

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

Condensed Interim Financial Statements  
For the six months ended 30 June 2024

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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. Lau Sze Mei, Associate Director, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.*

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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	THE GROUP		Increase / (Decrease)  %
		6 MONTHS ENDED		
		30.06.2024	30.06.2023	
		(Unaudited)	(Unaudited)	
		S\$'000	S\$'000	
Revenue	4	762	286	166
Cost of sales		(379)	-	n.m
Gross profit		383	286	34
Finance income		2	11	(82)
Other income	6	7	56	(88)
Administrative expense		(1,214)	(613)	98
Finance expense		(9)	-	n.m
<b>Loss before taxation</b>		<b>(831)</b>	<b>(260)</b>	<b>219</b>
Tax expense	7	(13)	(5)	160
<b>Loss for the financial period, net of tax</b>		<b>(844)</b>	<b>(265)</b>	<b>218</b>
<b>Other comprehensive income/(loss) for the period:</b>				
Item that may be subsequently reclassified to profit or loss (net of tax):				
Currency translation differences on consolidation of foreign entities (net)				
		14	(100)	(114)
<b>Total comprehensive loss for the period</b>		<b>(830)</b>	<b>(365)</b>	<b>127</b>
<b>Net loss attributable to :</b>				
Equity holders of the Company		(844)	(265)	218
<b>Total comprehensive loss attributable to:</b>				
Equity holders of the Company		(830)	(365)	127
<b>Loss per share attributable to equity holders of the Company (cents)</b>				
-Basic	9	(0.29)	(0.13)	123
-Diluted	9	(0.29)	(0.13)	123

n.m = Not meaningful

## B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at 30.06.2024 S\$'000 (Unaudited)	As at 31.12.2023 S\$'000 (Audited)	As at 30.06.2024 S\$'000 (Unaudited)	As at 31.12.2023 S\$'000 (Audited)
<b>Assets</b>					
Property, plant and equipment	11	612	262	-	-
Right-of-use assets	12	289	-	-	-
Intangible asset		3,951	-	-	-
Investment in subsidiaries	13	-	-	3,654	154
<b>Non-current Assets</b>		<b>4,852</b>	<b>262</b>	<b>3,654</b>	<b>154</b>
Inventories		52	-	-	-
Trade and other receivables	14	370	765	-	87
Cash and bank balances		601	1,687	13	231
<b>Current Assets</b>		<b>1,023</b>	<b>2,452</b>	<b>13</b>	<b>318</b>
<b>Total Assets</b>		<b>5,875</b>	<b>2,714</b>	<b>3,667</b>	<b>472</b>
<b>Equity</b>					
Share capital	15	28,668	25,668	28,668	25,668
Reserves		555	541	-	-
Accumulated losses		(24,811)	(23,967)	(26,177)	(25,809)
<b>Total Equity</b>		<b>4,412</b>	<b>2,242</b>	<b>2,491</b>	<b>(141)</b>
<b>Liabilities</b>					
Lease liabilities	12	186	-	-	-
Deferred tax liabilities		1	-	-	-
<b>Non-current Liabilities</b>		<b>187</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade and other payables	18	1,169	472	1,176	613
Lease liabilities	12	107	-	-	-
<b>Current Liabilities</b>		<b>1,276</b>	<b>472</b>	<b>1,176</b>	<b>613</b>
<b>Total Liabilities</b>		<b>1,463</b>	<b>472</b>	<b>1,176</b>	<b>613</b>
<b>Total Equity and Liabilities</b>		<b>5,875</b>	<b>2,714</b>	<b>3,667</b>	<b>472</b>

### C. Condensed interim statements of changes in equity

	Share capital	Foreign currency translation reserve	Statutory reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>					
<b>2024</b>					
<b>Balance as at 1 January 2024</b>	25,668	18	523	(23,967)	2,242
Issuance of new ordinary shares	3,000	-	-	-	3,000
<b>Total comprehensive loss</b>					
Loss for the period	-	-	-	(844)	(844)
Other comprehensive income/(loss): Foreign currency translation arising from the translation of foreign operations	-	14	-	-	14
Total comprehensive loss, net of tax	-	14	-	(844)	(830)
<b>Balance as at 30 June 2024</b>	<b>28,668</b>	<b>32</b>	<b>523</b>	<b>(24,811)</b>	<b>4,412</b>

