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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)**

## **2023 INTERIM RESULTS ANNOUNCEMENT**

The board of directors (the “**Board**”) of Trendzon Holdings Group Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2023. This announcement, containing the full text of the 2023 Interim Report of the Company, complies with relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results. The unaudited condensed consolidated interim financial statements have been reviewed by the audit committee of the Company.

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

Hong Kong, 30 November 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*



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**2023** INTERIM REPORT

# CONTENTS

Corporate information	2
Management Discussion and Analysis	4
Other Information	18
Condensed Consolidated Statement of Profit or Loss	28
Condensed Consolidated Statement of Other Comprehensive Income	29
Condensed Consolidated Statement of Financial Position	30
Condensed Consolidated Statement of Changes in Equity	32
Condensed Consolidated Statement of Cash Flows	33
Notes to the Condensed Consolidated Financial Information	35

# Corporate Information

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Ms. Feng Jiamin (*Chairman*)  
Mr. Michael Shi Guan Wah  
(*Chief Executive Officer*)  
Mr. Lok Ka Ho  
Mr. Fong Hang Fai

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Shek Jun Chong  
Mr. Qiu Yue  
Mr. Lui Kwun Yuen  
Mr. Wu Kai Tang  
(*appointed on 5 September 2023*)  
Mr. Wong Kwong Fai  
(*resigned on 5 September 2023*)

## AUDIT COMMITTEE

Mr. Wu Kai Tang (*Chairman*)  
(*with effect from 5 September 2023*)  
Mr. Shek Jun Chong  
Mr. Qiu Yue

## REMUNERATION COMMITTEE

Mr. Shek Jun Chong (*Chairman*)  
Mr. Lui Kwun Yuen  
Mr. Qiu Yue

## NOMINATION COMMITTEE

Mr. Wu Kai Tang (*Chairman*)  
(*with effect from 5 September 2023*)  
Ms. Feng Jiamin  
Mr. Shek Jun Chong  
Mr. Qiu Yue

## COMPANY SECRETARY

Mr. Lee Lap Keung  
(*appointed on 5 September 2023*)  
Mr. Tse Fung Chun  
(*resigned on 5 September 2023*)

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## AUTHORISED REPRESENTATIVES

Ms. Feng Jiamin  
Mr. Lee Lap Keung  
(*appointed on 5 September 2023*)  
Mr. Tse Fung Chun  
(*resigned on 5 September 2023*)

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2108, Prudential Tower  
The Gateway, Harbour City  
Hong Kong

## PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

38 Senoko Road  
Singapore 758110

## INDEPENDENT AUDITORS

**McMillan Woods (Hong Kong) CPA Limited**  
(*Certified Public Accountants*) Registered Public  
Interest Entity Auditor

## **PRINCIPAL BANKER**

### **DBS Bank Ltd**

12 Marina Boulevard,  
Level 43, DBS Asia Central @ Marina Bay  
Financial Centre Tower 3  
Singapore 018982

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

### **Union Registrars Limited**

Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point, Hong Kong

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

### **Conyers Trust Company (Cayman) Limited**

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **COMPANY WEBSITE**

[www.trendzon1865.com](http://www.trendzon1865.com)

## **STOCK CODE**

1865



# Management Discussion & Analysis

## BUSINESS REVIEW

During the six months ended 30 September 2023 (“**1H2024**”), the global business environment was recovering as the Coronavirus Disease 2019 (“**COVID-19**”) pandemic was contained as compared to the six months ended 30 September 2022 (“**1H2023**”). Nevertheless, the market behaviours underwent profound changes amidst the three-year COVID-19 pandemic. Enterprises should enhance their core competitiveness and strengthen their ability to operate steadily in such challenging business environment and to face forthcoming uncertainties.

The high level of inflation rates together with the escalating war in Ukraine since early 2022 severely disrupted the global supply chain and caused the prices of materials and energy to soar. The labour costs also increased due to limited supply of manpower. In the year 2023, inflation rate declined steadily. The board (the “**Board**”) of directors (the “**Director(s)**”) of Trendzon Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will continue to closely monitor the factors that would significantly affect the infrastructural pipeline market in Singapore and the operations of the Group all over the globe.

