



SUNRISE SHARES HOLDINGS LTD.

(Company Registration No. 198201457Z)
(Incorporated in the Republic of
Singapore)

MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The board of directors (the “**Board**”) of Sunrise Shares Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited financial results announcement of the Group for the financial year ended 31 December 2019 (“**FY2019**”) released via the SGXNet on 28 February 2020 (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Group for FY2019 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditor set out in the Company’s annual report for FY2019 released via the SGXNet on 11 June 2020 and which will be despatched to shareholders of the Company (the “**Shareholders**”) in due course.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, the management of the Company has adopted certain reclassifications and adjustments in the Audited Financial Statements.

On 18 June 2019, the Company completed the disposal of the entire issued and paid-up share capital of ITE Electric Systems Co Pte. Ltd., Electech Distribution Systems Sdn. Bhd., Electech Manufacturing Sdn. Bhd., and ITE Lumens Pte. Ltd. (the “**Disposal Group**”) (“**Disposal**”). Accordingly, the financial results of the Disposal Group had been recorded by the Group as discontinued operations in FY2019. Subsequent to the Disposal, the Group’s business comprises primarily property consultancy and management in China, representing the continuing operations in FY2019. The Group had recognized approximately S\$1.1 million of currency translation loss on the Disposal Group in FY2019.

Details and explanation of the material variances between the Unaudited Financial Statements and Audited Financial Statements are set out in the Appendices appended to this announcement. Shareholders are advised to read the Audited Financial Statements set out in the Company’s annual report for FY2019 released via the SGXNet on 11 June 2020 and which will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Shirley Tan Sey Liy
Company Secretary
10 June 2020

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

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 Mr Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.

SUNRISE SHARES HOLDINGS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

		Group		
	Note	As per Audited Financial Statements	As per Unaudited Financial Statements	Variance
		S\$'000	S\$'000	S\$'000
Continuing operations				
Revenue		1,421	1,421	
Interest income:				
- bank deposits	1	12	-	12
- third party		43	43	
Expenses				
Sales agent fee		(142)	(142)	
Administrative expense	1	(1,209)	(1,189)	(20)
Profit before tax		125	133	(8)
Tax expense	1	(287)	(295)	8
(Loss)/profit from continuing operations, net of tax		(162)	(162)	
Discontinued operations				
Loss from discontinued operations, net of tax		(1,065)	(1,065)	
Loss for the year		(1,227)	(1,227)	

Other comprehensive income/(loss):

*Item that are or may be reclassified
subsequently to*

profit or loss:

Currency translation differences arising on consolidation	(131)	(131)
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Reclassification of currency translation reserve upon disposal of subsidiaries	1,075	1,075
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**Other comprehensive income/(loss)
for the year,
net of tax**

944	944
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Total comprehensive loss for the year

(283)	(283)
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Loss attributable to:

Equity holders of the Company	(1,227)	(1,227)
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Total comprehensive loss attributable to:

Equity holders of the Company	(282)	(282)
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**Loss per share (cents per share) -
Basic and diluted**

(0.69)	(0.69)
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**From continuing operations - Basic
and diluted**

(0.09)	(0.09)
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**From discontinued operations - Basic
and diluted**

(0.60)	(0.60)
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SUNRISE SHARES HOLDINGS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

At 31 December 2019

	Note	Group			Company		
		Audited	Unaudited	Variance	Audited	Unaudited	Variance
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS							
Non-current assets							
Investment in subsidiaries		—	—		337	337	
Deferred tax assets		—	—		—	—	
Other receivables		—	—		—	—	
Total non-current assets		—	—		337	337	
Current assets							
Inventories		—	—		—	—	
Trade and other receivables	2	263	209	54	340	340	
Cash and cash equivalents	3	4,979	4,326	652	924	272	652
		5,241	4,535	706	1,264	612	652
Disposal group assets classified as held for sale		—	—		—	—	
Total current assets		5,241	4,535		1,264	612	
Total assets		5,241	4,535	706	1,601	949	652

