
SUNRISE SHARES HOLDINGS LTD.

Registration Number: 198201457Z

Illustrative Condensed Interim Financial Statements
For the Six Months Ended 30 June 2021

CONTENTS

Page

1.	Interim Condensed Consolidated Statement of Comprehensive Income	3
2.	Interim Condensed Balance Sheets	4
3.	Interim Condensed Consolidated Cash Flow Statement	5
4.	Interim Condensed Statements of Changes in Equity	6
5.	Selected Notes to the Condensed Interim Financial Statements	8
6.	Other Requirements as Required by the Catalist Rules	22

Interim condensed consolidated statement of comprehensive income for six-month financial period ended 30 June 2021

	Note	GROUP		
		6-month period ended 30.06.2021 ("HY2021") S\$'000 (Unaudited)	6-month period ended 30.06.2020 ("HY2020") S\$'000 (Unaudited)	Increase/ (Decrease) %
Revenue		330	80	313
Other income:	5			
-Interest		240	13	1746
Selling and Distribution expense		(3)	-	(NM)
Administrative expense		(405)	(382)	6
Profit/(loss) before tax	7	162	(289)	(NM)
Tax expense	6	(182)	(11)	1555
Loss for the period		(20)	(300)	(93)
Other comprehensive income /(loss)				
Item that are or may be reclassified subsequently to profit or loss:				
Currency translation differences arising on consolidation		198	118	68
Other comprehensive income/(loss), net of tax		198	118	68
Total comprehensive income/(loss) for the period		178	(182)	(NM)
Total comprehensive income/(loss) attributable to :-				
Owners of the Company		178	(182)	(NM)

NM denotes not meaningful

Interim condensed balance sheets as at 30 June 2021

	GROUP		COMPANY	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Assets				
Subsidiaries	-	-	337	337
Right of Use Assets	21	28	-	-
Non-current assets	21	28	337	337
Trade and other receivables	3,928	5,008	777	474
Cash and cash equivalents	2,413	961	126	152
Current assets	6,341	5,969	903	626
Total assets	6,362	5,997	1,240	963
Equity				
Share Capital	25,668	25,668	25,668	25,668
Reserves	(20,077)	(20,255)	(25,004)	(24,833)
Total equity	5,591	5,413	664	835
Liabilities				
Current lease liabilities	14	14	-	-
Trade and other payables	193	274	172	128
Loan from Shareholder	404	-	404	-
Current tax liabilities	153	282	-	-
Current liabilities	764	570	576	128
Non-current lease liabilities	7	14	-	-
Non-current liabilities	7	14	-	-
Total liabilities	771	584	576	128
Total equity and liabilities	6,362	5,997	1,240	963

Interim condensed consolidated cash flow statement for six-month financial period ended 30 June 2021

	<u>HY2021</u> <u>S\$'000</u> <u>(Unaudited)</u>	<u>HY2020</u> <u>S\$'000</u> <u>(Unaudited)</u>
<u>Cash Flows from Operating Activities</u>		
Profit/(Loss) before tax from the operations	162	(289)
Adjustments for :-		
Bank interest -net	-	(13)
Interest Income on loans to third party	(240)	-
Depreciation	7	-
Operating cash flow before working capital changes	(71)	(302)
Change in working capital:		
Trade and other receivables	1,080	201
Trade and other payables	(82)	(50)
Cash generated from operations	998	151
Income tax paid	(312)	(100)
Cash flows from /(used in) operating activities	615	(251)
<u>Cash Flows from Investing Activities</u>		
Bank Interest received	-	13
Interest Income on loans to third party	240	-
Project investment fund due from third party	-	(3,541)
Cash flows from /(used in) investing activities	240	(3,528)
<u>Cash Flows from Financing Activities</u>		
Proceed from issuance of shares	-	58
Loan from shareholder	404	-
Repayment of lease liabilities	(7)	-
Cash flows from financing activities	397	58
Net increase/(decrease) in cash and cash equivalents	1,252	(3,721)
Cash and cash equivalents at beginning of financial year	961	4,979
Effect of exchange rate changes on cash balances held in foreign currencies	200	82
Cash and cash equivalents at end of financial period	2,413	1,340
Represented by :-		
Cash at bank and in hand	2,413	1,340
Fixed deposits	-	-
	2,413	1,340

