

CIRCULAR DATED 27 MAY 2019

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

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

Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section titled "DEFINITIONS" of this Circular.

If you have sold or transferred all your Shares which are deposited with the Depository, you need not forward this Circular with the Notice of EGM and the attached Proxy Form to the purchaser or transferee as arrangements will be made by the Depository for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the Depository, you should immediately forward this Circular together with the Notice of EGM and the attached Proxy Form to the purchaser or transferee, or the 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 Sponsor, ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Catalist Rules.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.



SUNRISE SHARES HOLDINGS LTD.

(Company Registration Number: 198201457Z)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to:-

- (1) PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE SALE SUBSIDIARIES THAT ARE ENGAGED IN THE ELECTRICAL TRADING AND ELECTRICAL MANUFACTURING BUSINESS; AND**
- (2) PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE INVESTMENT BUSINESS**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 10 June 2019 at 9.28 a.m.
Date and time of Extraordinary General Meeting : 12 June 2019 at 9.28 a.m.
Place of Extraordinary General Meeting : Six Battery Road #10-01, Singapore 049909

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“April 2017 Circular”	:	The circular to Shareholders dated 10 April 2017 in relation to the proposed diversification of business of the Group to include Property Business, Hospitality Business and Fund Management Business
“Audit Committee”	:	The audit committee of the Company as at the date of this Circular, members of which comprise Mr Tang An, Mr Zheng Aimin and Ms Huang Anna Yi
“Board” or “Directors”	:	The directors of the Company as at the date of this Circular
“Catalist Rules”	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“Circular”	:	This circular to Shareholders dated 27 May 2019
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Sunrise Shares Holdings Ltd.
“Completion”	:	Completion of the Proposed Disposal
“Conditions Precedent”	:	Has the meaning ascribed to it in Section 2.5 of this Circular
“Consideration”	:	The aggregate consideration for the Sale Shares of S\$1,800,000
“EGM” or “Extraordinary General Meeting”	:	The extraordinary general meeting of the Company to be held on 12 June 2019, notice of which is set out on pages 23 and 24 of this Circular
“Existing Business”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“Fund Management Business”	:	The business of fund management, as more particularly described in the April 2017 Circular
“FY”	:	Financial year ended or ending 31 December
“Group”	:	The Company and its subsidiaries
“Hospitality Business”	:	The business of the operation and management of hotels and franchising of hotel brands, as more particularly described in the April 2017 Circular
“Impairment”	:	Has the meaning ascribed to it in Section 2.3 of this Circular

“Investment Business”	:	Has the meaning ascribed to it in Section 3.2 of this Circular
“Investment Criteria”	:	Has the meaning ascribed to it in Section 3.4 of this Circular
“Investment Committee”	:	Has the meaning ascribed to it in Section 3.4 of this Circular
“Investment Holding Business”	:	The business of investment in stocks and shares, including investment in quoted securities
“Latest Practicable Date”	:	22 May 2019, being the latest practicable date prior to the printing of this Circular
“Long Stop Date”	:	Has the meaning ascribed to it in Section 2.5 of this Circular
“LPS”	:	Loss per Share
“MGO”	:	Has the meaning ascribed to it in Section 2.4 of this Circular
“Net Proceeds”	:	Has the meaning ascribed to it in Section 2.3 of this Circular
“NTA”	:	Net tangible assets
“Notice of EGM”	:	Notice of the EGM dated 27 May 2019
“Offer Document”	:	Has the meaning ascribed to it in Section 2.4 of this Circular
“Property Business”	:	The business comprising property and construction project management activities, as more particularly described in the April 2017 Circular
“Proposed Business Diversification”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“Proposed Disposal”	:	The proposed disposal of the Sale Subsidiaries, on the terms and subject to the conditions of the SPA
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchaser”	:	Mr Soh Sheng Pyng
“Sale Shares”	:	The entire issued and paid-up share capital of the Sale Subsidiaries
“Sale Subsidiaries”	:	ITE Electric Systems Co Pte. Ltd., Electech Distribution Systems Sdn. Bhd., Electech Manufacturing Sdn. Bhd. and ITE Lumens Pte. Ltd.

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is the Depository, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose securities accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective securities accounts in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“SPA”	:	The conditional sale and purchase agreement dated 10 May 2019 entered into between the Purchaser and the Company
“Sponsor”	:	ZICO Capital Pte. Ltd.
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore; and
“US\$”	:	United States dollars, being the lawful currency of the United States of America
“%”	:	per centum or percentage.

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

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

The term “**treasury shares**” shall have the meaning ascribed to it in Section 76H of the Companies Act.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular, shall have the same meaning assigned to it under the Companies Act, the Catalist Rules or any statutory modification thereof, as the case may be.

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

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

SUNRISE SHARES HOLDINGS LTD.

(Company Registration Number: 198201457Z)
(Incorporated in the Republic of Singapore)

Directors

Mr Zheng Aimin (Independent Non-Executive Chairman)
Mr Zhang Zhi Liang (Executive Director and
Chief Executive Officer)
Mr Ng Clarence Kar Lung (Executive Director)
Ms Huang Anna Yi (Non-Independent and Non-Executive Director)
Mr Tang An (Independent Director)
Mr Wang Ziquan (Independent Director)

Registered Office

Six Battery Road #10-01,
Singapore 049909

27 May 2019

To: The Shareholders of Sunrise Shares Holdings Ltd.