	Share capital	Foreign currency translation reserve	Statutory reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2023</b>					
<b>Balance as at 1 January 2023</b>	25,668	124	523	(22,515)	3,800
<b>Total comprehensive loss</b>					
Loss for the period	-	-	-	(265)	(265)
Other comprehensive income/(loss): Foreign currency translation arising from the translation of foreign operations	-	(100)	-	-	(100)
Total comprehensive loss, net of tax	-	(100)	-	(265)	(365)
<b>Balance as at 30 June 2023</b>	<b>25,668</b>	<b>24</b>	<b>523</b>	<b>(22,780)</b>	<b>3,435</b>

**C. Condensed interim statements of changes in equity (cont'd)**

	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>The Company</b>			
<b>2024</b>			
<b>Balance as at 1 January 2024</b>	<b>25,668</b>	<b>(25,809)</b>	<b>(141)</b>
Issuance of new ordinary shares	3,000	-	3,000
Loss for the period / Total comprehensive loss for the period	-	(368)	(368)
<b>Balance as at 30 June 2024</b>	<b>28,668</b>	<b>(26,177)</b>	<b>2,491</b>

	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>2023</b>			
<b>Balance as at 1 January 2023</b>	<b>25,668</b>	<b>(24,708)</b>	<b>960</b>
Loss for the period / Total comprehensive loss for the period	-	(588)	(588)
<b>Balance as at 30 June 2023</b>	<b>25,668</b>	<b>(25,296)</b>	<b>372</b>

## D. Condensed interim consolidated statement of cash flows

	<b>The Group</b>	
	<b>6 months ended 30.06.2024 S\$'000 (Unaudited)</b>	<b>6 months ended 30.06.2023 S\$'000 (Unaudited)</b>
<b><u>Cash flows from operating activities</u></b>		
Loss before tax	(831)	(260)
Adjustments for:		
Interest expense	9	-
Interest income	(2)	-
Depreciation	95	-
Operating loss before working capital changes	<u>(729)</u>	<u>(260)</u>
Changes in working capital:		
Inventories	(3)	-
Trade and other receivables	584	12
Trade and other payables	(30)	(92)
Cash used in operations	<u>(178)</u>	<u>(340)</u>
Income tax paid	<u>(13)</u>	<u>(3)</u>
<b>Net cash used in operating activities</b>	<b><u>(191)</u></b>	<b><u>(343)</u></b>
<b><u>Cash flows from investing activities</u></b>		
Interest received	2	-
Acquisition of subsidiary, net of cash acquired (Note 21)	(500)	-
Purchase of property, plant and equipment	(364)	-
<b>Net cash used in investing activities</b>	<b><u>(862)</u></b>	<b><u>-</u></b>
<b><u>Cash flows from financing activities</u></b>		
Repayment of lease liabilities	(38)	-
Interest paid	(9)	-
<b>Net cash used in financing activities</b>	<b><u>(47)</u></b>	<b><u>-</u></b>
Net decrease in cash and cash equivalents	(1,100)	(343)
Cash and cash equivalents at beginning of financial period	1,687	4,134
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	14	(100)
<b>Cash and cash equivalents at end of financial period</b>	<b><u>601</u></b>	<b><u>3,691</u></b>
Represented by:		
Cash and bank balances	<u>601</u>	<u>3,691</u>
	<u>601</u>	<u>3,691</u>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Sunrise Shares Holdings Ltd. (the “**Company**”) is incorporated in Singapore and whose shares are publicly traded on the Catalist Board of the SGX-ST. The address of its registered office is at 380 Jalan Besar, #07-10 ARC 380, Singapore 209000. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are the provision of property consultancy and management services to property management companies in the People’s Republic of China (“**PRC**”) in relation to, among others, (i) construction execution planning, (ii) construction team management advising, (iii) material supplier consulting, (iv) budget advising, (v) property management team advising, and (vi) property marketing service as well as hospitality management services in Malaysia.

### **2. Basis of preparation**

The condensed interim financial statement for the half year ended 30 June 2024 (“**1HFY2024**”) have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Group’s financial position and performance of the Group since the last interim financial statements for the financial year ended 31 December 2023.

