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

RESPONSES TO SGX QUERIES ON THE TERMINATION OF INTERESTED PERSON TRANSACTION AND ENTRY INTO CONSULTANCY AND MANAGEMENT SERVICE AGREEMENT

The board of directors (the "**Board**") of Sunrise Shares Holdings Ltd. (the "**Company**") refers to its announcements released on (i) 23 March 2023 in relation to the termination of an interested person transaction – consultancy and management service agreement with Hong Kong Sunrise Asset Management, and (ii) 27 March 2023 in relation to the entry of the consultancy agreement with Zhuhai Tonglin Village Eco-Tourism Development Co Ltd.

The Company had on 24 March 2023 and 28 March 2023 received queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the above transactions respectively. The Company hereby announces its responses to the queries from the SGX-ST, which is annexed to this announcement as **Appendix A**.

BY ORDER OF THE BOARD

Liang Yongdong
Chief Executive Officer
15 May 2023

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*This announcement has been reviewed by the Company's Sponsor, Provenance Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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

Appendix A

SGX QUERIES DATED 24 MARCH 2023

1. On 24 March 2023, the SGX RegCo raised the following queries to the Company via the former Sponsor in relation to the Company's announcement on 23 March 2023 in relation to the termination of the consultancy and management agreement between Hong Kong Sunrise Consultant Limited ("**HKSCL**") (an indirect wholly-owned subsidiary of the Company) and Hong Kong Sunrise Asset Management ("**HKSAM**") ("**Termination**"), such responses to be published on the SGXNET by 27 March 2023:

(a) Please provide more details on reasons for the Termination between the Company and HKSAM.
(b) What had the Company considered, including but not limited to the expected level of operations and the role of HKSAM, the ability of HKSCL to provide consultancy management services, to be in the best interest of shareholders when it entered into the agreement with HKSAM in December 2022. What has changed since then.
(c) Does the Company still intend to continue with the consultancy management service business? If so, does the Company have the expertise to do so and how does it intend to do so?
(d) Please disclose if the Company has any other business and operations after the Termination.
(e) Please provide the Board's assessment on whether the Company would become a Cash Company under Catalist Rule 1017, and the bases to support the assessment.
(f) Please provide the Board's confirmation that there is no other material information that shareholders should be aware of.

2. On 28 March 2023, the Company gave written notice to terminate the former Sponsor. On 1 May 2023, the Company appointed the current Sponsor. The Company wishes to announce its responses to the above SGX RegCo's queries dated 24 March 2023 and to provide some background to the entry and eventual termination of the consultancy and management service agreement with HKSAM ("**Consultancy Agreement with HKSAM**") as set out below.

3. Background to the entry and termination of the Consultancy Agreement with HKSAM

The Company had proposed the adoption of a general mandate for interested person transactions ("**IPT General Mandate**") as set out in its circular dated 13 December 2022. The Company's decision to seek approval for the IPT General Mandate was to *inter alia* enable the Group to explore potential businesses with interested persons, as the Company then had no other outstanding contracts on hand but the Group has the relevant track record, management capabilities and resources to carry out its consulting services especially in the real estate sector in Mainland China and Hong Kong. The specified mandated interested person was with reference to Mr Wong Siu Fai ("**Mr Wong**") and his associates. Mr Wong was then the Executive Director and Chairman of the Company, as well as the controlling shareholder of the Company.

On 29 December 2022, the Company obtained shareholders' approval for the IPT General Mandate at the EGM.

On 30 December 2022, the Company announced the entry into the Consultancy Agreement with HKSAM pursuant to the IPT General Mandate. HKSAM is wholly owned by Mr Wong. The Company had expected the Consultancy Agreement to contribute revenue and business for the Group over the next 10 years with an annual basic consultancy fee of S$720,000, which is in the interests of the Company and its shareholders.

