

CIRCULAR DATED 10 APRIL 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Sunrise Shares Holdings Ltd. (the “**Company**”), you should immediately forward this Circular to the purchaser, 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.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Mr Mah How Soon, Registered Professional, RHT Capital Pte. Ltd., Six Battery Road, #10-01 Singapore 049909, telephone (65) 6381 6757.



SUNRISE SHARES HOLDINGS LTD.

(Company Registration Number: 198201457Z)
(formerly known as ITE Electric Co Ltd)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO
INCLUDE THE NEW BUSINESSES**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	24 April 2017 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	26 April 2017 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Room 332, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City Singapore 039593

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:–

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Board” or “Board of Directors”	:	The board of Directors of the Company as at the date of this Circular
“Catalist Rules”	:	The Listing Manual of the SGX-ST Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	The Central Provident Fund
“CPF Approved Nominees”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“Circular”	:	This circular to Shareholders dated 10 April 2017
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	Sunrise Shares Holdings Ltd.
“Constitution”	:	The constitution of the Company as at the date of this Circular
“Current Core Business”	:	The existing business of the Group which comprises electrical trading, electrical manufacturing, and investment holdings
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened on 26 April 2017 at Room 332, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City Singapore 039593, at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), notice of which is set out in the Notice of EGM on pages N-1 to N-3 of this Circular
“Fund Management Business”	:	The business of fund management, as more particularly described in Section 2.2.1 of this Circular
“Group”	:	The Company and its subsidiaries

DEFINITIONS

“Hospitality Business”	:	The business of the operation and management of hotels and franchising of hotel brands, as more particularly described in Section 2.2.2 of this Circular
“Latest Practicable Date”	:	5 April 2017, being the latest practicable date prior to the printing of this Circular
“MAS”	:	The Monetary Authority of Singapore
“New Businesses”	:	The Fund Management Business, the Hospitality Business, and the Property Business
“PRC” or “China”	:	The People’s Republic of China
“Property Business”	:	The business comprising property and construction project management activities, more particularly described in Section 2.2.3 of this Circular
“Proposed Diversification”	:	The proposed diversification of the business of the Group to include the New Businesses as additional core businesses of the Group
“RFMC”	:	Registered Fund Management Company, a corporation which is exempted from holding a capital markets services licence under paragraph 5(1)(i) of the Second Schedule of the SF(LCB)R
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
“SF(LCB)R”	:	Securities and Futures (Licensing and Conduct of Business) Regulations (Chapter 289, Regulation 10), as amended, varied or supplemented from time to time
“SF(FMR)R”	:	Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Chapter 289, Regulation 13), as amended, varied or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares

DEFINITIONS

“Shares”	:	Ordinary shares in the share capital of the Company
“SRS”	:	Supplementary Retirement Scheme
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5.0% of the total votes attached to all the voting Shares (excluding treasury Shares) in the Company
“%” or “per cent”	:	Per centum or percentage

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

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

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Securities and Futures Act, Catalist Rules or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, Securities and Futures Act, Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of a day and date in this Circular shall be a reference to Singapore time and date unless otherwise stated.

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

LETTER TO SHAREHOLDERS

SUNRISE SHARES HOLDINGS LTD.

(Company Registration Number: 198201457Z)
(formerly known as ITE Electric Co Ltd)
(Incorporated in the Republic of Singapore)

Board of Directors:

Zhang Zhi Liang (Executive Director and Chief Executive Officer)
Ng Clarence Kar Lung (Executive Director)
Chew Vincent (Non-Executive Director)
Zheng Aimin (Independent Director)
Tang An (Independent Director)

Registered Office:

Six Battery Road
#10-01
Singapore 049909

10 April 2017

To: The Shareholders of Sunrise Shares Holdings Ltd.

Dear Sir/Madam,

THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE NEW BUSINESSES

1. INTRODUCTION

The Directors are convening an EGM to be held at Room 332, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City Singapore 039593 on 26 April 2017, at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) to seek the approval of the Shareholders for the Proposed Diversification.

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with, information relating to the Proposed Diversification to be tabled at the EGM and to seek Shareholders' approval for the resolutions relating to the same. The notice of EGM is set out on pages N-1 to N-3 of this Circular.

2. THE PROPOSED DIVERSIFICATION

2.1 Background information

The Group's Current Core Business is electrical trading, electrical manufacturing, and investment holdings. The electrical trading business is undertaken by the Group's wholly owned subsidiaries, ITE Electric Systems Co. Pte Ltd ("**ITEES**") and ITE Lumens Pte Ltd ("**ITEL**") in Singapore, and Electech Distribution Systems Sdn Bhd ("**EDSM**") in Malaysia.

Sales of ITEES and ITEL are primarily made to mechanical and electrical contractors in Singapore, with a small volume of re-export sales to other Asian countries. Sales of EDSM are mainly to mid-tiered electrical dealers throughout Malaysia with a small percentage to end users such as machine and panel manufacturers.

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The electrical manufacturing business is undertaken by the Group's indirect wholly owned subsidiary, Electech Manufacturing Sdn. Bhd. ("**EMS**B"). EMSB is primarily involved in the manufacturing and assembling of electrical products under licence for certain principals and products under the proprietary brand name of the Group, and serves as the support division to the Group's trading and marketing activities.

The investment holdings division of the Group undertakes investments in stocks and shares, including investment in quoted securities. As of the financial year ended 31 December 2014, the Group has ceased the trading of quoted securities.

As highlighted in the Company's circular to shareholders dated 30 December 2016 in relation to the change of the name of the Company from "ITE Electric Co Ltd" to "Sunrise Shares Holdings Ltd.", the Company intends to diversify into other new business segments, develop the "Sunrise <<旭飞>>" brand.

As such, the Company is seeking the approval of the Company's shareholders at the EGM for the Proposed Diversification.

2.2 Information regarding the New Businesses

The Group is proposing to diversify its business to include the proposed Fund Management Business, Hospitality Business, and Property Business. Upon the approval of Shareholders for the proposed diversification into the New Businesses, the Company intends to diversify the Group's Current Core Business to include the New Businesses, as and when appropriate opportunities arise. The following are the business scope of each of the New Businesses.

2.2.1 Fund Management Business

The Company proposes to undertake the business of fund management, which involves the undertaking on behalf of customers (whether on a discretionary authority granted by the customer or otherwise) the management of a portfolio of securities or futures contracts, or foreign exchange trading and leveraged foreign exchange trading for the purpose of managing the customer's fund. Fund management does not include real estate investment trust management.

The Fund Management Business is envisioned to focus on managing private equity funds and fund of funds, and does not intend to restrict itself to any particular business sector, industry or country that presents growth opportunities for the Group. Nonetheless, majority of the clients are expected to come from the PRC, and majority of investments by funds under the Group's management are expected to be in the real estate industry. Through its wholly owned subsidiaries that it may incorporate from time to time, the Group intends to carry out the Fund Management Business in Singapore and Hong Kong initially, with a view to expand to other Asian countries.

Its activities will include managing and maintaining the investment portfolio of the Group's clients, conducting investments and executing transactions for the funds managed by the Group, market research and analysis, formulation and implementation of investment strategies and solutions. The Group will also obtain the requisite licences or permits, as the case may be, to carry out such activities in the respective countries.

