

**SUNRISE SHARES HOLDINGS LTD.**

Registration No. 198201457Z

**Unaudited Half Year Financial Statements And Dividend Announcement for the Financial Year Ended 30 June 2017**

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

- 1(a)(i) 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

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

Note

GROUP		
6-month Period ended 30.06.2017 S\$'000	6-month Period ended 30.06.2016 S\$'000	% Difference
5,846	6,333	-8%
(4,157)	(4,376)	-5%
(274)	(339)	-19%
124	342	-64%
(1,006)	(1,092)	-8%
(20)	(20)	0%
(961)	(880)	9%
-	(8)	-100%
(448)	(40)	1020%
(26)	(26)	0%
(474)	(66)	618%
(474)	(66)	618%
(474)	(66)	618%

(474)	(66)	618%
(10)	41	NM
(10)	41	NM
(484)	(25)	1836%
(484)	(25)	1836%
(484)	(25)	1836%

Note : NM - Not Meaningful

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

Note 1

Other income includes the following :-

- 1) Foreign exchange gain (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) Others

Note 3

Income tax expenses include :-

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

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

GROUP	
6-month Period ended 30.06.2017 S\$'000	6-month Period ended 30.06.2016 S\$'000
29	49
15	14
-	123
80	156
124	342
24	2
175	388
762	490
961	880
26	28
-	(2)
26	26

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	
	30.06.2017 S\$'000	31.12.2016 S\$'000	30.06.2017 S\$'000	31.12.2016 S\$'000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	206	157	-	-
Subsidiaries	-	-	7,398	7,072
Deferred tax assets	94	95	-	-
	300	252	7,398	7,072
<b>Current Assets</b>				
Inventories	1,999	2,100	-	-
Trade and other receivables	3,498	3,315	87	69
Cash and cash equivalents	4,163	2,877	1,248	124
	9,660	8,292	1,335	193
<b>Total Assets</b>	9,960	8,544	8,733	7,265
<b>Equity</b>				
Share capital	24,937	23,018	24,937	23,018
Reserves	(16,944)	(16,459)	(16,644)	(16,207)
Equity Attributable to owners of the Company	7,993	6,559	8,293	6,811
<b>Total Equity</b>	7,993	6,559	8,293	6,811
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Loan from shareholder	330	330	330	330
Trade and other payables	1,626	1,642	110	124
Current tax liabilities	11	13	-	-
	1,967	1,985	440	454
<b>Total Liabilities</b>	1,967	1,985	440	454
<b>Total Equity and Liabilities</b>	9,960	8,544	8,733	7,265

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

	As at 30.06.2017		As at 31.12.2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less, on demand	-	-	-	-

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 30.06.2017 S\$'000	6-month Period ended 30.06.2016 S\$'000
<b><u>Cash Flows from Operating Activities</u></b>		
Loss for the year	(474)	(66)
Adjustments for :-		
Allowance for inventory obsolescence	28	2
Depreciation charge on property, plant and equipment	20	20
Interest income	(14)	(14)
Interest expense	-	8
Tax expense	26	26
Operating cash flow before working capital changes	(414)	(24)
Change in working capital:		
Trade and other receivables	(146)	858
Inventories	75	15
Trade and other payables	(56)	(28)
Cash generated from operations	(541)	821
Income tax paid	(29)	(32)
Cash flows (used in)/from operating activities	(570)	789
<b><u>Cash Flows from Investing Activities</u></b>		
Interest received	15	14
Acquisition of property, plant and equipment	(69)	-
Cash flows (used in)/from investing activities	(54)	14
<b><u>Cash Flows from Financing Activities</u></b>		
Deposits pledged	-	(30)
Interest paid	-	(8)
Repayment of financial liabilities and other borrowings	-	(203)
Issuance of new ordinary shares	1,919	-
Cash flows (used in)/from financing activities	1,919	(241)
Net increase in cash and cash equivalents	1,294	562
Cash and cash equivalents at beginning of the year	2,877	1,673
Effect of exchange rate changes on cash balances held in foreign currencies	(8)	18
Cash and cash equivalents at end of the year	4,163	2,253
<b>Represented by :-</b>		
Cash at bank and in hand	3,274	856
Fixed deposits	889	2,038
	4,163	2,894
Less: Bank overdrafts	-	(52)
Less: Deposits pledged	-	(589)
	4,163	2,253

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 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