Dear Sir/Madam

(A) PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE SALE SUBSIDIARIES THAT ARE ENGAGED IN THE ELECTRICAL TRADING AND ELECTRICAL MANUFACTURING BUSINESS; AND

(B) PROPOSED DIVERSIFICATION OF BUSINESS OF THE GROUP TO INCLUDE INVESTMENT BUSINESS

1. INTRODUCTION

- 1.1. On 10 May 2019, the Company announced that it had entered into the SPA with the Purchaser pursuant to which the Company agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Company, the Sales Shares, on the terms and subject to the conditions of the SPA.
- 1.2. Concurrent with the Proposed Disposal, the Company intends to diversify into the Investment Business, as and when opportunities arise. It is envisaged that the Proposed Business Diversification will change the existing risk profile of the Group. Accordingly, the Company intends to seek Shareholders' approval for the Proposed Business Diversification.
- 1.3. The purpose of this Circular is to provide Shareholders with information relating to, and explain the rationale for, and seek Shareholders' approval for the Proposed Disposal (as Ordinary Resolution 1) and the Proposed Business Diversification (as Ordinary Resolution 2), at the EGM to be convened. The Notice of EGM is set out on pages 23 and 24 of this Circular. For the avoidance of doubt, Ordinary Resolution 1 and Ordinary Resolution 2 are not conditional upon the passing of each other.
- 1.4. This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any other persons (other than the Shareholders whom this Circular is despatched to by the Company) or for any other purpose.
- 1.5. The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

2. PROPOSED DISPOSAL

2.1. Information on the Purchaser

The Purchaser is a Singaporean citizen and is currently the director of ITE Electric Systems Co Pte. Ltd. and ITE Lumens Pte. Ltd. (“**SG Sale Subsidiaries**”). The Purchaser joined the SG Sale Subsidiaries in 1996 and was appointed a director of the SG Sale Subsidiaries in December 2016. He has since been involved in the management of the SG Sale Subsidiaries, including overseeing the sales, marketing and formulation and implementation of the business strategies of the Group’s electrical trading business in Singapore.

The Purchaser is not related to any of the Directors and the controlling shareholders of the Company or any of their respective associates. As at the Latest Practicable Date, the Purchaser does not own any shares, whether directly or indirectly.

2.2. Information on the Sale Subsidiaries

Details of each of the Sale Subsidiaries are as follows:

Name of Sale Subsidiary	Principal activity	Principal place of business/ Country of incorporation	Issued and paid-up share capital	Group’s effective equity interest
ITE Electric Systems Co Pte. Ltd.	Trading and distribution of electrical products	Singapore	S\$4,629,879 consisting of 4,629,879 ordinary shares	100%
ITE Lumens Pte. Ltd. ⁽¹⁾	Trading of lighting products, fixtures and accessories	Singapore	S\$500,000 consisting of 500,000 ordinary shares	100%
Electech Distribution Systems Sdn. Bhd.	Electrical distribution and control equipment	Malaysia	RM4,000,000 consisting of 4,000,000 ordinary shares	100%
Electech Manufacturing Sdn. Bhd. ⁽²⁾	Manufacturing and assembly of electrical distribution and control equipment	Malaysia	RM4,000,000 consisting of 4,000,000 ordinary shares	100%

Notes:

(1) ITE Lumens Pte. Ltd. has been inactive since 31 December 2017.

(2) Electech Manufacturing Sdn. Bhd is a wholly-owned subsidiary of Electech Distribution Systems Sdn. Bhd.

Upon completion of the Proposed Disposal, the Company will cease to have any interest in the Sale Subsidiaries.

2.3. Financial information relating to the Sale Subsidiaries

In the audited consolidated financial statements of the Group for FY2018, the Group had classified the Sale Subsidiaries as disposal group held for sale, and recognised an impairment loss on disposal of the Sale Subsidiaries of approximately S\$4,594,000 (“**Impairment**”), which was based on the indicative offer from the Purchaser of S\$1.8 million. Please refer to the Company’s Annual Report 2018, pages 92 and 93, as well as Note 10 to the Financial Statements of the Company for FY2018, for further details on the Group’s accounting treatment of the Sale Subsidiaries in FY2018.

Based on the audited consolidated financial statements of the Group for FY2018 which had taken into account the Impairment of approximately S\$4,594,000, (i) each of the book value and NTA of the Sale Subsidiaries amounted to S\$1,800,000; and (ii) the net loss attributable to the Sale Subsidiaries amounted to approximately S\$5,033,000 (including the Impairment). The open market value of the Sale Shares is not available as the Sale Shares are not publicly traded. No valuation of the Sale Subsidiaries was commissioned.

The estimated net proceeds from the Proposed Disposal (after deducting estimated expenses to be incurred in connection therewith of approximately S\$0.2 million) is approximately S\$1.6 million (“**Net Proceeds**”). The Net Proceeds represent a deficit of approximately S\$0.2 million over the net book value of the Sale Subsidiaries (based on the audited consolidated financial statements of the Group for FY2018). Accordingly, the Proposed Disposal will result in a loss on disposal of approximately S\$0.2 million.

2.4. Rationale for the Proposed Disposal

Based on the offer document despatched to Shareholders dated 26 December 2018 (“**Offer Document**”), issued by Hong Leong Finance Limited for and on behalf of Mr Wong Siu Fai (the “**Offeror**”), in connection with the Offeror’s mandatory conditional cash offer for all the Shares (“**MGO**”), it was indicated therein that upon the completion of the MGO, the Offeror’s intention for the Group was to undertake a review of the Group’s businesses with a view to identify areas in which the strategic direction and operations of the Group can be enhanced. The MGO was subsequently completed on 7 February 2019, and the Offeror has a total direct and deemed interest of approximately 59.6% in the Shares as at the Latest Practicable Date.