Interim condensed statements of changes in equity for six-month financial period ended 30 June 2021

	Share capital	Foreign currency translation reserve	Statutory reserves	Other reserves	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP (Unaudited)						
At 1 January 2021	25,668	(70)	523	-	(20,708)	5,413
Total comprehensive income						
Loss for the period	-	-	-	-	(20)	(20)
Other comprehensive income:						
Foreign currency translation differences arising from the translation of foreign operations	-	198	-	-	-	198
Total other comprehensive income, net of tax	-	198	-	-	(20)	178
Issue of shares	-	-	-	-	-	-
At 30 June 2021	25,668	128	523	-	(20,728)	5,591

	Share capital	Foreign currency translation reserve	Statutory reserves	Other reserves	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP (Unaudited)						
At 1 January 2020	24,937	(271)	302	-	(20,637)	4,331
Issuance of shares	731					731
Total comprehensive income						
Loss for the period	-	-	-	-	(300)	(300)
Other comprehensive loss:						
Currency translation differences arising on consolidation		118				118
Total comprehensive income, net of tax		118			(300)	(182)
At 30 June 2020	25,668	(153)	302	-	(20,937)	4,880

COMPANY (Unaudited)	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2021	25,668	(24,833)	835
Loss for the period/representing total comprehensive loss for the period	-	(171)	(171)
At 30 June 2021	25,668	(25,004)	664
At 1 January 2020	24,937	(24,161)	776
Issue of shares	731		731
Loss for the period/representing total comprehensive loss for the period	-	(272)	(272)
At 30 June 2020	25,668	(24,433)	1,235

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate Information

Sunrise Shares Holdings Ltd. provides property consultancy and management services mainly in the region of PRC. For HY2021, the company have commenced in several real estate development consultancy projects and property management consultancy projects. The size of real estate involved in the consultancy projects are over 180,000 square meters and the group generated SGD 330,000 revenue in these projects.

The principal activities of the Company is engaged in the provision of property consultancy and management services to property management companies in 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 and brokerage service.

The Company (Co. Reg. No. 198201457Z) is incorporated and domiciled in Singapore. The address of its registered office is at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712.

The Company was listed on the Catalist Board of the SGX-ST on 14 December 1994.

2. Basic of Preparation

The interim condensed financial statement for the six-month financial period ended 30 June 2021 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 interim condensed 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 annual financial statements for the financial statements for the financial year ended 31 December 2020. The condensed interim financial statements for the six months ended 30 June 2021 have been prepared on a going concern basis.

The accounting policies 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.

The interim policies 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.

The interim condensed 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 Significant accounting judgements and estimates

In preparing the interim condensed financial statements, management has made judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although 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 ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 2020.

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.

There were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

3. Seasonal Operations

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

4. Segment Reporting

The Group had two reportable segments as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For the strategic business units, the Group's CEO and other key management personnel (collectively CODM) reviews internal management reports on a monthly basis to make strategic decisions and resource allocation. The following summary describes the operations in each of the Group's reportable segments:

- (a) Property consultancy and management.
- (b) Investment segment

In June 2021, the Group allocated SGD 520,000 in Investment segment and no reportable income and loss occurred in the interim financial period.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by

the Group's CODM. Segment (loss)/profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	Property consultancy and management S\$'000	Investment segment S\$'000	Eliminations S\$'000	Total S\$'000
HY2021				
<i>Segment revenue</i>				
Sales to external customers	330	-	-	330
Intersegment sales	-	-	-	-
Total revenue	330	-	-	330
Segment profit/(loss) before tax	99	-	-	99
Others				(177)
Finance income	240	-	-	240
Profit before tax				162
Tax expense				(182)
Net loss attributable to owners of the Company				(20)
<i>Assets and liabilities:</i>				
Reportable segment assets	5,668	520	-	6,188
Unallocated assets				174
				6,362
Reportable segment liabilities	242	-	-	242
Unallocated liabilities				529
				771