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The revenue for the Fund Management Business is expected to be substantially derived from management fees charged, as well as performance fees calculated as an agreed profit sharing of the profits achieved by the funds under management. The Group will also have the opportunity to earn additional investment income from investing its own capital alongside that of the Group's fund investors and from the carried interest the Group receives from its funds. A carried interest entitles the sponsor of a fund to a specified percentage of investment gains that are generated on third-party capital that is invested. The Group will set out its policy or policies relating to actual or potential conflicts of interest that may arise in the course of the Fund Management Business to the Group's fund investors.

In particular, fund management in Singapore is a regulated activity under the Securities and Futures Act, and is subject to the supervision and regulation of MAS. Upon obtaining Shareholders' approval for the Proposed Diversification, the Group will apply to MAS to register the Company and/or a subsidiary of the Company as a RFMC. RFMCs may carry on business in Singapore in fund management on behalf of not more than 30 qualified investors (as defined in the SF(LCB)R), of which not more than 15 may be collective investment schemes, closed-end funds, or limited partnerships, and the total value of the assets managed by each RFMC shall not exceed S\$250 million. RFMCs will not be involved with retail investors.

To apply to MAS for registration as a RFMC, the Company and/or a subsidiary of the Company must meet, *inter alia*, the following requirements:

- (a) ensure that the minimum competency requirements of its key individuals are met. These requirements include, *inter alia*:
 - (i) having a minimum of two (2) directors, each with at least five (5) years' relevant experience, one (1) of whom is to be an executive director residing in Singapore and employed full time in the day-to-day operations of the Company and/or a subsidiary of the Company, and one (1) of whom is to be the chief executive officer;
 - (ii) employing at least two (2) relevant professionals, each with at least five (5) years' relevant experience and who are residing in Singapore. Relevant professionals may include the directors, chief executive officer and representatives of the Company and/or a subsidiary of the Company; and
 - (iii) employing at least two (2) representatives residing in Singapore. Representatives are individuals who conduct the regulated activity of fund management such as portfolio construction and allocation, research and advisory, business development and marketing or client servicing, and may include the directors and chief executive officer of the Company and/or a subsidiary of the Company;
- (b) satisfy MAS that the shareholders, directors, representatives and employees of the Company and/or a subsidiary of the Company, and the Company and/or a subsidiary of the Company itself, are fit and proper in accordance with the Guidelines on Fit and Proper Criteria issued by MAS;

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- (c) ensure that the Company and/or a subsidiary of the Company shall at all times meet the base capital thresholds set out in the SF(FMR)R, which vary from S\$250,000 to S\$1,000,000, depending on the category of fund management in question;
- (d) ensure that the Company and/or a subsidiary of the Company has in place compliance arrangements that are commensurate with the nature, scale and complexity of its business;
- (e) ensure that the Company and/or a subsidiary of the Company has in place a risk management framework to identify, address and monitor the risks associated with client assets that it manages, as required by the SF(LCB)R;
- (f) ensure that the business activities of the Company and/or a subsidiary of the Company are subject to adequate internal audit; and
- (g) ensure that the Company and/or a subsidiary of the Company shall meet the annual audit requirements as set out in the Securities and Futures Act and SF(LCB)R.

The Group may, in future, consider applying to MAS for the requisite capital markets services licence to carry out the regulated activity of fund management in Singapore as a (i) Licensed Accredited/Institutional Fund Management Company, which would enable the Company and/or a subsidiary of the Company to carry on business in fund management with qualified investors only, but without restriction on the number of qualified investors; or a (ii) Licensed Retail Fund Management Company, which would enable the Company and/or a subsidiary of the Company to carry on business in fund management with all types of investors.

Should the Company and/or a subsidiary of the Company hold a capital markets services licence to carry out the regulated activity of fund management in the future, the Company and/or a subsidiary of the Company may be required to hold certain levels of assets or monies to meet any risk-based capital adequacy requirements imposed by MAS.

The Fund Management Business will become a new segment of the Group's business, which will be operated via a new vehicle or vehicles for the purpose of risk management. The Group intends to establish its Fund Management Business by 31 December 2017.

2.2.2 Hospitality Business

The Company proposes to undertake the business of operation and management of hotels and service apartments.

For a start, the Group intends to focus on the operation and management of hotels and service apartments. The Group will seek to develop excellent hotel management standards and offer its hotel management services to hotel and service apartment owners, and manage their hotels under brand names that the Group owns or licences from third parties. The Group will advise and assist such hotel owners that appoint the Group as hotel managers to meet the standards of the applicable brand name and in particular assist in property design, systems installation, refurbishing,

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renovating or constructing the hotel properties, recruitment and training of hotel staff, development of systems and procedures for procurement, sales, and marketing, after the Group is awarded the management contracts for such hotels. The Group will apply its hotel management standards consistently throughout all the managed hotels to ensure product quality and consistency across its network of hotels.

The Group could undertake the Hospitality Business either independently, in joint venture or collaboration with third parties who have the ability to contribute successfully to the joint venture or collaboration.

The decision on whether a project should be undertaken by the Group independently or in collaboration with third parties will be made by the Board after the consideration of several factors, such as the nature and scale of the project, the amount of investment required, the risks associated with such investment, the nature of the expertise required, the period of time that is required to complete the project, the then existing market conditions, whether it has the necessary financing and technical expertise for the project, the timing of the project, the revenue which the project may generate, and the standing and contribution of its business partner(s), if any, before proceeding with such project.

The Group intends to embark on the Hospitality Business in Asia. The Hospitality Business will become a new segment of the Group's business, which will be operated via its recently incorporated subsidiaries, namely Shenzhen Zhongtong Consultancy Management Pte. Ltd., and Shenzhen Sunrise Development Limited, for the purpose of risk management. The Group intends to enter into service agreements with at least two (2) hotels and one (1) service apartment by 31 December 2017.

2.2.3 Property Business

The Company intends to diversify the Group's Current Core Business to carry on the business of engaging in property and construction project management activities, including providing to property owners and/or tenants services such as regular building maintenance and repairs, facilities management and supervision of the performance of service providers and contractors.

The Company also proposes, as part of the Property Business, to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares or interests in any entity that is in the Property Business. Any business activities as aforesaid shall upon approval of the Proposed Diversification into the Property Business by the Shareholders at the EGM, constitute part of the ordinary course of business of the Group.

The Group intends to undertake the Property Business independently, in joint venture or collaboration with third parties who have the relevant expertise and resources. The decision on whether a project should be undertaken by the Group on its own or in collaboration with third parties will be made by the Company after taking into consideration various factors, such as the nature and scale of the project, amount of investment required, the risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and conditions in the property market, taking into account the opportunities available.

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The Group intends to embark on the Property Business in Asia. The Property Business will become a new segment of the Group's business, which will be operated via its recently incorporated subsidiaries, namely Shenzhen Zhongtong Consultancy Management Pte. Ltd., and Shenzhen Sunrise Development Limited, for the purpose of risk management. The Group intends to enter into construction agreements with real estate developers in respect of operation or project management services, and to provide construction and management services, by 31 December 2017.

2.3 Management of the New Businesses

Each of the New Businesses will be overseen by Mr. Zhang Zhi Liang ("**Mr. Zhang**"), the Company's Executive Director and Chief Executive Officer. Mr. Zhang is the former CEO of Xiamen Sunrise, and has been engaged in the business of real estate development, project management, and finance for 20 years.

