

SUNRISE SHARES HOLDING LTD.

Registration No. 198201457Z

Unaudited Full Year Financial Statements And Dividend Announcement for the Financial Year Ended 31 December 2016
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.

Income Statement
Revenue

Changes in inventories of finished goods and work in progress

Raw material and consumable used

Other income

Staff costs

Depreciation charge on property, plant and equipment

Other expenses

Finance costs

(Loss)/Profit before tax

Tax expense

Loss for the year

Loss attributable to :-

Owners of the Company

Non-controlling interests

Loss for the year

Statement of Comprehensive Income

Loss for the year

Other comprehensive loss

Items that are or may be reclassified subsequently to profit or loss:

Foreign currency translation difference arising from the translation of foreign operations

Other comprehensive loss, net of tax

Total comprehensive loss for the year

Total comprehensive loss attributable to :-

Owners of the Company

Non-controlling interests

	Note	GROUP		
		Full Year ended 31.12.2016 S\$'000	Full Year ended 31.12.2015 S\$'000	% Difference
Revenue		12,100	15,790	-23%
Changes in inventories of finished goods and work in progress		(8,297)	(11,171)	-26%
Raw material and consumable used		(606)	(640)	-5%
Other income	1	437	565	-23%
Staff costs		(2,165)	(2,261)	-4%
Depreciation charge on property, plant and equipment		(35)	(63)	-44%
Other expenses	2	(1,692)	(2,142)	-21%
Finance costs		(8)	(66)	-88%
(Loss)/Profit before tax		(266)	12	NM
Tax expense	3	(77)	(32)	NM
Loss for the year		(343)	(20)	NM
Loss attributable to :-				
Owners of the Company		(343)	(12)	NM
Non-controlling interests		-	(8)	NM
Loss for the year		(343)	(20)	NM

	(343)	(20)	NM
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation difference arising from the translation of foreign operations	(59)	(354)	-83%
Other comprehensive loss, net of tax	(59)	(354)	-83%
Total comprehensive loss for the year	(402)	(374)	7%
Total comprehensive loss attributable to :-			
Owners of the Company	(402)	(366)	10%
Non-controlling interests	-	(8)	NM
	(402)	(374)	7%

Note : NM - Not Meaningful

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

Note 1

Other income includes the following :-

- 1) Gain on disposal of property, plant and equipment
- 2) Foreign exchange gain (net)
- 3) Interest income
- 4) Rental income
- 5) Rebates received
- 6) Others

Note 2

Other expenses include the following :-

- 1) Allowance for doubtful receivables
- 2) Allowance for inventory obsolescence
- 3) Audit fees paid to:
 - auditors of the company
 - other auditors
- 4) Foreign exchange loss (net)
- 5) Non audit fees paid to:
 - other auditors
- 6) Operating lease rental
- 7) Others

Note 3

Income tax expenses include :-

- 1) Current year:
 - Income tax
 - Deferred income tax
- 2) Prior year:
 - Over-provision of prior year's income tax
 - Over-provision of prior year's deferred income tax

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

GROUP	
Full Year ended 31.12.2016 S\$'000	Full Year ended 31.12.2015 S\$'000
-	5
19	-
28	31
250	230
24	134
116	165
437	565
19	3
30	172
63	59
14	15
-	104
10	14
776	777
780	998
1,692	2,142
77	84
-	-
-	(51)
-	(1)
77	32

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	
	31.12.2016 S\$'000	31.12.2015 S\$'000	31.12.2016 S\$'000	31.12.2015 S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	157	149	-	-
Subsidiaries	-	-	7,072	6,412
Deferred tax assets	95	97	-	-
	252	246	7,072	6,412
Current Assets				
Inventories	2,100	2,358	-	-
Trade and other receivables	3,315	4,465	69	705
Cash and cash equivalents	2,877	2,232	124	160
	8,292	9,055	193	865
Total Assets	8,544	9,301	7,265	7,277
Equity				
Share capital	23,018	23,018	23,018	23,018
Reserves	(16,428)	(16,026)	(16,176)	(15,968)
Equity Attributable to owners of the Company	6,590	6,992	6,842	7,050
Non-controlling interest	-	-	-	-
Total Equity	6,590	6,992	6,842	7,050
Liabilities				
Non-Current Liability				
Deferred tax liabilities	-	2	-	-
	-	2	-	-
Current Liabilities				
Trade and other payables	1,611	2,087	93	227
Loan from shareholder	330	-	330	-
Financial liabilities	-	203	-	-
Current tax liabilities	13	17	-	-
	1,954	2,307	423	227
Total Liabilities	1,954	2,309	423	227
Total Equity and Liabilities	8,544	9,301	7,265	7,277