In line with the above, the Board considers that the Proposed Disposal is in the best interest of the Company and its Shareholders, taking into consideration, among others, the challenging operating environment in the electrical trading and electrical manufacturing industry faced by the Group in recent years and that the Sale Subsidiaries had been loss-making for the past three (3) financial years ended 31 December 2018. In March 2019, the Company appointed an independent consultant to review and solicit interest to purchase the Sale Subsidiaries. While there had been parties who expressed interest, the Group did not receive any firm offers to purchase the Sale Subsidiaries, save for an offer from the Purchaser which is effectively a management-buyout. Having considered other options (such as potential liquidation of the Sale Subsidiaries of which the estimated returns are expected to be lower than the Consideration), the Board is of the opinion that the Proposed Disposal will offer the Company an efficient exit strategy in terms of time and cost. The Proposed Disposal will allow the Company to unlock the value of the assets in the Sale Subsidiaries and re-deploy its financial and capital resources. With the Net Proceeds, the Group will have more working capital to fund its other operations, expand into other businesses and undertake new investment opportunities that may arise in the future, which may result in higher value to the Shareholders.

2.5. Principal Terms of the Proposed Disposal

(a) Sale Shares

Subject to the terms and conditions of the SPA, the Sale Shares shall, at Completion be free from all encumbrances and together with all rights, entitlements and benefits now and hereafter attaching thereto as of and including the date of Completion (including the right to receive all dividends or distributions declared, made or paid on or after Completion).

(b) Consideration

Pursuant to the SPA, the Consideration for the Sale Shares is S\$1,800,000, to be satisfied fully in cash. The Consideration was arrived at on a willing buyer and willing seller basis, after taking into account the net book value of the Sale Subsidiaries as at 31 December 2018, the Company's limited success in disposing of the Sale Subsidiaries (as discussed in Section 2.4 of this Circular) and that the Consideration was higher than the estimated returns available to the Company in the event of a liquidation scenario.

The Consideration shall be payable by the Purchaser to the Company in the following manner:

- (a) S\$300,000 to be payable upon signing of the SPA;
- (b) S\$500,000 to be payable upon approval of the Proposed Disposal by Shareholders at a general meeting to be convened ("**Approval Date**"),

(part (a) above to be referred to as "**Pre-Completion Payment (A)**" and together with part (b) above, to be collectively referred to as the "**Pre-Completion Payments**"); and

(c) subject to Completion taking place:

- (i) S\$500,000 to be payable no later than two (2) weeks of the Approval Date; and
- (ii) S\$500,000 to be payable no later than four (4) weeks of the Approval Date,

((c)(i) and (c)(ii) to be collectively referred to as the "**Post-Completion Payments**").

PROVIDED THAT in the event Completion does not take place by the Long Stop Date for any reason whatsoever, the Company shall undertake to refund the Pre-Completion Payments to the Purchaser within three (3) Business Days from the Long Stop Date. In the event the Post-Completion Payments (in part or in full) are not paid to the Company, the Company shall be entitled to impose a default interest of 5% per annum compounded monthly from the date of default until such overdue sums due and payable by the Purchaser to the Company arising from the Post-Completion Payments is fully settled.

The Company had received the payment from the Purchaser in respect of Pre-Completion Payment (A), in accordance with the terms and conditions of the SPA.

(c) Conditions Precedent

Completion of the Proposed Disposal is subject to and conditional upon, *inter alia* the fulfilment and/or written waiver (such written waiver, if any, only to be provided after consultation with the Sponsor) of the following conditions (“**Conditions Precedent**”):

- (a) the warranties provided by the Purchaser and the Company (as the case may be) under the SPA being true in all material respects on and as of date of Completion with the same force and effect as though made on and as of the date of Completion;
- (b) the approval of the Proposed Disposal by Shareholders at a general meeting of the Company; and
- (c) all necessary approvals, consents and waivers from third parties, governmental or regulatory body or relevant competent authority, including but not limited to the Sponsor and/or SGX-ST for the Proposed Disposal being granted or obtained, being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such approvals, consents and/or waivers are granted or obtained subject to any conditions, and if such conditions affect any of the parties, such conditions being acceptable to the Company and the Purchaser, and if such conditions are to be fulfilled before Completion, such conditions being fulfilled before Completion.

(d) Completion

Subject to the terms and conditions of the SPA, Completion shall take place within five (5) business days from fulfilment and/or written waiver (such written waiver in respect of the Conditions Precedent to be fulfilled by the Purchaser, if any, only to be provided after consultation with the Sponsor) of all the Conditions Precedent or such other date as the Company and the Purchaser may mutually agree in writing, which in any event shall be no later than the long-stop date of 19 June 2019 (“**Long Stop Date**”), or such other date the Company and Purchaser may mutually agree in writing.

2.6. **Service Agreements**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal.