The Fund Management Business in particular will be driven by a management team comprising Mr. Tian Feng, Ms. Wang Pinghua, and Mr. Yang Hongxiang. Mr. Tian Feng is the former president of a bank in the PRC, and specialised in the sale of property and finance. Ms. Wang Pinghua has extensive experience in property management and leasing, while Mr. Yang Hong Xiang is the Chairman of the Shenzhen Green Building Association, specialising in environment protection architecture, energy saving property management, and has been engaged in real estate development for 20 years. Where appropriate, the Group will employ additional personnel for the Fund Management Business to comply with the SF(LCB)R.

The Hospitality Business will be driven by a management team comprising Ms. Cao Yu'ou, Ms. Wang Pinghua, and Mr. Liu Hao. Ms. Cao Yu'ou has extensive experience in hotel and property management. Ms. Wang Pinghua, in addition to her property management and leasing experience, also has extensive experience in executive and human resource management. Mr. Liu Hao has extensive experience in the hotel management industry in the PRC.

The Property Business will primarily be driven by a management team comprising Mr. Gong Gao, Mr. Li Houyang, Ms. Wu Tao, and Mr. Chen Min. Mr. Gong Gao is a businessman who has been engaged in real estate development and management for an extensive period, while Mr. Li Houyang has been engaged in project restructuring, planning and marketing for several years. Mr. Wu Tao is a structural engineer and lawyer, and has extensive experience in construction, marketing and legal services, while Ms. Chen Min has extensive experience in real estate development and the sale of properties.

Where the individuals named above are not already employed by the Group, the Group intends to enter into service agreements with these individuals to embark on the respective business segment. Furthermore, the Group intends to hire qualified personnel with suitable expertise and experience to support the growth of the New Businesses, as and where appropriate. Each management team of the New Businesses may also, where appropriate, seek the advice of external consultants and industry experts when making decisions in respect of the New Businesses. The Board will also receive updates from the management on the health of the New Businesses and where necessary or appropriate, direct the appointment of in-house or external consultants or professional advisers to assist the management in the New Businesses.

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Before undertaking any major arrangement or contract for each of the New Businesses, and where relevant, the management of the Company will prepare a feasibility study containing financial forecasts, risk analysis and contingency plans, market study, assessment of current and available resources, funding needs, projected returns and profit margins of the proposed arrangement or contract and its assessment of the benefits and detriments of the arrangement or contract. Mr. Zhang will present the necessary proposals to the Board. The Board will discuss, deliberate, understand and decide on the nature and extent of the Group's undertaking in such arrangement or contract, including any risk mitigation steps as may be required.

2.4 Funding for the New Businesses

It is anticipated that the New Businesses, in particular the Hospitality Business and the Property Business, may require substantial capital investments or cash outlay in their initial stages. The Group may fund the New Businesses through a combination of internal resources of funds, project financing, and borrowings from financial institutions. Subject to compliance with relevant investment criteria, the funds managed by the Group under the Fund Management Business may also invest in the Group. The Directors will determine the optimal mix of internal funding and external funding, taking into account the cash flow of the Group and prevailing bank borrowing costs.

In addition, the Company may consider tapping the capital markets in various ways including but not limited to issuance of securities for cash by way of rights issues and placements and issuance of debt instruments as and when necessary and deemed appropriate.

The management of each of the New Businesses will remain prudent and take into account the financial condition of the Group in deciding on the types of contracts, arrangements or projects that it undertakes and the required funding amount thereof. The Group will have an overall funding strategy to ensure it will have the necessary funds available in accordance with the relevant project timeline, and the Group will commence a project only if it has or is able to raise the necessary funds for such project.

As at the Latest Practicable Date, the Group has not identified any specific projects for the New Businesses.

2.5 Requirements under the Catalyst Rules

As the Proposed Diversification will involve new business areas which are substantially different from the Group's Current Core Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek the Shareholders' approval to approve the Proposed Diversification.

Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in, or in connection with, the New Businesses, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalyst Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the New Businesses which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the New Businesses arise, even where they crossed the thresholds of a "major transaction". This will reduce substantially the administrative time and expenses

LETTER TO SHAREHOLDERS

in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group. Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% (for an acquisition) or exceeds 50% (for a disposal) and must be made conditional upon approval by shareholders at a general meeting.

Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in, or in connection with, the New Businesses, may be deemed to be in the ordinary course of business and therefore not fall under the definition of a “major transaction” under the Catalist Rules for which Shareholders’ approval is required.

For the avoidance of doubt, notwithstanding the Proposed Diversification, in respect of transactions:

- (a) which fall within the definition of Rule 1002(1) of the Catalist Rules, Rules 1010 and 1014 of the Catalist Rules will still apply;
- (b) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the issuer, Rule 1015 of the Catalist Rules will still apply to such transactions and such transactions must be, among others, made conditional upon approval by shareholders at a general meeting;
- (c) which constitute an “interested person transaction” as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules; and
- (d) which involve the expansion of the New Businesses into other regions beyond Asia resulting in a consequential change in the risk profile of the Group, the Company will make the relevant announcement(s) and seek the approval of the Shareholders at a general meeting before venturing into regions other than in Asia.

3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

Notwithstanding the risks associated with the New Businesses set out in Section 4 of this Circular, the Board believes that the Proposed Diversification is in the interests of the Shareholders for the following reasons, as described below:

3.1 Wider network of contacts and business opportunities

The Directors believe that the New Businesses will augment and strengthen the Group, as well as its existing businesses, by, *inter alia*, providing access to financial services and funding, and exponentially increasing the Group’s network of contacts, which may potentially lead to fresh business opportunities for the Group when the Group conducts the New Businesses.

3.2 Additional and recurrent revenue streams with a view to achieving long-term growth

The Directors believe that the New Businesses are expected to provide additional and recurrent revenue streams for the Group which may include, *inter alia*, management fees, performance fees, investment income, carried interest from the Fund Management Business,

LETTER TO SHAREHOLDERS

and service fees and management fees from the Hospitality and Property Businesses. The Group will venture into the New Businesses prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth.

3.3 More diversified business and income base, reducing reliance on Current Core Business

The Group's exploration of other growth areas will facilitate the Group's quest for sustained performance in the future. Given the uncertainties prevailing in the current global economic outlook, the Directors believe that it is prudent to take active steps to reduce reliance on the Group's Current Core Business. The inclusion of the New Businesses may provide the Group with a more diversified business and income base for future growth and reduce the Group's reliance on its Current Core Business for its revenue streams.

3.4 Additional funds for enhancing of shareholder value

The Directors believe that the revenue generated from the New Businesses may provide the Group with additional funds, which can be channelled towards the enhancement of shareholder value over the long-term. Additionally, subject to compliance with relevant investment criteria, the funds managed by the Group under the Fund Management Business may, invest in the Group, including but not limited to funding the Group's expansion plans for its New Businesses. Such expansion activities would include, *inter alia*, the increase in the number of hotels and service apartments operated and managed under the Hospitality Business, or the management of additional properties and construction projects under the Property Business.

3.5 Better position to capitalise on growth prospects of Singapore and overseas markets

The Directors believe that the New Businesses will place the Group in a better position to capitalise on the growth prospects of both Singapore and other overseas markets in Asia. The Group aims to take advantage of the opportunities in these markets by making investments for the funds managed by the Group. Capitalising on the afore-mentioned opportunities may enhance the performance of the Group's New Businesses, and thereby strengthen the Group's turnover and profit and enhance shareholder value and return.