The accounting policies adopted and methods of computation adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The condensed interim financial statements are presented in Singapore Dollars (“**SGD**” or “**S\$**”), which is the Company’s functional currency, and all values are rounded to the nearest thousand (“**S\$’000**”) except when otherwise indicated.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustment as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. As these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2023.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 12 – measurement of right-of-use assets and lease liabilities
- Note 21 – acquisition of subsidiary: the fair value of the consideration transferred and the fair value of the assets acquired and liabilities assumed

Save for the above, there were no critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group is organised into the following main business segments:

- Property consultancy and management services;
- Hospitality management services; and
- Others

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Chief Executive Officer who is responsible for allocating resources and assessing the performance of the operating segments.

	<b>Property consultancy and management services S\$'000</b>	<b>Hospitality management services S\$'000</b>	<b>Others S\$'000</b>	<b>Total S\$'000</b>
<b><u>1HFY2024</u></b>				
Services rendered to external customers	60	702	-	762
Total revenue	60	702	-	762
Segment loss before tax				
Administrative and other expenses	(551)	(285)	(378)	(1,214)
Finance expense	(9)	-	-	(9)
Finance income	2	-	-	2
Other income	-	-	7	7
Loss before taxation	(497)	37	(371)	(831)
Taxation	(13)	-	-	(13)
Loss for the period	(510)	37	(371)	(844)

**As at 30 June 2024**

Segment assets	1,562	4,296	17	5,875
Total assets per statement of financial position	1,562	4,296	17	5,875

## Capital expenditure

- Additions to PPE	364	-	-	364
Depreciation	93	2	-	95

Segment liabilities	304	757	402	1,463
Total liabilities per statement of financial position	304	757	402	1,463

<b>Property Consultancy and management services S\$'000</b>	<b>Hospitality management services S\$'000</b>	<b>Others S\$'000</b>	<b>Total S\$'000</b>
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**For the 6-months period  
ended 30 June 2023  
("1HFY2023")**

Services rendered to external customers	116	-	-	116
Services rendered to related party	170	-	-	170
Total revenue	286	-	-	286

## Segment loss before tax

Administrative and other expenses	(613)	-	-	(613)
Finance income	11	-	-	11
Other income	56	-	-	56
Loss before taxation	(260)	-	-	(260)
Taxation	(5)	-	-	(5)
Loss for the period	(265)	-	-	(265)

**As at 30 June 2023**

Segment assets	1,344	-	2,361	3,705
Total assets per statement of financial position	1,344	-	2,361	3,705

## Capital expenditure

- Additions to PPE	-	-	-	-
Depreciation	-	-	-	-

Segment liabilities	51	-	164	215
Current income tax liabilities	55	-	-	55
Total liabilities per statement of financial position	106	-	164	270

The following table provides a disaggregation of the Group's revenue by timing of revenue recognition.

	<b>6 months ended 30.06.2024 S\$'000 (Unaudited)</b>	<b>6 months ended 30.06.2023 S\$'000 (Unaudited)</b>
Timing of revenue recognition:		
Over time:		
Property consultancy and management services	60	286
Hospitality management services	702	-
	<b>762</b>	<b>286</b>

### **Geographical Information**

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

<b>The Group</b>	<b>Revenue S\$'000</b>	<b>Non-current assets S\$'000</b>
<b><u>6 months ended 30.06.2024</u></b>		
Malaysia	702	4,852
China	60	-
Total	<b>762</b>	<b>4,852</b>
<b><u>6 months ended 30.06.2023</u></b>		
China	116	-
Hong Kong	170	-
Total	<b>286</b>	<b>-</b>

### **5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30.06.2024 S\$'000 (Unaudited)</b>	<b>As at 31.12.2023 S\$'000 (Audited)</b>	<b>As at 30.06.2024 S\$'000 (Unaudited)</b>	<b>As at 31.12.2023 S\$'000 (Audited)</b>
<b>Financial assets</b>				
Cash and bank balances and trade and other receivables (Amortised cost)	971	2,452	13	318
<b>Financial liabilities</b>				
Trade and other payables and lease liabilities (Amortised cost)	1,462	472	1,176	613

