

SUNRISE SHARES HOLDINGS LTD.

Incorporated in the Republic of Singapore
(Company Registration Number: 198201457Z)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2020**

*This announcement has been prepared by Sunrise Shares Holdings Ltd. (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 (“**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.

PART 1 – INFORMATION REQUIRED FOR HALF YEAR RESULTS ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		
		6-month period ended 30.06.2020 ("HY2020") S\$'000 (Unaudited)	6-month period ended 30.06.2019 ("HY2019") S\$'000 (Unaudited)	Increase /(Decrease) %
	Note			
Continuing operations				
Revenue		80	937	(91)
Administrative expenses	1	(382)	(676)	(43)
Finance income, net		13	43	(70)
Profit/(Loss) before tax		(289)	304	NM
Tax expense		(11)	(217)	(95)
(Loss)/ profit for the period		(300)	87	NM
Discontinuing operations				
Gain from discontinuing operations (net of tax)	2	-	85	(100)
(Loss)/ profit for the period		(300)	172	NM
(Loss)/ profit attributable to:-				
Owners of the Company		(300)	172	NM

Statement of Comprehensive Income

(Loss)/ profit for the period

Other comprehensive profit or loss

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

Foreign currency translation difference arising from the translation of foreign operations

- Continuing operations

Foreign currency translation difference arising from disposal of subsidiaries

Other comprehensive income, net of tax

Total comprehensive (loss)/ profit for the period

Total comprehensive (loss)/ profit attributable to :-

Owners of the Company

(300)	172	NM
118	31	281
-	1,067	(100)
118	1,098	(89)
(182)	1,270	NM
(182)	1270	NM

NM denotes not meaningful

1(a)(ii) Notes to Consolidated Statement of Profit or Loss

The Group's net profit was arrived after crediting / (charging) the following:

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

Note 1

Administrative expenses includes the following:-

- 1) Professional fees
- 2) Expenses in connection with the Disposal
- 3) Staff cost and Directors fee
- 4) Others (office expense, travel and entertainment)

Note 2

Gain from discontinuing operations includes the following:-

- 1) Exchange translation loss
- 2) Operational gain

Group		
6-month period ended 30.06.2020 S\$'000 (Unaudited)	6-month period ended 30.06.2019 S\$'000 (Unaudited)	Increase/ Decrease %
(51)	(140)	(64)
-	(21)	(100)
(216)	(317)	(32)
(115)	(198)	(42)
-	(55)	(100)
-	140	(100)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30.06.2020 S\$'000 (Unaudited)	As at 31.12.2019 S\$'000 (Audited)	As at 30.06.2020 S\$'000 (Unaudited)	As at 31.12.2019 S\$'000 (Audited)
Assets				
Subsidiaries	-	-	337	337
Non- current assets	-	-	337	337
Trade and other receivables	3,643	263	274	340
Cash and cash equivalents	1,340	4,979	726	924
	4,983	5,242	1000	1,264
Total Assets	4,983	5,242	1337	1,601
Equity				
Share Capital	25,668	24,937	25,668	24,937
Reserves	(20,788)	(20,606)	(24,433)	(24,161)
Total Equity	4,880	4,331	1,235	776
Liabilities directly associated with the asset held for sales	-	-	-	-
	-	-	-	-
Current Liabilities				
Trade and other payables	154	838	102	825
Current tax Liabilities	(53)	73	-	-
	103	911	102	825
Total Liabilities	103	911	102	825
Total Equity and Liabilities	4,983	5,242	1,235	1,601

1(b)(ii) 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 2020 (Unaudited)		As at 31 December 2019 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30 June 2020 (Unaudited)		As at 31 December 2019 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement, for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities

Profit before tax from the continuing operations
Profit before tax from the discontinuing operations

Adjustments for :-

Interest income
Gain from discontinuing operations
Operating cash flow before working capital changes

Change in working capital:

Trade and other receivables
Trade and other payables
Cash generated from operations
Income tax paid
Cash flows (used in) operating activities

Cash Flows from Investing Activities

Interest received

HY2020 S\$'000 (Unaudited)	HY2019 S\$'000 (Unaudited)
(289)	304
-	105
(289)	409
(13)	(43)
-	(105)
(302)	261
201	(223)
(50)	(1,267)
(151)	(1,229)
(100)	(792)
(251)	(2,021)
13	43

Proceeds from disposals of subsidiaries
Receipt of repayment of loan due from third party
Project investment fund due from third party
Cash flows (used in)/ from investing activities

-	1,300
-	1,406
(3,541)	-
(3,528)	2,749

Cash Flows from Financing Activities

Proceed from issuance of shares
Loan from shareholder
Cash flows from financing activities

58	-
-	500
58	500
(3,721)	1,228
4,979	3,642
82	91
1,340	4,961

Net (decrease)/ increase in cash and cash equivalents
Cash and cash equivalents at beginning of the financial period
Effect of exchange rate changes on cash balances held in foreign currencies
Cash and cash equivalents at end of the financial period

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP (Unaudited)

At 1 January 2020

Issuance of shares

Total comprehensive loss

Loss for the period

Other comprehensive income:

Foreign currency translation
differences arising from the translation
of foreign operations

Total comprehensive (loss) for the period

As 30 June 2020

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
24,937	(271)	302	-	(20,637)	4,331
731	-	-	-	-	731
-	-	-	-	(300)	(300)
-	118	-	-	-	118
-	118	-	-	(300)	(182)
25,668	(153)	302	-	(20,937)	4,880

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)

As 1 January 2019

Total comprehensive income

Profit for the period

Other comprehensive Income:

Foreign currency translation differences arising from the translation of foreign operations

Foreign currency translation differences arising from disposal of subsidiaries

Total other comprehensive income, net of tax

Disposal of subsidiaries

At 30 June 2019

24,937	(1,214)	301	77	(19,488)	4,613
-	-	-	-	172	172
-	31	-	-	-	31
-	1,067	-	-	-	1,067
-	1,098	-	-	172	1,270
-	-	-	(77)	(1,075)	(1,152)
24,937	(116)	301	-	(20,391)	4,731

COMPANY (S\$'000) (Unaudited)

At 1 January 2020

Issuance of shares

Loss and total comprehensive loss for the period

At 30 June 2020

Share Capital	Accumulated losses	Total
24,937	(24,161)	776
731	-	731
-	(272)	(272)
25,668	(24,433)	1,235

At 1 January 2019

Loss and total comprehensive loss for the period

At 30 June 2019

24,937	(23,150)	1,787
-	(544)	(544)
24,937	(23,694)	1,243

1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus issues, subdivision, consolidation, share buy-backs, exercises of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The changes in the issued capital of the Company since the last reported financial period are set out below:

	Issued and fully paid-up ordinary shares	Share Capital S\$'000
Balance as at 31 December 2019	178,337,290	24,937
Add: Allotment issuance of new shares	31,000,000	731
Balance as at 30 June 2020	209,337,290	25,668

On 2 January 2020, the Company had issued and allotted 31,000,000 shares to Mr. Cheung Chi Hung ("**Mr. Cheung**"), in relation to the subscription agreement entered into between Mr. Cheung and the Company on 8 November 2019 (the "**Placement**").

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.

	As at 30 June 2020	As at 31 December 2019
Total number of issued shares	209,337,290	178,337,290

The Company did not have any treasury shares as at 30 June 2020 and 31 December 2019.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and /or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and /or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer or opinion (other than a material uncertainty related to going concern):-**

- (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 issues on the financial statements have been adequately disclosed.**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation as those in the audited financial statements for the financial year ended 31 December 2019.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

The Group has adopted all the new and revised accounting standards where relevant to its operations and effective for the annual periods beginning on or after 1 January 2020.

The adoption of the new and revised accounting standards which are relevant to its operations did not result in any significant financial impact on the results of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

Profit/(Loss) for the period from:

- Continuing operations (S\$'000)
- Discontinuing operations (S\$'000)

Weighted average numbers of shares

Group	
HY2020	HY2019
(300)	87
-	85
209,337,290	178,337,290

Basic earnings/(loss) per shares from:

- (i) Continuing operations (Singapore cents)
- (ii) Discontinuing operations (Singapore cents)

(0.14)	0.05
-	0.05
(0.14)	0.05
-	0.05

Diluted earnings/(loss) per shares from:

- (i) Continuing operations (Singapore cents)
- (ii) Discontinuing operations (Singapore cents)

The Group does not have any preferred, convertible, option, warrants or other dilutive shares in HY2020 and HY2019.

7. 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	
30.06.2020 Singapore cents	31.12.2019 Singapore cents	30.06.2020 Singapore cents	31.12.2019 Singapore cents
2.33	2.43	0.59	0.44

The net asset value per ordinary share is calculated based on the Company's issued share capital of 209,337,290 as at 30 June 2020 and 178,337,290 ordinary shares as at 31 December 2019, respectively.

8. 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 reported on, including (where applicable) seasonal or cyclical factors; and**
- (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 THE GROUP'S PERFORMANCE

Revenue from operations decreased by approximately 91% or S\$0.86 million, from S\$0.94 million in HY2019 to S\$0.08 million in HY2020, mainly due to the effects brought about by the COVID-19 outbreak. The operations at the client's site were forced to shut down for at least three months since February 2020 due to the restrictions put in place by the People's Republic of China's ("PRC") government. Normal operations at the client's site were gradually allowed to resume in late May 2020 which had greatly affected the revenue in relation to the consulting fees and commission for the first six months. The Group had also entered into two new property consultancy / sales agent contracts in HY2020.

Administrative expenses decreased by approximately 43% or S\$0.30 million, from S\$0.68 million in HY2019 to S\$0.38 million in HY2020. This was mainly due to the (i) decrease in professional fees of S\$0.08 million, (ii) decrease in expenses of S\$0.02 million in connection with 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., (iii) decrease of staff cost of S\$0.1 million as the Company had to down-size its operations team and (iv) decrease of office and travel expenses of S\$0.1 million.

Finance income of S\$13,000 in HY2020 and S\$43,000 in HY2019 relates to interest earned from money placed in fixed deposit in bank.