The Company believed that the Group has the expertise to provide the consultancy services to HKSAM, as the Group has prior experience in providing similar consultancy services on projects since 2017 including the following recent projects:

(i) Wuzhishan Tonglin Village – this is a project cooperation agreement with Hainan Sun City Limited (海南太阳城股份有限公司）("**Hainan Sun City**") which commenced in May 2020 until December 2021. The agreement involves the Company's investment in phase 2 of the Wuzhishan project as well as the provision of consultancy services to Hainan Sun City under phase 2 which involves the development of residential cum commercial units.

The agreement ended in December 2021 as the project undertaken by Hainan Sun City was delayed due to the COVID-19 pandemic and the impact arising from the tightening measures by the local government policies in Hainan Province governing the real estate industry.

(ii) Huitong project – this is a sales and consultancy agreement with Zhuhai Huitong Property Development Co. Ltd. (珠海市会桐房地产开发有限公司) ("**Zhuhai Huitong**") which commenced in May 2020 until August 2021. The Group was engaged to provide sales and consultancy services to Zhuhai Huitong in relation to the Huitong project which comprised development of residential cum commercial units.

The agreement ended in August 2021 as Zhuhai Huitong was unable to obtain the relevant approval for the sale of the units.

(iii) Anji Tonglin Jiayuan project – this is a sales and consultancy agreement with Zhejiang Anji Tonglin Property Development Co. Ltd. (浙江安吉桐林房地产开发有限公司) ("**Zhejiang Anji**") which commenced in August 2020 until February 2021. The Group was engaged to provide sales and consultancy services to Zhejiang Anji in relation to the commercial units in the Tonglin Jiayuan project in Anji, Zhejiang.

The agreement ended in February 2021 as Zhejiang Anji changed its business plan in relation to the development of the commercial units in the Tonglin Jiayuan project.

The real estate business in China had remained weak in March 2023 despite the gradual re-opening of the economy in China after the COVID-19 pandemic. As a result, HKSAM had no new business in both Hong Kong and China. The Company and HKSAM mutually agreed to terminate the Consultancy Agreement on 22 March 2023.

4. Company's intention to continue with the consultancy management service business

The Company's intention is to continue with its consultancy management services business, mainly in relation to hotel and apartment consulting management services, as the Group has the relevant track record, management capabilities and resources to do so.

Presently, the Company's main focus is in China and its only contract on hand currently is the consultancy agreement with Zhuhai Tonglin Village Eco-Tourism Development Limited (珠海桐林村生态旅游开发有限公司) ("**Zhuhai Tonglin**") which was entered into on 23 March 2023 between the Company's indirect wholly-owned subsidiary, Shenzhen Kimshek Consultancy Management Limited ("**SKCML**"), and Zhuhai Tonglin ("**Consultancy Agreement with Zhuhai Tonglin**").

The Consultancy Agreement with Zhuhai Tonglin is to provide consultancy services to Zhuhai Tonglin for the establishment of, branding, marketing and promotion for Zhongtong Youth Apartment. The Zhongtong Youth Apartment is currently being built and is expected to commence operation in October 2023.

More information on the Consultancy Agreement with Zhuhai Tonglin is set out in the response to the SGX queries dated 28 March 2023 below. The Company will continue to explore new business contracts focused mainly in China.

5. As the Company has an on-going business operation under the Consultancy Agreement with Zhuhai Tonglin, the Board is of the view that the Company is not considered a Cash Company as defined under Catalist Rule 1017.