## 6. Other income

	<b>The Group</b>	
	<b>6 months ended 30.06.2024 S\$'000 (Unaudited)</b>	<b>6 months ended 30.06.2023 S\$'000 (Unaudited)</b>
- Unrealised gain on foreign exchange	7	56
	<b>7</b>	<b>56</b>

## 7. Tax expense

	<b>The Group</b>	
	<b>6 months ended 30.06.2024 S\$'000 (Unaudited)</b>	<b>6 months ended 30.06.2023 S\$'000 (Unaudited)</b>
Tax expense attributable to profits is made up of:		
- Current income tax provision	-	5
- Under provision in prior period	13	-
	<b>13</b>	<b>5</b>

## 8. Loss before taxation

### 8.1 Significant items

	<b>The Group</b>	
	<b>6 months ended 30.06.2024 S\$'000 (Unaudited)</b>	<b>6 months ended 30.06.2023 S\$'000 (Unaudited)</b>
Loss for the financial period is arrived at after charging:		
Professional fees	246	438
Staff costs and directors' fee	630	137
Depreciation of property, plant and equipment	52	-
Depreciation of right-of-use assets	43	-
Hotel operation cost	106	-
Lease expense	9	19

## 9. Loss per share

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is as follows:

	<b>The Group</b>	
	<b>6 months ended 30.06.2024 S\$'000 (Unaudited)</b>	<b>6 months ended 30.06.2023 S\$'000 (Unaudited)</b>
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	295,052	209,337
Basic and diluted loss per share (cents per share)	(0.29)	(0.13)

**10. Net asset value (for the Group and the Company) per ordinary share based on issued share capital excluding treasury shares of the Company at the end of the:**

- a) Current financial period reported on; and
- b) Immediately preceding financial year.

<b>The Group</b>		<b>The Company</b>	
<b>As at 30.06.2024</b>	<b>As at 31.12.2023</b>	<b>As at 30.06.2024</b>	<b>As at 31.12.2023</b>
<b>Singapore cents</b>	<b>Singapore cents</b>	<b>Singapore cents</b>	<b>Singapore cents</b>
1.50	1.07	0.84	(0.07)

The calculation of net asset value is based on 295,051,575 ordinary issued shares in the share capital of the Company as at 30 June 2024 (31 December 2023: 209,337,290 shares).

**11. Property, plant and equipment**

During the financial period ended 30 June 2024, the Group acquired property, plant and equipment amounting to S\$364,000 (31 December 2023: S\$275,000).

**12. Right-of-use assets and lease liabilities**

**The Group as a lessee**

Nature of the Group's leasing activities

The Group leases 2 office spaces from non-related parties with a 3-year contractual term during the financial period.

Information about leases for which the Group is a lessee is presented below:

*Amounts recognised in statement of financial position*

	<b>The Group</b>	
	<b>As at 30.06.2024 S\$'000 (Unaudited)</b>	<b>As at 31.12.2023 S\$'000 (Audited)</b>
<u>Carrying amount of right-of-use assets</u>		
Office units	289	-
<u>Carrying amount of lease liabilities</u>		
Non-current	186	-
Current	107	-

*Amounts recognised in profit or loss*

	<b>The Group</b>	
	<b>As at 30.06.2024 S\$'000 (Unaudited)</b>	<b>As at 31.12.2023 S\$'000 (Audited)</b>
Depreciation charge for the financial period / year	43	-

Lease expense not included in the measurement of lease liabilities

Interest expense on lease liabilities	9	-
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*Reconciliation of movements of liabilities to cash flows arising from financing activities*

	<b>The Group</b>	
	<b>As at 30.06.2024 S\$'000 (Unaudited)</b>	<b>As at 31.12.2023 S\$'000 (Audited)</b>
Balance as at 1 January	-	-
Additions	331	-
Changes from financing cash flows		
- Repayments	(38)	-
- Interest paid	(9)	-
Non-cash changes		
- Interest expense	9	-
- Effect of changes in foreign exchange rates	-	-
Balance as at 30 June / 31 December	<u>293</u>	<u>-</u>

