).

2. THE OFFER

Subject to the terms and conditions to be set out in the formal offer document to be issued by Hong Leong Finance for and on behalf of the Offeror (“**Offer Document**”), the Offeror will make the Offer for all the Offer Shares (as defined herein) in accordance with Section 139 of the SFA and Rule 14 of the Code on the following terms and conditions:

2.1 Offer Shares

The Offer will be made for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (“**Offer Shares**”).

2.2 Offer Price

The consideration for each Offer Share is (“**Offer Price**”):

For each Offer Share: S\$0.017 in cash.

2.3 No Encumbrances

The Offer Shares will be acquired:

- (a) properly and validly issued and fully paid-up;
- (b) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, adverse claims, rent-charge, title retention, claims, equity, options, encumbrances, pre-emption rights, rights to acquire, security agreement and security interest or other rights of whatever nature; and
- (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the “**Announcement Date**”) and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends, rights and other distributions which may be announced or declared by the Company or the entitlement to which is determined by the Company, each on or after the Announcement Date.

If any dividend, or other distribution or return of capital is announced, declared, paid or made on or after the Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, distribution or return of capital.

2.4 Minimum Acceptance Condition

The Offer will be conditional upon the Offeror having received, by the closing date of the Offer (“**Closing Date**”), 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 parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the total voting rights attributable to the issued Shares (excluding treasury shares).

The Offer is not subject to any other condition.

2.5 Further Information

Further information on the Offer and the terms and conditions upon which the Offer will be made, shall be set out in the Offer Document to be issued.

3. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premium over / discount to the historical transacted prices of the Shares on the Singapore Exchange Securities Trading Limited ("SGX-ST"):

Period	Benchmark Price ⁽¹⁾⁽²⁾ (\$)	Premium over / (Discount to) Benchmark Price ⁽³⁾ (%)
Last traded price of the Shares on the SGX-ST on 8 November 2018 prior to the trading halt on the Shares, preceding the Announcement Date (" Last Trading Day ")	0.0140	21.4%
Volume weighted average price (" VWAP ") per Share for the one-month period up to and including the Last Trading Day	0.0123	38.2%
VWAP per Share for the three-month period up to and including the Last Trading Day	0.0137	24.1%
VWAP per Share for the six-month period up to and including the Last Trading Day	0.0308	(44.8%)
VWAP per Share for the 12-month period up to and including the Last Trading Day	0.0482	(64.7%)

Notes:

(1) Based on data extracted from Bloomberg L.P..

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

(3) Percentage figures are rounded to the nearest one (1) decimal place.

4. INFORMATION ON THE OFFEROR AND THE COMPANY

4.1 Offeror

The Offeror is a businessman primarily based in Hong Kong and engaged in the real estate investment and development, hospitality operation and management, and equity investment businesses in Hong Kong. He is a director of Hong Kong Sunrise Holdings Limited, a company incorporated in Hong Kong and principally engaged in the real estate, hospitality and investment industries. The Offeror has accumulated over 30 years of experience in the hospitality and real estate industries, and is currently planning to diversify his business overseas and globally.

4.2 Company

The Company was incorporated in Singapore in 1982 and is listed on the Catalist board of the SGX-ST.

The principal activities of the Group are the trading and distribution of electrical products, the manufacture and assembly of electrical distribution and control equipment, and the provision of property consultancy and management services in the real estate and hospitality industries.

The Group operates mainly in three markets - Singapore, Malaysia and China. China was a newly added geographical market as the Group ventured into the property management, real estate and hospitality businesses in 2017, in line with its diversification strategy.

Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on the Announcement Date, the issued and paid-up share capital of the Company is S\$24,996,343, comprising 178,337,290 ordinary shares.

As at the Announcement Date, the Company does not hold any treasury shares and does not have outstanding any instruments convertible into, rights to subscribe for, or options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights in the Company.