Segment information (cont'd)

	Property consultancy and management S\$'000	Investment segment S\$'000	Eliminations S\$'000	Total S\$'000
HY2020				
<i>Segment revenue</i>				
Sales to external customers / Income	80	-	-	80
Intersegment sales/ Income	-	-	-	-
Total revenue	80	-	-	80
Segment profit/(loss) before tax	(3)	-	-	(3)
Others				(299)
Reportable segment finance income	-	-	-	14
Others				(1)
Finance income				13
Loss before tax				(289)
Tax expense				(11)
Net loss attributable to owners of the Company				(300)
<i>Assets and liabilities:</i>				
Reportable segment assets	4,194	-	-	4,194
Unallocated assets				789
				4,983
Reportable segment liabilities	0	-	-	0
Unallocated liabilities				103
				103

Segment revenue	6-month period ended 30.06.2021 S\$'000 (Unaudited)	6-month period ended 30.06.2020 S\$'000 (Unaudited)
Property consultancy and management	330	80
Investment segment	-	-

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

	GROUP	
	6-month period ended 30.06.2021 S\$'000 (Unaudited)	6-month period ended 30.06.2020 S\$'000 (Unaudited)
<i>Timing of revenue recognition</i>		
At a point in time:		
Sales brokerage commission	78	-
Over time:		
Property consultancy and management fee	252	80
	<u>330</u>	<u>80</u>

Geographical Information

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.

	Revenue S\$'000	Non-current assets S\$'000
<u>30 June 2021</u>		
China	330	21
Singapore	-	-
Other countries	-	-
	<u>330</u>	<u>21</u>
<u>30 June 2020</u>		
China	80	-
Singapore	-	-
Other countries	-	-
	<u>80</u>	<u>-</u>

5 Other Income

	6-month period ended 30.06.2021 S\$'000 (Unaudited)	6-month period ended 30.06.2020 S\$'000 (Unaudited)
Interest income		
- Bank deposits	-	13
- Interest expense ROU	(1)	-
- Third party	241	-
	<u>240</u>	<u>13</u>

6 Tax Expense

	GROUP	
	6-month period ended 30.06.2021 S\$'000 (Unaudited)	6-month period ended 30.06.2020 S\$'000 (Unaudited)
Tax expense attributable to profits is made up of:		
- Current income tax provision	24	11
- Dividend tax (Hong Kong subsidiary receive dividend from China subsidiary)	158	-
	<u>182</u>	<u>11</u>

7 Loss for the Period

	GROUP	
	6-month period ended 30.06.2021 S\$'000 (Unaudited)	6-month period ended 30.06.2020 S\$'000 (Unaudited)
Loss for the financial period is arrived at after charging:		
Professional fee	36	51
Staff costs and Directors fee	249	216
Lease Expense	7	7
Agent Fee	3	-
Other Expense (Office expense, travel and entertainment)	113	108

8 Earning/(loss) per Share

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	GROUP	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 30.06.2020 S\$'000 (Unaudited)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	209,337	209,337
Basic and diluted earnings/(loss) per share (cents per share)	(0.01)	(0.14)

9. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the:-

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

GROUP		COMPANY	
30.06.2021	31.12.2020	30.06.2021	31.12.2020
Singapore cents	Singapore cents	Singapore cents	Singapore cents
2.67	2.59	0.32	0.40

The net asset value per ordinary share is calculated based on the Company's issued share capital of 209,337,290 ordinary shares as at 30 June 2021 and 31 December 2020.