**13. Investment in subsidiaries**

	<b>The Company</b>	
	<b>As at 30.06.2024 S\$'000 (Unaudited)</b>	<b>As at 31.12.2023 S\$'000 (Audited)</b>
Unquoted equity shares, at cost	3,654	154
	<u>3,654</u>	<u>154</u>

a) Details of subsidiaries held by the Company are:

<b>Name of subsidiary and country of business / incorporation</b>	<b>Principal activities</b>	<b>Effective equity interest</b>	
		<b>As at 30.06.2024 %</b>	<b>As at 31.12.2023 %</b>
Sunrise Industrial (Singapore) Pte. Ltd. Singapore	Property consultancy, fund management and real estate investment trusts	100	100
Sunrise Investment Limited (Cayman Island)	Investment holding	100	100
Sunrise Shares (M) Sdn Bhd (Malaysia)	Management, advisory and consultancy services	100	100
Falcon Pace Sdn Bhd <sup>(1)</sup> (Malaysia)	Hospitality management services	100	-

Held by Sunrise Industrial (Singapore) Pte. Ltd.

Hong Kong Sunrise Industrial Development Limited (Hong Kong)	Property consultancy, management and related services	100	100
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Held by Hong Kong Sunrise Industrial Development Limited

Hong Kong Sunrise Consultant Limited (Hong Kong)	Investment holding and Property consultancy, management and related services	100	100
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Held by Hong Kong Sunrise Consultant Limited

Shenzhen Sunrise Development Limited (China)	Property consultancy, management and related services	100	100
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Held by Shenzhen Sunrise Development Limited

Shenzhen Zhongtong Apartment Management Limited (Formerly known as Shenzhen Kimshek Construction Project Management Limited) (China)	Property consultancy, management and related services	100	100
Shenzhen Kimshek Consultancy Management Limited (China)	Property consultancy, management and related services	100	100

Note:

- (1) On 3 May 2024, the Company completed the acquisition of 100.0% equity interests in Falcon Pace Sdn Bhd (“**Falcon Pace**”) for a total consideration of S\$3,500,000. Accordingly, upon completion, Falcon Pace is a wholly-owned subsidiary of the Company.

**14. Trade and other receivables**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30.06.2024</b>	<b>As at 31.12.2023</b>	<b>As at 30.06.2024</b>	<b>As at 31.12.2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables	117	31	-	-
Prepayments	-	675	-	87
Other receivables	159	6	-	-
Deposits	94	53	-	-
	<b>370</b>	<b>765</b>	<b>-</b>	<b>87</b>

## 15. Share capital

	The Group and the Company			
	As at 30.6.2024		As at 31.12.2023	
	Number of Issued share shares (‘000)	capital S\$’000	Number of shares (‘000)	Issued share capital S\$’000
Beginning and end of financial period / year	295,052	28,668	209,337	25,668

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

On 21 November 2023, the Company announced that it had entered into a share sale agreement with Datuk Wira Boo Kuang Loon (the “**Vendor**”), the controlling shareholder of the Company, for the proposed acquisition of 100.0% equity interest in Falcon Pace for a total consideration of S\$3.5 million which shall be satisfied by (a) a cash consideration of S\$0.5 million, and (b) a share consideration of S\$3.0 million by way of allotment and issuance of 85,714,285 new shares in the capital of the Company (the “**Consideration Shares**”). The Consideration Shares were allotted and issued to the Vendor on 3 May 2024.

There were no changes in the Company’s share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities or for any other purpose since the end of the previous period reported on, being 31 December 2023.

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2024 and 30 June 2023 respectively.

The Company’s subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

There was no sale, transfer, cancellation and/or use of treasury shares or subsidiary holdings during, and as at the end of the current financial period ended 30 June 2024.

## 16. Foreign currency translation reserve

The foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

## 17. Statutory reserve

In accordance with the Foreign Enterprise Law applicable to entities in the PRC, the Group’s PRC subsidiaries are required to make appropriation to a Statutory Reserve Fund (“**SRF**”). At least 10% of the profit after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the PRC entity’s registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the PRC entity. The SRF is not available for dividend distribution to shareholders.