For 1H2024, the Group recorded a total revenue of approximately S\$29.3 million, representing an increase of approximately S\$7.8 million from approximately S\$21.5 million for 1H2023. The increase in revenue was mainly due to the increase in revenue from water pipeline projects of approximately S\$11.9 million, offset by the decrease in revenue from gas pipeline projects of approximately S\$4.7 million. During 1H2024, there was substantial construction progress regarding the water pipeline projects. During 1H2024, the Group has been awarded 1 new water project with an aggregate contract sum of approximately S\$0.1 million, which was commenced in the reporting period.

The business strategies of the Group remained unchanged for 1H2024. Since the listing of the Company, the management has continuously consolidating and strengthening the reputation of the Group through submission of tenders to keep its presence in the market. Leveraging its listing status, the Group’s core business continues to earn good reputation and provides the Group with sound track record for potential business opportunities. In view of the ongoing projects on hand, subsequent to 1H2024, the Group’s revenue is expected to sustain for the next financial year.

Despite challenging operating conditions in the year ahead, the Group believes that it is positioned on the right track for sustainable development. Looking forward, the Group will continue to focus on strengthening the market position in the construction industry and developing the Trendzon Diandian Science and Technology Innovation City’s Industrial Park in the People’s Republic of China (“**PRC**”). It is expected that the development projects in Trendzon Diandian Science and Technology Innovation City’s Industrial Park will contribute more than RMB25 million income to a joint venture of the Group in the financial year ending 31 March 2024. The Group will continue to keep a close watch on the global economic trend and market situations to capture business opportunities in turn to achieve synergies and better operating results.

The Board is proactively exploring new business opportunities in different geographical locations in the world in order to identify markets with growth potential, so as to diversify the business development of the Group. The Board is of the opinion that the development of potential business represents a good opportunity for increasing the sources of revenue of the Group. The Group is well-positioned for the challenges and competition ahead, to carry out research to prepare for the development of different business and new business opportunities. This enables the Group to enrich the Group’s business portfolio and create a sustainable business development model which strives to deliver satisfactory returns to the shareholders of the Company (the “**Shareholder(s)**”).

## ONGOING PROJECTS

As at 30 September 2023, the Group had three ongoing gas pipeline projects and ten ongoing water pipeline projects with an aggregate contract sum of approximately S\$148.3 million, of which an aggregate sum of approximately S\$62.8 million has been recognised as revenue as at 30 September 2023 (30 September 2022: four gas pipeline projects and eight water pipeline projects with an aggregate sum of approximately S\$190.4 million). The remaining balance will be recognised as our revenue in subsequent periods in accordance with International Financial Reporting Standard 15.

The management considered that all ongoing projects were on schedule and none of which is expected to cause the Group to indemnify the third parties and incur any contingent liabilities as at 30 September 2023.

## FINANCIAL REVIEW

### Six months ended 30 September 2023 compared to six months ended 30 September 2022

#### Revenue

##### *Revenue from contracts with customers*

The following table sets out the breakdown of the Group's revenue from contracts with customers, the number of projects/contracts performed and the percentage contribution to total revenue for 1H2024 and 1H2023.

	For the six months ended 30 September					
	2023			2022		
	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)
Gas pipeline	3	11,930	40.7	5	16,639	77.5
Water pipeline	10	16,679	56.9	10	4,817	22.5
	13	28,609	97.6	15	21,456	100.0
Brokerage, placing and margin financing services		253	0.9		–	–
Engineering services		455	1.5		–	–
Total		29,317	100.0		21,456	100.0

## Management Discussion & Analysis

Revenue of the Group has increased by approximately S\$7.8 million or 36.6% from approximately S\$21.5 million in 1H2023 to approximately S\$29.3 million in 1H2024 mainly due to the following:

- (i) Decrease in revenue from gas pipeline projects by approximately S\$4.7 million; and
- (ii) Increase in revenue from water pipeline projects by approximately S\$11.8 million.

