



SUNRISE SHARES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 198201457Z)

RESPONSE TO SECURITIES INVESTORS ASSOCIATION (SINGAPORE) QUERIES

The board of directors (the “**Directors**” or “**Board**”) of Sunrise Shares Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the questions raised by the Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Company’s annual report for the 18-month financial period ended 30 June 2025 (the “**AR2025**”), which was announced on 4 December 2025, as well as the Company’s proposed diversification into the business of minerals processing and the renewable energy (the “**Proposed Business Diversification**”), as disclosed in the circular to shareholders of the Company dated 4 December 2025 (the “**Circular**”).

The questions raised by SIAS and the Company’s responses are set out as follows:

Q1. The group reported revenue of \$5.04 million and a net loss after tax of \$(2.62) million for the 18 month period ended 30 June 2025, following the change in financial year end to 30 June. Revenue was mainly contributed by The Pines Melaka after the acquisition of Falcon Pace Sdn. Bhd., with the consultancy and management operations in China now ceased

- (i) **What were the occupancy rate, average daily rate and revenue per available room (RevPAR) for the Pines Melaka since the acquisition?**

Since the completion of the acquisition of Falcon Pace Sdn. Bhd. in May 2024, The Pines Melaka achieved an average occupancy rate of approximately 46%, with an average daily rate of approximately RM253 and a RevPAR of approximately RM116.

- (ii) **Has the hotel’s actual performance met the expectations and underwriting assumptions presented during the acquisition and board approval process?**

The hotel’s actual performance since the acquisition by the Company in May 2024 is below the initial expectations and assumptions of an average occupancy rate of 60% and average daily rate of approximately RM280 due to current global economic uncertainties which deter international travellers. Nevertheless, the Group remains optimistic about Malaysia’s hospitality and tourism sectors in the coming years, which is bolstered by the Malaysia government’s initiatives such as Visit Malaysia 2026 and the RM700 million allocation for tourism development under Budget 2026, which are expected to further stimulate domestic and inbound travel. The Pines Melaka is, and remains, well-positioned to benefit from these developments, and the hotel management team has been implementing various strategies to improve the hotel’s occupancy rate as further explained in (iii) below.

The auditors have highlighted a material uncertainty related to going concern in their audit of the financial statements, noting losses of \$(2.62) million, negative operating cash flows of \$(1.88) million, and net current liabilities of \$(1.98) million at the group level and \$(1.69) million at the company level.

- (iii) **For the benefit of shareholders, can management provide a clear breakdown of the cost of services and administrative expense, and identify the specific cost levers, operational initiatives, and efficiency improvements planned for FY2026 to stabilise cash flow and achieve operating profitability?**

Description	Amount (S\$'000)
Cost of Services	2,681
- Direct cost incurred from hotel operation	
a) Room, food and beverages, banquet event	1,275
b) Rental expenses	941
c) Maintenance fee and sinking fund	465
Administrative expense	4,675
a) Professional fees incurred for compliance and corporate exercises (sponsor, legal counsels, auditors, tax secretarial & secretarial fees)	648
b) Staff cost, director remuneration & fee	2,689
c) Hotel operation cost	
i) Repair & maintenance	217
ii) Utilities and insurance costs	489
iii) Other operation cost	55
d) Depreciation (non-cash items)	393
e) Other office overhead cost	184

The Group has been prudently adopting cost-control measures to conserve resources and strengthen its financial management. While the management continues to enhance the hotel's operational efficiency such as adopting initiatives to reduce food and general wastage and manage overall hotel staff overhead costs, including converting certain positions such as housekeeping from permanent to outsourced contract arrangements, its primary focus is on executing various strategies to improve the hotel's occupancy rate and to increase the utilisation rate of the function hall, particularly for more banquet events to be hosted by government authorities and agencies. These measures and efforts are expected to contribute to an improvement in the Group's performance in FY2026.

In addition to focusing on its existing core business activities, the Group has also proposed the Proposed Business Diversification. The Proposed Business Diversification allows the Group to broaden its revenue stream, and reduce its reliance on a single industry segment post cessation of its property consultancy contracts and its operations in China. While the Group's current hotel management business remains income-generating and self-sustaining, it is not sufficient to cover the corporate expenses incurred at holding company level. The Proposed Business Diversification, together with the ongoing operational enhancements at The Pines Melaka, is expected to support and improve the Group's overall financial performance in the coming

financial years. These initiatives form part of the Group's broader long-term strategy to enhance Shareholders' value.