## 18. Trade and other payables

	The Group		The Company	
	As at 30.06.2024 S\$'000 (Unaudited)	As at 31.12.2023 S\$'000 (Audited)	As at 30.06.2024 S\$'000 (Unaudited)	As at 31.12.2023 S\$'000 (Audited)
Trade payables	576	-	-	-
Accruals	15	224	-	202
Other payables	578	248	402	206
Amount due to subsidiaries <sup>(1)</sup>	-	-	774	205
	<u>1,169</u>	<u>472</u>	<u>1,176</u>	<u>613</u>

Note:

(1) Amount due to subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

## 19. Related party transactions

In addition to information disclosed elsewhere in the financial statements, related party transactions took place during the financial period are as follows:

### *Key management personnel compensation*

Total key management personnel compensation is analysed as follows:

	The Group	
	As at 30.06.2024 S\$'000 (Unaudited)	As at 31.12.2023 S\$'000 (Audited)
Directors of the Company		
- Directors' fee	98	109
- Directors' remuneration	125	199
Other key management personnel		
- Short-term employee benefits	88	207
Total key management personnel benefits incurred by the Group	<u>311</u>	<u>515</u>

## 20. Fair value of assets and liabilities

### a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No fair value hierarchy information is disclosed for the Group's and Company's financial assets and financial liabilities measured at amortised cost as the carrying amount of these financial assets and liabilities approximate their fair values.

- b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonableness approximation of fair value.

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

- c) The Group and the Company has no other financial instruments.

## 21. Acquisition of a subsidiary

On 3 May 2024, the Company completed the acquisition of 100% of the issued share capital of Falcon Pace Sdn Bhd for total consideration of S\$3,500,000, which was satisfied by way of cash consideration of S\$500,000 and share consideration of S\$3,000,000 by the allotment and issuance 85,714,285 consideration shares at the issue price of S\$0.035 per consideration share. The acquisition is expected to contribute additional revenue stream to the Group. The Group incurred related costs of approximately S\$180,000 in relation to professional fees and these have been classified as administrative expenses in the condensed interim consolidated statement of profit or loss.

### Assets and liabilities recognised as a result of acquisition

	<b>Fair value S\$'000</b>
Property, plant & equipment	38
Inventories	49
Receivables	190
Payables	(727)
Deferred tax liabilities	(1)
Net identified assets acquired	<u>(451)</u>
Add: Goodwill on consolidation	3,951
Purchase consideration	<u>3,500</u>
Less: Share consideration	<u>(3,000)</u>
Acquisition of subsidiary, net of cash acquired	<u>500</u>

The goodwill is derived based on Falcon Pace's future earnings generating capabilities and projected future cash flows. The goodwill has been allocated to the hospitality management services segment.

## 22. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

## **(2) OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES**

### **1. Review**

The condensed interim statements of financial position of the Group as at 30 June 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-months period then ended and certain explanatory notes have not been audited or reviewed.

### **2A. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period report on, including (where applicable) seasonal or cyclical factors; and**

#### **Review for the performance of the Group for the six months ended 30 June 2024 ("1HFY2024")**

The Group had, on 3 May 2024, completed the acquisition of 100.0% of the equity interests in Falcon Pace for a total consideration of S\$3,500,000. Accordingly, upon completion, Falcon Pace is a wholly-owned subsidiary of the Company. Falcon Pace is managing a 4-star hotel, known as The Pines Melaka with 196 rooms, which is located at No. 33, Jalan Tun Sri Lanang, 75100 Melaka, Malaysia. The acquisition of Falcon Pace has added a new hospitality management services segment to the Group, generating an additional revenue stream to the Group for 1HFY2024.

Whereas for property consultancy and management services segment, the Group had, on 16 May 2024, announced the termination of the consultancy service agreement with Zhuhai Mucun Construction Engineering Co., Ltd. after the expiry of the one-year term contract period. This had resulted in lower revenue generated in the property consultancy and management services segment of the Group.

Revenue generated from operations increased by 166.4% or S\$476,000 from S\$286,000 in 1HFY2023 to S\$762,000 in 1HFY2024, mainly due to an additional revenue contribution from The Pines Melaka hotel under the hospitality management services segment which is offset by the decrease in revenue generated from the property consultancy and management services segment.

Cost of sales of S\$379,000 was recorded in 1HFY2024, due to the direct cost incurred from the hotel operation of The Pines Melaka.