The decrease in revenue from the gas pipeline projects by approximately S\$4.7 million was mainly due to the substantial completion of relevant projects brought forward from prior years and thus less progress and revenue were recognised during the current period.

The increase in revenue from the water pipeline projects by approximately S\$11.8 million was mainly due to the substantial construction progress regarding water pipeline projects during the current period.

### Cost of Sales

Our cost of sales increased by approximately S\$5.9 million or 29.2% from approximately S\$20.2 million in 1H2023 to approximately S\$26.1 million for 1H2024. The increase in cost of sales was generally in line with the increase in Group's revenue.

### Gross Profits and Gross Profits Margin

Gross profit of the Group for 1H2024 amounted to approximately S\$3.2 million, increased by approximately S\$1.9 million as compared to the gross profit amounted to approximately S\$1.3 million for 1H2023.

The gross profit margin of the Group for 1H2024 was approximately 11.0%, as compared to the gross profit margin of approximately 5.9% for 1H2023. The increase was mainly due to the increase in revenue from pipeline projects performed, whereas relatively mild increase in the corresponding costs of those projects during the period, as well as the increase in revenue mix contributed by the businesses and services with high gross profits margin in 1H2024.

### Other Income

Other income decreased by approximately S\$0.1 million from approximately S\$1.2 million in 1H2023 to approximately S\$1.1 million in 1H2024. Other income for 1H2024 mainly comprised of interest income, income derived from provision of agency services and miscellaneous income pertaining to sale of scraps and adhoc repair works.

### Other Losses, net

Other losses recognised during 1H2024 was representing foreign exchange losses.

### Administrative Expenses

The Group recorded administrative expenses amounting to approximately S\$11.9 million in 1H2024 (1H2023: approximately S\$11.0 million). The increase was mainly due to the increase in administrative employee benefit costs, partially contributed by the equity-settled share-based payment of approximately S\$5.1 million recognised in 1H2024 as compared with that of S\$2.4 million recognised in 1H2023.

### Income Tax Credit

No income tax credit or expense was recognised for 1H2024 (1H2023: income tax credit of approximately S\$0.1 million).

### Finance Costs

Finance costs of the Group decreased from approximately S\$1.1 million for 1H2023 to approximately S\$0.9 million in 1H2024. The decrease was mainly due to the reduction of average balance of interest-bearing borrowings in 1H2024 as compared to 1H2023.



### Loss for the Period

Loss for 1H2024 amounted to approximately S\$8.5 million, representing a decrease of approximately S\$1.6 million from loss of the Group of approximately S\$10.1 million for 1H2023.

### Interim Dividend

The Board has resolved not to declare any interim dividend for 1H2024 (1H2023: Nil).

### Property, Plant and Equipment

Property, plant and equipment decreased by approximately S\$0.3 million from approximately S\$17.5 million as at 31 March 2023 to approximately S\$17.2 million as at 30 September 2023, mainly due to the depreciation provided during 1H2024, partially offset by the additions of property, plant and equipment.

### Trade and Other Receivables

The Group's trade and other receivables increased by approximately S\$18.9 million from approximately S\$29.6 million as at 31 March 2023 to approximately S\$48.5 million as at 30 September 2023. The increase was mainly attributable to the increase in prepayments of approximately S\$21.2 million principally arising from the prepayments for the second phase development of Trendzon Diandian Science and Technology Innovation City, partially offset by the decrease in trade receivables of approximately S\$3.0 million.

### Loan Receivables

As at 30 September 2023, loan receivables amounted to approximately S\$11.1 million (31 March 2023: approximately S\$13.6 million), comprised of (i) loan to shareholder of a joint venture of the Group of approximately S\$3.2 million (interest-free)(31 March 2023: approximately S\$3.3 million); (ii) loans to other individual third parties of approximately S\$7.7 million (fixed interest rates ranging from 6% to 14% per annum)(31 March 2023: approximately S\$10.4 million); (iii) loan interest receivables of approximately S\$0.5 million (31 March 2023: approximately S\$0.3 million); less (iv) allowance for expected credit loss of approximately S\$0.3 million (31 March 2023: approximately S\$0.4 million). All the loan receivables were with original maturity of one year or less. Out of the loans to other individual third parties, approximately S\$1.3 million were secured by securities listed in Hong Kong.

