

SUNRISE SHARES HOLDINGS LTD.
Registration Number: 198201457Z

Condensed Interim Financial Statements
For the nine months ended 30 September 2023

Table of Contents	Page
A. Condensed interim consolidated statement of comprehensive income	3
B. Condensed interim statements of financial position	4
C. Condensed interim statements of changes in equity	5
D. Condensed interim consolidated statement of cash flows	7
E. Notes to the condensed interim consolidated financial statements	8
F. Other information required by Listing Rule Appendix 7.2	18

A. Condensed interim consolidated statement of comprehensive income for nine-month financial period ended 30 September 2023

	GROUP			
	3 MONTHS ENDED		9 MONTHS ENDED	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	33	-	319	400
Finance income	4	12	15	78
Other income	31	42	87	42
Administrative expense	(312)	(520)	(925)	(1,005)
Other expense	-	-	-	(686)
Loss before taxation	<u>(244)</u>	<u>(466)</u>	<u>(504)</u>	<u>(1,171)</u>
Tax expense	-	(25)	(5)	(211)
Loss for the financial period, net of tax	<u>(244)</u>	<u>(491)</u>	<u>(509)</u>	<u>(1,382)</u>
Loss for the period	<u>(244)</u>	<u>(491)</u>	<u>(509)</u>	<u>(1,382)</u>
Other comprehensive (loss)/income for the period:				
Item that maybe subsequently reclassified to profit or loss (net of tax):				
Currency translation difference on consolidation of foreign entities (net)	-	(17)	(97)	2
Total comprehensive loss for the period	<u>(244)</u>	<u>(508)</u>	<u>(606)</u>	<u>(1,380)</u>
Net loss attributable to :				
Equity holders of the Company	<u>(244)</u>	<u>(508)</u>	<u>(606)</u>	<u>(1,380)</u>

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
Assets					
Investment in subsidiaries	11	-	-	10	10
Non-current Asset		-	-	10	10
Trade and other receivables	12	103	28	1,408	957
Cash and cash equivalents		3,333	4,134	50	331
Current Assets		3,436	4,162	1,458	1,288
Total Assets		3,436	4,162	1,468	1,298
Equity					
Share capital	13	25,668	25,668	25,668	25,668
Reserves		(22,472)	(21,866)	(25,487)	(24,707)
Total Equity		3,196	3,802	181	961
Liabilities					
Trade and other payables	16	240	307	1,287	337
Current tax liabilities		-	53	-	-
Current Liabilities		240	360	1,287	337
Total Liabilities		240	360	1,287	337
Total Equity and Liabilities		3,436	4,162	1,468	1,298

C. Condensed interim statements of changes in equity

Group	Share	Foreign	Statutory	Accumulated	Total
	capital	currency	reserve	losses	
2023	SS'000	translation	reserve	SS'000	SS'000
		reserve	SS'000	SS'000	
Balance as at 1 January 2023	25,668	125	523	(22,514)	3,802
Total comprehensive loss					
Loss for the period	-	-	-	(509)	(509)
Other comprehensive loss: Foreign currency translation arising from the translation of foreign operations	-	(97)	-	-	(97)
Total comprehensive loss, net of tax	-	(97)	-	(509)	(606)
Balance as at 30 September 2023	25,668	28	523	(23,023)	3,196

2022	Share	Foreign	Statutory	Accumulated	Total
	capital	currency	reserve	losses	
	SS'000	translation	reserve	SS'000	SS'000
		reserve	SS'000	SS'000	
Balance as at 1 January 2022	25,668	140	523	(20,640)	5,691
Total comprehensive loss					
Loss for the period	-	-	-	(1,382)	(1,382)
Other comprehensive income: Foreign currency translation arising from the translation of foreign operations	-	2	-	-	2
Total comprehensive loss, net of tax	-	2	-	(1,382)	(1,380)
Balance as at 30 September 2022	25,668	142	523	(22,022)	4,311

