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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)

FURTHER 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; (ii) the announcement of the Company dated 17 January 2023 in relation to the change in use of proceeds from the Global Offering (the “**Announcement**”); and (iii) the annual report of the Company for the year ended 31 March 2023 (the “**Annual Report**”), which discloses the status of use of the Net Proceeds as at 31 March 2023. Unless otherwise stated, the terms used in this announcement shall have the same meanings as those defined in the Prospectus, the Announcement and the Annual Report.

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

PREVIOUS CHANGE IN USE OF PROCEEDS

The total Net Proceeds received by the Company, after deducting related listing expenses, were approximately HK\$90.2 million (approximately S\$15.7 million). As disclosed in the Annual Report, the Company resolved to re-allocate part of the unutilised Net Proceeds amounted to approximately S\$2.0 million for addition and alterations to our foreign worker dormitory and approximately S\$2.9 million for working capital and other general corporate purposes. For further details, please refer to the Annual Report.

FURTHER CHANGE IN USE OF PROCEEDS FROM THE GLOBAL OFFERING

As at the date of this announcement, the unutilised Net Proceeds amounted to approximately S\$2.0 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 12 October 2023 from addition and alterations to our foreign worker dormitory to general working capital. Details of the proposed change in the use of the unutilised Net Proceeds is set out as below:

Use of net proceeds	Planned use of Net Proceeds as disclosed in the Prospectus <i>S\$'000</i>	Revised allocation of Net Proceeds as disclosed in the Annual Report <i>S\$'000</i>	Utilised Net Proceeds as at the date of this announcement <i>S\$'000</i>	Revised allocation of Net Proceeds and unutilised Net Proceeds as at the date of this announcement <i>S\$'000</i>	Expected timeline for utilising the remaining 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	–	–	–	N/A
Working capital	1,428	–	1,428	2,000	By 31 March 2024
Additions and alterations to our foreign worker dormitory	–	2,000	–	–	N/A
Working capital and other general corporate purposes	–	2,896	2,896	–	N/A
Total	15,692	15,692	13,692	2,000	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

As disclosed in the Annual Report, without any addition and alteration works to our existing dormitory, the number of foreign workers allowed to stay in the dormitory will be revised downwards in the next licence renewal and the Group will be required to seek other alternative such as third-party dormitory to house the excess workers. However, based on the current economic development, the Board considered the number of foreign workers that the Group hires may fluctuate or reduce, hence it is not cost efficient and beneficial to the Group to carry out addition and alteration works at this juncture. If the addition and alteration works were to be carried out, our existing dormitory will not be available for use and the Group will face additional operational inconveniences and inefficiency as the Group will need to relocate all its foreign workers to third-party dormitory operators at which the location may be unfavourable in terms of distance. The Group may incur more costs to maintain the dormitory as well as to comply with any new rules and regulations as may be imposed by the Singapore Government in future. Hence, the Board has decided to reallocate the remaining unutilised Net Proceeds of approximately S\$2.0 million towards supporting the current operations of the Group, which may include, short term dormitory lease based on project duration, engaging sub-contractors as per project requirement, repayment of loans, 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, 12 October 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. Wu Kai Tang as independent non-executive Directors.