The loans to other individual third parties were granted with the main purpose to earn interest income and contribute return to the Group. For loan to the shareholder of a joint venture of the Group, the Directors are of the view that it would be able to streamlining the process of project development, facilitate the strategic cooperation between the parties, as well as the operation of the joint venture by providing sufficient fund to its shareholder.

### Contract Assets/(Liabilities)

Contract assets amounted to approximately S\$21.2 million as at 30 September 2023 (31 March 2023: approximately S\$32.7 million). It was mainly attributable to higher amount of work orders certified in excess of work performed for 1H2024.

Contract liabilities amounted to approximately S\$0.7 million as at 30 September 2023 (31 March 2023: approximately S\$4.6 million). It was mainly due to lesser amount of prepayment received from certain contracts during 1H2024.

### Trade and Other Payables

Trade and other payables decreased by approximately S\$13.7 million from approximately S\$25.4 million as at 31 March 2023 to approximately S\$11.7 million as at 30 September 2023. It was mainly due to the decrease in trade payables of approximately S\$8.3 million and decrease in other payables and accruals of approximately S\$5.2 million.

### **Borrowings**

Borrowings increased by approximately S\$2.6 million from approximately S\$28.2 million as at 31 March 2023 to approximately S\$30.8 million as at 30 September 2023. The increase was mainly attributable to the net draw-down of other borrowings during 1H2024 and partially offset by the reduction in the outstanding amount of the bank borrowings and principal of the bonds as at the end of the reporting period.

### **LIQUIDITY AND FINANCIAL RESOURCES**

The Group finances its daily operations through a combination of internally-generated funds from operations, borrowings and net proceeds from the share offer in year 2019 and equity fundraising. The Group expects that its future capital expenditures will primarily be financed by its internal sources.

As at 30 September 2023, the Group maintained a healthy liquidity position with net current assets balance of approximately S\$68.9 million (31 March 2023: approximately S\$47.0 million), net assets balance of approximately S\$75.3 million (31 March 2023: approximately S\$56.1 million) and cash and bank balances (including fixed bank deposits) of approximately S\$9.7 million (31 March 2023: approximately S\$6.3 million). The Group's gearing ratio (calculated by total interest-bearing debt over total equity) as at 30 September 2023 was approximately 46%, decreased by approximately 12% from approximately 58% as at 31 March 2023. The decrease in gearing ratio is mainly due to the increase in equity arising from the issue of new Shares upon the completion of share subscription and exercise of share options during 1H2024.

### **CAPITAL STRUCTURE**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to Shareholders through the optimisation debt and equity balance. The Group's overall strategy remained unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities, hire purchase liabilities and bank borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium, reserves and retained earnings.

The management reviews the capital structure from time to time. As part of the review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

Management regularly monitors compliance with the financial covenants imposed by financial institutions for the facilities granted to the Group. As at the end of the reporting period, the Group is in compliance with externally imposed financial covenants requirements.

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2023, the Group had total of 689 employees (31 March 2023: 476 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries, bonus and allowances. The employees' remuneration (including directors' remuneration) for 1H2024 amounted to approximately S\$12.6 million (for 1H2023: approximately S\$8.0 million).

## FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

As at 30 September 2023, the Group did not have other plans for material investments and capital assets.

## USE OF LISTING PROCEEDS

The total net proceeds raised from the Listing (the “**Net Proceeds**”) received by the Company, after deducting related listing expenses, were approximately HK\$90.2 million (equivalent to approximately S\$15.7 million). Please refer to the prospectus of the Company dated 14 March 2019 (the “**Prospectus**”) for more details.