The board of directors of the Company comprises the following individuals:-

- (a) Zheng Aimin;
- (b) Zhang Zhi Liang;
- (c) Ng Clarence Kar Lung;
- (d) Chew Vincent;
- (e) Huang Anna Yi; and
- (f) Tang An.

Huang Anna Yi is the daughter of the Offeror, and the wife of Ng Clarence Kar Lung.

Ng Clarence Kar Lung is the son-in-law of the Offeror.

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

5.1 Compliance with the Code

As set out in paragraph 1 of this Announcement, the Offeror is making the Offer in compliance with the requirements of the Code.

5.2 Opportunity for Shareholders to Realise their Investment in Cash at a Premium

As set out in paragraph 3 of this Announcement, the Offer Price represents a premium of approximately 38.2% and 24.1% over the VWAP of the Shares for the one-month and three-month periods respectively up to and including the Last Trading Day.

The Offer presents shareholders of the Company ("**Shareholders**") with an opportunity to realise their entire investment in the Shares in cash at a premium over the last traded price prior to the trading halt on the Shares.

5.3 Offeror's Intentions in Relation 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. As part of the review, the Offeror may undertake an assessment of the human resource requirements of the Group in line with the future corporate direction of the Group. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves.

6. LISTING STATUS AND COMPULSORY ACQUISITION

6.1 Listing Status

Pursuant to Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**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 parties acting or deemed to be acting in concert with the Offeror 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.

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

6.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**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 ("**Dissenting Shareholders**") on the same terms as those offered under the Offer.

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 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.

6.3 Offeror's Intentions

It is the current intention of the Offeror to maintain the listing status of the Company on the Catalist board of the SGX-ST and the Offeror does not intend to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act. 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, including its right of compulsory acquisition (if applicable) as described in Section 6.2 of this Announcement depending on, *inter alia*, the ultimate level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

7. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

7.1 Holdings of Company Securities

Save as disclosed in Section 1 and Schedule 1, as at the Announcement Date and based on the latest information available to the Offeror, none of the Offeror and persons acting in concert with the Offeror in connection with the Offer ("**Relevant Persons**") owns, controls or has agreed (other than pursuant to the Undertakings) to acquire any:

- (a) Shares;
- (b) securities which carry voting rights in the Company; or
- (c) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company,

(collectively "**Company Securities**").

7.2 Dealings in Company Securities

Save for the Acquisition and as disclosed in Schedule 1, none of the Relevant Persons has dealt for value in any Company Securities during the six-month period immediately preceding the Announcement Date and up to the Announcement Date ("**Reference Period**").

7.3 Irrevocable Undertakings

None of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Offer as at the Announcement Date.

7.4 Other Arrangements

Save as disclosed in this Announcement, as at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) entered into an arrangement (whether by way of option, indemnity or otherwise) in relation to any Company Securities which might be material to the Offer;
- (b) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;

- (c) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (d) lent any Company Securities to another person.

8. CONFIRMATION OF FINANCIAL RESOURCES

Hong Leong Finance, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer for the Offer Shares on the basis of the Offer Price.

9. OFFER DOCUMENT

Further information on the Offer will be contained in the Offer Document. The Offer Document, which will set out the full terms and conditions of the Offer and enclose the relevant forms of acceptance of the Offer, will be despatched to the Shareholders not earlier than 14 days and not later than 21 days from the Announcement Date. Pursuant to Rule 22.3 of the Code, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in the Shares.

10. OVERSEAS SHAREHOLDERS

This Announcement does not constitute an offer to sell or the 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 Announcement in any jurisdiction in contravention of applicable laws. The Offer will be made solely by the Offer Document and the relevant forms of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. For the avoidance of doubt, the Offer is open to all Shareholders holding Shares, including those to whom the Offer Document and relevant forms of acceptance may not be sent.

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

Copies of this Announcement 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 jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and 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 law and regulation) 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 not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

11. CAUTIONARY STATEMENT

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN TRADING IN THE SHARES, AND WHERE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR, TAX ADVISER OR OTHER PROFESSIONAL ADVISERS.

