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

RESPONSE TO SGX 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 queries from the Singapore Exchange Regulation (the "**SGX RegCo**") in relation to the circular dated 4 December 2025 (the "**Circular**") issued to shareholders of the Company (the "**Shareholders**") in respect of, among others, the proposed acquisition of the entire equity interest of Fuzhou Tianfujia Industrial Co., Ltd. for an aggregate consideration of S$1,000,000 (the "**Proposed Acquisition**").

Unless otherwise defined, all capitalised terms used in this announcement shall have the respective meanings given to them in the Circular.

SGX RegCo Queries

(a) Please provide the name of the Target Company in Chinese characters.

The Chinese name of the Target Company is 福州天富佳实业有限公司.

(b) It is stated that Chi Fubo is currently the legal representative and sole director of the Target Company. Please clarify whether he will remain in such positions after completion of the Proposed Acquisition. If no, please provide details on the new appointee(s).

Yes, Mr Chi Fubo will continue to be the legal representative and sole director of the Target Company after the completion of the Proposed Acquisition. Subject to the completion of the Proposed Acquisition (the "**Completion**"), the Company will announce the appointment of the legal representative in accordance with Rule 704(10) of the Catalist Rules

(c) With reference to Catalist Rule 407(4)(d), please provide the information on the appointment of the legal representative by the Target Company.

As at the Latest Practicable Date, Mr. Chi Fubo is the legal representative and sole director of the Target Company, and will continue to hold these positions following Completion. In accordance with applicable laws of the People's Republic of China (the "**PRC Laws**"), the legal representative has the following powers:

(i) to act as a representative of the Target Company; and

(ii) to engage in civil activities on behalf of the Target Company.

Under the applicable PRC Laws, the legal representative shall be appointed and removed in accordance with the articles of association of the Target Company. Pursuant to the articles of

association of the Target Company, the legal representative may be appointed and removed by the shareholder holding more than two-thirds of the total equity in the Target Company.

Considering the potential impact in the event that a legal representative represents the Target Company without having obtained prior authorisation, the Group will implement the following measures in respect of the Target Company upon Completion:

(A) the implementation of internal control systems to ensure segregation of duties relating to cash management functions including proper delegation of authority, such as all payments and disbursements be supported by the requisite approvals, including but not limited to dual signatories for bank mandates where applicable and appropriate. In this regard, it is also noted that Mr. Chi will not have the authority in relation to cash disbursement of the Target Company;

(B) the implementation of safeguarding controls over the physical access to the corporate seal (公章), finance seal (财务章), legal representative seal (法人章), business licences and original copies thereof, and cheque books of the Target Company. These items will be stored under the custody of Mr. Wong Kean Wai ("**Mr. Wong**"), the existing general manager of the Target Company, who is not related to the current legal representative of Target Company, Mr. Chi Fubo, under secured storage. Any access by the legal representative and other authorised personnel are required to sign in and out of the registries that maintain records for these company seals, business licences and cheque books;

(C) the maintenance of a register in relation to the legal representative(s) of the Target Company, reflecting all other appointments and/or business interests (e.g., directorships, sole proprietorships, partnerships, or shareholdings above 5.0%) of the legal representative(s) outside of the Group; and

(D) the Audit Committee overseeing any change of legal representative of the Target Company (including without limitation, the application/registration process for such change) and annual reviews by the Audit Committee of the processes and procedures in relation to the appointment and removal of the legal representative(s) of the Target Company to ensure their effectiveness and robustness.

In view of the above and on the basis that the above measures are adhered to, the Directors are of the view that the measures are adequate to mitigate risks in relation to the appointment of the legal representative of the Target Company and safeguard the interests of the Group. The Board, with the support of the Audit Committee of the Company, will monitor and periodically review, on at least a half-yearly basis, the aforementioned processes and procedures to ensure their effectiveness and robustness.

(d) It is stated that the open market value of the Sale Shares is not available, and there was no independent valuation of the Sale Shares commissioned by the Company for the purposes of the Proposed Acquisition. The financial statements of the Target Company are based on the management accounts for the financial year ended 31 December 2024 and 6-month financial period ended 30 June 2025. Please clarify whether the Target Company has audited financial statements for the past 3 financial years.

The Target Company does not have audited financial statements for the past 3 financial years.

For the avoidance of doubt, the Company understands from the PRC Legal Counsel (as defined below) that the Target Company is not legally required to conduct an audit over its financial statements.

(e) Please provide the Board's considerations in agreeing to the amount for the Purchase Consideration.

Under paragraph 2.3(a) of the Circular, the Board took into account, among others, the net tangible assets of the Target Company (i.e. approximately S$1.4 million as at 30 June 2025) and the rationale for the Proposed Acquisition as set out in Section 4 of the Circular.