2.7. **Use of proceeds**

The Company intends to utilise the Net Proceeds in the following manner:

	Use of Net Proceeds	Allocated sum	As a percentage of total Net Proceeds
(a)	Exploring overseas property management and consultancy, and hospitality management opportunities	S\$0.56 million	35%
(b)	General working capital requirements	S\$0.80 million	50%

	Use of Net Proceeds	Allocated sum	As a percentage of total Net Proceeds
(c)	Payment of professional fees (including but not limited to the auditors, legal advisers, continuing sponsor, company secretary, printers and financial advisers engaged by the Company)	S\$0.24 million	15%
	Total	S\$1.60 million	100%

Pending deployment of the Net Proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short-term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.

2.8. Relative figures for the Proposed Disposal under Rule 1006 of the Catalist Rules

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalist Rules and the latest announced audited consolidated financial statements of the Group for FY2018 are as follows:

Rule 1006	Bases	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Company's net asset value	39.1% ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Company's net profits ⁽²⁾	Not meaningful ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation	27.3% ⁽⁴⁾
(d)	The number of equity securities issued by the Company as consideration for the proposed acquisition, as compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Company's proved and probable reserves	Not applicable

Notes:

- (1) Computed based on (i) the net asset value of the assets to be disposed of, that is, of the Sale Subsidiaries which amounted to S\$1.8 million; and (ii) the net asset value of the Group which amounted to approximately S\$4.6 million, as at 31 December 2018.
- (2) Net profits is defined to be profit or loss before income tax, non-controlling interests and extraordinary items.
- (3) Not meaningful, as both the Sale Subsidiaries and the Group reported net losses in FY2018. The Sale Subsidiaries reported net losses of approximately S\$5.0 million, whereas the Group recorded net losses of approximately S\$3.8 million, for FY2018.
- (4) Computed based on (i) the Consideration of S\$1.8 million; and (ii) the Company's market capitalisation of approximately S\$6.6 million. Under Rule 1002(5) of the Catalist Rules, the market capitalisation of the Company is determined by multiplying the number of shares in issue (being 178,337,290 Shares) by the weighted average price of S\$0.0370 on 2 May 2019 (being the last market day on which the Shares were traded prior to the date of signing of the SPA).

Pursuant to Practice Note 10(A) paragraph 11 of the Catalist Rules, tests based on profits may not give a meaningful indication of the significance of a transaction to the issuer, for example, where the issuer is loss making. As the Group was loss making in FY2018, the relative figure computed based on Rule 1006(b) may not be meaningful.

However, pursuant to Practice Note 10(A) paragraph 8(a) of the Catalist Rules, the disposal of an issuer's core business (or a substantial part of its core business) will usually result in a material change to the nature of the issuer's business, and shareholders should have an opportunity to consider the future direction of the issuer and Rule 1014 of the Catalist Rules will be applied. As the Sale Subsidiaries is a part of the Company's core business and further considering that the pre-Impairment net asset value of the Sale Subsidiaries constituted 69.6% of the Group's pre-Impairment net asset value (as at 31 December 2018), as a matter of transparency and good governance, the Company is seeking the approval of Shareholders for the Proposed Disposal as a major transaction under Chapter 10 of the Catalist Rules.

2.9. Financial effects of the Proposed Disposal

(a) Bases and assumptions

As set out in section 2.3 of this Circular, the Group had classified the Sale Subsidiaries as disposal group held for sale, and recognised the Impairment of approximately S\$4.6 million in the audited consolidated financial statements of the Group for FY2018.

The pro forma financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and are therefore not indicative of the actual future financial position of the Company or the Group after the Completion.

The pro forma financial effects of the Proposed Disposal have been prepared based on the audited consolidated financial statements of the Group for FY2018, and on the following bases and assumptions:

- (a) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Disposal was completed on 31 December 2018;
- (b) the financial effect on the consolidated LPS is computed based on the assumption that the Proposed Disposal was completed on 1 January 2018; and
- (c) the expenses to be incurred in connection with the Proposed Disposal are estimated to be approximately S\$0.2 million.

(b) NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	4,613	4,413
Number of Shares	178,337,290	178,337,290
NTA per share (S\$ cents)	2.59	2.47

(c) LPS

	Before the Proposed Disposal	After the Proposed Disposal
Net loss attributable to Shareholders (S\$'000)	3,783 ⁽¹⁾	3,543
Weighted average number of issued shares (excluding treasury shares)	178,337,290	178,337,290
LPS (Singapore cents)	2.12	1.99

Note:

- (1) Included loss from discontinuing operations (net of tax) of approximately S\$5,033,000, comprising net loss incurred by the Sale Subsidiaries of approximately S\$440,000 and loss on disposal of the Sale Subsidiaries of approximately S\$4,593,000.

3. PROPOSED BUSINESS DIVERSIFICATION

3.1. Background

On 26 April 2017, the Company obtained the approval of Shareholders at the extraordinary general meeting held on the same date ("**2017 EGM**") for the Group to include the Property Business, Hospitality Business and Fund Management Business as its core businesses, alongside the electrical trading and electrical manufacturing business ("**Electrical Business**") undertaken by the Sale Subsidiaries and the Investment Holding Business. Please refer to the April 2017 Circular for details on the aforementioned business diversification. As set out in the April 2017 Circular, the Group ceased the Investment Holding Business since FY2014.

As at the Latest Practicable Date, the Group had commenced the Property Business, and has yet to commence the Hospitality Business, Fund Management Business and Investment Holding Business, which it intends to, as and when opportunities arise. The Property Business, Hospitality Business, Fund Management Business and Investment Holding Business shall collectively be referred to herein as the "**Existing Business**".

