

SUNRISE SHARES HOLDINGS LTD.

Registration No. 198201457Z

Unaudited Half Year Financial Statements And Dividend Announcement for the Period Ended 30 June 2018

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

		GROUP		
	Note	6-month Period ended 30.06.2018 S\$'000	6-month Period ended 30.06.2017 S\$'000	% Difference
<u>Income Statement</u>				
Revenue		8,968	5,846	53%
Changes in inventories of finished goods and work in progress		(4,166)	(4,157)	0%
Raw material and consumable used		(278)	(274)	1%
Sales agent fee		(1,825)	0	NM
Other income	1	60	124	(52%)
Staff costs		(1,179)	(1,006)	17%
Depreciation charge on property, plant and equipment		(31)	(20)	55%
Other expenses	2	(792)	(961)	(18%)
Profit/(Loss) before tax		757	(448)	NM
Tax expense	3	(296)	(26)	1038%
Profit/(Loss) for the year		461	(474)	NM
Profit attributable to :- Owners of the Company		461	(474)	NM
Profit/(Loss) for the year		461	(474)	NM
<u>Statement of Comprehensive Income</u>				
Profit/(Loss) for the year		461	(474)	NM
Other comprehensive profit or loss				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation difference arising from the translation of foreign operation		85	(10)	NM
Other comprehensive profit or loss, net of tax		85	(10)	NM
Total comprehensive profit/(loss) for the year		546	(484)	NM
Total comprehensive profit/(loss) attributable to :- Owners of the Company		546	(484)	NM
		546	(484)	NM

Note : NM - Not Meaningful

1(a)(i) Notes to the Income Statement

Note 1

Other income includes the following :-

- 1) Foreign exchange gain/(loss), net
- 2) Interest income
- 3) Rental income
- 4) Others

Note 2

Other expenses include the following :-

- 1) Allowance for inventory obsolescence
- 2) Operating lease rental
- 3) Allowance for doubtful debts
- 4) Others

Note 3

Income tax expenses include :-

- 1) Current year:
 - Income tax
- 2) Prior year:
 - Deferred income tax

GROUP	
6-month Period ended	6-month Period ended
30.06.2018	30.06.2017
S\$'000	S\$'000
(18)	29
16	15
5	-
57	80
60	124
(63)	24
177	175
28	-
650	762
792	961
296	26
-	-
296	26

The current taxation expenses are incurred by profit-making subsidiaries.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	227	253	-	-
Subsidiaries	-	-	7,398	7,398
Deferred tax assets	128	124	-	-
Long term receivable/loan	2,191	458	-	-
	2,546	835	7,398	7,398
Current Assets				
Inventories	2,454	2,287	-	-
Trade and other receivables	4,718	4,931	570	880
Cash and cash equivalents	4,414	3,676	94	117
	11,586	10,894	664	997
Total Assets	14,133	11,729	8,062	8,395
Equity				
Share capital	24,937	24,937	24,937	24,937
Reserves	(15,898)	(16,445)	(17,339)	(17,017)
Equity Attributable to owners of the Company	9,039	8,492	7,598	7,920
Total Equity	9,039	8,492	7,598	7,920
Liabilities				
Non-Current Liability				
Interest Payable	297	-	-	-
	297	-	-	-
Current Liabilities				
Loan from shareholder	330	330	330	330
Trade and other payables	4,130	2,551	134	145
Current tax liabilities	335	356	-	-
	4,797	3,237	464	475
Total Liabilities	5,094	3,237	464	475
Total Equity and Liabilities	14,133	11,729	8,062	8,395

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

	As at 30.06.2018		As at 31.12.2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount payable in one year or less, on demand	-	330	-	330

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	6-month Period ended 30.06.2018 S\$'000	6-month Period ended 30.06.2017 S\$'000
<u>Cash Flows from Operating Activities</u>		
Gain for the year	461	(474)
Adjustments for :-		
Allowance for doubtful receivables	28	-
Allowance for inventory obsolescence	(63)	24
Depreciation charge on property, plant and equipment	31	20
Interest income	(16)	(15)
Tax expense	296	26
Operating cash flow before working capital changes	737	(419)
Change in working capital:		
Trade and other receivables	(1,242)	(142)
Inventories	(90)	75
Trade and other payables	1,316	(56)
Cash generated from operations	721	(542)
Income tax paid	(27)	(29)
Cash flows from/(used in) operating activities	695	(571)
<u>Cash Flows from Investing Activities</u>		
Interest received	16	15
Acquisition of property, plant and equipment	(3)	(69)
Cash flows from/(used in) investing activities	13	(54)
<u>Cash Flows from Financing Activities</u>		
Issuance of shares	-	1,919
Cash flows from financing activities	-	1,919
Net increase in cash and cash equivalents	707	1,294
Cash and cash equivalents at beginning of the year	3,676	2,877
Effect of exchange rate changes on cash balances held in foreign currencies	31	(8)
Cash and cash equivalents at end of the year	4,414	4,163
Represented by :-		
Cash at bank and in hand	3,573	3,274
Fixed deposits	841	889
	4,414	4,163
	4,414	4,163