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

Company	Share capital	Accumulated losses	Total
2023	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2023	25,668	(24,707)	961
Loss for the period / Total comprehensive loss for the period	-	(780)	(780)
Balance as at 30 September 2023	25,668	(25,487)	181

Company	Share capital	Accumulated losses	Total
2022	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2022	25,668	(22,666)	3,002
Loss for the period / Total comprehensive loss for the period	-	(598)	(598)
Balance as at 30 September 2022	25,668	(23,264)	2,404

D. Condensed interim consolidated statement of cash flow

	Group	
	9 months ended 30.09.2023 S\$'000	9 months ended 30.09.2022 S\$'000
<u>Cash flows from operating activities</u>		
Loss before tax	(504)	(1,171)
Adjustments for:		
Depreciation	-	10
Operating loss before working capital changes	(504)	(1,161)
Changes in working capital:		
Trade and other receivables	(75)	1,626
Trade and other payables	(67)	(11)
Cash (used in)/generated from operations	(646)	454
Net taxation paid	(58)	(385)
Net cash (used in)/generated from operating activities	(704)	69
<u>Cash flows from investing activities</u>		
Repayment of loan from a third party	-	2,075
Net cash generated from investing activities	-	2,075
<u>Cash flows from financing activities</u>		
Repayment of shareholder loan	-	(264)
Repayment of lease liabilities	-	(11)
Net cash used in financing activities	-	(275)
Net (decrease)/increase in cash and cash equivalents	(704)	1,869
Cash and cash equivalents at beginning of financial period	4,134	2,263
Effect of exchange rate changes on cash held in foreign currencies	(97)	2
Cash and cash equivalents at end of financial period	3,333	4,134
Represented by:		
Cash and bank balances	3,333	4,134
	3,333	4,134

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Sunrise Shares Holdings Ltd. (“**Company**”) is incorporated in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, “**Group**”).

The principal activities of the Group are 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 service.

2. Basis of preparation

The condensed interim financial statement for the nine months ended 30 September 2023 (“**3QFY2023**”) 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 annual financial statements for the financial statements for the financial year ended 31 December 2022 (“**FY2022**”).

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 condensed interim financial statements are presented in Singapore Dollars (“**SGD**” or “**SS**”), which is the Company’s functional currency, and all values are rounded to the nearest thousand (“**SS’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 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 2022.

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 and revenue information

The Group is organised into the following main business segments:

- (a) Property consultancy and management services;
- (b) 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 performance of the operating segments.

	Property consultancy and management services S\$'000	Others S\$'000	Total S\$'000
<u>3QFY2023</u>			
Services rendered to external customers	149	-	149
Services rendered to related party	170	-	170
Total revenue	319	-	319
Segment loss before tax			
Administrative and other expenses	(925)	-	(925)
Finance income	15	-	15
Other income	87	-	87
Loss before taxation	(504)	-	(504)
Taxation	(5)	-	(5)
Loss for the period	(509)	-	(509)

As at 30 September 2023

Segment assets	3,301	135	3,436
Total assets per statement of financial position	3,301	135	3,436
Segment liabilities	49	191	240
Current income tax liabilities	-	-	-
Total liabilities per statement of financial position	49	191	240

**Property
Consultancy and
management
services**

**Others
SS'000** **Total
SS'000**

3QFY2022

Services rendered to external customers	400	-	400
Total revenue	400	-	400
Segment loss before tax			
Administrative and other expenses	(1,691)	-	(1,691)
Finance income	78	-	78
Other income	42	-	42
Loss before taxation	(1,171)	-	(1,171)
Taxation	(211)	-	(211)
Loss for the period	(1,382)	-	(1,382)

As at 31 December 2022

Segment assets	2,699	1,463	4,162
Total assets per statement of financial position	2,699	1,463	4,162
Segment liabilities	307	53	360
Total liabilities per statement of financial position	307	53	360

	9 months period ended 30.09.2023 SS'000 (Unaudited)	9 months period ended 30.09.2022 SS'000 (Unaudited)
Segment revenue		
Property consultancy and management services	319	400

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

	Group	
	9 months period ended 30.09.2023 SS'000 (Unaudited)	9 months period ended 30.09.2022 SS'000 (Unaudited)
Timing of revenue recognition:		
Over time:		
Property consultancy and management services	319	400
	319	400

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.