Since FY2014, the Group had not undertaken any investments in stocks and shares (including investment in quoted securities) which is part of the Investment Holding Business. Going forward, as and when the opportunities arise, the Group intends to undertake the Investment Business (as described under Section 3.2 of this Circular), which is an extension of the Investment Holding Business as one of its core businesses ("**Proposed Business Diversification**"). In view of the fact that (i) the Investment Business covers a wider scope as compared to the Investment Holding Business, which changes the existing risk profile of the Group; and (ii) the lapse in time since the Group had last undertaken activities under the Investment Holding Business, the Company is thus seeking the approval of Shareholders for the Proposed Business Diversification.

3.2. Description of the Investment Business

The Investment Business will include the following activities (“**Investment Business**”):

- (a) investing in quoted and/or unquoted securities and various aspects of investment such as providing seed, mezzanine and other forms of capital to listed companies and/or private companies with potential of business growth and trade sales, which may also include undertaking business incubation and angel investments as part of the corporate strategies and business development of the investee companies;
- (b) trading in quoted securities (including equities trading), buying and selling of unquoted securities and/or other marketable securities;
- (c) pre-initial public offer investments, which involve investing in shares of companies which may proceed to be listed on any internationally recognised stock exchange via initial public offerings or reverse takeovers (or similar process);
- (d) trading and/or investing directly or indirectly in futures, commodities, bonds, notes, funds and other securities, derivatives and financial products (whether quoted on any stock exchange or unquoted);
- (e) investing in real estate investment trusts (REITs);
- (f) investing in private equity funds, hedge funds and funds of funds;
- (g) providing financing and loans to corporate entities (where permitted under the relevant laws and regulations in the relevant jurisdictions); and
- (h) any other activity related to or ancillary to the above-mentioned activities.

The Group does not plan to restrict the Proposed Business Diversification into the Investment Business to any specific business sector, industry or geographical market. The Group will remain prudent by taking into account the financial condition and cash flow requirements of the Group in deciding the amount for each allocation/investment and to ensure that the financial exposure of the Group is monitored and managed. Please refer to Section 3.4 of this Circular for further details on the management of the Investment Business.

The Group may also collaborate with external consultants and/or advisors for the Investment Business. These collaborations may be on a profit-sharing basis, fee-based, or on such other terms acceptable to the Group, including profit distribution and investment realisation. In agreeing on the terms with the external consultants and/or advisors, the Group will take into consideration various factors including the adequacy of the Group’s working capital and the projected returns. The Group may also explore joint ventures and/or strategic alliances with third parties as and when the opportunity arises.

For the avoidance of doubt, the Group remains committed in the continuance of its Existing Business for so long as its Existing Business remains viable. As at the Latest Practicable Date, the Group has not identified any suitable targets or businesses for the Investment Business.

3.3. Rationale for the Proposed Business Diversification

In addition to the Proposed Disposal, in the course of the review of the Group's businesses to be undertaken as set out in the Offer Document, the Group has also assessed its Existing Business and has proposed to include the Investment Business as part of the Group's business.

Notwithstanding the risks associated with the Investment Business as set out in Section 3.5 of this Circular, the Board believes that the Proposed Business Diversification is in the interests of Shareholders for the following reasons:

- (a) The Proposed Business Diversification may provide a more diversified business and income base

The Proposed Business Diversification would reduce the Group's reliance on the Existing Business by diversifying its revenue stream, as well as improve future prospects and better support the growth of the Group, so as to enhance Shareholders' value for the Company.

- (b) The Proposed Business Diversification will provide additional and recurrent revenue streams with a view to achieving long-term growth

The Investment Business will allow the Group to flexibly and efficiently utilise the earnings generated from the Existing Business, to provide new income streams for the Group which may include, *inter alia*, possible recurring dividend income and capital gains from its investments, which would also allow the Group to have better prospects of profitability and ensure long term growth by enabling the Group to have access to new business opportunities which in turn could potentially enhance the return on the Group's assets and improve Shareholders' value over the long-term and achieving long-term growth.

- (c) The Proposed Business Diversification will give the Group the flexibility to enter into transactions relating to the Investment Business in the ordinary course of business

Upon the approval of Shareholders for the Proposed Business Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the Investment Business 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 the Investment Business 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.

3.4. Management of the Investment Business

The Investment Business will be managed by an investment committee ("**Investment Committee**"), and overseen by the Board which comprises individuals with varied qualifications and experience who will provide strategic vision and policy on the Investment Business. The Investment Committee shall be headed by Mr Ng Clarence Kar Lung (Executive Director of the Company). Mr Ng is currently the managing director of Hong Kong Sunrise Asset Management Limited ("**HKSAM**"), a boutique fund management company, in charge of general portfolio management and daily currency trading within the forex market. At HKSAM, he is responsible for trades in excess of US\$1 million and average

monthly trading volume in excess of US\$10 million. Prior to that, from 2015 to 2016, he was the general manager of Hong Kong Sunrise Holdings Limited in charge of identifying, developing and directing the implementation of business strategy; leading motivating and developing the management team; developing business plans and preparing comprehensive business reports. Between 2013 and 2015, Mr Ng was a director of Hong Kong Tong Lin Holdings Limited where he managed its day-to-day operations and assisted with its annual audit and financial statements preparation. From 2010 to 2012, Mr Ng was an associate of Ernst & Young in Hong Kong. Mr Ng holds a Bachelor of Commerce degree from the University of British Columbia, Canada, where he majored in Accounting.