In particular, the Target Company's existing market presence and operational infrastructure, primarily the refinery plant and associated machineries, provides an immediate platform for revenue generation without having to incur lead time and capital expenditure typically required for greenfield development.

Additionally, the Board's decision was guided by the Group's strategic objective to acquire assets that are not only revenue-generating but can potentially provide shareholders with diversified returns and long-term growth. The acquisition of the Target Company aligns with this objective, as it allows the Group to leverage on existing infrastructure and operational capabilities, thereby enhancing the Group's ability to deliver value to shareholders.

Lastly, the Purchase Consideration being satisfied through the allotment and issuance of the Consideration Shares will help to preserve the Group's cash resources and allow the Group to utilise its internal resources for the expansion of its' business operations.

(f) Please provide details on the Board's due diligence undertaken for the Target Company.

The Board conducted the following due diligence exercises:

(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 Group's 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.

(g) It is stated that there are "certain historical non-compliance matters" identified during the due diligence process in connection with the Proposed Acquisition. Please provide details on the non-compliance matters, including the possible implications arising from such matters. Where financial penalties could be involved, please quantify the amounts.

(i) Due to a delay in the renewal of the right of use of the Target Company's premises located in the Putou Port in Putian, Fujian province, the previous right of use granted to the Target Company had expired on 15 April 2025 (the "**Expired Right of Use**") and was only renewed with effect from 25 July 2025. Accordingly, the Target Company had continued its operations on the said premises despite not having been granted a right of use for the period beginning 16 April 2025 to 24 July 2025 (the "**Gap Period**").

Notwithstanding that no right of use had been granted during the Gap Period, the Target Company continued to perform its obligations (including payment of the relevant fees) in accordance with the terms of the Expired Right of Use. In any case, the estimated maximum exposure would be approximately RMB 732,000 based on the terms of the right of use.

As at the Latest Practicable Date, Fujian Putou Port Development Co., Ltd. (福建省莆头港口开发有限公司), the owner of the said premises, has not commenced any action against the Target Company and had agreed to renew the right of use of the said premises granted to the Target Company with effect from 25 July 2025 to 24 July 2026.

As disclosed in the Circular, the Vendors have undertaken to indemnify and hold the Company harmless from and against all claims, losses, damages, liabilities, penalties, costs, fines and expenses arising from the above.

(ii) Tianfujia has not entered into a written employment contract with Mr. Wong, nor made the requisite contributions in respect of social insurance and the housing provident fund as required under the applicable PRC employment related laws.

An employer who has failed to enter into an employment contract with an employee within one month from the date of employment will be required to pay twice the employee's monthly salary for each month from the period commencing one month after the date of employment until one year from the date of employment or the date that the employment contract is entered into (whichever is earlier). The Target Company may be subject to a fine ranging from RMB 2,000 to RMB 20,000 in respect of such non-compliance.

Under the applicable PRC laws, if an employer fails to pay the required social insurance contributions on time and in full, the employer shall be ordered by the relevant authorities to make payment of the outstanding social insurance contributions within a specified period and a late payment interest of 0.05% per day shall be charged from the date such arrears are incurred. If payment is still not made by the expiry of the specified period, a fine of not less than one time and not more than three times the amount in arrears may be imposed by the relevant authorities.

Under the applicable PRC laws, if an employer fails to pay the required housing provident fund contributions on time and in full, the employer shall be ordered by the relevant authorities to make payment of the outstanding housing provident fund contributions within a specified period. If payment is still not made by the expiry of the specified period, a fine ranging from RMB 10,000 to RMB 50,000 may be imposed on the employer and the relevant authorities may apply to the courts for specific performance.

As disclosed in the Circular, Mr. Wong will be entering into a service agreement with the Company and the Vendors have undertaken to indemnify and hold the Company harmless from and against all claims, losses, damages, liabilities, penalties, costs, fines and expenses arising from the above.

(h) Please provide salient details of the right of use granted to the Target Company of its current premises, including the size of the premise and the expiry of the current term.

(i) Size:

Approximately 44,000 sqm

(ii) Authorised Use

Factory for loading and unloading, storage, and related operations of Target Company's silica sand business

(iii) Fees

(A) Monthly Rent

No monthly rent payable.

(B) Port Operation Rates

Unloading of foreign-imported silica sand: RMB 16.8 per ton
Loading of silica sand for domestic trade: RMB 6.575 per ton

(C) Cargo Port Charges

Foreign Trade: Import – RMB 1.2 per ton; Export – RMB 0.6 per ton
Domestic Trade: Both Import and Export – RMB 0.425 per ton

(D) Discounts

Where the aggregate loading and unloading of silica sand is less than 200,000 tons, the Port Operation Rates under (iii)(B) above shall apply.