Q2. The company has proposed to diversify into industrial minerals processing as well as renewable energy.

- (i) **For the benefit of shareholders, can the board, especially the independent directors, explain the scope and depth of the commercial and legal due diligence performed? Can the board clarify the specific commercial assumptions, legal risks, and operational viability assessments completed during due diligence, and how these informed the board's conviction that the proposed businesses are strategically sound?**

The Board conducted the following due diligence exercises for the proposed acquisition of Fuzhou Tianfujia Industrial Co., Ltd (the "**Target Company**") which is involved in the business of industrial minerals processing:

(a) Legal Due Diligence

For the purposes of the Proposed Acquisition, the Company had engaged Guanghe Law Firm (广和律师事务所) (the "**PRC Legal Counsel**") to conduct a legal due diligence review on the Target Company. The scope of the legal due diligence covers basic corporate information, incorporation and historical developments including change of shareholdings, business background and business qualifications, internal governance structure, branch offices, external investments, major assets, intellectual property, material contracts, material debts and liabilities, employment-related matters, environmental protection and workplace safety-related matters, taxation and government subsidies, as well as litigation, arbitration and penalties of the Target Company, based on the relevant documents provided by the Target Company.

Guanghe Law Firm was established in 1995. It currently has more than one thousand practicing lawyers and 27 branches, as well as several overseas liaison offices globally. Since 2014, it has been awarded as the leading law firm in Asia-Pacific region in the field of "Corporate/ Commercial" and "Construction" by Chambers & Partners. Its clients include, among others, PRC banks and established PRC conglomerates. For further details, please refer to <https://www.ghlawyer.net/en/abouts.aspx?cid=40>

(b) Financial Due Diligence

The Group's management also conducted financial due diligence in respect of the Target Company. As part of this process, the management team conducted on-site inspection of the Target Company's operational premises, including but not limited to the refinery plant and machinery. This site visit enabled management to verify that the physical assets including the inventories corresponded with those recorded in the Target Company's financial statements.

In addition, the Board and management conducted a thorough review and verification of both current and historical financial information relating to the Target Company, which encompassed, among other matters, capital expenditure, outstanding debts, and other liabilities to evaluate and verify the existing operational infrastructure and capacity of the Target Company.

The detailed risk factors in relation to the Proposed Business Diversification have been set out in section 3.10(a), (b) and (c) of the Circular. In addition to the aforementioned legal and financial due diligence exercises which had been conducted on the Target Company, the results of which were satisfactory to the Board, please also refer to section 4 of the Circular for the rationale of the Proposed Business Diversification.

In addition, as disclosed in the Circular, the Group is exploring but has not committed to any specific business opportunity or investment or undertaking under the business of renewable energy. The Board will assess and consider factors such as whether it has the necessary financing for such investment, the revenue which the opportunity may generate and the potential challenges in the relevant market(s) and region(s), before proceeding with any such investment, acquisition and/or direct undertaking.

(ii) How has the board evaluated the group's organisational capabilities, leadership capacity, and sector knowledge to ensure it can build a competitive position in industrial minerals and renewable energy?

The Board recognises that the mineral processing business and renewable energy business are different from the Group's existing core business. As explained in section 3.3 of the Circular, the mineral business will be managed by the existing general manager, who has extensive networks and experience in the mining and river sand industry. Upon completion of the acquisition of the Target Company, the general manager will report to the Group's Chief Executive Officer and Chief Financial Officer. In addition, the general manager will be entering into a service agreement with the Company for a period of three (3) years, effective from the completion of the acquisition of the Target Company.

As disclosed in section 3.4 of the Circular, the renewable energy business will be overseen and managed by the Executive Director and Chief Executive Officer, Malaysia Operations as well as the Chief Financial Officer of the Company, both of whom possess the relevant experiences and background in the renewable energy business in Malaysia.

As the two new businesses expand, the Group may, where necessary, evaluate the manpower needs, employ qualified employees and engage key professionals with the relevant expertise and experience to manage, support and assist with the mineral processing and renewable energy business while the Board, together with the management, shall provide strategic oversight and guidance to ensure that the businesses are effectively developed and positioned competitively.