3.6 Flexibility to enter into transactions relating to the New Businesses in the ordinary course of business

Once the Shareholders approve the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the New Businesses without having to seek Shareholders' approval. This can be done as long as such transactions do not change the Group's risk profile, and will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions relating to any of the New Businesses arise. This will allow the Group greater flexibility to pursue business opportunities which may be time-sensitive in nature, and will substantially reduce the expenses associated with the convening of general meetings from time to time.

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3.7 Positive prospects in the hospitality services industry

The Company is of the view that the prospects in relation to the hospitality services industry in Asia is positive, due to, *inter alia*, the expected strong growth of international tourism and the growing connectivity of regional airports. The Company believes that the increasing demand for tourism together with the ease of connectivity through a greater number of flight routes has supported the growth of demand for quality lodging in many Asian cities. In addition, the Company believes that demand for corporate and business travel will increase together with business activities in the region, thus raising the attractiveness of longer-term stays in hotels and service apartments. Thus, given the robust travel industry and increased corporate travel in the region, the Company believes that, barring unforeseen circumstances, this expansion into the Hospitality Business will yield an additional source of revenue for the Group.

3.8 Positive prospects in the property market in Asia

The Company is of the view that engaging in the Property Business in Asia is a sustainable and long-term value proposition. The property market in Asia is healthy due to continued population expansion, rising income levels, a stable outlook of the general economy, increasing demand for quality living and working environments, and increased interconnectivity among major cities in Asia.

The Company believes that it can also leverage on Mr. Zhang's experience and knowledge in real estate development to allow the Company to better envisage and resolve potential issues that could be faced by a company involved in the Property Business. Such experience and knowledge will also provide the Group with a better understanding of the projects it proposes to undertake pursuant to the Property Business as it would be better able to evaluate the financial condition, potential returns and business prospects of such projects.

In view of the growing prospects of the property market in Asia, the Company believes that the Property Business will provide the following benefits to the Group:

- (a) the Property Business would reduce the Group's reliance on its existing business;
- (b) the Property Business would provide the Group with diversified returns and would contribute an additional stream of revenue and potential earnings for the Group; and
- (c) the Property Business would allow the Group to participate in the growth prospects of the property market in Asia.

Based on the foregoing rationales, the Company is of the view that the Proposed Diversification and the undertaking of each of the New Businesses is in the interests of the Group.

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4. RISK FACTORS RELATING TO THE NEW BUSINESSES

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed judgment on the Proposed Diversification into the New Businesses are set out below. The New Businesses involve a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, may be material. Some risks are not yet known to the Company and there may be risks which the Company currently believes are not material at present but may subsequently turn out to be. The following should not be construed as a comprehensive list of all risk factors relating to the New Businesses. Shareholders should carefully consider and evaluate the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification into the New Businesses.

This Circular may contain projections or other forward-looking statements regarding future events or future financial performance of countries, markets, or companies. Such projections and statements are only predictions and actual events or results may differ materially. Such projections and statements may be subject to various risks and uncertainties. Accordingly, there may be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should be read in conjunction with other cautionary statements included in this Circular and other filings by the Company. The Company does not undertake any obligation to publicly update or review any projections or forward-looking statements, whether as a result of new information, future developments, or otherwise.

4.1 Risks associated with the New Businesses

4.1.1 The Group's performance in the New Businesses will be subject to exposure to macro-economic risks

Currently, the Group, including the Target Company, have operations in Singapore and Malaysia. The markets in which the Group will operate its New Businesses are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates or invests:

- (i) legal and regulatory changes;
- (ii) government policies;
- (iii) economic and political conditions;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of liquidity and risk aversion;
- (vi) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vii) the level and volatility of interest rates and foreign currency exchange rates;
- (viii) concerns over inflation; and
- (ix) changes in investor confidence levels.

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Any of the above-mentioned factors could adversely impact the performance of the New Businesses, which in turn may affect the Group's business, operations, financial performance and/or financial position.

4.1.2 The New Businesses are subject to competition risks

The success of the New Businesses will depend to a large extent on the Group's ability to establish itself in the fund management, hospitality and property markets, and build its clientele on an economically viable scale in line with the Group's business objectives. The Group will have to compete with other fund management, hospitality and property institutions, some of which may be larger, more established, better capitalised, offer a wider and more diverse range of services, have access to greater human resources, and be able to offer the same services for a more competitive price. There can be no assurance that the Group's plan to penetrate these markets will be commercially successful. Furthermore, the competitive market environment may increase pressure on the Group's fee income margins for the Fund Management Business, consequently compromising the Group's fee income and financial performance. If the Group fails to compete effectively in this environment, the Group may lose clients and/or investee companies. The Group will need to increase its expenditure on marketing activities to develop market awareness and relationships with potential clients and/or investee companies. If such expenditure does not result in a corresponding increase in revenue, this may have an adverse impact on the Group's growth prospects and financial performance.

4.1.3 The New Businesses are heavily dependent on the Group's reputation

The New Businesses rely to a large extent on reputation and market perception. The Group will be operating in an industry where the Group's integrity (and the perception thereof) as well as the trust and confidence of the clients are of critical importance. Negative publicity (whether justified or not) associated with the Group or any of its officers or employees may adversely impact the Group's reputation and result in a loss of clients. Accordingly, any perception of, or alleged mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities, or obligations may have an adverse effect on the Group's growth prospects, business operations and financial performance.

4.1.4 The Group may be subject to exposure to litigation

The New Businesses will be subject to a complex legal and regulatory environment. Any litigation brought against the Group by its clients or otherwise in the future in relation to the New Businesses could have a material adverse effect on the Group's reputation, business, growth prospects, fee income, operations and/or financial performance.

Depending on the regulatory requirements, the Group may be required or elect to purchase professional indemnity insurance to mitigate litigation risks that the Group may face in relation to the New Businesses. However, the maximum coverage offered by such professional indemnity insurance might not be sufficient to cover losses and/or damages caused by any liabilities asserted against and expenses incurred in connection by persons in connection with the Group's business activities

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in the New Businesses. Additionally, such professional indemnity insurance may not cover said persons if the said person has acted in bad faith, or engaged in fraud or wilful misconduct.

4.1.5 The Group's success in the New Businesses depends on the Group's ability to attract highly skilled personnel

The Group's success in the New Businesses depends on its ability to attract, motivate, train and retain skilled employees and professionals (including the individuals mentioned in section 2.3 of this Circular) in the relevant fields of expertise and with the relevant track record for the New Businesses. If the Group is unable to attract, motivate and/or retain the necessary highly skilled personnel, there may be a material adverse effect on the Group's business, growth prospects, fee income, operations and/or financial performance. The Group's ability to recruit, retain and motivate skilled employees and professionals is dependent on the Group's ability to offer attractive remuneration and incentives, among other benefits. Efforts to recruit, retain and motivate such personnel may result in additional significant expenses, which could adversely affect the financial performance of the Group.

4.1.6 The Group may be affected by the actions of its employees and/or the professionals it engages

The Group may be subject to the risk of employee misconduct or fraud, including but not limited to situations where material omissions, or false or misleading statements may be made to clients (inadvertently or otherwise), and/or where there is improper use or disclosure of confidential information by the Group's employees. While the Group intends to ensure a robust system of internal controls, including the appropriate checks and balances to prevent or minimise such risks, these precautions may not be effective in all cases and it may not always be possible to detect such instances of employee misconduct or fraud. Employee misconduct and/or negligence may result in legal liability, regulatory sanctions and unquantifiable damage to the Group's reputation, and may materially and adversely affect the Group's business operations and financial performance.