On 17 January 2023, the Board has resolved and approved to change the use of the unutilised Net Proceeds of approximately S\$4.9 million. Based on the 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 would 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 would be revised downwards on the next license renewal and the Group would be required to seek other alternative such as third-party dormitory to house the excess workers. Moreover, the rental rate for third party dormitory in the market has also risen significantly post-COVID pandemic and engaging them would 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 would be used as working capital and other general corporate purposes such as repayment of loans, hire purchase and other operational expenses. Please refer to the announcement of the Company dated 17 January 2023 for further details.

On 12 October 2023, the Board has resolved and approved to further change the use of the unutilised Net Proceeds of approximately S\$2.0 million. Despite the reasons disclosed above and in the annual report of the Company for the year ended 31 March 2023, 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 would not be available for use and the Group would face additional operational inconveniences and inefficiency as the Group would 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. Please refer to the announcement of the Company dated 12 October 2023 for further details.

## Management Discussion & Analysis

Set out below are details of the allocation of the Net Proceeds, the utilised and unutilised amounts of Net Proceeds as at 30 September 2023, taking into account the changes made in the use of the unutilised Net Proceeds on 17 January 2023 and 12 October 2023 respectively:

<b>Use of Net Proceeds</b>	<b>Planned use of Net Proceeds as disclosed in the Prospectus S\$'000</b>	<b>Reallocation of unutilised Net Proceeds S\$'000</b>	<b>Utilised from Listing up to 31 March 2023 S\$'000</b>	<b>Utilised for the six months ended 30 September 2023 S\$'000</b>	<b>Total remaining Net Proceeds available as at 30 September 2023 S\$'000</b>	<b>Expected timeline for utilising the remaining proceeds (Note 1)</b>
(a) 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
(b) Purchase two pipe jacking machines	4,896	(4,896)	-	-	-	N/A
(c) Working capital	1,428	2,000	(1,428)	-	2,000	Before 31 March 2024
(d) Working capital and other general corporate purposes	-	2,896	(2,896)	-	-	N/A
	<u>15,692</u>	<u>-</u>	<u>(13,692)</u>	<u>-</u>	<u>2,000</u>	

Save as disclosed above, the Net Proceeds were used and expected to be used according to the intentions previously disclosed in the Prospectus. As at the date of this interim report, there were no changes of business plan from that disclosed in the Prospectus.

*Note 1:* The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subjected to change based on current and future development of market conditions.

## USE OF 2022 SUBSCRIPTION PROCEEDS

On 16 May 2022, the Company entered into two subscription agreements with two subscribers, pursuant to which the Company has agreed to allot and issue and the two subscribers have conditionally agreed to subscribe for an aggregate of 184,000,000 new shares of the Company at the subscription price of HK\$0.475 per subscription share on the terms and subject to the conditions set out in the subscription agreements (the “**2022 Subscriptions**”). The gross proceeds of the 2022 Subscriptions were HK\$87.4 million and the net proceeds from the 2022 Subscriptions were approximately HK\$87.0 million. The 2022 Subscriptions were completed in June 2022. Please refer to the announcements of the Company dated 16 May 2022, 23 May 2022, 24 May 2022, 6 June 2022, 13 June 2022 and 20 June 2022 for more details.

Set out below are details of the allocation of the net proceeds, the utilised and unutilised amounts of net proceeds in relation to the 2022 Subscriptions as at 30 September 2023:

	Planned use of net proceeds <i>HK\$'000</i>	Utilised up to 31 March 2023 <i>HK\$'000</i>	Utilised for the six months ended 30 September 2023 <i>HK\$'000</i>	Total remaining net proceeds available as at 30 September 2023 <i>HK\$'000</i>	Expected timeline for utilising the remaining proceeds <i>(Note 1)</i>
<b>Use of net proceeds</b>					

### Development of the Group's joint venture businesses:

– The expansion of smart parking businesses of Trendzon Zhilian (Shenzhen) Technology Company Limited* (卓航智聯(深圳)科技有限公司), namely the construction and maintenance costs of the smart car parks, located in 24 towns in Guizhou Province, PRC, including (i) procurement of construction materials; and (ii) precision parking and vehicle identification software and hardware procurement, development and maintenance	6,000 11,000	(6,000) –	– –	– 11,000	N/A Before 30 September 2024
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\* For identification purpose only