Q3. At the annual general meeting, shareholders are asked to vote on the re-election of the following directors:

- Mr. Anthony Ang Meng Huat (Resolution 4)
- Mr. Subramaniam A/L A.V. Sankar (Resolution 5)
- Datuk Ng Bee Ken (Resolution 6)
- Mr. Nicholas Eng Teng Cheng (Resolution 7)

The biographies of the directors can be found on pages 6 to 10 of the annual report. Additional information on directors nominated for re-election are on pages 76 to 93.

(i) Can the board/nominating committee help shareholders understand if Mr Anthony Ang Meng Huat is a full-time executive director of the company, and if so, what are his responsibilities, deliverables and time commitment?

It is noted that the director is also Singapore's Non-Resident Ambassador to the Republic of Tunisia and was holds the CEO appointment at Python Asset Management Pte Ltd, a fund manager focused on private credit. In addition, he also has chairmanships/directorships in a fintech company, a licensed crowdfunding real estate

platform, a charity, another Singapore-listed company and a company listed on Bursa Malaysia.

Mr. Anthony Ang (“**Mr. Ang**”) serves as the Group’s local representative in Singapore. With his vast experience in managing private equity and asset management funds, as well as his experience on the boards of other SGX-ST listed entities, Mr. Ang has contributed his valuable insight on the Company’s potential new business venture, and plays a key role in enhancing the Group’s corporate governance practices.

Following the re-designation of Datuk Tan Eng Eng as Executive Director and Chief Executive Officer, Malaysia Operations, to oversee and manage the day-to-day operation of the Group’s Malaysia subsidiaries, Mr. Ang is now focusing on and actively involved in the Group’s business development, and identifying and exploring new business opportunities. His roles in other companies, including in Singapore Digital Exchange Pte Ltd, RV SG Pte Ltd and Red Pencil Singapore, as well as his directorships in companies listed on the SGX-ST and Bursa Malaysia are non-executive in nature and he is not involved in their day-to-day operations. His position as the Chief Executive Officer of Python Asset Management Pte Ltd also currently does not require a substantial time commitment from him. Accordingly, Mr. Ang would be able to devote time and commitment to managing the overall business development of the Company.

The Board and the Nominating Committee (the “**NC**”), having considered Mr. Ang’s representation above, as well as his contributions during the Board meetings, is of the view that Mr. Ang had devoted sufficient time and attention, and will continue to, to effectively fulfil his duties and responsibilities as the Executive Director of the Company. The NC will continue to monitor the continued suitability of Mr. Ang’s as the Executive Director of the Company.

- (ii) **Can the board clarify whether the company are any relationship, direct or indirect, with Yong Tai Berhad given that there are all except one director, including the independent chairman, are linked to or serve on the board of Yong Tai Berhad?**

Save for Datuk Wira Boo Kuang Loon, who is the controlling shareholder of the Company, and also a substantial shareholder as well as the Executive Director and Chief Executive Officer of Yong Tai Berhad, and noting that the Company is currently leasing a portion of its office space to Yong Tai Berhad at a value of below S\$100,000 in FP2025 as disclosed in the AR2025, there are no other relationship, direct or indirect, which was not disclosed.

- (iii) **Given the concentration of overlapping directorships, what specific measures has the nominating committee taken to assure shareholders of the board’s independence and integrity of its oversight?**

The terms of reference of the NC had delineated that the duties of the NC shall include, among others, (a) review the performance of individual Directors pursuant to Principle 4 and 5 of the Code of Corporate Governance (b) review the declaration of independence of the Independent Directors and (c) review the declaration of non-conflict of interest by individual Directors.

The Directors have confirmed that the Company and Yong Tai Berhad do not have similar businesses which may trigger any potential conflicts of interest. The Director also confirmed that they do not have any relationship with any other Director of the Company, its subsidiaries, related companies, substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgement with a view, to the best interests of the Company, in carrying out his functions as a Director. In addition, the Directors are bound by their fiduciary duties to act with due care, skill and diligence.

Based on the NC’s assessment of each Director, including their contributions during Board meetings and their consistent exercise of objective and independent judgement without influence from any party, the NC is satisfied with the current board composition and the performance of individual Directors in carrying out his/her duties as Executive Director or Independent Non-Executive Director of the Company.

BY ORDER OF THE BOARD

Huang Jyun-Ruei

Chief Executive Officer

12 December 2025

This announcement has been reviewed by the Company's sponsor, Novus Corporate Finance 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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