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

THE PROPOSED APPOINTMENT OF NEW AUDITORS

Introduction

The Board of Directors ("**Directors**") of Sunrise Shares Holdings Ltd. (the "**Company**", together with all its subsidiaries, collectively the "**Group**") wishes to announce that the Company is proposing to appoint PKF-CAP LLP ("**PKF**") as the independent auditors ("**Auditors**") of the Group for the current financial year ending 31 December 2022 (the "**Proposed Appointment of Auditors**").

The proposal to appoint PKF as the Auditors of the Company and the Group will be subject to the approval of the Company's shareholders (the "**Shareholders**") at an extraordinary general meeting of the Company to be convened in due course (the "**EGM**") and, if appointed, PKF will hold office until the conclusion of the next annual general meeting (the **"AGM**").

The Proposed Appointment of Auditors

Baker Tilly TFW LLP ("**Baker Tilly**" or "**BT**") has been appointed as external auditors of the Company since the financial year ended 31 December 2019 ("**FY2019**") and has served as the Auditors of the Company for three (3) consecutive audits. However, as announced on 21 May 2022, "*…BT are unable to obtain appropriate sufficient explanations and information, nor perform any alternative procedures to satisfy themselves that the issues as highlighted are adequately resolved thus BT will not seek re-appointment as auditor of the Company subsequent to the conclusion of FY2021, at the upcoming annual general meeting for FY2021 ("**2021 AGM**").*". Accordingly, Baker Tilly has ceased to be the Auditors of the Company following the conclusion of the Annual General Meeting held on 30 July 2022 ("**2021 AGM**").

As part of the Company's ongoing efforts to manage its overall business in the current challenging climate, the Company's Audit Committee ("**AC**") and the Board are of the view that it would be appropriate and timely to appoint new Auditors for the Group. The AC and the Board believe that the appointment of new Auditors will enable the Group to meet and/or to satisfy its requirements, benefit from the fresh perspectives and views of another professional audit firm, thereby enhance the value of the audit.

In light of the foregoing, PKF was shortlisted as a candidate for the AC to consider and evaluate. The Board, in consultation with the AC, and taking into consideration the requirements of Rule 712 and Rule 716 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), has determined that PKF is suited to meeting the existing needs and audit requirements of the Group. The AC have considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), the adequacy of the resources and experience of PKF and the audit engagement partner assigned to the audit, other audit engagements of PKF, the Group's audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of PKF to be assigned to the audit, the fee structure and audit requirements proposed by PKF. The Board, in consultation with the AC, is of the opinion that the appointment of PKF, approved under the Accountants Act, and Mr Titus Kuan, the audit engagement partner and a public accountant under the Accountants Act, will be able to meet the existing needs and audit requirements of the Group, and that the quality and scope of the audit is expected to be maintained.

After evaluation, the AC had recommended the appointment of PKF as Auditor of the Group to the Board. The Board has taken into account the AC's recommendation, including the factors considered in their evaluation, and are satisfied that PKF will be able to meet the audit requirements of the Group.

In view of the above, the Board is of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company.

PKF has given its consent to act as Auditor by way of a letter dated 3 November 2022, subject to, *inter alia,* the approval of Shareholders being obtained at the EGM. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the appointment of PKF as Auditor must be specifically approved by Shareholders at a general meeting. The appointment of PKF would therefore take effect upon the date of approval of the Proposed Appointment of Auditors by Shareholders at the EGM, and if so appointed, PKF will hold office until the conclusion of the next AGM of the Company.

Pursuant to Rule 712(3) of the Catalist Rules, the Company would like to highlight that:

(a) the Company received a copy of Baker Tilly's professional clearance letter dated 27 October 2022 to PKF, confirming that save for the Disclaimer of Opinion and basis for the Disclaimer of Opinion raised in their audit report dated 20 May 2022, Baker Tilly is not aware of any professional reasons why PKF should not accept appointment as the Company's Auditor;

(b) the Company confirms that save for the Disclaimer of Opinion and basis for the Disclaimer of Opinion raised in the audit report dated 20 May 2022, there were no disagreements with Baker Tilly on accounting treatment within the last twelve (12) months up to the date of this announcement;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;

(d) the Company confirms that the specific reasons for the Proposed Appointment of Auditors are as disclosed above. The Proposed Appointment of Auditors is due to Baker Tilly's retirement as the Company's Auditors at the 2021 AGM. Baker Tilly were not dismissed nor directed by the SGX-ST to be replaced under Rule 305(1)(eb) of the Catalist Rules; and

(e) the Company confirms that it is or will be in compliance with, *inter alia,* Rules 712 and 716 of the Catalist Rules in relation to the proposed appointment of PKF as the Company's Auditor.

The Board wishes to express their appreciation for the past services rendered by Baker Tilly.

Extraordinary General Meeting

The Company will make the necessary arrangements to convene the EGM to seek Shareholders' approval for the Proposed Appointment of Auditors. A circular to Shareholders containing, among others, further details on the Proposed Appointment of Auditors, together with the notice of EGM, will be issued to Shareholders in due course.

By Order of the Board

Wong Siu Fai
Executive Director and Chairman

4 November 2022

*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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