EQUITY AND LIABILITIES						
Equity						
Share capital	24,937	24,937		24,937	24,937	
Foreign currency translation reserve	(271)	(271)		—	—	
Statutory reserve	301	301		—	—	
Other reserves	—	—		—	—	
Accumulated losses	(20,637)	(20,637)		(24,160)	(24,160)	
Total equity	4,330	4,330		777	777	
Current liabilities						
Loan from a related party	—	—		—	—	
Trade and other payables	3 838	183	655	824	172	652
Tax payable	2 73	22	51	—	—	
	911	205	706	824	172	
Liabilities directly associated with disposal group classified as held for sale	—	—		—	—	
Total liabilities	911	205	706	824	172	652
Total equity and liabilities	5,241	4,535	706	1,601	949	652

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

	Note	Audited S\$'000	Unaudited S\$'000	Variance S\$'000
Cash flows from operating activities				
Profit before tax from continuing operations		125	(162)	287
Loss before tax from discontinued operations		(1,046)	(1,065)	19
Loss before tax, total	4,5	(921)	(1,227)	306
Adjustments for:				
Depreciation of property, plant and equipment		—	—	
Gain on disposal of property, plant and equipment		—	—	
Finance income	5	(55)	(43)	(12)
Impairment loss on trade receivables		—	—	
Impairment loss recognised on assets held for sale		—	—	
Write back of allowance for inventory obsolescence		—	—	
Tax Expense	4	—	295	(295)
Loss on disposal of discontinued operation		1,205	1,205	
Operating cash flows before working capital changes		229	230	(1)
Changes in operating assets and liabilities				
Inventories		—	—	
Trade and other receivables	6,7	(295)	(150)	(145)
Trade and other payables	6	(1,504)	(1,397)	(107)
Cash (used in)/generated from operations		(1,570)	(1,317)	(253)
Income tax paid	6	(832)	(1,048)	216
Net cash (used in)/generated from operating activities		(2,402)	(2,365)	(37)
Cash flows from investing activities				
Net cash flow from disposal of discontinued operation		(471)	(471)	

Purchases of property, plant and equipment		–	–	
Interest received		56	43	13
Repayment from/(loan to) a third party	7,10	1,841	1,777	64
Proceeds from disposal of property, plant and equipment		–	–	
Net cash generated from/(used in) investing activities		1,426	1,349	77
Cash flows from financing activities				
Repayment of loan from a related party	8	(830)	(330)	(500)
Loan from a related party	8	500	–	500
Advance from the subscriber of ordinary shares	9	673	–	673
Net cash generated from financing activities		343	(330)	673
Net (decrease)/increase in cash and cash equivalents		(633)	(1,346)	713
Cash and cash equivalents at beginning of the financial year		5,585	5,585	
Effects of exchange rate changes on cash and cash equivalents	10	27	87	(60)
Cash and cash equivalents at end of the financial year		4,979	4,326	653

Notes:

1. Reclassification of items which relate to administrative expenses, to tax expenses and interest income derived from bank deposits instead.
2. Reclassification of items which mainly relate to trade and other receivables of S\$51,000, to tax payables instead.
3. Adjustment made to include \$0.67 million of advance from the subscriber of ordinary shares into cash and cash equivalents of which \$21,000 was utilised to pay down trade and other payables in FY2019.
4. In the consolidated statement of cash flows for the Unaudited Financial Statements, the profit and loss from operations were presented on an after-tax basis, while in the consolidated statement of

cash flows for the Audited Financial Statements, the profit and loss from operations are presented on a before-tax basis.

5. Reclassification of interest income from bank deposit to finance income which is not recorded as income from operations.
6. Reclassification of tax paid on, amongst others, value added tax and labour tax and/or tax asset from income tax paid in the consolidated statement of cash flows for the Unaudited Financial Statements, to changes in other receivables and other payables in the consolidated statement of cash flows for the Audited Financial Statements.
7. Reclassification of other receivable from the third party loan in the repayment from/(loan to) a third party and adjustment in foreign exchange rate for the repayment from a third party.
8. Reclassification of the repayment of loan from a related party into two items (repayment of loan from a related party and loan from a related party) in the consolidated statement of cash flows for the Audited Financial Statements, instead of one single item in the consolidated statement of cash flows for the Unaudited Financial Statements.
9. Adjustment made to include the advance of \$0.67 million from the subscriber of ordinary shares.
10. Adjustment made to the exchange rate effects of the \$0.67 million advance received from the subscriber of ordinary shares and also the adjustment in foreign exchange rate for the repayment from a third party.