At 30 June 2017

At 1 January 2016

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

At 30 June 2016

Attributable to equity holders of the Company				
Share Capital	Foreign currency translation reserve	Other reserves	Accumulated losses	Total Equity
23,018	(1,172)	77	(15,365)	6,558
1,919	-	-	-	1,919
-	-	-	(474)	(474)
-	(10)	-	-	(10)
-	(10)	-	(474)	(484)
24,937	(1,182)	77	(15,839)	7,993
23,018	(1,112)	77	(14,991)	6,992
-	-	-	(66)	(66)
-	41	-	-	41
-	41	-	(66)	(25)
23,018	(1,071)	77	(15,057)	6,967

**COMPANY (S\$'000)**

At 1 January 2017

Issuance of shares

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

At 30 June 2017

At 1 January 2016

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

At 30 June 2016

Attributable to equity holders of the Company		
Share Capital	Accumulated losses	Total Equity
23,018	(16,207)	6,811
1,919	-	1,919
-	(437)	(437)
24,937	(16,644)	8,293
23,018	(15,968)	7,050
-	(110)	(110)
23,018	(16,078)	6,940

- 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 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 were 41,000,000 ordinary shares issued in 2017 and the share capital increased by 1,918,800 respectively. The Company does not have any outstanding convertible securities as at 30 June 2017 and 30 June 2016.

	Share Capital	Ordinary Shares
As at 30 June 2017	24,936,695	178,337,290
As at 31 December 2016	23,017,895	137,337,290

As at 30 June 2017, there were no subsidiary holdings and convertible securities outstanding (30 June 2016:Nil)

- 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 2017	178,337,290
Total number of shares as at 31 December 2016	137,337,290

There were no treasury shares as at 30 Jun 2017 and 31 December 2016.

- 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 holdings 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 2016.

- 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 2017. 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.

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

6-month Period ended 30.06.2017 cents	6-month Period ended 30.06.2016 cents
(0.30)	(0.05)
(0.30)	(0.05)

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 178,337,290 ordinary shares (2016: 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 30 June 2017 and 30 June 2016.
- 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	
30.06.2017 cents	31.12.2016 cents	30.06.2017 cents	31.12.2016 cents
4.48	4.78	4.65	4.96

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 2017 (137,337,290 ordinary shares as at 31 Decemebr 2016).
- (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\$5.8 million in the half year ended 30 June 2017 ("HY2017") as compared to S\$6.3 million in the half year ended 30 June 2016 ("HY2016"), a decrease of 8% or S\$0.5 million.

Other income decreased from S\$342,000 in FY2016 to S\$124,000 in HY2017, a decrease of 64% or S\$218,000. The decrease is mainly due to the decrease in rental income.

Staff costs decreased from S\$1.1 million in FY2016 to S\$1 million in HY2017, a decrease of 8% 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.

Finance cost decreased from S\$8,000 in HY2016 to S\$0 in HY2017 as all the outside loans and trust receipts had been repaid in 2016.

As a result of the above, the Group reported loss before tax of S\$448,000 in HY2017 as compared to loss before tax of S\$40,000 in HY2016. After taking into account income tax expense of S\$26,000, the Group reported net loss of S\$474,000 in HY2017 as compared to a net loss of S\$66,000 in HY2016.

#### 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 to S\$206,000 for the half year ended 30 June 2017 ("HY2017") as compared to S\$157,000 for the year ended 31 December 2016 ("FY2016"), due to the acquisition of machinery for S\$69,000.

##### 2) Current Assets

- (a) Cash and cash equivalents increased S\$1.29 million mainly due to cash received from issuance of shares for S\$1.92 million.

#### Cash Flow Analysis

The Group reported a net increase in cash and cash equivalents of S\$1.91 million for HY2017, mainly from cash generated from issuance of shares.

- 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 HY2017.

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 30 June 2017.

- 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 2017.

- 14 The status on the use of proceeds from placement.

There are S\$350,000 of proceeds from issuance of new ordinary shares has been used as working capital. Most of them are used for the payment of professional service fees and staff salary, such as S\$130,000 for salary, S\$58,000 for Sponsor and Corporate Secretarial related charges, S\$49,000 for auditing fee and S\$44,000 for Lawyer Service fee.

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

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 2017 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.

Zhang Zhi Liang  
Executive Director & Chief Executive Officer

Ng Clarence Kar Lung  
Executive Director



16 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 Zhi Liang  
Executive Director & Chief Executive Officer

14 August 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.

The contact person for the Sponsor is Mr. Mah How Soon, Registered Professional, RHT Capital Pte Ltd, Six Battery Road, #10-01, Singapore 049909, telephone (65) 6381 6757.