## Management Discussion & Analysis

<b>Use of net proceeds</b>	<b>Planned use of net proceeds <i>HK\$'000</i></b>	<b>Utilised up to 31 March 2023 <i>HK\$'000</i></b>	<b>Utilised for the six months ended 30 September 2023 <i>HK\$'000</i></b>	<b>Total remaining net proceeds available as at 30 September 2023 <i>HK\$'000</i></b>	<b>Expected timeline for utilising the remaining proceeds <i>(Note 1)</i></b>
<b>Future investment funds:</b>					
– Reserved funds as capital for the development of placing and underwriting business of Wealth Link Securities Limited	12,000	–	(12,000)	–	N/A
– Reserved funds as loan principals for the money lending business of All Good Finance Limited, a wholly-owned subsidiary of the Company and licenced to conduct money lending business in Hong Kong	12,000	(12,000)	–	–	N/A
<b>General working capital and settlement of liabilities of the Group:</b>					
– Repayment of the unsecured unlisted bonds which will be due in August 2022 in the principal amount of RMB40,000,000	42,000	(42,000)	–	–	N/A
– General working capital including salaries, rental payments, professional fees, office overheads and other day-to-day operation payments for the operation of the Group's Hong Kong and PRC businesses	4,000	(4,000)	–	–	N/A
	<u>87,000</u>	<u>(64,000)</u>	<u>(12,000)</u>	<u>11,000</u>	

The net proceeds from the 2022 Subscriptions were used and expected to be used according to the intentions previously disclosed in the aforesaid announcements of the Company.

*Note 1:* The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subjected to change based on current and future development of market conditions.

## USE OF 2023 SUBSCRIPTION PROCEEDS

On 1 June 2023, the Company entered into five separate subscription agreements with each of the five subscribers respectively, pursuant to which the Company has agreed to allot and issue and the five subscribers have conditionally agreed to subscribe for an aggregate of 220,800,000 new shares of the Company at the subscription price of HK\$0.43 per subscription share on the terms and subject to the conditions set out in the subscription agreements (the “**2023 Subscriptions**”). The gross proceeds of the 2023 Subscriptions were approximately HK\$94.9 million and the net proceeds from the 2023 Subscriptions were approximately HK\$94.6 million. The 2023 Subscriptions were completed in July 2023. Please refer to the announcements of the Company dated 1 June 2023 and 10 July 2023 for more details.

Set out below are details of the allocation of the net proceeds, the utilised and unutilised amounts of net proceeds in relation to the 2023 Subscriptions as at 30 September 2023:

	Planned use of net proceeds <i>HK\$'000</i>	Utilised for the six months ended 30 September 2023 <i>HK\$'000</i>	Total remaining net proceeds available as at 30 September 2023 <i>HK\$'000</i>	Expected timeline for utilising the remaining proceeds
<b>Use of net proceeds</b>				
(a) The second phase development of Trendzon Diandian Science and Technology Innovation City	75,716	(75,716)	–	N/A
(b) The replenishment of general working capital	9,464	(9,464)	–	N/A
(c) Settlement of the liabilities of the Group	9,464	(9,464)	–	N/A
	<u>94,644</u>	<u>(94,644)</u>	<u>–</u>	

The net proceeds from the 2023 Subscriptions were fully utilised according to the intentions previously disclosed in the aforesaid announcements of the Company.

## MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES AND SIGNIFICANT INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

- (a) On 11 July 2023, Trendzon Industrial Limited (“**TIL**”), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with Zhejiang Taiguang Construction Technology Co., Ltd.\* (浙江台廣建築科技有限公司) (“**Zhejiang Taiguang**”), an independent third party of the Group, pursuant to which TIL has conditionally agreed to acquire, and Zhejiang Taiguang has conditionally agreed to sell 51% equity interest of Zhejiang Taiding Construction Co., Ltd.\* (浙江台鼎建設有限公司) (“**Zhejiang Taiding**”) (the “**Zhejiang Taiding Acquisition**”), a company incorporated in the PRC with limited liability. The total consideration for the Zhejiang Taiding Acquisition is RMB5.1 million (subject to adjustments), which should be satisfied by TIL to the Zhejiang Taiguang in three tranches. The adjustments to the total consideration and the payment manner should be made reference to the financial performance of Zhejiang Taiding in the financial years ending 31 December 2023 and 2024 as agreed in the conditional sale and purchase agreement dated 11 July 2023.

Zhejiang Taiding is a construction enterprise integrating planning, design, construction and procurement. It takes engineering, procurement, and construction (EPC) technical support and project management as its core competence, integrates upstream and downstream resources of the construction industry, and leads the market with the advantages of industrial chain resources. Also, Zhejiang Taiding is a construction industry management company with a complete information management platform, risk control management system and modern enterprise management system. It mainly engages in various engineering and construction related businesses.

The Zhejiang Taiding Acquisition was completed in July 2023, whereby Zhejiang Taiding became an indirect non-wholly owned subsidiary of the Company and its financial results were consolidated into the financial statements of the Company.

Please refer to the announcement of the Company dated 11 July 2023 for further details.

The goodwill arising on the acquisition of Zhejiang Taiding was approximately S\$183,000. It is attributable to the growth and profit potential as results of the Group participate in the new market and the anticipated future operating synergies from the combination. None of the goodwill recognised is expected to be deductible for income tax purposes.

Zhejiang Taiding contributed approximately S\$0.5 million to the Group’s revenue and approximately S\$0.3 million to the Group’s loss for the period between the date of acquisition and the end of the reporting period.

- (b) On 9 May 2023, Trendzon (Guangzhou) Construction Investment Company Limited\* (卓航(廣州)建設投資有限公司) (“**TGZCI**”), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with Mr. Wang Tinghui (“**Mr. Wang**”), an independent third party of the Group, pursuant to which TGZCI has conditionally agreed to acquire, and Mr. Wang has conditionally agreed to sell, the entire issued share capital of Zhongshan Jiantaiying Electric Appliance Manufacturing Co., Ltd.\* (中山市堅泰盈電器製造有限公司) (“**Zhongshan Jiantaiying**”) (the “**Zhongshan Jiantaiying Acquisition**”), a company incorporated in the PRC with limited liability. The maximum consideration of RMB8.0 million shall be paid by TGZCI to Mr. Wang in cash by installments and is subject to the adjustment to be made (if applicable) with reference to the financial performance of Zhongshan Jiantaiying in the financial years ending 31 December 2023, 2024 and 2025 as agreed in the conditional sale and purchase agreement dated 9 May 2023. The principal business of Zhongshan Jiantaiying is (i) the production of mold, pipe industry accessories and electrical appliances; and (ii) the production of pipe fitting products by way of original equipment manufacturing (OEM) and original design manufacturing (ODM).

\* For identification purpose only

As as the date of this interim report, the Zhongshan Jiantaiying Acquisition has not completed yet. Upon completion of the Zhongshan Jiantaiying Acquisition, Zhongshan Jiantaiying will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

Please refer to the announcements of the Company dated 3 November 2022, 9 May 2023 and 23 May 2023 for further details.

Save as disclosed above, the Group had no other material acquisition and disposal of subsidiaries and significant investments in associates and joint ventures during the reporting period.

### **SIGNIFICANT INVESTMENTS HELD**

Save as disclosed above, as at 30 September 2023, the Group held no significant investment.

### **CHARGES ON ASSETS**

As at 30 September 2023, the carrying amount of properties mortgaged for bank borrowings was approximately S\$13.8 million (31 March 2023: S\$14.0 million).