	Revenue S\$'000	Non-current assets S\$'000
<u>30 September 2023</u>		
Singapore	-	-
China	149	-
Hong Kong	170	-
Total	<u>319</u>	<u>-</u>

<u>30 September 2022</u>		
Singapore	-	-
China	400	-
Total	<u>400</u>	<u>-</u>

5. Other income

	Group	
	9 months period ended 30.09.2023 S\$'000 (Unaudited)	9 months period ended 30.09.2022 S\$'000 (Unaudited)
- Unrealised gain on foreign exchange	87	42
	<u>87</u>	<u>42</u>

6. Tax expense

	Group	
	9 months period ended 30.09.2023 S\$'000 (Unaudited)	9 months period ended 30.09.2022 S\$'000 (Unaudited)
Tax expense attributable to profits is made up of:		
- Current income tax provision	5	211
	<u>5</u>	<u>211</u>

7. Loss for the period

	Group	
	9 months period ended 30.09.2023 S\$'000 (Unaudited)	9 months period ended 30.09.2022 S\$'000 (Unaudited)
Loss for the financial period is arrived at charging:		
Professional fee	440	298
Staff costs, Directors' fee and provision for gratuity	386	264
Lease expense	41	12

8. 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	
	9 months period ended 30.09.2023 S\$'000 (Unaudited)	9 months period ended 30.09.2022 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 loss per share (cents per share)	(0.24)	(0.66)

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	
As at 30.09.2023	As at 31.12.2022	As at 30.09.2023	As at 31.12.2022
Singapore cents	Singapore cents	Singapore cents	Singapore cents
1.53	1.82	0.09	0.46

10. Right-of-use assets and lease liabilities

The Group as a lessee

Nature of the Group's leasing activities

The Group leases shared office space with short contractual term. The Group has elected not to recognise rights-of-use assets and lease liabilities for this short term lease.

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

Amounts recognised in statement of financial position

	Group	
	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
<u>Carrying amount of right-of-use assets</u>		
Office unit	-	-
<u>Carrying amount of lease liabilities</u>		
Current	-	-

There were no additions during the financial period.

Amounts recognised in profit or loss

	Group	
	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
Depreciation charge for the financial period	-	13
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense – short term leases	-	8
Interest expense on lease liabilities	-	1

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

	Lease liabilities	
	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
Balance at 1 January	-	15
Changes from financing cash flows		
- Repayments	-	(14)
- Interest paid	-	(1)
Non-cash changes		
- Interest expense	-	1
- Effect of changes in foreign exchange rates	-	(1)
Balance at 30 September /31 December	-	-

11. Investment in subsidiaries

	<u>Company</u>	
	<u>As at 30.09.2023 S\$'000 (Unaudited)</u>	<u>As at 31.12.2022 S\$'000 (Audited)</u>
Unquoted equity shares, at cost At 1 January and end of financial period	10	10

a) Details of subsidiaries held by the Company are:

Name of subsidiary and country of business / incorporation	Principal activities	Effective equity interest	
		As at 30.09.2023 %	As at 31.12.2022 %
Sunrise Industrial (Singapore) Pte. Ltd. ⁽²⁾ 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 ⁽³⁾ (Hong Kong)	Property consultancy, management and related services	100	100
<u>Held by Hong Kong Sunrise Industrial Development Limited</u>			
Hong Kong Sunrise Consultant Limited ⁽³⁾ (Hong Kong)	Investment holding	100	100
<u>Held by Hong Kong Sunrise Consultant Limited</u>			
Shenzhen Sunrise Development Limited ⁽¹⁾ (China)	Property consultancy, management and related services	100	100
<u>Held by Shenzhen Sunrise Development Limited</u>			
Shenzhen Zhongtong Apartment Management Limited (Formerly known as Shenzhen Kimshek Construction Project Management Limited) ⁽¹⁾ (China)	Property consultancy, management and related services	100	100

