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

TERMINATION OF A CONSULTANCY AND MANAGEMENT SERVICE AGREEMENT WITH HAINAN SUN CITY SHARES LIMITED

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 indirect wholly-owned subsidiary, Shenzhen Kimshek Consultancy Management Limited ("**SKCM**") and Hainan Sun City Shares Limited ("**Hainan Sun City**") had mutually agreed to terminate the Consultancy and Management Services Agreement dated 28 May 2020 ("**Agreement**") in connection with the provision of consultancy management services by SKCM to Hainan Sun City.

2. BACKGROUND

SKCM and Hainan Sun City had on 28 May 2020 entered into the Agreement in connection with the provision of consultancy management services by SKCM to Hainan Sun City.
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The entry into the Agreement was in the ordinary course of business of SKCM.

The salient terms of the Agreement were, *inter alia*, as follows:-

(a) The Agreement will be automatically terminated with the completion of the phase 2 project by Hainan Sun City. SKCM will be involved in the whole stages of the development and construction management of this project.
(b) SKCM will invest RMB 18 million in this project with a investment interest counted at 13.8% for one year, and it has been subsequently extended for another one year from Jun 2021 to May 2022 with revised interest of 15% per annum. The rest of cost will be burdened by Hainan Sun City. The fixed return by this investment fund should be repaid on a half year basis.
(c) The agreed basic consultation fee for project management payable by Hainan Sun City to SKCM is RMB 120,000 per month (which is to be on quarterly basis, RMB 360,000 per quarter). The sales commission will be charged at 2% of the total sales revenue.
(d) All of the above-mentioned fees payable to SKCM are non-refundable.

Pursuant to the Agreement, the consultancy fees paid to SKCM were S$ 0.16 million and S$ 0.14 million in FY2020 and HY2021 respectively. The consultancy fees arising from this Agreement accounted for 13.89% and 42.42% in FY2020 and HY2021. The interest obtained from the investment fund from Hainan Sun City were S$ 0.27 million and S$ 0.24 million during FY2020 and HY2021 respectively.

3. TERMINATION

In view of the project undertaken by Hainan Sun City was delayed due to the COVID-19 pandemic and the impact arising from the recent tightening measures by the local government policies in Hainan Province governing the real estate industry, SKCM and Hainan Sun City have on 23 December 2021 mutually agreed to terminate the Agreement. After the mutual agreement, Hainan Sun City will repay SKCM the outstanding investment principal of RMB10 million. Hainan Sun City has repaid RMB 8 million to SKCM by the end of October 2021. The outstanding consultation fee and interest owing will be repaid together with the principal by 31 December 2021 ("**Repayment Funds**").

The receipt of such Repayment Funds would not have a material impact on the Group's financial performance in terms of earnings per share as the Group has received the fees pursuant to the Agreement for the whole financial year, and financial position in terms of net tangible assets for the current financial year ending 31 December 2021 as the net tangible assets before and after the termination unchanged. Arising from the termination, there will be no revenue and interests income for the Group from Hainan Sun City for the financial year ending 31 December 2022.

4. 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.

5. 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 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.

6. 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

Shirley Tan
Company Secretary
23 December 2021

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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.*

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