Furthermore, the laws, rules and regulations applicable to the professionals engaged by the Group may also impose restrictions and/or penalties on the Group in the event such laws, rules or regulations are breached, or alleged to be breached by the professionals, and the Group's competitiveness and financial performance may consequently be materially and adversely affected.

4.1.7 The Group has no prior experience in the New Businesses, and faces integration risk

Presently, the Group has no significant prior experience in the New Businesses. The Group intends to devote time and management attention to setting up the New Businesses, including but not limited to applying for the requisite registrations and/or licenses, hiring skilled professionals and employees, providing the necessary training, know-how, business support, creating new incentive structures for management and staff, establishing the operating infrastructure and internal controls, brand development, and establishing clientele.

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Nevertheless, there can be no assurance that the Group will be successful in the New Businesses, or that such measures will result in the seamless integration of the New Businesses into the Group's existing operations. Delays in integration and unforeseen or unresolved issues may divert management's attention and resources, delay the commencement or prevent revenue growth in the New Businesses, which may materially and adversely affect the operations and/or financial position of the Group.

4.1.8 The Group may not be successful in applying for the requisite registrations and/or licenses

The New Businesses may be subject to regulation by the respective governments and/or authorities in those industries. There can be no assurance that the Group will be successful in applying for and obtaining the requisite registrations and/or licenses, or that the Group will be able to maintain and/or renew these licenses. Failure to obtain and/or renew licenses when necessary may delay the commencement of, or prevent revenue growth in the New Businesses, which may materially and adversely affect the operations and/or financial position of the Group.

4.1.9 The Group could be subject to foreign exchange exposure and currency fluctuations

The Group may be subject to risks arising from foreign exchange fluctuations in relation to the New Businesses. The Group's revenue is denominated in S\$ while revenue generated from the New Businesses could be denominated in the currencies of the jurisdictions where the operations of the Group may take place in future. Any unfavourable fluctuations in currency exchange rates will result in exchange losses arising from transactions carried out in foreign currencies and translations of foreign currency monetary assets and liabilities as at the end of the relevant reporting periods. If the exchange losses are substantial, it could have a negative impact on the Group's financial performance and financial position.

4.1.10 The Group may be subject to risks in relation to interest rate movements

Risks arising from interest rate movements, particularly as a result of the debts that may be undertaken to finance the New Businesses or any acquisitions, joint ventures or strategic alliances in relation thereto, may affect the New Businesses. Changes in interest rates will affect the Group's interest income and interest expense from short term deposits and other interest-bearing financial assets and liabilities which could have a material and adverse effect on the profitability of the Group. An increase in interest rates would also adversely affect the Group's ability to service loans and its ability to raise and service long term debt.

4.1.11 The Group may face difficulties in remitting capital, profits and dividends out of the countries it may operate in pursuant to the New Businesses

The Group may establish foreign entities to provide services under each or any of its New Businesses outside of Singapore and in Asia. The Group's foreign entities which may be engaged in the New Businesses may experience difficulty in remitting capital, profits and dividends out of its countries of operation, as such remittances

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will may be subject to scrutiny and specific approval of the government or regulatory authorities in such countries, or may be subject to foreign exchange policies and conditions prevailing from time to time.

4.1.12 The operating results of the Group may be adversely affected by the departure of experienced employees

In addition to relying on the management teams as described in Section 2.3 of this Circular, the Group intends to hire qualified personnel with suitable expertise and experience to support the growth of the New Businesses. The ability of the Group to attract and retain experienced employees as well as its directors and senior management will, to a certain extent, depend on the adoption of appropriate remuneration (including salary, housing and other benefits) and incentive schemes by the Group. The loss of any Directors or senior management by the Group or its inability to recruit and retain a sufficient number of experienced employees in respect of the New Businesses could affect the ability of the Group to operate and manage its New Businesses successfully and consequently could have a material and adverse effect on the business, operations and financial performance of the Group.

4.1.13 The Group has no prior track record and operating history in the New Businesses

As the Group does not have a proven track record in carrying out the New Businesses, there is no assurance that the New Businesses will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the New Businesses. The New Businesses may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses. The New Businesses also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the New Businesses effectively, the overall financial position and profitability of the Group may be adversely affected.

4.1.14 The Group may not have the ability or sufficient expertise to execute the proposed diversification into New Businesses

The Group's ability to successfully diversify into the New Businesses is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate each of the New Businesses. There is no assurance that the Group's existing experience and expertise will be sufficient for the New Businesses, or that the Group will be able to hire employees with the relevant experience and knowledge. The Group may not be able to successfully implement the New Businesses and this may adversely affect the Group's financial performance and profitability.

4.1.15 The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Hospitality and Property Business may involve acquisitions, joint ventures and/or strategic alliances third parties. Participation in joint ventures,

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strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. Furthermore, there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture or strategic alliance (such as failure to perform according to the expertise expected of the joint venture partner or strategic alliance or meet the financial obligations), it may cause disruption in the operations of the Hospitality and Property Businesses and/or result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

4.1.16 *The Group may not be able to provide the capital investments needed to undertake the Hospitality Business and Property Business*

The Hospitality Business and Property Business require substantial capital investments or cash outlay in their initial stages. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects may be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising and requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders in order to maintain their equity stake in the Company. Further, an issue of Shares below the then prevailing market price may also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

4.1.17 *The New Businesses are subject to the general risk of doing business overseas*

The Group intends to embark on the New Businesses in Asia. There are inherent general risks in doing business overseas. These general risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks may affect the Group's business and financial condition. In addition, if the governments in the jurisdictions which the Group intends to undertake the New Businesses tighten or otherwise change their laws and

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regulations relating to the repatriation of their local currency, it may adversely affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group may be adversely affected.

4.2 Additional risks associated with the Fund Management Business

4.2.1 *The Group may not be able to obtain the requisite registration and/or licences to engage in fund management*

Upon Shareholders' approval for the Proposed Diversification, the Group intends to apply to MAS for the registration of the Company and/or a subsidiary of the Company as a RFMC. The Group also intends to apply for various other requisite licences, permits, approvals and/or exemptions from the relevant authorities in the jurisdictions in which the Group may operate, in order to conduct the Fund Management Business. Any failure to obtain, maintain and/or renew the Group's licences, permits, approvals and/or exemptions may impede or hinder operations for the Group's Fund Management Business, and may adversely affect its prospects and business plans.

4.2.2 *The Group will be subject to strict regulation and supervision by MAS for the Fund Management Business*

MAS is empowered to establish standards, codes, rules and regulations to be observed by capital markets services providers, and regulate the conduct of these registrants and licensees in the provision of capital markets services. If a registrant or licensee is found to be in breach of any condition of its registration or licence, or any provision of any code, practice, standard of performance, regulation or directive, MAS may issue a written order for compliance, impose a financial penalty cancel the registration or licence or part thereof, suspend the registration or licence or part thereof for a specified period, or reduce the term of the registration or licence. In the event that the Group engages in, *inter alia*, the Fund Management Business, the Group will be subject to strict regulation and supervision by MAS. MAS may require the Company and/or a subsidiary of the Company to hold certain levels of assets or monies, to meet any risk-based capital adequacy requirements imposed by MAS. Further, MAS may impose requirements on the Company itself in its capacity as parent company, such as having the Company provide a Letter of Responsibility or Letter of Undertaking to MAS, and in such event the Company may be required to devote significant time and resources to overseeing a subsidiary's operations, financial position, compliance with laws, management, and other issues, and/or provide financial support for a subsidiary's liquidity requirements or financial obligations. Also, in the event of any breach or alleged breach of any applicable law, rules, regulation, policy, practice, note or directive, the Group may be subject to various measures imposed by MAS, including but not limited to extended investigations, revocation or suspension of the Group's registrations and/or licences and/or substantial financial penalties. In such events, the Group's growth prospects, business operations and financial performance may be materially and adversely affected.