10. Right-of-use Assets and Lease Liabilities

The Group as a lessee

Nature of the Group's leasing activities

The Group leases office unit from non-related party with a tenure of 3 years. Information about leases for which the Group is a lessee is presented below:

Amounts recognised in statement of financial position

	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
<u>Carrying amount of right-of-use assets</u>		
Office unit	21	28
<u>Carrying amount of lease liabilities</u>		
Non-current	7	14
Current	14	14
	21	28
Additions during the financial year	-	41

Amounts recognised in profit or loss

	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Depreciation charge for the financial period	7	13
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense - short term leases	3	7
Interest expense on lease liabilities	-	1

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Balance at 1 January	28	-
Additions	-	41
Changes from financing cash flows:		
- Repayments	(7)	(13)
- Interest paid	-	(1)
Non-cash changes:		
- Interest expense	-	1
- Effect of changes in foreign exchange rates	-	-
Balance at 30 June 2021 / 31 Dec 2020	21	28

11 Investment in Subsidiaries

	COMPANY	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Unquoted equity shares, at cost		
At 1 January	337	337
Disposal	-	-
At the end of period	337	337
Allowance for impairment loss		
At 1 January	-	-
Disposal	-	-
At the end of period	-	-
Net carrying amount	337	337

(a) Details of subsidiaries held by the Company are:

Name of subsidiary and country of incorporation	Principal activities	Effective equity interest	
		30.6.2021 %	31.12.2020 %
Sunrise Industrial (Singapore) Pte. Ltd. ⁽¹⁾⁽³⁾ (Singapore)	Property fund management and real estate investment trusts	100	100
Sunrise Investment Limited ⁽¹⁾ (Cayman Island)	Investment holding	100	100
<u>Held by Sunrise Industrial (Singapore) Pte. Ltd.</u>			
Hong Kong Sunrise Industrial Development Limited (f.k.a Hong Kong Sunrise Consultant Investment Limited ⁽¹⁾⁽²⁾) (Hong Kong)	Property consultancy, management and related services	100	100
Australia Sunrise Consultant Management Pty. Ltd. ⁽¹⁾⁽²⁾ (Australia)	Property consultancy, management and related services	100	100

Held by Hong Kong Sunrise
Industrial Development
Limited

Hong Kong Sunrise Consultant Limited ⁽⁴⁾ (f.k.a “Hong Kong Sunrise Development Limited”) (Hong Kong)	Investment holding company	100	100
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Held by Hong Kong Sunrise
Consultant Limited

Shenzhen Sunrise Development Limited ⁽⁵⁾ (China)	Property consultancy, management and related services	100	100
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Held by Shenzhen Sunrise
Development Limited

Shenzhen Kimshek Construction Project Management Limited (f.k.a Shenzhen Zhongtong Development Ltd) ⁽⁵⁾ (China)	Property consultancy, management and related services	100	100
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Shenzhen Kimshek Consultancy Management Limited (f.k.a Shenzhen Sunrise Consultancy Management Ltd) ⁽⁵⁾ (China)	Property consultancy and project management	100	100
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¹ Not a significant subsidiary under SGX Listing Rule 717.

² The registered share capital of these companies has not been paid as at 30 June 2021.

³ The entity is inactive since 2017.

⁴ Audited by independent member firm of Baker Tilly International.

⁵ Audited by independent member firm of Baker Tilly International for group consolidation purpose.

12 Trade and Other Receivables

	GROUP		COMPANY	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Trade receivables	183	1,016	-	-
Deposits	-	4	-	-
Prepayments	-	303	-	-
Other receivables	3,745	3,685	-	-
Amount due from subsidiaries	-	-	777	474
	3,928	5,008	777	474

Amount due from subsidiaries is non-trade in nature, unsecured, interest free and repayable on demand.

Included in other receivables is loan to a third party of S\$3,744,549 as at 30 June 2021 (31 December 2020: S\$3,685,728). This loan is secured by the third party's properties revenue, the contract renewed and extended one year (till May 2022) in May 2021 and bears interest of 15% per annum (13.8% per annum before renewal) and repayable within one year.

13 Share Capital

	30.06.2021		30.06.2020	
	Number of issued shares	Issued share capital S\$	Number of issued shares	Issued share capital S\$
Balance at beginning of financial year	209,337,290	25,668,295	209,337,290	25,668,295
Share issue	-	-	-	-
Balance at end of financial period	209,337,290	25,668,295	209,337,290	25,668,295

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.