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

GROUP (S\$'000)

At 1 January 2018

Total comprehensive loss
Profit for the year

Other comprehensive loss:
Foreign currency translation
differences arising from the
translation of foreign operations

Total comprehensive loss
for the year

At 30 June 2018

At 1 January 2017

Issuance of shares

Total comprehensive loss
Loss for the year

Other comprehensive loss:
Foreign currency translation
differences arising from the
translation of foreign operations

Total comprehensive loss
for the year

Acquisition of non-controlling
interest without change in
At 30 June 2017

	Attributable to equity holders of the Company					
	Share Capital	Foreign currency translation reserve	Statutory reserves	Other reserves	Accumulated losses	Total Equity
At 1 January 2018	24,937	(1,118)	87	77	(15,491)	8,492
Total comprehensive loss Profit for the year	-	-	-	-	461	461
Other comprehensive loss: Foreign currency translation differences arising from the translation of foreign operations	-	86	-	-	-	86
Total comprehensive loss for the year	-	86	-	-	461	547
At 30 June 2018	24,937	(1,032)	87	77	(15,030)	9,039
At 1 January 2017	23,018	(1,172)	-	77	(15,365)	6,558
Issuance of shares	1,919	-	-	-	-	1,919
Total comprehensive loss Loss for the year	-	-	-	-	(474)	(474)
Other comprehensive loss: Foreign currency translation differences arising from the translation of foreign operations	-	(10)	-	-	-	(10)
Total comprehensive loss for the year	-	(10)	-	-	(474)	1,435
Acquisition of non-controlling interest without change in At 30 June 2017	-	-	-	-	-	-
	24,937	(1,182)	-	77	(15,839)	7,993

COMPANY (S\$'000)

At 1 January 2018

Loss for the year/ representing total comprehensive loss
for the year

At 30 June 2018

At 1 January 2017

Issuance of shares

Income for the year/ representing total comprehensive income
for the year

At 30 June 2017

	Attributable to equity holders of the Company		
	Share Capital	Accumulated losses	Total
At 1 January 2018	24,937	(17,017)	7,920
Loss for the year/ representing total comprehensive loss for the year	-	(322)	(322)
At 30 June 2018	24,937	(17,339)	7,598
At 1 January 2017	23,018	(16,207)	6,811
Issuance of shares	1,919	-	1,919
Income for the year/ representing total comprehensive income for the year	-	(437)	(437)
At 30 June 2017	24,937	(16,644)	8,293

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's as well as Group's share capital since the end of previous period ended on 31 December 2017. As at 30 June 2018, the Company's issued and paid-up share capital was S\$24,936,695. The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	Ordinary Shares
Total number of shares as at 30 June 2018	178,337,290
Total number of shares as at 31 December 2017	178,337,290

1(d)(iv) A statement showing all sales, transfers, cancellaton and / or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial year reported on.

1(d)(v) A statement showing all sales, transfers, cancellaton and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holding during and as at the end of the current financial year reported on.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation as those in the audited financial statements for the financial year ended 31 December 2017, except for the adoption of all applicable new and revised Singapore Financial Reporting Standards (International) which becomes effective from annual periods beginning on or after 1 January 2018.

The new SFRS(I)s the group have adopted is listed as following:

- SFRS(I) 15 Revenue from Contracts with Customers (Amendments to SFRS(I) 15 and Clarification to SFRS(I) 15
- SFRS(I) 9 Financial Instruments
- Amendments to SFRS(I) 2 Share-based Payment
- Amendments to SFRS(I) I-40 Transfers of Investment Property
- Amendments to SFRS(I) I Delation of short-term exemptions for first-time adopters
- Amendments to SFRS(I) I-28 Measuring an Associate or Joint Venture at Fair Value

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised accounting standards where relevant to its operations and effective for the annual periods beginning on or after 1 January 2018. The adoption of the new and revised accounting standards which are relevant to its operations did not result in any significant financial impact on the results of the Group.