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

	As at 31.12.2016		As at 31.12.2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less, on demand	-	-	203	-

Details of collateral

The bank borrowings of certain subsidiaries were secured by legal charges over the Group's leasehold land and building, fixed deposits and corporate guarantee provided by the Company.

- 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.

Cash Flows from Operating Activities

Loss for the year

Adjustments for :-

Allowance for doubtful receivables
Allowance for inventory obsolescence
Depreciation charge on property, plant and equipment
Gain on disposal of property, plant and equipment
Interest income
Interest expense
Property, plant and equipment written off
Tax expense

Operating cash flow before working capital changes

Change in working capital:

Trade and other receivables
Inventories
Trade and other payables

Cash generated from operations

Income tax paid

Cash flows from operating activities

Cash Flows from Investing Activities

Interest received

Proceeds from disposal of property, plant and equipment

Acquisition of property, plant and equipment

Cash flows (used in)/from investing activities

Cash Flows from Financing Activities

Deposits pledged

Interest paid

Repayment of financial liabilities and other borrowings

Loan from shareholder

Acquisition of non-controlling interest

(Repayment)/proceeds from trust receipts

Cash flows (used in)/from financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Effect of exchange rate changes on cash balances held in foreign currencies

Cash and cash equivalents at end of the year

Represented by :-

Cash at bank and in hand

Fixed deposits

Less: Deposits pledged

Full Year ended 31.12.2016 S\$'000	Full Year ended 31.12.2015 S\$'000
(343)	(20)
19	3
30	172
35	63
-	(5)
(28)	(31)
8	66
-	1
77	32
(202)	281
1,093	1,311
204	(182)
(457)	(812)
638	598
(81)	(72)
557	526
28	31
-	5
(43)	(8)
(15)	28
(9)	1,969
(8)	(66)
(203)	(12)
330	-
-	(15)
-	(1,728)
110	148
652	702
1,674	1,121
(16)	(149)
2,310	1,674
2,149	1,573
728	659
2,877	2,232
(567)	(558)
2,310	1,674

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

STATEMENT OF CHANGES IN EQUITY	Attributable to equity holders of the Company					Non-Controlling Interests	Total Equity
	Share Capital	Foreign currency translation reserve	Other reserves	Accumulated losses	Total		
GROUP (\$S'000)							
At 1 January 2016	23,018	(1,113)	77	(14,990)	6,992	-	6,992
Total comprehensive loss							
Loss for the year	-	-	-	(343)	(343)	-	(343)
Other comprehensive loss: Foreign currency translation differences arising from the translation of foreign operations	-	(59)	-	-	(59)	-	(59)
Total comprehensive loss for the year	-	(59)	-	(343)	(402)	-	(402)
At 31 December 2016	23,018	(1,172)	77	(15,333)	6,590	-	6,590
At 1 January 2015	23,018	(759)	71	(14,978)	7,352	29	7,381
Total comprehensive loss							
Loss for the year	-	-	-	(12)	(12)	(8)	(20)
Other comprehensive loss: Foreign currency translation differences arising from the translation of foreign operations	-	(354)	-	-	(354)	-	(354)
Total comprehensive loss for the year	-	(354)	-	(12)	(366)	(8)	(374)
Acquisition of non-controlling interest without change in control	-	-	6	-	6	(21)	(15)
At 31 December 2015	23,018	(1,113)	77	(14,990)	6,992	-	6,992

COMPANY (\$'000)

At 1 January 2016
Loss for the year/ representing total comprehensive loss for the year
At 31 December 2016
At 1 January 2015
Income for the year/ representing total comprehensive income for the year
At 31 December 2015

Attributable to equity holders of the Company		
Share Capital	Accumulated losses	Total
23,018	(15,968)	7,050
-	(208)	(208)
23,018	(16,176)	6,842
23,018	(15,993)	7,025
-	25	25
23,018	(15,968)	7,050

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Since the previous period reported on, there is no change 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. There were also no convertible securities as at 31 December 2016 and 2015.

