

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Trendzon Holdings Group Limited**  
**卓航控股集團有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1865)**

## **CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING**

Reference is made to (i) the prospectus of Trendzon Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 March 2019 (the “**Prospectus**”) in relation to the global offering (the “**Global Offering**”) and the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited, which sets out the intended use of the net proceeds from the issue of new shares of the Company (the “**Net Proceeds**”) at the time of preparing the Prospectus, and (ii) the interim report of the Company for the six months ended 30 September 2022 (the “**Interim Report**”), which discloses the use of the Net Proceeds as at 30 September 2022. Unless otherwise stated, the terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Interim Report.

The board of directors of the Company (the “**Board**”) hereby announces that it has resolved to change the use of the Net Proceeds.

## USE OF PROCEEDS DISCLOSED IN THE PROSPECTUS

As disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Net Proceeds were intended to be used for the following purposes:

- Approximately 59.7% of the Net Proceeds will be used for relocation to a new property to be acquired to be used as our new office, foreign worker dormitory and warehouse for our machinery;
- Approximately 31.2% of the Net Proceeds will be used for purchase of two pipe jacking machines of 800 mm and 3,000 mm diameters in size; and
- Approximately 9.1% of the Net Proceeds will be used for working capital purposes.

## USE OF THE NET PROCEEDS DISCLOSED IN THE INTERIM REPORT

The total Net Proceeds received by the Company, after deducting related listing expenses, were approximately HK\$90.2 million (approximately S\$15.7 million). The use of proceeds from the Global Offering as at the date of this announcement is as follows:

	Planned use of Net Proceeds as disclosed in the Prospectus <i>S\$'000</i>	Utilised Net Proceeds as at the date of this announcement <i>S\$'000</i>	Unutilised Net Proceeds as at the date of this announcement <i>S\$'000</i>	Expected timeline for utilising the remaining Net Proceeds
Use of net proceeds				
Relocate to a new property to be acquired to be used as our new office, foreign worker dormitory and warehouse for our machinery	9,368	9,368	–	N/A
Purchase two pipe jacking machines	4,896	–	4,896	By 31 December 2022
Working capital	1,428	1,428	–	N/A
Total	<u>15,692</u>	<u>10,796</u>	<u>4,896</u>	

## CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

As at the date of this announcement, the unutilised Net Proceeds amounted to approximately S\$4.9 million. For the reasons set out below in the section headed “Reasons for and Benefits of the Change in Use of Proceeds” in this announcement, the Board has resolved and approved to change the use of the unutilised Net Proceeds on 17 January 2023. Details of the proposed change in the use of the unutilised Net Proceeds is set out as below:

	Planned use of Net Proceeds as disclosed in the Prospectus <i>S\$'000</i>	Utilised Net Proceeds as at the date of this announcement <i>S\$'000</i>	Unutilised Net Proceeds as at the date of this announcement <i>S\$'000</i>	Expected timeline for utilising the remaining Net Proceeds
<b>Use of net proceeds</b>				
Relocate to a new property to be acquired to be used as our new office, foreign worker dormitory and warehouse for our machinery	9,368	9,368	–	N/A
Purchase two pipe jacking machines	4,896	–	–	N/A
Working capital	1,428	1,428	–	N/A
Additions and alterations to our foreign worker dormitory	–	–	2,000	By 31 March 2024
Working capital and other general corporate purposes	–	–	2,896	By 31 March 2024
Total	<u>15,692</u>	<u>10,796</u>	<u>4,896</u>	

## **REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS**

Based on the current economic development, the available tenders, the ongoing and potential projects and the overall cost versus benefit, the Board considered that the purchase of two pipe jacking machines will not be beneficial to the Group. The Group plans to carry out addition and alteration works to the foreign worker dormitory in conformity to the regulatory requirement announced on 17 September 2021 by the Ministry of Manpower of Singapore. Without any addition and alteration works to our existing dormitory, the number of workers allowed to stay in the dormitory will be revised downwards on the next license renewal and the Group will be required to seek other alternative such as third-party dormitory to house the excess workers. Moreover, the current rental rate for third party dormitory in the market has also risen significantly post-COVID pandemic and engaging them will give rise to additional costs such as rental, transportation and other related costs. Hence, the Board estimated that approximately S\$2.0 million would be allocated for the proposed addition and alteration works on the foreign worker dormitory. The remaining unutilised Net Proceeds of approximately S\$2.9 million will be used as working capital and other general corporate purposes such as repayment of loans, hire purchase and other operational expenses.

The Board considers that the change in use of Net Proceeds is in the best interest of the Group and the Shareholders as a whole and it will not have a material adverse effect on the existing business operations of the Group. The Board also confirms that there is no material change in the business nature of the Group as set out in the Prospectus.

The Board will continuously assess the plans for the use of proceeds and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance for the Group.

By Order of the Board  
**Trendzon Holdings Group Limited**  
**Feng Jiamin**  
*Chairman*

Hong Kong, 17 January 2023

*As at the date of this announcement, the Board comprises Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Lok Ka Ho and Mr. Fong Hang Fai as executive Directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Mr. Lui Kwun Yuen, and Mr. Wong Kwong Fai as independent non-executive Directors.*