The Investment Committee will be supported by additional key executives and managers with suitable experience and skill sets relevant to the Investment Business, as and when required. The Group believes that by leveraging on the Group's status as a public-listed company, the Group will be able to attract and hire experienced personnel to assist in the Investment Business. The Group will monitor developments and progress in the Investment Business and take the necessary steps to identify suitable candidates both from within the Group as well as externally to manage the Investment Business to take it forward as and when required.

The Group does not plan to restrict the Investment Business to any specific business sector, industry or geographical market, as each major allocation of funds (for a certain investment class) or major investment under the Investment Business will be evaluated and assessed by the Board on its merits. In making its assessment on each such allocation or investment, the Group will consider the relevant market conditions, rationale for investment, growth potential, projected returns and value enhancements, valuation and acquisition price and potential risks of such allocation/investment to the Group.

The Investment Committee, together with the Board, will set certain predetermined criteria in relation to the projected rate of return, the potential costs involved and the profit margins for investments valued at different threshold amounts (the "**Investment Criteria**"). Each investment will then be evaluated by the Investment Committee based on the Investment Criteria and the Investment Committee will then make an investment recommendation to the Board, when such investment fulfils the Investment Criteria. The Board will then decide whether to proceed with an investment. Upon approval by the Board, the Investment Committee will then be authorised to perform all acts and take all measures necessary and required to implement the respective investment. In making its investment decisions, the Investment Committee and/or the Board will, where necessary and appropriate, seek the advice of reputable external consultants and experts.

The Board will review and evaluate the performance of each investment on at least a half-yearly basis. Based on the foregoing, the Investment Committee will then conduct a review and assessment of the adequacy and effectiveness of the Investment Criteria if necessary and propose changes to the Investment Criteria after consultation with the Board.

The Board and the Audit Committee, in consultation with the Investment Committee, will adopt internal policies and procedures (which will include the Company's investment objectives, investment strategies or approach, risk management as well as investment restrictions and guidelines) to govern the operations of the Investment Business, and to evaluate each investment and ensure there are sufficient safeguards in place to manage risk, as and when required. The Audit Committee shall commission an independent internal control review on the policies and procedures of the Investment Business, and be satisfied that such policies and procedures are effective and adequate to mitigate any internal control weaknesses and to safeguard the interests of the Company, prior to the

commencement of the Investment Business. Where necessary, the Board and the Audit Committee will seek the advice of reputable financial advisors and/or other experts.

The Board will also review these internal policies and procedures periodically to ensure that there are sufficient guidelines and procedures in place to monitor its operations. The scope of the annual internal audit will be extended to include the review and evaluation of specific matters arising from the Investment Businesses. The Board, together with the Audit Committee will also opine on an annual basis whether there are adequate controls in place within the Group addressing material financial, operational, compliance and information technology risks which will include the Investment Business as at the end of each financial year.

3.5. Risk factors

To the best of the Directors' knowledge and belief, all the risk factors that are material to the Shareholders in making an informed judgment on the Proposed Business Diversification are set out below. 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 Business Diversification.

The Investment Business could be affected by a number of risks which relate to the industries and countries in which the Investment Business is undertaken as well as those which may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Company or that the Company may currently deem immaterial, which could affect its operations. If any such risks develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

(a) ***The Group does not have an established track record and operating history in the Investment Business***

The Group does not have a significant proven track record in the investment industry and there is no guarantee that the Investment Business and the investments thereunder will be commercially successful, or that the Group will be capable of deriving sufficient revenue from the Investment Business to offset the capital and start-up costs involved.

Further, the success of the Proposed Business Diversification is dependent on the Group's ability and expertise to navigate the challenges posed by the investment industry and to adapt its existing knowledge and resources accordingly. There is no guarantee that the Group's existing knowledge and experience will be sufficient or that the Group will be able to attract and retain suitable candidates with the appropriate qualifications and experience to compete effectively with existing and future competitors in the Investment Business industry. While the Group may appoint third-party professionals and consultants to assist in its management of the Proposed Investment Business, there is no guarantee that these third-party professionals and/or consultants will be able to deliver or perform satisfactorily.

(b) ***The Group is subject to the geographical risks associated with the investee entities whose operating businesses are outside of Singapore***

The Company does not plan to restrict the Investment Business to any specific geographical market. There are risks inherent in operating businesses overseas, which 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 uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow. In addition, if the governments of jurisdiction(s) in which the Group operates tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currencies, it may 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.

(c) ***Investee entities may be affected by changes in general economic, political and social conditions***

The businesses of the investee entities will be subject to the prevailing economic, political and social conditions in the markets and/or countries in which they operate. The business, earnings, asset values, prospects and valuations of the investee entities may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, economic or diplomatic developments in or affecting the countries in which the investee entities operate.

(d) ***The strategy of investing in unlisted entities may result in illiquid investments***

The Group may make investments in unlisted entities and there may be limited avenues available to the Group to divest investments in unlisted entities. Accordingly, the Group could incur greater investment realisation risks than investments in listed securities. One avenue to realise investments in unlisted entities is by way of an initial public offering; however there can be no assurances that all or any of the investee entities would be able to comply with or meet the requirement(s) necessary to achieve an initial public offering. Even if the investee entities are able to undertake an initial public offering, the securities held by the Group may be subject to certain restrictions, including the requirement to retain a certain level of shareholding in the investee entity for a certain period of time. Hence, there can be no assurance that the Group will be able to successfully realise its investments in unlisted entities by way of an initial public offering.