- 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 31 December 2016 and 2015	137,337,290

- 1(d)(iv) A statement showing all sales, transfers, disposals, 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.

- 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 2015.

- 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 2016. 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.

	Full Year ended 31.12.2016 cents	Full Year ended 31.12.2015 cents
(Loss) per ordinary share for the financial period		
(i) Basic (loss) per share [1a]	(0.25)	(0.01)
(ii) Diluted (loss) per share [1b]	(0.25)	(0.01)

Notes :

- 1a: Basic loss per share is calculated by dividing the total (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current financial period of 137,337,290 ordinary shares (2015: 137,337,290 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 31 December 2016 and 31 December 2015.

- 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	
31.12.2016 cents	31.12.2015 cents	31.12.2016 cents	31.12.2015 cents
4.80	5.09	4.98	5.13

Note :

- (i) The net asset value per ordinary share is calculated based on the issued share capital of 137,337,290 ordinary shares as at 31 December 2016 (137,337,290 ordinary shares as at 31 December 2015).
- (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\$12.1 million in the year ended 31 December 2016 ("FY2016") as compared to S\$15.8 million in the year ended 31 December 2015 ("FY2015"), a decrease of 23% or S\$3.7 million. The decrease is mainly due to lower sales recorded by the electrical trading segment in Singapore as a result of weak performance in the construction sector and slower growth in both the Singapore and Malaysia economies.

Other income decreased from S\$565,000 in FY2015 to S\$437,000 in FY2016, a decrease of 23% or S\$128,000. The decrease is mainly due to the decrease in rebates received from suppliers by \$110,000 from \$134,000 in FY 2015 to \$24,000 in FY 2016. This is in line with lower purchases made during the year.

Staff costs decreased from S\$2.3 million in FY2015 to S\$2.2 million in FY2016, a decrease of 4% or S\$0.1 million. The decrease is mainly due to cost savings resulting from the continuing restructuring and streamlining exercises taken by the Group.

Other expenses decreased from S\$2.1 million in FY2015 to S\$1.7 million in FY2016, a decrease of 21% or S\$0.4 million. The decrease is mainly due to the decrease in allowance for inventory obsolescence by S\$142,000 from S\$172,000 in FY2015 to S\$30,000 in FY2016.

As a result of the above, the Group reported loss before tax of S\$266,000 in FY2016 as compared to profit before tax of S\$12,000 in FY2015. After taking into account income tax expense of S\$77,000, the Group reported net loss of S\$343,000 in FY2016 as compared to a net loss of S\$20,000 in FY2015.

Review on working capital, assets and liabilities

The movement in assets and liabilities are as follows:-

1) Non-Current Assets

(a) Property, plant and equipment increased mainly due to the additions during the year.

2) Current Assets

(a) The decrease in trade and other receivables is in line with the reduction of revenue as mentioned above and improvement in the collection of receivables.

(b) Cash and cash equivalents increased mainly due to an improvement in the collection of receivables.

3) Current Liabilities

(a) During the year, there was a loan from the major shareholder.

(b) The decrease in finance liabilities is due to the repayment of the revolving credit loan during the year.

The Group had a positive working capital of S\$6.3 million as at 31 December 2016, a decrease of S\$0.4 million as compared to the positive working capital position of S\$6.7 million reported as at 31 December 2015.

Cash Flow Analysis

The Group reported a net increase in cash and cash equivalents of S\$0.6 million for FY2016, mainly from cash generated from operating activities.

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 Group experienced lower sales orders from some of its major customers in the construction sector in Singapore in FY2016.