12. RESPONSIBILITY STATEMENT OF THE DIRECTORS

The Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. Where any information in this Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Company, the sole responsibility of the Offeror 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 Announcement. The Offeror accepts responsibility accordingly.

Issued by
HONG LEONG FINANCE LIMITED

For and on behalf of
WONG SIU FAI

6 December 2018

Any enquiries relating to this Announcement or the Offer should be directed during office hours to Mr Tang Yeng Yuen of Hong Leong Finance Limited at (65) 6415 9886.

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor Hong Leong Finance undertakes any obligation to update publicly or revise any forward-looking statements, 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.

SCHEDULE 1

1. DETAILS OF HOLDINGS OF COMPANY SECURITIES BY THE RELEVANT PERSONS

The holdings of Company Securities of the Relevant Persons as at the Announcement Date are set out below:

Name	Total Interests	
	No. of Shares	%
Central Point Investment (S) Pte. Ltd. ⁽¹⁾	53,012,815	29.73
LC International Holdings Pte. Ltd. ⁽²⁾	53,012,815	29.73
QAL	8,000,000	4.49
HKZT ⁽³⁾	8,000,000	4.49
Hong Kong Sunrise Wealth Management Limited ⁽⁴⁾	8,000,000	4.49
H Wealth Management Co. Limited ⁽⁵⁾	61,012,815	34.22
Offeror ⁽⁶⁾	61,012,815	34.22

Notes:

- (1) Central Point Investment (S) Pte. Ltd. ("CPI") is directly interested in 13,185,000 Shares held in its own name, and is deemed interested in 39,827,815 Shares held through UOB Kay Hian Private Limited by virtue of Section 7 of the Companies Act.
- (2) LC International Holdings Pte. Ltd. ("LC") is deemed interested in the Shares held by CPI through its 100% interest in the issued share capital of CPI.
- (3) HKZT is deemed interested in all the 8,000,000 Shares held by QAL through its 90% interest in the issued share capital of QAL.
- (4) Hong Kong Sunrise Wealth Management Limited ("HKSX") is deemed interested in all the 8,000,000 Shares held by QAL through its 100% interest in the issued share capital of HKZT.
- (5) H Wealth Management Co. Limited ("HWM") is deemed interested in the Shares held by CPI and QAL through its 100% interest in the issued share capital of LC and HKSX respectively.
- (6) The Offeror is deemed interested in the Shares held by CPI and QAL through his 100% interest in the issued share capital of HWM.

2. DETAILS OF DEALINGS IN COMPANY SECURITIES BY THE RELEVANT PERSONS

The dealings in Company Securities by each of the Relevant Persons (if any) during the Reference Period are set out below:

Name	Date	No. of Shares Acquired	No. of Shares Disposed	Transaction Price per Share (S\$)
HKZT ⁽¹⁾	6 December 2018	8,000,000	-	0.017
HKSX ⁽²⁾	6 December	8,000,000	-	0.017

	2018			
HWM ⁽³⁾	6 December 2018	8,000,000	-	0.017
Offeror ⁽⁴⁾	6 December 2018	8,000,000	-	0.017

Notes:

- (1) As disclosed in Section 1 of this Announcement, HKZT acquired an aggregate of 9,000 QAL Shares from CCH, representing 90% of the total issued and paid-up share capital of QAL. Following this Acquisition, HKZT is deemed interested in all the 8,000,000 Shares held by QAL through its 90% interest in the issued share capital of QAL.
- (2) HKSW is deemed interested in all the 8,000,000 Shares held by QAL through its 100% interest in the issued share capital of HKZT.
- (3) HWM is deemed interested in all the 8,000,000 Shares held by QAL through its 100% interest in the issued share capital of HKSW.
- (4) The Offeror is deemed interested in all the 8,000,000 Shares held by QAL through his 100% interest in the issued share capital of HWM.