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2020, 31 December 2020 and 30 June 2021.

14 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.

15 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.

16 Other Reserve

Other reserve relates to the difference of the net recognised amount of the identifiable assets acquired and liabilities assumed over fair value of the consideration on the acquisition of the non-controlling interests in prior years.

17 Trade and Other Payables

	GROUP		COMPANY	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Trade payables	64	82	-	-
Accruals	129	187	125	104
Other payables	-	5	-	-
Amount due to a subsidiary	-	-	47	24
Loan from shareholder	404	-	404	-
	597	274	576	128

Amount due to a subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

In June 2021, a related party, which has the same controlling shareholder as the Company, extended two loans to the Company. The amount of the loan are USD 300,000 and USD 200,000, each loan carry an annual interest of 1.2% and the loan ends in 12 months commencing from the time when the loan was disbursed. The interest will be paid at the end of the loan period. The Company has received USD 300,000 on 3rd June 2021 and the USD 200,000 has been received on 1st July 2021. The loans are unsecured and there are no collateral provided. The loan from shareholder shown in the above table only included the USD 300,000 loan as the USD 200,000 loan was only received on 1st July 2021.

18 Related Party Transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	GROUP	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Loan from a related party (shareholder)	404	-

The details of the loan please refer to Section 17.

Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	GROUP	
	As at 30.06.2021 S\$'000 (Unaudited)	As at 31.12.2020 S\$'000 (Audited)
Directors of the Company		
- Directors' fee	50	110
- Short-term employee benefits	-	-
	50	110
Directors of the subsidiaries		
- Short-term employee benefits	24	48
Other key management personnel		
- Short-term employee benefits	70	159
Total key management personnel benefits incurred by the Group	144	317

19 Fair Values 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:

- a) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) 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
- c) 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.

20 Subsequent Events

Shenzhen Kimshek Consultancy Management Limited ("SKCM") and Zhuhai Huitong Real Estate Development Limited ("Zhuhai Huitong") had on 28 May 2020 entered into a Consultancy and Management Services Agreement ("Agreement") in connection with the provision of consultancy management services by SKCM to Zhuhai Huitong for the property development project located in Zhuhai city, Guangdong province, the PRC] ("Property Project"). The entry into the Agreement was in the ordinary course of business of SKCM.

The salient terms of the Agreement were, *inter alia*, as follows:-

- (i) period of the Agreement is from the date of execution of the Agreement till 2 years after the sale launch of the Property Project.
- (ii) basic consultation fee payable to SKCM is RMB 100,000 (or approximately S\$ 20,000) per month and it will be paid quarterly.
- (iii) there will be commission payable to SKCM in the event units of the Property Project are leased out or sold.

Pursuant to the Agreement, the consultancy fees paid to SKCM were S\$140,000 and S\$120,000 in FY2020 and HY2021 respectively. The consultancy fees arising from this Agreement accounted for 12.1% and 36.4% of the Group's revenue in FY2020 and HY2021.

As the sales permit/license for the Property Project have not been secured, SKCM and Zhuhai Huitong have on 11 August 2021 agreed mutually to terminate the Agreement. After mutual agreement, Zhuhai Huitong will pay SKCM a one-time early termination compensation fee of RMB1.8 million ("Compensation Fee") within 7 days from the date of termination.

The receipt of such Compensation Fee would have a material positive impact on the Group's financial performance in terms of EPS and financial position in terms of NTA/share for the current financial year ending 31 December 2021.

OTHER REQUIREMENTS AS REQUIRED BY THE CATALIST RULES

1. Review

The interim condensed consolidation balance sheet of Sunrise Shares Holdings Ltd and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

1A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

This is not required for any audit issue that is a material uncertainty relating to going concern.

2A. Review of the Performance of the Group

Revenue from operations increased by 313% or approximately S\$0.25 million, from approximately S\$0.08 million in HY2020 to approximately S\$0.33 million in HY2021, mainly due to the monthly service fee income. The Company's service to clients were back to normal in 2021 which greatly affected the consultant revenue in the first six months and result in higher revenue compare to HY2020.