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4.2.3 Regulatory changes may limit the Group's activities in the Fund Management Business and/or subject the Group to regulatory risk

Any changes in the applicable regulatory framework may restrict or modify the range of services the Group is able to offer, or the fees the Group is able to charge for its Fund Management Business. The Group may need to incur additional costs and/or modify its operations to ensure that they continue to comply with the changes to the regulatory framework. If any of these events occur, it may have an adverse effect on the Group's growth prospects, operations and/or financial performance.

4.2.4 Management fees and/or performance fees derived from the Fund Management Business may decline

The Fund Management Business substantially derives its revenue from management fees and performance fees, which may be partly based on the performance of the funds managed by the Group. A decline in the funds' performance may result in a reduction in fees payable to the Group, which in turn may have a material adverse effect on the Group's business, growth prospects, fee income, operations and/or financial performance.

4.2.5 Fluctuations in stock markets could affect the performance of the funds managed by the Group

Fluctuations in stock markets could affect the performance of the funds managed by the Group. Unstable and/or unfavourable market conditions may affect the value of the investments held by the funds managed by the Group. Lack of liquidity or price volatility may reduce the value of the funds managed by the Group, which in turn may result in a material adverse effect on the business, growth prospects, fee income, operations and/or financial performance of the Group's Fund Management Business.

4.2.6 Performance of the funds managed by the Group cannot be guaranteed

The success of the Fund Management Business depends on factors such as the Group's ability to accurately predict market conditions and developments, the Group's ability to perform the relevant research analysis of market trends, and the Group's ability to correctly interpret such market trends and other data/information. The Group cannot guarantee that the Group's investment strategies will be successful under all or any market conditions. In the event that the funds do not perform as envisioned, there may be a material adverse effect on the Group's reputation, fee income, business operations and financial performance.

4.2.7 The Group may be exposed to risks arising from the illiquidity of property investment

Real estate investments are relatively illiquid. Such illiquidity limits the ability of the Group to vary the portfolio of funds under its management in response to changes in economic or other conditions in a timely manner. In the event that there is a need for the sale of such illiquid assets on short notice under harsh market conditions, funds under the Group's management not be able to sell off such real estate assets at a favourable price. Such sales at unfavourable prices may have an adverse effect on the financial position of the Group.

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4.3 Additional risks associated with the Hospitality Business

4.3.1 The Group is heavily dependent on the economies of Asian countries

The Group's operations in the Hospitality Business would depend heavily on the economies of the Asian countries that the Group's hotels are intended to be located in. If these economies experience a downturn due to recession, deterioration in general economic conditions, fear of war or acts of terrorism, fear of outbreak of epidemics or any other factors, the demand for hotels will be reduced. Such events could reduce customers' demand for the services provided by the Group, and the business, operations and financial performance of the Group may be adversely affected.

4.3.2 The business of the Group may be severely affected by competition from other hotel companies

The Group's operations in the Hospitality Business may face competition from other international, regional and independent hotel companies, some of which may have greater name recognition and financial resources than the Group (including competition in relation to hotel room rates, convenience, services or amenities offered). Such competition may result in the Group not being able to gain sufficient market share and demand for its services. This could result in a reduction in its revenue and have an adverse effect on the Group's business, operations and financial performance.

4.3.3 The business of the Group may be severely affected by property damage

The Group's operations in the Hospitality Business may be severely affected by losses arising out of damage to the Group's hotels, where such losses may not be covered or inadequately covered by insurance policies, as a result of uninsurable risk or where such losses are in excess of the amount for which the hotels are insured. Such property damage could result in a loss of revenue or asset value during such time that the hotels are damaged and may have an adverse effect on the Group's business, operations and financial performance.

4.3.4 The business of the Group may be severely affected, if the Group's future expansion is unsuccessful

The ability of the Group to expand and the success of any new hotel operations will depend on a number of factors, including the Group's ability to obtain financing on favourable terms, the availability and selection of suitable locations, the management of brands and the progress of construction of new hotel properties, some of which may be beyond the control of the Group.

The Group does not have an operating history with respect to the hotel assets it will manage as it ventures into the Hospitality Business. The Group cannot assure the returns of such hotel operations, and the Group may incur losses from such investments in the future. In addition, the rapid growth of hotel properties which are managed by the Group may require additional resources and commitment from the Group's management and place higher demands on the Group's financial reporting and information systems. There is no assurance that the plans of the Group will be

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successful, or that its hotel management operations will be profitable. Less than successful investments or operations may have an adverse effect on the Group's business, operations and financial performance.

4.3.5 *The Group may be subject to substantial liability should the consumption of any of the food and beverages in the Group's hotels cause personal injuries or illnesses*

Food and beverage products may be served in the hotels owned, lease, operated, managed, or franchised by the Group. The serving of food and beverage products for human consumption involves an inherent risk of injury to consumers. Such injuries may result from tampering by unauthorised third parties or product contamination or degeneration, including the presence of foreign contaminants, chemicals, substances, or other agents or residues during the various stages of the procurement, production and serving process. While food and beverage operations are subject to governmental inspections and regulations, the Group cannot assure Shareholders that its service of food and beverages will not cause health-related illnesses, or that it will not be subject to claims or lawsuits relating to such matters. In the event of any injury or illness arising from the serving of food and beverage, the Group's insurance coverage may not be adequate to cover the financial damage and its reputation, business, operations and financial performance may be adversely affected.

4.3.6 *The Group may be subject to the withdrawal of land use rights by the respective governments of different cities*

The Group may be subject to the withdrawal of land use rights by the respective governments of the different cities where the hotels and service apartments it manages and operates are located in. The imposition of terms and conditions, or the non-renewal of the land use rights granted by respective governments may have an adverse effect on the Group's business, operations and financial position.

4.3.7 *The Group may require additional financing for the Hospitality Business in the future*

The Group may need to tap the capital markets for debt or equity financing to fund capital expenditure for the Hospitality Business in the future. Additional equity financing may result in a dilution to the shareholdings of Shareholders if Shareholders are unable to participate in such financing. Additional debt financing is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring or additional financing or fund raising, or restrictions on the payment of dividends and maintenance of certain financial ratios. These conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry.

The ability of the Group to obtain debt financing or funds from the capital markets for its requirements depends on prevailing market conditions, the ongoing performance of the Group and the acceptability of the financing terms offered. The Group cannot ensure that future financing will be available or available on acceptable terms, or in an amount sufficient to fund the needs of the Group. In the event that the Group is

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unable to obtain acceptable and adequate financing, it may not be able to undertake certain new projects and this may have an adverse effect on the Group's business, operations and financial performance.