Shenzhen Kimshek Consultancy Management Limited ⁽¹⁾ (China)	Property consultancy, management and related services	100	100
---	---	-----	-----

1. Not required to be audited.
2. Audited by PKF-CAP LLP.
3. Audited by independent member firm of PKF International.

12. Trade and other receivables

	Group		Company	
	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
Prepayments	60	1	60	-
Other receivables	43	27	3	3
Amounts due from subsidiaries	-	-	1,345	954
	103	28	1,408	957

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

13. Share capital

	Group and Company			
	As at 30.09.2023		As at 30.12.2022	
	Number of shares	Issued share capital S\$	Number of shares	Issued share capital S\$
	'000	S\$'000	'000	S\$'000
Beginning and end of interim period	209,337	25,668	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.

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2023 and 31 December 2022.

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. Trade and other payables

	Group		Company	
	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
Trade payables	21	60	-	-
Accruals	30	171	30	169
Provision for gratuity	54	-	54	-
Other payables	135	76	107	50
Amount due to a subsidiary	-	-	1,096	118
	<u>240</u>	<u>307</u>	<u>1,287</u>	<u>337</u>

- a) Provision for gratuity is for the three Directors of the Company, namely Zheng Aimin, Tang An and Wang Ziquan, who had resigned on 4 September 2023. The payment shall be tabled for shareholders' approval at the next Annual General Meeting to be held in April 2024.
- b) Amount due to a subsidiary is non-trade in nature, unsecured, interest free and repayable on demand.

17. 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 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
Consultancy fee received	170	-
Repayment of loan to shareholder	-	(264)

Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Group	
	As at 30.09.2023 S\$'000 (Unaudited)	As at 31.12.2022 S\$'000 (Audited)
Directors of the Company		
- Directors' fee	60	90
- Provision for gratuity	54	-
Other key management personnel		
- Short-term employee benefits ^{Note (a)}	272	233
- Contributions to defined contribution plans	-	3
Total key management personnel benefits incurred by the Group	<u>386</u>	<u>326</u>

- a) Short term employee benefits include gratuity payment of S\$20,000 to previous Chief Executive Officer of the Company, Liang Yongdong who had resigned on 5 September 2023.

18. 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:

- 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.

19. Subsequent Events

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

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed consolidated statement of financial position of Sunrise Shares Holdings Ltd and its subsidiaries as at 30 September 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-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.

The three agreements in relation to the consultancy management services to New Zealand Nan Fang Investment Limited and Nan Fang (Singapore) Investment Fund Management Pte Ltd, and loan to a corporation, which were the subject of the auditor's qualified opinion on the audited financial statements in respect of FY2022 had ceased in first half of FY2022.

The Company has appointed a qualified Chief Financial Officer on 4 September 2023 and set up an in-house internal audit department lead by Head of Internal Audit, which reports to Audit Committee. The internal audit department is tasked to strengthen the Company's overall internal control systems, including but not limited to the identification of related party transactions ("RPTs") and interested person transactions ("IPTs") so as to ensure that all RPTs and IPTs are properly disclosed on a timely manner.

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

The Board of Directors confirm that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

2A. Review of the Performance of the Group

The Group had on 30 December 2022 entered into a consultancy and management service agreement with Hong Kong Sunrise Asset Management ("HKSAM"), an IPT. However, as the real estate business in China had continued to remain weak despite the gradual re-opening of the economy in China, HKSAM had no new business in both Hong Kong and China, and the consultancy agreement with HKSAM was terminated on 22 March 2023.