(e) ***Investments in higher growth entities which may be in the early stages of development may entail a higher level of risk***

As the Investment Business may include investments in unquoted securities of high growth companies that may be in the early stages of development, there may be greater business risks as compared to more established businesses. While investments in these companies may present greater opportunities for growth, they may also involve greater business risks than is customarily associated with more established companies and there can be no assurance that the original investment amounts will not be written off partially or in entirety. Given the nature of such investments, the Company will regularly assess the financial and operational performance of such investee entities. This includes reviewing, at regular intervals, the investee entities' financial statements.

(f) ***Inability to influence or exercise management control over the investee entities may affect performance of investments and reputation of the Group***

Whilst engaged in the Investment Business, the Company may take a strategic but non-controlling stake in an investee entity, thus limiting the Company's control of influence in the investee company's day-to-day operations. Further, the Company at present only intends to be a passive investor and does not intend to participate, or be actively involved with the day-to-day management of any investee entity.

As such, the mismanagement of any investee entity, if any, will be beyond the control of the Company. Such mismanagement may adversely affect the financial performance of the investee entity, which may in turn affect the returns on the Company's investments. The impact of any negative publicity or announcements relating to such mismanagement of the investee company may also impact the Group's reputation, whether justified or not, and ultimately affect the value of the Shares.

(g) ***The Investment Business may be volatile***

The market price for the investments in quoted securities or financial products may be highly volatile and can fluctuate significantly and rapidly in response to, inter alia, the following factors, some of which are beyond the Company's control:

- (a) variations in the investee entity's operating results;
- (b) changes in the securities analysts' recommendations, perceptions or estimates of financial performance of the investee entities;
- (c) success or failure of investee entity's management team in implementing business and growth strategies;
- (d) gain or loss of an important business relationship;
- (e) additions or departures of key personnel;
- (f) fluctuations in stock market prices and volume;
- (g) involvement in litigation; and
- (h) general economic, stock and credit market conditions.

(h) ***The Group's investment activities may be subject to risks arising from fluctuations in foreign exchange rates and interest rates***

To the extent that the investee entities may be located in different geographic jurisdictions, and the extent that the investments may be denominated in different currencies, the Group's investments may be adversely affected by fluctuations in foreign exchange rates and interest rates. The funding of the Proposed Investment Business may include the Group's internal resources or by borrowings. For borrowings, to the extent that the Group's borrowings for investments or other purposes are at floating rates of interest, the cost of servicing such debt will increase if the interest rates for the borrowings increase significantly. Any significant increase in interest rates may adversely impact the performance of the Group's investment activities if borrowings are at floating rates of interest.

In addition, there is no guarantee that the Group will be able to hedge successfully or effectively against fluctuations in foreign exchange rates or interest rates and the Group may incur losses arising therefrom.

3.6. Funding for the Investment Business

The Group will fund the Investment Business through a combination of the Group's internal resources and borrowings from financial institutions. The Board will determine the optimal mix of internal funding and external funding, taking into account the cash flow of the Group and the prevailing financing costs.

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

3.7. Requirements under the Catalist Rules

As the Proposed Business Diversification will involve new business areas which are substantially different from the Group's Existing Business, it is envisaged that the Proposed Business 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 Business Diversification, any acquisition which is in, or in connection with, the Investment Business, 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 Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Investment Business 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 Investment Business arise, even where they crossed the thresholds of a "major transaction". This will reduce substantially the administrative time and expenses 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.

For the avoidance of doubt, notwithstanding the Proposed Business 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 Company, 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 Investment Business 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.

4. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and substantial shareholders of the Company, as recorded in the register of the directors’ shareholdings and the register of the substantial shareholders kept by the Company, are as follows:

	Number of Shares		Total ⁽¹⁾ (%)
	Direct Interest	Deemed Interest	
Directors			
Zheng Aimin	–	–	–
Zhang Zhi Liang	–	–	–
Ng Clarence Kar Lung ⁽²⁾	–	–	–
Huang Anna Yi ⁽²⁾	–	–	–
Tang An	–	–	–
Wang Ziquan	–	–	–
Substantial Shareholders (other than Directors)			
Sunrise Wealth Management Pte. Ltd. ⁽³⁾	21,185,000	39,827,815	34.21
LC International Holdings Pte. Ltd. ⁽⁴⁾	–	61,012,815	34.21
H Wealth Management Co. Limited ⁽⁵⁾	–	61,012,815	34.21
Wong Siu Fai ⁽²⁾⁽⁶⁾	45,352,537	61,012,815	59.64

Notes:

- (1) Based on 178,337,290 Shares as at the Latest Practicable Date.
- (2) Ms Huang Anna Yi is the daughter of Mr Wong Siu Fai. Mr Ng Clarence Kar Lung is the husband of Ms Huang Anna Yi and son-in-law of Mr Wong Siu Fai.
- (3) Sunrise Wealth Management Pte. Ltd. (formerly known as Central Point Investment (S) Pte. Ltd.) (“**SWM**”) is directly interested in 21,185,000 Shares held in its own name, and is deemed interested in 39,827,815 Shares held through UOB Kay Hian Private Limited by virtue of Section 7 of the Companies Act.
- (4) LC International Holdings Pte. Ltd. (“**LC**”) is deemed interested in the Shares held by SWM through its 100% interest in the issued share capital of SWM.
- (5) H Wealth Management Co. Limited (“**HWM**”) is deemed interested in the Shares held by SWM through its 100% interest in the issued share capital of LC.
- (6) Mr Wong Siu Fai is directly interested in 45,352,537 Shares held under his own name, and is deemed interested in the Shares held by SWM through his 100% interest in the issued share capital of HWM.