4.3.8 *An outbreak of Zika fever, MERS, SARS, bird flu, Ebola, or other highly infectious diseases may adversely affect the number of visitors to the Group's hotels, as well as disrupting its operations*

A resurgence of the outbreak of MERS, SARS, bird flu, Ebola, or any other contagious disease in Asia could have a material adverse effect on the Group's business, operations and financial performance. If an outbreak of MERS, SARS, bird flu, Ebola, or any other contagious disease occurs, it may lead to decreases in the number of travellers internationally, and hence the number of visitors to the Group's hotels. Furthermore, an outbreak of a contagious or virulent disease might disrupt the ability of the Group to adequately staff its business and could generally disrupt the operations of the Group. If any of the employees or customers of the Group were suspected of having contracted MERS, SARS, bird flu, Ebola, or any other highly contagious disease, the Group may be required to quarantine such customers or employees or the affected areas of the Group's facilities, and temporarily suspend all or part of its operations at the affected facilities. This could have a material adverse effect on the business, operations and financial performance of the Group.

4.3.9 *The Group's business may be adversely affected by any reduction in the willingness of its customers to travel due to any acts or threats of terrorism*

The Group's operations are affected by the number of international travellers which is in turn dependent on consumers' willingness to travel. In the event of any acts or threats of terrorism, the willingness to travel of potential customers may be drastically reduced. Furthermore, any increase in anti-terrorism measures and the tightening of visa or other entry requirements to some countries may also deter some potential customers from travelling. The Group cannot predict the extent to which disruptions in travelling caused by any future terrorist acts would adversely affect its business, operations and financial performance.

4.3.10 *The Group's business may be adversely affected by natural disasters*

In recent years, various Asian countries have experienced numerous natural disasters, such as earthquakes, tsunamis, increasing typhoon activities and floods, resulting in numerous losses of lives and massive destruction to properties. Should these natural disasters increase in their severity or frequency in the future, the willingness of travellers to travel throughout Asia may be affected. The hospitality services industry may be affected and experience a downturn in demand. This would adversely affect the Group's business, operations and financial performance.

4.3.11 *The Group may be exposed to significant operating risks*

The Hospitality Business is susceptible to operating risks common to the hospitality industry. These risks include competition from other hotels, oversupply in rooms, increase in operating costs due to inflation, dependence on tourism, increase in energy, labour costs and other expenses and adverse effects of general and local economic conditions.

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4.3.12 The Group's business may be adversely affected by increase in insurance premiums

In the aftermath of terrorist attacks, epidemics, hurricanes and other natural disasters, insurance companies may increase insurance premiums of the Group's Hospitality Business. This could erode profit margins, and adversely affect the Group's business, operations and financial performance.

4.3.13 The hospitality services industry is subject to numerous government regulations

The hospitality services industry could be subject to numerous government regulations, including, without limitation, those relating to the operation of hotels, the preparation and sale of food and beverages, and general building and zoning requirements. For example, the Hospitality Business in Singapore may require a licence from the Hotel Licensing Board, and if the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant business. The Group will also be subject to laws governing its relationship with hotel employees including, without limitation, minimum wage requirements, overtime, working conditions, and work permit requirements. Compliance with the relevant laws and regulations may increase the operating costs of the hotels or otherwise adversely affect the business, operations and financial performance of the Group. The Group's business, operations and financial performance may also be adversely affected by any failure to maintain its existing or obtain future licenses, permits or approvals or by fines or other penalties imposed in the event that it is found to have violated applicable regulations.

4.4 Additional risks associated with the Property Business

4.4.1 The Group is subject to various government regulations in the Property Business

The property industry in countries in which the Group may operate is subject to various laws and regulations. Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, the management of property and/or construction projects. If the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant segment of the Property Business.

The Group must also comply with the applicable laws and regulations in the Property Business, for example, in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to manage properties which may have a material and adverse impact on the Group's business, prospects, operations and financial performance. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations and financial performance of the Group.

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4.4.2 *The Group may face intense competition from existing competitors and new market entrants in the Property Business*

The Property Business is highly competitive, with strong competition from established industry participants who may have larger financial resources or stronger track records. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records. In the event that the Group is unable to be competitive, the Group's financial position and performance may be adversely affected.

4.4.3 *Fluctuations in property prices and the Group's ability to identify suitable property development projects may have an adverse impact on the Property Business and the Group's financial condition*

The Group's performance in the Property Business is dependent on its ability to identify properties or construction projects that it may manage profitably, and following such identification, to perform its property and construction project management services successfully. The viability and profitability of each property or construction project that the Group manages are subject to fluctuations and are dependent on, *inter alia*, the demand for the Group's management services, the pricing and number of properties and construction projects and the overall schedules of the Group's projects which are in turn, to a large extent, affected by the market sentiment, market competition, general economic and property market conditions, as well as government regulations.

4.4.4 *The Group is subject to risks of late payment or non-payment by its clients*

The Group faces uncertainties over the timeliness of clients' payments and their solvency or creditworthiness in respect of purchases of the Group's property and construction project management services. There is no assurance that the Group will be able to collect any payments due on a timely basis, or at all. In the event that there are defaulting clients or a significant delay in collecting payments due from clients, the Group may face stress on its cash flow and a material increase in bad and doubtful debts, which may have an adverse impact on the Group's financial performance.

4.4.5 *The Group may face potential liability and claims from property development and property enhancement works projects*

The time required for completing a property development or property enhancement project depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather condition, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for liquidated damages from purchasers of the properties or clients for property enhancement works projects. Accidents during the course of construction may give rise to personal injuries and third party liability.

LETTER TO SHAREHOLDERS

In addition, the Group may be involved from time to time in disputes with various parties such as contractors, construction companies, consultants and other partners for various reasons, including differences in the interpretation of acceptable quality standards of workmanship, material used, adherence to contract specifications and costs of variation orders. These disputes may lead to legal and/or other proceedings. If the Group is unable to manage such risks, the Group's business and financial position may be affected if any compensation or damages is payable by the Group.

4.4.6 The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to the properties and construction projects it manages, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which may also adversely affect the financial performance of the Group.

4.4.7 The Group is subject to changes in economic situation, government regulations and the property industry for the Property Business

The performance of the Property Business depends largely on the economic situation and the performance of the property industry and there is no assurance that the property sectors of countries in which the Group undertakes the Property Business will continue to grow. Should the economy or the property market experience a downturn, whether globally or in any country in which the Group undertakes the Property Business, the performance of these segments may be adversely affected. In addition, as the gestation period for a property development project is long, typically between two to three years, any downturn in the economy or the property market, during the course of a development project may affect the profitability of such development project, thereby adversely affecting the Group's financial performance. Changes in government regulations in any country in which the Group undertakes the Property Business may also result in the Group being unable to complete any property development project that it manages. This may adversely affect the financial position and/or performance of the Group.

Changes in the business environment in jurisdictions in which the Group operates may include delays in procuring the necessary relevant approvals, licenses or certificates from government bodies, changes in laws, regulations and policies in relation to property development, fluctuations in demand for properties, delays in construction schedules due to poor weather conditions, labour disputes, and fluctuation in costs of construction materials and other costs of development. Such delays may result in the Group incurring additional costs, thus affecting the profitability of the Group.