6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Earnings/(Loss) per ordinary share for the financial period
 (i) Basic earnings/(loss) per share [1a]
 (ii) Diluted earnings/(loss) per share [1b]

	6-month Period ended 30.06.2018 cents	6-month Period ended 30.06.2017 cents
(i)	0.26	(0.30)
(ii)	0.26	(0.30)

Notes :

1a: Basic earning/(loss) per share is calculated by dividing the total profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current financial period of 178,337,290 ordinary shares.

1b: Diluted loss per share are the same as earnings per share as there are no potentially dilutive ordinary shares for the financial year ended 30 June 2018 and 30 June 2017.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

GROUP		COMPANY	
30.06.2018 cents	31.12.2017 cents	30.06.2018 cents	31.12.2017 cents
5.07	4.76	4.26	4.44

Note :

(i) The net asset value per ordinary share is calculated based on the issued share capital of 178,337,290 ordinary shares as at 30 June 2018 .

(ii) The Group's and the Company's net asset value per ordinary share were calculated based on the net assets of the Group and the Company over the number of ordinary shares in issue as at respective balance sheet date.

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of Performance

The Group reported revenue of S\$9.0 million in the half year ended 30 June 2018 ("HY2018") as compared to S\$5.8 million in the half year ended 30 June 2017 ("HY2017"), an increase of 53% or S\$3.2 million. This is mainly due to the better performance of the project consultancy management business in China. The good performance of China business contributed 33.7% of the Group's revenue.

The Group has outsourced part of the property consultancy business to professional third parties and recorded a sales agent fee of 1.8 million.

Other income decreased from S\$124,000 in HY2017 to S\$60,000 in HY2018. The decrease is mainly due to rebate received and fixed deposit interest.

Staff costs increased from S\$1.0 million in HY2017 to S\$1.2 million in HY2018, an increase of 17% or S\$0.2 million. The increase is mainly due to the expansion in the property consultancy sector.

Tax expense increased from S\$26,000 in HY2017 to S\$296,000 in HY2018, an increase of 1038% or S\$270,000. The increase is mainly due to the corporate income tax in China's subsidiaries.

As a result of the above, the Group reported profit before tax of S\$757,000 in HY2018 as compared to loss before tax of S\$448,000 in HY2017. After taking into account income tax expense of S\$296,000, the Group reported net profit of S\$461,000 in HY2018 as compared to a net loss of S\$474,000 in HY2017.

Review on working capital, assets and liabilities

The movement in assets and liabilities are as follows:-

1) Non-Current Assets

(a) Long term receivable included a loan due from a third party of S\$1,894,280. The loan is unsecured, bears interest of 15% per annum and is repayable in 2 years.

2) Current Assets

(a) Cash and cash equivalents increased mainly due to cash received from project consultancy management revenue.

3) Current Liabilities

(a) The increase in trade payable is due to the payable to the outsourced professional third parties in relation to the property consultancy business.

4) Non-Current Liabilities

(a) The increase in interest payable is due to the fair value adjustment for the third party loan payable.

Cash Flow Analysis

The group reported a net increase in cash and cash equivalents of S\$707,000 for HY2018 compare to S\$1,294,000 for 31 December 2017, mainly from cash generated from operating revenue.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statement disclosed to the shareholders in the previous announcement.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Singapore economy's growth is expected to moderate in 2018. The group expects overall business environment to remain challenging in FY2018 for the electrical trading and electrical manufacturing sectors. On the other hand, the property management business shows a strong growth and the Group expects the property consultancy business of the Group will maintain a stable growth rate in the second half year.

11 Dividend

(a) Current Financial Period Reported On :

- | | |
|---|----|
| (i) Any dividend declared for the current financial period reported on? | No |
| (ii) Any dividend recommended for the current financial period reported on? | No |

(b) Corresponding Period of the Immediately Preceding Financial Period

Any dividend declared for the corresponding period of the immediately preceding financial period?	No
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(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared or recommended for financial year ended 30 June 2018.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions is required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions. There were no interested person transactions during the financial year ended 30 June 2018.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, Zhang Zhiliang and Ng Clarence Kar Lung, being Directors of the Company, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the financial period ended 30 June 2018 of the Group (comprising the statement of financial position, consolidated income statement and statement of comprehensive income, statement of changes in equity and consolidated statement of cash flow, together with their accompany notes), to be false or misleading in any material aspect.

15 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Zhang Zhiliang
Executive Director

10 August 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd ("Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Mr. Mah How Soon, Registered Professional, RHT Capital Pte Ltd, 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757.