6. The Board confirms that there is no other material information that shareholders should be aware of.

SGX QUERIES DATED 28 MARCH 2023

1. On 28 March 2023, the SGX RegCo raised the following queries to the Company via the former Sponsor in relation to the Company's announcement on 27 March 2023 in relation to the entry of the Consultancy Agreement with Zhuhai Tonglin, such responses to be published on the SGXNET by 30 March 2023:

(a) Why was the agreement only announced on 27 March 2023 when it has been signed and finalized on 23 March 2023? (b) How was the Group introduced to Zhuhai Tonglin? (c) Aside from the first flagship youth apartment, please disclose the following: (i) Does Zhuhai Tonglin have any other assets, projects or business? (ii) Will the Company be providing consultancy service for such assets / projects / apartments? (d) Please provide the Board's justifications on whether the Company has the expertise to provide consultancy advice on the Youth Apartments. (e) The representative of Zhuhai Tonglin, Mr Li Panfeng ("**Mr Li**") is also the controlling shareholder of NZ Nan Fang and we note that Mr Li had terminated the previous agreement between Sunrise and NZ Nan Fang in June 2022 due to the Company's disclaimer of opinion in their latest annual report. (i) Please elaborate on the past business dealings between the Company and Mr Li. (ii) It was announced that the legal representative, sole director and ultimate beneficiary owner of Zhuhai Tonglin is Mr Li. Please provide the Board's considerations when entering into the Agreement with Zhuhai Tonglin, and Mr Li. (iii) Has the Board sought the current auditors' confirmation on whether the current agreement with Zhuhai Tonglin and Mr Li is a related party transaction, as raised by the previous auditors with Mr Li and NZ Nan Fang in the Company's FY2021 annual report?

2. As mentioned above, on 28 March 2023, the Company gave written notice to terminate the former Sponsor. On 1 May 2023, the Company appointed the current Sponsor. The Company wishes to announce its responses to the above SGX RegCo's queries dated 28 March 2023 and to provide some background to the entry of the Consultancy Agreement with Zhuhai Tonglin as set out below.

3. Background to the entry of the Consultancy Agreement with Zhuhai Tonglin

   Zhuhai Tonglin is a company incorporated on 8 November 2018 in China to engage in *inter alia* the provision of tourism services, housing and accommodation, construction services and hotel management. The legal representative and sole director of Zhuhai Tonglin is Mr Li Panfeng (李攀峰) ("**Mr Li**"). Zhuhai Tonglin is wholly owned by Shenzhen Tonglin Village Management Co., Ltd. (深圳市桐林村管理有限公司), which is in turn wholly owned by Mr Li. Mr Li is an unrelated third party to the Company. Mr Li is the ultimate beneficial owner of Zhuhai Tonglin.

   Under the Consultancy Agreement with Zhuhai Tonglin dated 23 March 2023, the Group through SKCML was entrusted to help Zhuhai Tonglin establish the "Zhongtong Youth Apartment" brand and to provide consulting and management services to Zhuhai Tonglin in the establishment of the flagship apartment under the Zhongtong Youth Apartment brand in Zhuhai, Guangdong province.

The Consultancy Agreement is for a period of 3 years commencing from 23 March 2023 with chargeable fees for *inter alia* the establishment of the brand, opening of the flagship apartment and annual consultant fee. The Directors are of the view that the Consultancy Agreement with Zhuhai Tonglin is revenue generating for the Group over the duration of the agreement and therefore is in the interests of the Company and its shareholders.

4. Consultancy Agreement with Zhuhai Tonglin announced on 27 March 2023

The Company had been negotiating the terms of the agreement with Zhuhai Tonglin which resulted in the final form dated 23 March 2023. The Company received the executed copy of the agreement from Zhuhai Tonglin on the evening of 24 March 2023 (Friday). The Company then instructed the Company Secretary on the evening of 24 March 2023 to prepare the draft announcement based on the terms of the agreement. As a result, following finalisation of the announcement and clearance by the former Sponsor and the Directors, the announcement was released on the next working day on 27 March 2023 (Monday).