Gross profit increased by 35.0% or S\$97,000 from S\$286,000 in 1HFY2023 to S\$383,000 in 1HFY2024, mainly due to an increase in the revenue primarily from the new hospitality management services, offset by the cost of sales.

Interest income and other income decreased by 86.5% or S\$58,000 from S\$67,000 in 1HFY2023 to S\$9,000 in 1HFY2024, mainly due to lower bank interest earned as a result of lower cash and bank balances and lower unrealised foreign exchange gains recognised from the subsidiaries.

Administrative expense, which comprises mainly the (i) directors' fee and remuneration, (ii) staff costs, (iii) office and hotel overhead cost, and (iv) professional fees, increased by 98.0% or S\$601,000 from S\$613,000 in 1HFY2023 to S\$1,214,000 in 1HFY2024, primarily due to the increase of manpower cost and office overhead cost incurred for the new management team based in Malaysia as well as the hotel operation cost of The Pines Melaka, which includes expenses in relation to the hotel building repair and

maintenance cost, cleaning cost, utilities cost and other overhead cost as well as the depreciation expenses recorded in 1HFY2024 for the property, plant and equipment acquired in 1HFY2024 and the right-of-use assets in relation to the office units leased in 1HFY2024.

As a result of the foregoing, the Group reported an increase in net loss by 215.5% or S\$571,000 from a net loss of S\$260,000 in 1HFY2023 to a net loss of S\$831,000 in 1HFY2024.

**(b) 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 Statement of Financial Position**

**Non-Current Assets**

Property, plant and equipment increased by S\$350,000 from S\$262,000 as at 31 December 2023 to S\$612,000 as at 30 June 2024, mainly due to the capitalisation of the renovation cost incurred for the new office located in Selangor, Malaysia in 1HFY2024.

Intangible assets of S\$3,951,000, recognised by the Group in 1HFY2024 represents goodwill on consolidation arising from the acquisition of Falcon Pace.

During the financial period, the Group leased 2 offices from non-related parties with 3 years contractual terms and had recognised the leases as right-of-use assets.

**Current Assets**

Trade and other receivables decreased by S\$395,000 from S\$765,000 as at 31 December 2023 to S\$370,000 as at 30 June 2024, mainly due to the capitalisation of the prepayment made in FY2023 for the renovation cost of the new office in Selangor, Malaysia were reclassified to the property, plant and equipment.

The inventories of S\$52,000 as at 30 June 2024 mainly refer to the hotel consumable amenities of The Pines Melaka.

The decrease of cash and bank balances of S\$1.09 million from S\$1.69 million as at 31 December 2023 to S\$0.6 million as at 30 June 2024 is explained in review of Statement of Cash Flows below.

**Current and Non-Current Liabilities**

The Group's trade and other payables increased by S\$697,000 from S\$472,000 as at 31 December 2023 to S\$1,169,000 as at 30 June 2024, mainly due to the professional fees incurred for the acquisition of Falcon Pace undertaken by the Company and trade suppliers of the hotel operation of The Pines Melaka.

Current and non-current lease liabilities as at 30 June 2024 of S\$293,000 were recorded due to the recognition of the 2 offices leased by the Group during 1HFY2024, with a contractual term of 3 years.

**Working Capital**

The Group recorded a working capital of S\$2.0 million as at 31 December 2023 *vis-à-vis* a negative working capital of S\$0.2 million as at 30 June 2024, mainly due to decrease in cash and bank balances coupled with the increase in trade and other payables as mentioned above.

## Review of Statement of Cash Flows

The Group recorded a net decrease of S\$3.09 million in cash and cash balances during 1HFY2024 from S\$3.69 million in 1HFY2023 to S\$0.60 million in 1HY2024, primarily due to (a) net cash used in operating activities of S\$191,000 mainly due to operating loss before working capital changes of S\$729,000 and the increase in trade and other payables of S\$30,000 which was offset by a decrease in the trade and other receivables of S\$584,000, (b) net cash used in investing activities mainly due to cash consideration of S\$500,000 paid to complete the acquisition of Falcon Pace and capital expenditure incurred for office renovation of S\$364,000, and (c) net cash used in financing activities mainly due to repayment of lease liabilities of S\$38,000.