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal and the Proposed Business Diversification (other than in their capacity as Directors or Shareholders, where applicable).

5. DIRECTORS' RECOMMENDATION

The Directors, having considered, *inter alia*, the rationale for the Proposed Disposal and the Proposed Business Diversification, are of the opinion that the Proposed Disposal and the Proposed Business Diversification are in the interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Disposal and the Proposed Business Diversification to be proposed at the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 23 and 24 of this Circular, will be held at Six Battery Road #10-01, Singapore 049909, on 12 June 2019 at 9.28 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolutions as set out in the Notice of EGM.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

7.1. Lodgement of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the Company's registered address at Six Battery Road #10-01, Singapore 049909 not later than forty-eight (48) hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

7.2. Depositor

A Depositor shall not be entitled to attend and vote at the EGM unless he is shown to have Shares of the Company entered against his name in the Depository Register at least seventy-two (72) hours before the time fixed for holding the EGM.

8. 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 Disposal, the Proposed Business 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 the 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 the Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Six Battery Road #10-01, Singapore 049909, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the SPA;
- (b) the Constitution of the Company; and
- (c) the Annual Report 2018 of the Company.

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
27 May 2019

SUNRISE SHARES HOLDINGS LTD.

(Company Registration Number: 198201457Z)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting (“**Extraordinary General Meeting**”) of **SUNRISE SHARES HOLDINGS LTD.** (the “**Company**”) will be held on 12 June 2019, at 9.28 a.m., at Six Battery Road #10-01, Singapore 049909 for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:

All capitalised terms used in this notice which are not defined herein shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 27 May 2019 (the “**Circular**”).

ORDINARY RESOLUTION 1: PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE SALE SUBSIDIARIES THAT ARE ENGAGED IN THE ELECTRICAL TRADING AND ELECTRICAL MANUFACTURING BUSINESS

RESOLVED THAT:

- (a) approval be and is hereby given for the Proposed Disposal; and
- (b) the Directors and any one of them be and are hereby authorised and empowered to approve and complete and do all such acts and things (including to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as they or he may consider expedient, desirable, necessary or in the interests of the Company to give effect to the Proposed Disposal and/or this Ordinary Resolution.

ORDINARY RESOLUTION 2: PROPOSED DIVERSIFICATION THE BUSINESS OF THE GROUP TO INCLUDE INVESTMENT BUSINESS

RESOLVED THAT:

- (a) approval be and is hereby given for the diversification of the business of the Group to include the Investment Business as described in Section 3 of the Circular, and any other activities related to the Investment Business; and
- (b) the Directors and any one of them be and are hereby authorised and empowered to approve and complete and do all such acts and things (including to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as they or he may consider expedient, desirable, necessary or in the interests of the Company to give effect to the Proposed Business Diversification and/or this Ordinary Resolution.

By Order of the Board

Zhang Zhi Liang

Executive Director and Chief Executive Officer
27 May 2019

Notes:

1. A member is entitled to attend and vote at this meeting and may appoint not more than two proxies to attend and vote in his/her stead.
2. Where a member appoints two proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointment shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

“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;
 - (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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
 5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting.
 6. The instrument appointing a proxy or proxies together with the letter or power of attorney, if any, under which it is signed or a duly certified copy thereof must be deposited at the Registered Office of the Company at Six Battery Road #10-01, Singapore 049909 not less than forty-eight (48) hours before the time appointed for the holding of the Extraordinary General Meeting.

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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) 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 or service providers) 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.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor (“**Sponsor**”), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements made, reports contained or opinions expressed in this notice.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.



SUNRISE SHARES HOLDINGS LTD.

(Company Registration Number: 198201457Z)
(Incorporated in the Republic of Singapore)

EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:

- Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore ("Companies Act"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting ("EGM").
- For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Sunrise Shares Holdings Ltd., this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
- By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 27 May 2019.

I/We, _____ (Name) _____ *(NRIC/Passport No.)*

of _____ (Address)

being a member/members of **SUNRISE SHARES HOLDINGS LTD.** ("Company") hereby appoint:

Name	NRIC/Passport No./Co. Reg. No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No./Co. Reg. No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Extraordinary General Meeting ("EGM") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the EGM to be held at Six Battery Road #10-01, Singapore 049909 on 12 June 2019 at 9.28 a.m., and at any adjournment thereof.

*I/We direct *my/our* proxy/proxies to vote for or against the Resolutions 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 may vote or abstain from voting at *his/her/their discretion, as *he/her/they will on any other matter arising at the EGM and at any adjournment thereof.

No.	Resolutions relating to	Number of votes	
		For**	Against**
1	To approve the proposed disposal of the entire issued and paid-up share capital of the Sale Subsidiaries that are engaged in the electrical trading and electrical manufacturing business.		
2	To approve the proposed diversification of the business of the Group to include Investment Business.		

*If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019.

Total no. of shares in	No. of shares
(a) Depository Register	
(b) Register of Members	

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

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES 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 of the Company, 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, this instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) is entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member of the Company (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy or proxies shall not preclude a member of the Company from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. 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 less than forty-eight (48) hours before the time appointed for holding the Meeting.
7. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power attorney or 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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. 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 Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- 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 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 an instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, 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 Meeting, 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 of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 27 May 2019.