Administrative expenses (comprising staff costs and other expenses) increased by 6% or approximately S\$0.02 million, from approximately S\$0.38 million in HY2019 to approximately S\$0.41 million in HY2021. This was mainly due to increase in staff cost of approximately S\$0.04 million as the Company has more head count in operation team compare to HY2020 and offset partially by decrease in professional fees of approximately S\$0.02 million.

Investment income of S\$0.24 million in HY2021 relates to an investment loan to a third party (namely, Hainan Sun City Holding Company) of a total amount of S\$3.75 million as at 30 June 2020 with 13.8% annual interest, and the loan interest increase to 15% p.a. after being renewed in May 2021. The Company has no bank interest income in HY2021 compared to approximately S\$0.01 million in HY2020, which result to a total finance income of approximately S\$0.24 million in HY2020.

Tax expense amounted to approximately S\$0.18 million in HY2021, as compared to S\$0.01 million in HY2020. The increase mainly related to the S\$0.16 million of dividend tax (5% tax rate) in the PRC related to the company's 100% owned Hong Kong subsidiary received dividend from its China subsidiary. As a result of the above, the Group reported net loss after tax of approximately S\$0.02 million in HY2021, as compared to net loss of approximately S\$0.30 million in HY2020.

2B. Review of the Group's Financial Position

Current Assets

Trade and other receivables decreased by S\$1.08 million, mainly due to S\$1.00 million commission receivable in FY2020 has been received and there are no new commission receivable occurred in HY2021. The short-term investment loan extended by Group to a third party (namely, Hainan Sun City holding Company) in a total amount of S\$3.75 million as at 30 June 2021 with 13.8% annual interest in FY2020 to May 2021 are still valid and extended for one year (15% annual interest from June 2021 to May 2022). The loan is secured by the client's properties revenue and repayable in June 2022. The usage of the loan are restricted in the property project which the company provide the project management service and owned by Hainan Sun City holding Company. Board is satisfied with the risk associated with the investment and recoverability of such investment.

Cash and cash equivalents is increased from S\$0.96 million as at FY2020 to S\$2.41 million at 30 June 2021. The increase mainly due to the receive of S\$1.00 million of commission receivable from FY2020 and S\$0.40 million shareholder loan extended by the controlling shareholder. For more information about the loan, please refer the section 17 "Trade and other payables" above.

Current Liabilities

Current liabilities increased by S\$0.19 million from S\$0.57 million in FY2020 to S\$0.76 million in HY2021. The increase mainly due to the S\$0.40 million shareholder loan mentioned above and partly counter by the decrease of S\$0.08 million in Trade and other payables and a decrease of S\$0.13 million in current tax liabilities.

Right of Use Asset

Due to the implementation of IFRS 16, the Company is required to capitalize the office rental contract in Company's book. The effect in the balance sheet as following: 1) Increase of S\$0.02 million of right of use asset in non-current assets. 2) Increase of S\$0.01 million in current lease liabilities in current liabilities and 3) Increase of S\$7,000 in non-current lease liabilities in non-current liabilities.

Working Capital

The Group recorded a positive working capital of S\$5.58 million as at 30 June 2021, as compared to a positive working capital of S\$5.40 million as at 31 December 2020.

2C. Review of Cash Flow Statement

Net cash flows in operating activities amount to S\$0.62 million in HY2021, due to operating cash used before working capital changes of S\$0.07 million, net cash inflow from working capital of S\$1.00 million and income tax paid of S\$0.31 million. Net cash flow from working capital was due to decrease of S\$1.08 million in trade and other receivables and partly offset by the decrease of trade and other payables of S\$0.08 million.

Net cash flow generated from investing activities amounted to S\$0.24 million in HY 2021, mainly due to the interest income from the S\$3.75 million loan extended by the Group to a third party (namely, Hainan Sun City Holding Company).

Net cash flow generated from financing activities amount of S\$0.40 million in HY2021, due to the loan from shareholder of S\$0.40 million in HY2021 and partly offset by the cash outflow of S\$7,000 relate to the repayment of lease liabilities.