Where the aggregate loading and unloading of silica sand for the term exceeds 200,000 tons: the Port Operations Rates under (iii)(B) in respect of unloading shall be reduced by RMB 1 per ton; and the Port Operations Rates under (iii)(B) in respect of loading shall be reduced by RMB 0.5 per ton.

(E) Storage Fees

No storage fees shall be charged for the first ninety days, thereafter excess storage fees shall be charged at the rate of RMB 0.10 per ton per day.

Where the aggregate loading and unloading of silica sand for the term exceeds than 200,000 tons, the excess storage fees shall be waived.

(iv) Term

Effective from 25 July 2025 to 24 July 2026

(v) Other Rights and Obligations

Target Company must unload at least 150,000 tons of silica sand during the term; any shortfall to be paid by the Target Company at a rate of RMB 18 per ton.

(i) It is noted that Datuk Tan (ED & CEO) and Mr. Lam (CFO) have undertaken to, among others, abstain from all deliberations and voting in any board meetings of the Group on any transactions in relation to the Renewable Energy Business. Given that Datuk Tan and Mr. Lam are stated as the individuals who will be overseeing and managing the Group's Renewable Energy Business, please explain how the discussions at the board meetings on transactions in relation to the Renewable Energy Business could be carried out effectively under the arrangement.

Datuk Tan and Mr. Lam will provide the Board and management team with up-to-date information on industry trends, market developments, and operational practices in relation to the Renewable Energy Business (the "**Updates**"). Their insights which are drawn from their industry knowledge and experience, will help the Group stay informed of relevant opportunities, risks, and innovations in the renewable energy sector. This advisory function is important for strategic planning, making informed decision and effective execution.

Despite their aforesaid involvement on the Updates, Datuk Tan and Mr. Lam will recuse themselves from all deliberations leading to decisions to be made regarding, and voting on, transactions related to the Renewable Energy Business at the Board level. Such decisions or transactions may relate to matters involving but not limited to strategic investments, material acquisitions and divestments, or other significant financial commitments, which will be deliberated and decided by the non-conflicted directors. This ensures that all such decisions are made objectively, transparently, and in the best interests of the Group and its shareholders.

In addition to their advisory role, Datuk Tan and Mr. Lam will be responsible for executing and implementing the Board's decisions and the outcomes of Board deliberations regarding the Renewable Energy Business. Their operational involvement will be to carry out the decisions and directives determined by the non-conflicted directors. As they will not participate in the Board's deliberations or voting on such matters, there is also no conflict of interest in their execution of these decisions.

The aforesaid arrangements ensure that the Group benefits from their experience and expertise, while maintaining the integrity and independence of the Board's decision-making process.

It is also noted that, as disclosed in the Circular, the Company's conflict mitigation and resolution mechanism is designed to manage and resolve actual and genuine conflicts which have arisen, where the interests of Datuk Tan and Mr. Lam as directors or shareholders of Sunrise Energy may directly compete with those of the Group.

The AC will also regularly review such arrangements to ensure their continued effectiveness and transparency.

(j) Please provide the considerations of the Group in choosing not to propose to acquire the shares in Sunrise Energy from Datuk Tan and Mr. Lam concurrently with the proposed business diversification into the Renewable Energy Business.

For the avoidance of doubt, Sunrise Energy does not carry out the business of electronic waste management that was described in paragraph 3.2(b)(iv) of the Circular. Notwithstanding, Sunrise Energy is currently involved in tendering for and executing government energy projects in Malaysia, such as solar farms and other initiatives that are regarded as matters of national interest. Under Malaysian regulations, depending on the scale of the project to be undertaken, the eligibility to bid for and execute these projects is contingent on maintaining local ownership status. A direct acquisition of shares in Sunrise Energy by the Group at this juncture will result in Sunrise Energy being classified as foreign-owned. This change in ownership status may result in Sunrise Energy facing restrictions in continuing with its existing government projects and participating in future tenders, thereby adversely impacting its business operations and strategic prospects.

The exercise of the call option and first right of refusal disclosed in the Circular are subject to relevant laws and regulations. This approach provides the Group with flexibility to align Sunrise Energy's interest with that of the Group and thereby obviate the potential conflict of interest, should circumstances permit in the future, while safeguarding the operational continuity and regulatory compliance of Sunrise Energy in the present.

BY ORDER OF THE BOARD

Huang Jyun-Ruei
Chief Executive Officer
10 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.

The contact person for the Sponsor is Ms. Lau Sze Mei, Associate Director, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.
