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

TERMINATION OF AGREEMENT WITH NAN FANG (SINGAPORE) INVESTMENT FUND MANAGEMENT PTE. LTD.

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1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Sunrise Shares Holdings Ltd. (the "**Company**", and together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Sunrise Industrial (Singapore) Pte. Ltd. ("**Sunrise Industrial**") has on 25 May 2022 entered into a termination agreement ("**Termination Agreement**") with Nan Fang (Singapore) Investment Fund Management Pte. Ltd. ("**Nan Fang Singapore**") to terminate the Consultancy Service Management Agreement dated 23 December 2021 ("**Consultancy Agreement**") in connection with providing the consultancy management services to Nan Fang Singapore and its associate companies.

Based on the Consultancy Agreement, Sunrise Industrial would provide the consultation and/or advise for the daily business conducted of Nan Fang Singapore and its associate companies, including maintenance of business registration, property management, hospitality management, project management, marketing planning and Investment and Information Consultation Services in Asia-Pacific region.

The salient terms of the Consultancy Agreement are, inter-alia, as follows: -
(a) The period of the Agreement is set for three (3) year, from 1 January 2022 to 30 December 2024. The Agreement will be automatically renewed if neither party proposes to terminate after the expiration.
(b) The agreed basic consultation fee payable by Nan Fang Singapore to Sunrise Industrial is S$320,000 per year (which is to be on quarterly basis, S$80,000 per quarter).
(c) Meanwhile, the specific appointed consultancy services negotiated by both parties are charged according to the service content and fee charging standards which will be agreed in writing by both parties in advance.
(d) All of the above-mentioned fees payable to Sunrise Industrial are non-refundable.
(e) Either party can terminate the Agreement by giving to the other party one (1) month notice in writing if Sunrise Industrial cannot meet Nan Fang Singapore's requirements and expectations, or Nan Fang has significant hidden peril and risk.

2. TERMINATION

The parties to the Consultancy Agreement have mutually agreed to terminate the Consultancy Agreement with effect from 30 June 2022. After the mutual agreement, Nan Fang Singapore will repay Sunrise Industrial the consultation fee of S$80,000 within 7 working days of the date of the Termination Agreement. Each party has further agreed to release the other party of all the obligations and duties under the Consultancy Agreement.

The termination was raised by Nan Fang Singapore's controlling shareholder Mr. Li Pan Feng. Mr. Li had always had confidence in cooperating with the Company and the cooperation between both parties are friendly. However, in view of the current situation and the inconvenience which was brought by the External Auditor's disclaimer of opinion to Mr. Li, he had brought up the termination proposal.

Notwithstanding the early termination, the amounts of fees received of SGD80,000 and those to be received of SGD80,000, is similar on a per month basis when compared to what was announced on 23 December 2021. The Company will be expecting the receivable from Nan Fang Singapore within 7 working days from the date of the Termination Agreement.

Company and Directors confirm that save as announced that there are no other material terms and conditions for the entry and termination of the said contract.

The execution of the Termination Agreement will be expected to have adverse material impact on the Group's net tangible assets per share and earnings per share for the current financial year ending 31 December 2022, given that there are only two contracts outstanding for FY2022.

The size of the contract is small, the basic consultation fee is 5.62% compared to the Group's net tangible asset as at 31 December 2021. The percentage on the consultation fee per annual is SGD320,000, total for three years is SGD960,000, which is 16.87% compare to the net tangible asset of FY2021. For illustration purpose, the yearly revenue arising from this Consultancy Contract is SGD320,000, which is approximately 55.46% of the Group's revenue for FY2021. The Company has not recognised service fee from this Consultancy Agreement in FY2021 as the first quarterly payment is received on 5 January 2022.

Following the termination of the two contacts, which are the said contract in this announcement and the contract with New Zealand Nan Fang Investment Limited, which will be announced separately, the Company will not have any more contracts. Part of the new business contracts are under negotiation and is close to success. The specific details are still under further negotiation, the Company will make further announcement when the details are confirmed. In view of on-going negotiations for other contracts pending the termination of this agreement, the Directors are of the view the company will not be deemed as cash company. The Company will still have operating business.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and other than through their respective shareholdings in the Company, none of the Directors, or to the best of the Directors' knowledge, substantial shareholders of the Company has any interest, direct or indirect in the termination of the Agreement.

Directors and Company confirm that the said Nan Fang Singapore contract is not an interested person transaction (at the time of entry and during the period of contract). The table below has summarised the change of directors and shareholders of Nan Fang Singapore at the time of entry and during the period of contract.

	Director		Shareholder
Entry of contract	Chew Vincent, Yip Chung Yuk and Zhang Ren Dong	Entry of contract	Zhang Ren Dong and Yip Chung Yuk
During the contract	Zhang Ren Dong (till 26 January 2022) Chew Vincent, Yip Chung Yuk and Zhang Zhi Liang (till 20 April 2022) Zeng Cai Hua (till 6 May 2022) Li Pan Feng (current) Balla Mohan Rao (current) Ke Xiongfei (current)	During the contract	Zhang Ren Dong and Yip Chung Yuk (till 26 January 2022) Premier Success Investment Pte. Ltd. (is owned by New Zealand Nan Fang Investment Limited) (current)

Company and Directors confirm that the directors and the shareholder(s) of Nan Fang Singapore are not related to and do not have any connection (including, inter alia, financial or business connection) with any of Director and/or substantial shareholders of the Company (at the time of entry and during the period of contract), despite that Chew Vincent was the former Non-executive Director and Zhang Zhi Liang was the former Chief Executive Officer. There was a loan agreement signed between the Company and Nan Fang Singapore on 8 December 2021, the loan amount is SGD1,300,000 and investment return is SGD30,000 per month. The loan was fully repaid on 14 January 2022.

The frequent change of shareholding were the actual controller, Mr. Li Panfeng's personal actions and his normal business operations, especially during the special COVID-19 period. Mr. Li has also declared that the business entered with the Company or its subsidiaries are neither related nor interested party transactions.

4. DIRECTORS' RESPONSIBILITY STATEMENT

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

5. CAUTION IN TRADING

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

BY ORDER OF THE BOARD

Wong Siu Fai
Executive Director and Chairman
3 June 2022

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

The contact person for the Sponsor is Ms. Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271