LETTER TO SHAREHOLDERS

4.4.8 The obligations of the Group in relation to the properties and construction projects it manages are dependent on the services rendered by contractors

The Group may rely on main contractors and sub-contractors to provide various services in the course of its management of properties and construction projects, including building construction works, piling and foundation works, structural works, architectural works and engineering works. The services rendered by the Group's contractors may not be satisfactory to the property owner or meet the property owner's requirements for quality. Furthermore, the contractors engaged may experience financial or other difficulties that may affect their ability to carry out the work for which they are contracted to complete, thus delaying the completion of, or failing to complete, the projects and resulting in additional costs or exposures to the risk of liquidated damages to the Group. In the event of any loss or damage which arises from the default of such contractors, the Group may have to incur losses to rectify such defects, materially and adversely affecting the Group's financial performance and financial position.

4.4.9 The Property Business may be adversely affected by any shortage in the supply of workers or increases in the costs of hiring workers

The management of properties and construction projects is highly labour intensive, and is therefore vulnerable to any shortage in the supply of, or increases in the costs of workers. Such changes in the supply of workers may result from changes in government policies. In the event of any disruption to the supply of workers, or if the costs cannot be controlled, the overall costs of the Group's Property Business may increase and the Group's financial performance may be materially and adversely affected.

Notwithstanding the risks set out above, the Board, having considered the rationale of the Proposed Diversification as set out under Section 4 of this Circular, believes that it is to the benefit of the Group to expand its core business to include the New Businesses. The Board will be mindful in managing the risks involved.

4.5 Risk management measures and safeguards

To address the risks presented by the New Businesses to the Group, the Group currently has a system of risk management and internal controls, as required by the Code of Corporate Governance. If and/or when the Proposed Diversification is approved, the risks presented by the New Businesses to the Group will be managed under the existing system of risk management and internal controls, which will determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group will also comply with the risk management requirements imposed by MAS, including but not limited to MAS's Guidelines on Risk Management Practices, in relation to activities relating to the New Businesses. The Group will endeavour to ensure that the risk management systems implemented are commensurate with the risk and business profile, nature, size and complexity of operations and business activities of each of its subsidiaries engaged in the respective New Businesses, and will review such risk management systems periodically to assess adequacy.

LETTER TO SHAREHOLDERS

5. DIRECTORS' RECOMMENDATION

Having fully considered the rationale and benefits of the Proposed Diversification, the Directors are of the opinion that the Proposed Diversification is in the best interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Diversification to be proposed at the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at Room 332, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City Singapore 039593 on 26 April 2017 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolution authorising the Proposed Diversification as set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible, and in any event so as to arrive at the registered office of the Company at Six Battery Road #10-01, Singapore 049909 not later than 48 hours before the EGM.

The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes, in place of the proxy, if he finds that he is able to do so. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Part IIIAA of the Securities and Futures Act at least 72 hours before the EGM.

LETTER TO SHAREHOLDERS

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Zhang Zhi Liang	–	–	–	–
Ng Clarence Kar Lung	–	–	–	–
Chew Vincent	–	–	–	–
Zheng Aimin	–	–	–	–
Tang An	–	–	–	–
Substantial Shareholders (other than Directors)				
Prosperity Luck Overseas Inc. ⁽²⁾	–	–	39,827,815	22.33
Aim Billion Investments Ltd ⁽³⁾	–	–	39,827,815	22.33
Wong Siu Fai ⁽⁴⁾	–	–	39,827,815	22.33

Notes:

- (1) The percentages in shareholdings are calculated based on the Company's issued share capital of 178,337,290 Shares as at the Latest Practicable Date.
- (2) Prosperity Luck Overseas Inc. ("**PLO**") is deemed interested in 39,827,815 Shares held through Credit Suisse AG Singapore Branch by virtue of Section 7 of the Companies Act.
- (3) Aim Billion Investments Ltd ("**Aim**") is deemed interested in the Shares held by PLO through its 100% interest in the issued share capital of PLO.
- (4) Wong Siu Fai is deemed interested in the Shares held by PLO through his 100% interest in the issued share capital of Aim.

None of the Directors or Substantial Shareholders of the Company has any interest or is deemed to be interested in the Proposed Diversification (other than through its or their respective shareholdings in the Company).

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

LETTER TO SHAREHOLDERS

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM:—

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for the financial year ended 31 December 2016.

Yours faithfully

For and on behalf of the Board of Directors of
SUNRISE SHARES HOLDINGS LTD.

Zhang Zhi Liang
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

SUNRISE SHARES HOLDINGS LTD.

(Company Registration Number: 198201457Z)

(formerly known as ITE Electric Co Ltd)

(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Sunrise Shares Holdings Ltd. (the “**Company**”) will be held at Room 332, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City Singapore 039593 on 26 April 2017, at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolutions as set out below.

ORDINARY RESOLUTION 1

THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP INTO THE FUND MANAGEMENT BUSINESS

That:

- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include fund management including activities described in Section 2.2.1 of the Company’s circular to the Shareholders dated 10 April 2017 (the “**Fund Management Business**”), and any other activities related to the Fund Management Business; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

ORDINARY RESOLUTION 2

THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP INTO THE HOSPITALITY BUSINESS

That:

- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include the business of operating and managing hotels, and franchising of hotel brands, as described in Section 2.2.2 of the Company’s circular to the Shareholders dated 10 April 2017 (the “**Hospitality Business**”), and any other activities related to the Hospitality Business; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or

NOTICE OF EXTRAORDINARY GENERAL MEETING

modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

ORDINARY RESOLUTION 3

THE PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP INTO THE PROPERTY BUSINESS

That:

- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include property and construction management activities as described in Section 2.2.3 of the Company's circular to the Shareholders dated 10 April 2017 (the "**Property Business**"), and any other activities related to the Property Business; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

BY ORDER OF THE BOARD

Zhang Zhi Liang
Executive Director and Chief Executive Officer

10 April 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:–

1. A member of the Company who is not a Relevant Intermediary (as defined below) entitled to attend and vote at this EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. Where such member appoints two proxies, the proportion of his shareholding which each proxy has been appointed shall be specified in the proxy form. A proxy need not be a member of the Company.
2. A member of the Company who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number and class of shares to which each proxy has been appointed shall be specified in the proxy form.
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Six Battery Road #10-01, Singapore 049909 not later than 48 hours before the EGM.
5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SUNRISE SHARES HOLDINGS LTD.

(Company Registration No: 198201457Z)
(formerly known as ITE Electric Co Ltd)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

EXTRAORDINARY GENERAL MEETING PROXY FORM

I/We* _____ (Name), _____ (NRIC/Passport Number*)
of _____ (Address)
being a member/members* of **SUNRISE SHARES HOLDINGS LTD.** (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Extraordinary General Meeting (the "EGM") of the Company to be held at Room 332, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City Singapore 039593 on 26 April 2017 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Ordinary Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion.

No.	Ordinary Resolutions	No. of Votes 'For'***	No. of Votes 'Against'***
1.	To approve the proposed diversification of the business of the Group into the Fund Management Business		
2.	To approve the proposed diversification of the business of the Group into the Hospitality Business		
3.	To approve the proposed diversification of the business of the Group into the Property Business		

* Delete as appropriate

** If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) and
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a Relevant Intermediary (as defined below) entitled to attend and vote at this EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. Where such member appoints two proxies, the proportion of his shareholding which each proxy has been appointed shall be specified in the proxy form. A proxy need not be a member of the Company.
3. A member of the Company who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number and class of shares to which each proxy has been appointed shall be specified in the proxy form.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Six Battery Road #10-01, Singapore 049909 not later than 48 hours before the time appointed for the EGM.
5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund ("CPF") Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 April 2017.