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

Not applicable as no specific forecast or a prospect statement was previously disclosed to the shareholders.

### **4. 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 tourism industry in Malaysia has shown sign of recovery since the reopening of the international border, with tourist arrivals of 20.1 million in 2023. In 2024, Malaysia targets to achieve 27.3 million tourist arrivals <sup>Note 1</sup>. With the initiatives by the Melaka state government, such as Visit Melaka Year 2024 and the recovery in tourism sector, the Group is optimistic to attract tourist traffic to The Pines Melaka hotel and improve the hotel's occupancy rate.

The Group had, on 30 July 2024, announced the expiration of the consultancy service agreement with Zhuhai Tonglin Hotel Management Limited (“**Zhuhai Tonglin Hotel Management**”), a subsidiary of Zhuhai Tonglin Village Eco-Tourism Development Co., Ltd. (“**Zhuhai Tonglin**”), in connection with the management of the Zhuhai Tonglin's first flagship apartment, namely Zhuhai Zhongtong Apartment. This will result in lower revenues generated from the property consultancy and management services segment of the Group.

Overall, the Group expects that the business environment will remain challenging over the next 12 months due to the current volatile global economic conditions and the loss of the property consultancy and management services contracts from the PRC market. Nevertheless, the Group will remain cautious in implementing its business strategy, and will prudently adopt cost control measures to conserve its resources. The Group will look to explore any new business opportunities that may emerge in the near future.

*(Note 1 – Extracted from [Tourism Malaysia media release](#) dated 28 February 2024.)*

### **5. If a decision regarding dividend has been made:**

#### **(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared or recommended for the current financial period.

#### **(b) (i) Amount per share**

Not applicable.

**(ii) Corresponding period of the immediately preceding financial year**

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Not applicable.

**6. If no dividend has been declared/recommended, a statement to the effect and the reason(s) for the decision.**

No dividend has been declared or recommended as the Group had incurred losses for 1HFY2024.

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

The Group did not obtain a general mandate under Rule 920(1)(a)(ii).

**8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

**9. Negative Confirmation Pursuant to Rule 705(5) of the Catalist Rules**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months ended 30 June 2024 to be false or misleading in any material aspect.

**10. Disclosure of acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules**

On 21 November 2023, the Company announced that it had entered into a share sale agreement with the Vendor, the controlling shareholder of the Company, for the proposed acquisition of 100.0% equity interest in Falcon Pace for a total consideration of S\$3,500,000 (the “**Consideration**”), which shall be satisfied by (a) the cash consideration of S\$500,000, and (b) the remaining S\$3,000,000 by the allotment and issuance of 85,714,285 Consideration Shares to the Vendor at the issue price of S\$0.035 per Consideration Share.

The Consideration was arrived at after arm's length negotiations between the Company and the Vendor and on a "willing-buyer willing-seller" basis after taking into consideration the results of the financial due diligence undertaken by the Company, the rationale for and benefits of the acquisition of Falcon Pace as set out in the circular dated 21 March 2024, as well as an independent valuation commissioned by the Company. The independent valuation was conducted by FHMH Corporate Advisory Sdn Bhd, the corporate advisory arm of Baker Tilly Malaysia (the "Valuer").

Based on the valuation report dated 8 March 2024 issued by the Valuer, the fair market value of the entire equity interest of Falcon Pace as at 31 October 2023 ranged from RM10.70 million (S\$3.10 million) to RM14.19 million (S\$4.11 million) with a mid-point of RM12.20 million (S\$3.54 million).

Purely for illustration purposes and to satisfy Rule 706(A)(2)(b) of the Catalist Rules, as at 31 December 2023, Falcon Pace had a net asset value of RM1.8 million (S\$0.5 million). Please refer to the circular dated 21 March 2024 announced by the Company for, among others, the full details of the acquisition of Falcon Pace.

The acquisition of Falcon Pace has been completed on 3 May 2024, and accordingly, Falcon Pace is a wholly-owned subsidiary of the Company.

#### **On Behalf of the Board of Directors**

**Dato' Syed Norulzaman bin Syed  
Kamarulzaman**  
Independent Non-Executive Chairman

**Datuk Tan Eng Eng**  
Executive Director and Chief Executive Officer

13 August 2024