Despite the above loss of business, the Group secured two consultancy service agreements during 3QFY2023, one with Zhuhai Tonglin Village Eco-Tourism Development Co., Ltd. and the other with Zhuhai Mucun Construction Engineering Co., Ltd.

Revenue from operations decreased by 20% or S\$81,000, from S\$400,000 in 3QFY2022 to S\$319,000 in 3QFY2023, mainly due to lesser consultancy contracts secured during 3QFY2023 as the property market, particularly in China remained challenging.

Administrative and other expenses (comprising mainly directors' remuneration, staff costs and professional fees) decreased by 45% or S\$766,000, from S\$1,691,000 in 3QFY2022 to S\$925,000 in 3QFY2023. The significant administrative and other expense incurred in 3QFY2022 were mainly due to the loss on investment in foreign exchange market and commission paid for forex trading activities. The Group has ceased its investment in foreign exchange market in first half of FY2023.

As a result, the Group reported net loss of S\$509,000 in 3QFY2023, as compared to net loss of S\$1,382,000 in 3QFY2022.

2B. Review of the Group's Financial Position

Current Assets

Trade and other receivables increased by S\$75,000, from S\$28,000 as at 31 December 2022 to S\$103,000 as at 30 September 2023, mainly due to prepayment made on office rental in China during the financial period.

With the loss after tax of S\$509,000 for 3QFY2023 and payments to trade and other payables, cash and cash equivalents of the Group has reduced from S\$4.1 million as at 31 December 2022 to S\$3.3 million as at 30 September 2023.

Current Liabilities

The Group's current liabilities decreased by S\$67,000, from S\$307,000 as at 31 December 2022 to S\$240,000 as at 30 September 2023, mainly due to payment to trade and other payables.

Working Capital

The decrease in working capital from S\$3.8 million as at 31 December 2022 to S\$3.2 million as at 30 September 2023 was mainly due to lower consultancy services revenue and payments of administrative and other expenses.

2C. Review of Cash Flow Statement

Net decrease of S\$801,000 in cash and cash equivalents during 3QFY2023, from S\$4.1 million as at 31 December 2022 to S\$3.3 million as at 30 September 2023 was mainly due to loss before tax of S\$504,000 and increase of receivables of S\$75,000 and payments to trade and other payables of S\$67,000, coupled with the effect of exchange rate changes on cash and bank balances held in foreign currencies amounted to S\$97,000.

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

There was no forecast or prospect statement 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 recovery in the property market is expected to continue in 2024, albeit at a slower pace amid rising borrowing costs and growing inflationary pressure. The real estate business in China is expected to remain weak despite the re-opening of the borders in China and Hong Kong. The Group is presently working on consultancy contracts for two projects located in Zhuhai, China, of which, one of them is in relation to tourism and hotel accommodation.

Following the lapse of the mandatory conditional general offer in end August 2023, the new management of the Group is now exploring to expand and pursue other business opportunities which can enhance shareholders' value.

To mitigate the concentration risk on the China property market, the Group is exploring to expand its core business segment and tap into the Southeast Asia hospitality market in order to generate additional revenue stream to the Group.

5. Dividend Information

(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.

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 3QFY2023.

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 has on 29 December 2022, obtained a general mandate from shareholders for the following IPT:

Name of Interested Person	Nature of Relationship	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
HKSAM	A company wholly owned by Mr Wong Siu Fai, the substantial shareholder of the Company	Management consultancy fee charged by the Group to HKSAM: S\$170,000

The consultancy agreement with HKSAM was terminated on 22 March 2023.

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 it has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

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

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 nine-month period ended 30 September 2023 to be false or misleading in any material aspect.

On Behalf of the Board of Directors

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

Datuk Wira Boo Kuang Loon
Executive Director and Chief Executive Officer

14 November 2023

This announcement has been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Wong Bee Eng, Chief Executive Officer, at 96 Robinson Road, #13-01, SIF Building, Singapore 068899, telephone: (65) 6227 5810, email: wongbe@provenancecapital.com.