Tax expense amounted to S\$11,000 in HY2020, as compared to S\$217,000 in HY2019, mainly due to (a) the overall loss before income tax position recorded by the Group in HY2020 as compared to a profit before income tax recorded in HY2019, and (b) certain entities within the Group recording a profit before income tax position for the relevant period of HY2020.

As a result of the above, the Group reported a net loss of S\$300,000 in HY2020, as compared to a net profit of S\$87,000 in HY2019, excluding the gain from the discontinuing operations.

REVIEW OF THE GROUP'S FINANCIAL POSITION

i) Current Asset

Other receivables increased by approximately S\$3.38 million, mainly due a short term project investment fund of S\$3.5 million (the “**Project Investment Fund**”) extended by the Group to a third party, Hainan Sun City Holding Company (“**HSCHC**”). The Project Investment Fund is guaranteed by the revenue generated from HSCHC’s properties and is repayable within one year (inclusive of a 13.8% guaranteed annual investment return on the Project Investment Fund to be provided by HSCHC and payable every six (6) months). This Project Investment Fund is part of the terms of the new property consultancy / sales agent contract (the “**Contract**”) entered into between the Company and HSCHC.

The Project Investment Fund is made in the ordinary course of business pursuant to the diversification of the Group’s business to include the Investment Business as defined in the Company’s circular dated 27 May 2019, which the Company had sought and obtained Shareholders’ approval. Notwithstanding that the Project Investment Fund constitutes approximately 72.6% of the Group’s net asset value as at 30 June 2020, the Company and the Board of Directors are of the view that the Project Investment Fund is part fulfilling the terms of the Contract and is not expected to change the risk profile of the Company. Due to confidentiality obligations under the terms of the Contract, the Company is unable to disclose any further details in respect of the Project Investment Fund or the Contract.

Cash and cash equivalents decreased from approximately S\$4.98 million as at 31 December 2019 to approximately S\$1.34 million as at 30 June 2020. The decrease was mainly due to the abovementioned project investment fund to HSCHC. Please refer the section entitled “Cash Flow Analysis” below for further information.

ii) Current Liabilities

Trade and other payables decreased by approximately S\$0.68 million from S\$0.83 million as at 31 December 2019 to S\$0.15 million as at 30 June 2020. This was mainly due to the settlement of professional fees in relation to, amongst others, the auditor’s fee, continuing listing fees and corporate secretary’s fee.

Current tax liabilities decreased by S\$126,000, from S\$73,000 as at 31 December 2019 to negative S\$53,000 as at 30 June 2020. The negative current tax liabilities was due to the prepayment of profit tax in PRC in the first half of the year and will be offset in the second half of the financial year.

iii) Working Capital

The Group recorded a positive working capital of approximately S\$4.88 million as at 30 June 2020, as compare to a positive working capital of S\$ 4.33 million as at 31 December 2019.

Review of Cash Flow Statement

Net cash used in operating activities amount to approximately S\$0.25 million in HY2020, due to operating cash outflows before working capital changes of approximately S\$0.30 million, net cash used for working capital of approximately S\$15,000 and income tax paid of S\$0.1 million. Net cash used for working capital was due to a decrease of \$50,000 in trade and other payables and partly offset by the decrease in trade and other receivables of approximately S\$0.2 million.

Net cash used in investing activities amounted to S\$3.52 million in HY2020, mainly due to the S\$3.54 million project investment fund extended by the Group to HSCHC.

Net cash flow from financing activities of \$S58,000 in HY2020 relates to the issuance of 31,000,000 new shares to Mr. Cheung. The proceed from the Placement has been fully received Group as at the date of this announcement.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Due to the easing of the Covid-19 pandemic situation in China, we expect that the Group's performance would improve significantly during the second half of 2020 as compared to first half year of 2020. As our clients in PRC resume operations and the property markets gradually recover, the Group expects to see more opportunities and developments. The cost cutting measures carried out during the first six months are gradually showing results, and giving a solid start for the Group's developments for the rest of the year. In addition, the Group had signed contracts with newly established clients, which are expected to gradually improve the Group's revenue during second half of 2020.

11. 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 HY2020.

(b) (i) Amount per share (cents)

Not applicable.

(ii) Previous corresponding period (cents)

Not applicable.

(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 of dividend is payable.

Not applicable.

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

Not applicable.

12. 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 2020 as the Group intends to conserve resources for the development of new business.

13. 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.

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. 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.

15. Negative confirmation by the board pursuant to Rule 705(5)

The Board of Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the financial period ended 30 June 2020 of the Group to be false or misleading in any material aspect.

16. Use of proceeds

Proceeds from the Placement

Intended uses	Amount allocated (S\$'000)	Balance (S\$'000)
Investments in overseas property management and consultancy and hospitality management opportunities	284	284
General working capital ⁽¹⁾	426	426
Total	710	710

Note:

(1) Comprised director's remuneration, staff cost and bank charges.

BY ORDER OF THE BOARD

Zhang Zhi Liang
Executive Director and Chief Executive Officer

14 August 2020