In light of the current economic conditions, coupled with uncertainty in the recovery of the global economy, the Group expects the overall business environment for the next 6 to 12 months to remain challenging.

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

(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 31 December 2016.

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 31 December 2016.

- 14 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

By Business Activity

	Electrical Trading S\$'000	Electrical Manufacturing S\$'000	Investment Holding S\$'000	Total S\$'000
31 December 2016				
Revenue				
External revenue	12,009	91	-	12,100
Inter-segment revenue	12	777	-	789
Total revenue	12,021	868	-	12,889
Interest income	7	21	-	28
Finance costs	(6)	(2)	-	(8)
Reportable segment profit/ (loss) before tax	(74)	16	(208)	(266)
Tax expense	(72)	(5)	-	(77)
Reportable segment profit/ (loss) for the year	(146)	11	(208)	(343)
Other material non-cash items				
- Allowance for obsolete stocks	30	-	-	30
- Allowance for doubtful receivables	19	-	-	19
- Depreciation charge on property, plant and equipment	32	3	-	35
	81	3	-	84
Capital expenditure	43	-	-	43
Reportable segment assets	7,353	893	203	8,449
Reportable segment liabilities	1,413	154	374	1,941

	Electrical Trading S\$'000	Electrical Manufacturing S\$'000	Investment Holding S\$'000	Total S\$'000
31 December 2015				
Revenue				
External revenue	15,709	81	-	15,790
Inter-segment revenue	63	853	-	916
Total revenue	15,772	934	-	16,706
Interest income	5	21	5	31
Finance costs	(64)	(2)	-	(66)
Reportable segment profit/ (loss) before tax	(42)	29	25	12
Tax expense	(18)	(14)	-	(32)
Reportable segment profit/ (loss) for the year	(60)	15	25	(20)
Other material non-cash items				
- Allowance for obsolete stocks	172	-	-	172
- Allowance for doubtful receivables	3	-	-	3
- Depreciation charge on property, plant and equipment	48	15	-	63
	223	15	-	238
Capital expenditure	2	6	-	8
Reportable segment assets	7,887	916	401	9,204
Reportable segment liabilities	1,836	227	227	2,290

By Business Activity (Continued)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities an other material items

	Full Year ended 31.12.2016 S\$'000	Full Year ended 31.12.2015 S\$'000
Revenue		
Total revenues for reportable segments	12,889	16,706
Elimination of inter-segment revenue	(789)	(916)
Consolidated revenue	<u>12,100</u>	<u>15,790</u>
Assets		
Total assets for reportable segments	8,449	9,204
Deferred tax assets	95	97
Consolidated total assets	<u>8,544</u>	<u>9,301</u>
Liabilities		
Total liabilities for reportable segments	1,941	2,290
Current tax liabilities	13	17
Deferred tax liabilities	-	2
Consolidated total liabilities	<u>1,954</u>	<u>2,309</u>

Geographical Information

The electrical trading and manufacturing segments are managed locally but operate in two principal countries namely Singapore and Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	External Revenue S\$'000	Non-current assets S\$'000
<u>31 December 2016</u>		
Singapore	8,695	45
Malaysia	3,252	112
Other countries	153	-
	<u>12,100</u>	<u>157</u>
<u>31 December 2015</u>		
Singapore	12,009	41
Malaysia	3,670	108
Other countries	111	-
	<u>15,790</u>	<u>149</u>

- 15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 above for further details.

16 A breakdown of sales.

Sales reported for first half year

Profit/(Loss) after tax before deducting non-controlling interest reported for first half year

Sales reported for second half year

Loss after tax before deducting non-controlling interest reported for second half year

Full Year ended 31.12.2016 S\$'000	Full Year ended 31.12.2015 S\$'000	% Change
6,333	8,501	-26%
(66)	34	NM
5,767	7,289	-21%
(277)	(54)	NM

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend were declared for the financial year 2016 and 2015.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such person, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company for the financial year ended 31 December 2016.

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

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Zhang Zhi Liang
Executive Director and Chief Executive Officer

1 March 2017

This announcement 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.

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