As a result, the Group has a net increase in cash of S\$1.25 million and cash balance of S\$2.41 million as at 30 June 2021 as compared to net decrease in cash of S\$3.72 million and cash balance of S\$1.34 million as at 30 June 2020.

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

Results for HY2021 is in line with the profit guidance announcement made on 11 August 2021.

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.

As the pandemic eases globally and especially in China, the Group's performance has improved in first half year of 2021 compare to first half of year 2020. The real estate market in China is still expected to be challenging in year 2021 as the government has put out policies in the first-tier and second-tier cities aiming to keep the housing price at a relatively low level. The cost cutting measures has given a solid start for the Group's developments in 2021. The Group is actively seeking new investment opportunities to increase the return for shareholders.

5. Dividend

(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) 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.

No 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 for the current financial period reported on 30 June 2021 as the Group intends to conserve its cash for growth in anticipation of an overall challenging business environment.

7. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), 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.

No IPT mandate has been obtained from shareholders of the Company.

In June 2021, a related party, which has the same controlling shareholder as the Company, extended two loans to the Company. The amount of the loan are USD 300,000 and USD 200,000, each loan carry an annual interest of 1.2% and the loan ends in 12 months commencing from the time when the loan was disbursed. The interest will be paid at the end of the loan period. The Company has received USD 300,000 on 3rd June 2021 and the USD 200,000 has been received on 1st July 2021. The loans are unsecured and there are no collateral provided.

The total interest expenses for the two loans will be SGD 8,000 for the whole tenure of the loans. The Audit Committee is of the view that the loans are i) for the benefit of the Group; ii) on normal commercial terms; and iii) are not prejudicial to the interests of the Company and its minority shareholders.

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)

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

9. Use of Proceeds

(A) Proceeds from placement exercise in January 2020

The Company had, on 2 January 2020, completed a placement exercise and allotted and issues 31,000,000 new ordinary shares in the capital of the Company at the issue price of S\$0.0236 per share representing gross proceeds of approximately S\$710,000 ("Proceeds"). As at the date of this report, the Proceeds had been partly utilised as follows:

	Amount allocated (S\$'000)	Amount utilized (S\$'000)	Balance (S\$'000)
Intended uses			
Investment in overseas property management and consultancy and hospitality management opportunities	284	-	284
General working capital	426	426	-
Total	710	426	284

	Amount utilized (S\$'000)
Staff cost	204
Director's remuneration	60
Professional fee	162
Total	426

(B) Proceeds from the loan in June 2021

The Company had, on 3rd June 2021, received a loan of S\$ 404,000 (USD 300,000) from the controlling shareholder of the Company . As at the date of this report, the Proceeds had not been utilised as follows:

	Amount allocated (S\$'000)	Amount utilized (S\$'000)	Balance (S\$'000)
Intended uses			
Investment in overseas property management and consultancy and other investment opportunities	404	-	404
Total	404	-	404

	Amount utilized (S\$'000)
Investment	0
Total	0

10. In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

As at 30 June 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	404	-	-

Amount repayable after one year

As at 30 June 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

In June 2021, a related party, which has the same controlling shareholder as the Company, extended two loans to the Company. The amount of the loan are USD 300,000 and USD 200,000, each loan carry an annual interest of 1.2% and the loan ends in 12 months commencing from the time when the loan was disbursed. The interest will be paid at the end of the loan period. The Company has received USD 300,000 on 3rd June 2021 and the USD 200,000 has been received on 1st July 2021. The loans are unsecured and there are no collateral provided. The loan from shareholder shown in the above table only included the USD 300,000 loan as the USD 200,000 loan was only received on 1st July 2021.

Details of any collateral

Not applicable.

11. Negative Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of Sunrise Shares Holdings Ltd., hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements of SSSL for the period from 1 January 2021 to 30 June 2021 to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Wong Siu Fai
Executive Director and Chairman

Zheng Aimin
Lead Independent Director

14 Aug 2021

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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 Foo Quee Yin, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271