



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

RESPONSES TO SGX QUERIES ON THE HALF YEARLY RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

The board of directors (the “**Board**” or “**Directors**”) of Sunrise Shares Holdings Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) refers to its announcement released on 15 August 2022 in relation to the half yearly result for the financial period ended 30 June 2022 (“**HY2022**”).

The Company had on 17 August 2022 received the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Company hereby announces their responses to the queries, which is annexed to this announcement as **Appendix A**.

BY ORDER OF THE BOARD

Wong Siu Fai
Executive Director and Chairman
23 August 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.*

The contact person for the Sponsor is Ms. Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271

Appendix A

SGX QUERIES

We refer to the announcement by Sunrise Shares Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on 15 August 2022, in relation to the half yearly results.

1. We note that the Company will be engaging an independent reviewer to perform further reviews on the 5 issued highlighted by the External Auditors and provide recommendations on the internal control processes.
 - (a) Has a reviewer been appointed?
 - (b) Please provide a timeline for the expected completion of the independent review.

COMPANY’S RESPONSE

- (a) The appointment of independent reviewer is still in progress.
 - (b) The company will strive to finalise the appointment of independent reviewer before 30 September 2022. The Company will seek to complete the appointment of the independent reviewer as soon as possible, by 30 Sep 2022 (subject to, where applicable, SGX’s approval). The timeline is subject to, *inter alia*, the scope which is to be agreed by the reviewer to be appointed, and where applicable, the SGX.
2. We note that the Company has also engaged the Internal Auditor to, *inter alia*, review the overall IPT process of the Company and to make such recommendations to rectify control deficiencies identified and reviewed during the course of their work.
 - (a) Please disclose the identity of Internal Auditor.
 - (b) Please provide details on the reviews and findings of the Internal Auditors.

COMPANY’S RESPONSE

- (a) At present, the Company's Internal Auditor is Crowe Horwath First Trust Risk Advisory Pte. Ltd.
 - (b) The internal auditor submitted the first draft of the internal audit report to the company in mid-July, and the Company provided feedback at the end of July. The internal auditor replied and confirmed the report in early August. Recently, the Company's board of directors and internal auditor is still in further consultation and discussion. The Company will urge the internal auditor to sign the final draft as soon as possible.

Summary of the findings, observations and work performed by the professionals engaged by the Company (including, *inter alia*, the Internal Auditor) can be found on page 27 – 28 of the Company’s Annual Report for FY2021.

3. Given that the Company has terminated two consultant agreements with Nan Fang Singapore and NZ Nan Fang on 30 June 2022 and does not have any contracts currently, hence the Company may be deemed as cash company.
 - (a) Does the Group have any other businesses, operations or contracts in the pipeline?
 - (b) In view of the above, please elaborate on the Board’s assessment and bases on whether the Company is a cash company.

COMPANY'S RESPONSE

- (a) The Group is engaged in the property and consultancy management business and the investment business. For the property and consultancy management business, following the termination of the consultation agreements with Nan Fang Singapore and NZ Nan Fang on 30 June 2022, there is no outstanding contract. The Company is in the midst of negotiating new consultancy contracts with third parties. For the investment business, the Company has commenced forex trading activities and will increase such forex trading activities going forward. The Group has received the repayment principal amount of US\$300,000 and the investment return from Singapore Nan Fang and New Zealand Nan Fang on 23 August 2022. At present, the Group is negotiating business in Singapore, Hong Kong, New Zealand and Australia, including property management, project development and investment. The Board is confident that the Company will be able to acquire or to secure new business or to secure new contract as soon as possible.
- (b) The Board is of the opinion that the company is not a cash company and the basis of such opinion is:-

The Company does not meet the definition of a cash company pursuant to Rule 1017 of the Catalist Rules. Cash made up about 75% of the Group's total assets as at 30 June 2022 and the Group has operating entities and business operations which generate revenue as at the date of this announcement.

4. The Company's external auditors have issued a disclaimer of audit opinion in light of the 5 issues highlighted in the audit report. The Board and AC had, in its annual report, opined that the "internal controls and risk management systems of the Group may not be adequate nor effective". The Board is also in the midst of appointing reviewer to look into the 5 audit issues and internal controls.
- (a) Please provide the Board's view on whether trading in the Company's securities can continue.
- (b) Please provide bases to support such view.

COMPANY'S RESPONSE

- (a) The Board is of the view that the trading in the Company's securities can continue
- (b) The basis of such opinion is that the Board and the Company undertake to complete: (i) appointment of a Chief Financial Officer, (ii) appointment of an Independent Reviewer, (iii) appointment of an External Auditor, (iv) rectification of any IPT transactions in consultation with the SGX via sponsor (as may be required under the Catalist Rules); and (iv) securing new business contracts as soon as possible.

The Board confirms that, to the best of its knowledge and belief, all material disclosures, facts and information (including but not limited to those relating to the Group's material operations and business, contracts, etc.) have been disclosed and declared and that the Board is not aware of any fact which, by omission, would make any statement misleading.

5. Please provide the Sponsor's view on whether trading in the Company's securities can continue. Pls provide bases to support such view.

SPONSOR'S RESPONSE

The Sponsor has considered the following: -

- (a) The confirmation from the Board that to the best of its knowledge and belief, all material disclosures, facts and information (including but not limited to those relating to the Group's material operations and business, contracts, etc.) have been disclosed and declared and that the Board is not aware of any fact which, by omission, would make any statement misleading.

- (b) All material information regarding the five underlying transactions which formed basis of the Disclaimer of Opinion issued by the External Auditors have been disclosed in the Company's AR and announcements (including, *inter alia*, the quantum and materiality of each of the transactions).
- (c) The Company's undertakings, *inter alia*, to complete (i) appointment of a Chief Financial Officer, (ii) appointment of an Independent Reviewer, (iii) appointment of an External Auditor, (iv) ratification of any IPT transactions in consultation with the SGX via sponsor (as may be required under Catalist Rules); and (v) securing new business contracts as soon as possible.
- (d) The Company's confirmation that the Group has operating entities and business operations which generate revenue as at the date of this announcement.

Taking into consideration the above, the Sponsor concurs with the Board's views that the trading in the Company's shares can continue.