5. Company's familiarity and past dealings with Mr Li

Mr Li is the ultimate beneficial owner of Zhuhai Tonglin. The Company is familiar with Mr Li as the Company had past business dealings with Mr Li's companies as follows:

(a) Project cooperation agreement with Hainan Sun City in May 2020 – as explained in paragraph 3 of the Company's responses to SGX queries dated 24 March 2023, this agreement was terminated on 23 December 2021 as the project undertaken by Hainan Sun City was delayed due to the COVID-19 pandemic and the impact arising from the tightening measures by the local government policies in Hainan Province governing the real estate industry;

(b) Sales and consultancy agreement with Zhejiang Anji which commenced in August 2020 until February 2021. The agreement ended in February 2021 as Zhejiang Anji changed its business plan in relation to the development of the commercial units in the Tonglin Jiayuan project;

(c) Consultant management agreement with New Zealand Nan Fang Investment Limited ("**NZ Nan Fang**") in October 2021 to provide consultancy services to the associated companies of NZ Nan Fang which were engaged in hospitality and property related businesses in China – this agreement was terminated with effect from 30 June 2022 as proposed by Mr Li in view of the then situation and the inconvenience to Mr Li which was brought about by the External Auditor's disclaimer of opinion in the independent auditor's report set out in the Company's annual report for FY2021;

(d) Consultancy service management agreement with Singapore Nan Fang Investment Fund Management Pte. Ltd. ("**Nan Fang Singapore**") in December 2021 to provide consultancy services to the associated companies of Nan Fang Singapore which were engaged in hospitality and property related businesses in China – this agreement was also similarly terminated with effect from 30 June 2022 as proposed by Mr Li in view of the then situation and the inconvenience to Mr Li which was brought about by the External Auditor's disclaimer of opinion in the independent auditor's report set out in the Company's annual report for FY2021.

(e) Secured loan agreement with Nan Fang Singapore in December 2021 for an amount of S$1.3 million for a period of 1 month for Nan Fang Singapore's investment purposes. The loan amount and the interest were fully repaid in January 2022; and

(f) Secured loan agreement with Shenzhen Xudao Property Development Co., Ltd (深圳市旭道房地产开发有限公司") ("**SZXD**") in December 2021 for an amount of RMB13 million for a period of 2 months. SZXD was in the business of property development in China. The loan and the interest were fully repaid in January 2022.

On 1 October 2022, the Company appointed an independent reviewer to *inter alia* review certain contracts highlighted by the External Auditor which had formed the bases for their disclaimer of opinion. The counterparties to the contracts had included entities which were deemed owned by Mr Li. These entities included Hainan Sun City, Zhejing Anji, NZ Nan Fang, Nan Fang Singapore and SZXD. The scope of the review was to determine whether the contracts as set out in the disclaimer of opinion were interested person transactions ("**IPTs**") under Chapter 9 of the Catalist Rules and related party transactions ("**RPTs**") under the Singapore Financial Reporting Standards. Based on the findings by the independent reviewer dated 26 November 2022, they were of the opinion that there is no evidence to deem these contracts as IPTs or RPTs.

On 23 March 2023, the Company entered into the Consultancy Agreement with Zhuhai Tonglin. The Company believed that the Consultancy Agreement with Zhuhai Tonglin will generate revenue and business for the Group and for these commercial reasons will be beneficial to the interests of the Company and its shareholders. The Board is satisfied that the above agreement with Zhuhai Tonglin is not an IPT or RPT as Zhuhai Tonglin is ultimately wholly owned by Mr Li, an unrelated third party to the Company. As such, the Board had not sought confirmation from the current auditors on whether the Consultancy Agreement with Zhuhai Tonglin is an IPT or RPT.

6. Whether Zhuhai Tonglin has other businesses

At present, Zhuhai Tonglin's main project is the Zhongtong Youth Apartment project. Mr Li has other businesses besides the project undertaken by Zhuhai Tonglin.

The Group hopes to explore further business opportunities with Mr Li through his network and business contacts in China.

7. Company's expertise to provide consultancy services to Zhuhai Tonglin

The Company believed that it has the expertise to provide the consultancy services to Zhuhai Tonglin as the Group has the relevant track record, management capabilities and resources to do so.