### **FOREIGN EXCHANGE EXPOSURE**

The Group operates in Singapore with majority of the transactions settled in Singapore dollar and proceeds from issuance of equity shares are denominated in Hong Kong dollar. The management considers that the Group is exposed to foreign exchange risk, primarily Hong Kong dollar. Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities denominated in a currency that is not the functional currency of the relevant group entity. During the reporting period, the Group did not experience any significant difficulty or impact on its operations or liquidity due to fluctuations in currency exchange rates.

The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure. However, the management will continue to monitor the foreign exchange exposure and take prudent measures to reduce foreign exchange risks.

### **TREASURY POLICIES**

The Group has adopted a prudent financial management approach towards its treasury policies and thus, maintained a healthy liquidity position throughout the reporting period. The finance department of the Group is responsible for treasury management functions, which include, amongst others, researching and sourcing investment options for further consideration by the management and the Board, and monitoring the investments on a continuous basis.

### **CONTINGENT LIABILITIES**

As at 30 September 2023, the Group had no significant contingent liabilities.

### EVENTS AFTER THE REPORTING PERIOD

On 7 August 2023, the Board announced that the Company had received three letters (the “**Letters**”) from three parties who claim to be the bondholders (the “**Alleged Bondholders**”) of the Company. The Alleged Bondholders are in relation to the Alleged Bondholders’ claim for an alleged outstanding debt (the “**Alleged Debts**”) pursuant to respective alleged bond agreements dated 8 March 2021, 8 September 2021 and 22 July 2022 in the Letters respectively. The Company had not entered into and had no knowledge of the alleged bond agreements or incurred the Alleged Debts. In this respect, the Company had conducted an internal investigation, had reported the case to the Hong Kong police, and had contested the existence of the Alleged Debts.

On 10 August 2023, the Board announced that, since the abovementioned matter might involve criminal acts, besides reporting to the Hong Kong police, the Board had immediately established an independent investigation committee (“**Independent Investigation Committee**”) to conduct a comprehensive internal investigation. The purpose was to strengthen the corporate governance and plug any loophole as well as internal control.

On 28 August 2023, the Board announced that all the bonds mentioned in the announcement dated 7 August 2023 were not issued by the Group and the signatures, including the Directors and the company secretary of the Company, appearing on the alleged bonds were forged. No approval was granted by the Board, nor any minutes were found in our book, that is totally contravening the internal procedure of the Company. The Board had reasons to suspect that such forged bonds were made by one of the Company’s previous employees in conspiracy with some bond agents when most of the executive Directors were not in Hong Kong due to Covid-19 during the past three years. Besides those three alleged bonds, there was one more alleged forged bond. After a preliminary internal investigation, the Board had grounds to suspect that at least two of these forged bonds are relating to immigration purposes under the investment immigration scheme. Therefore, the Company had also reported to the Immigration Department of Hong Kong for their investigation.

These alleged bond holders had been incited by the bond agents to threaten to petition winding-up order against the Group in the hope that the Group would submit to the oppressive and malicious means to pay the so-called loan. There was one alleged bond holder which had petitioned for a winding-up order on 24 August 2023, where the amount was only HK\$1.0 million (the “**Petition**”). As advised by the legal advisor we had resorted to the law and reported to the relevant authorities.

Under section 182 Companies (Winding up and Miscellaneous) Ordinance Cap (Cap. 32), if the petition was successfully to get a winding up order, all disposal or transfer of asset of the Group would be void unless it obtains a validation order granted by the court. However, during the petition period, it did not affect the Group’s normal operation including entering into business contracts.



On 7 September 2023, the Board announced that besides the Company had already instructed lawyers to take legal action to strike off the unreasonable and malicious petition, we found that there was a confirmation for one of the alleged bonds mentioned previously made by a solicitor, in reply to our enquiry for the details, her reply revealed that the said authorization had not been given by the Board. We had submitted this information to the authorities for their investigation. To our best knowledge, as at 7 September 2023, the Hong Kong police and the Immigration department had commenced investigation.

On 18 September 2023, the Board announced that, in view of the impact of the Petition, the Group had instructed the Company's lawyer to apply to the court for a validation order in this respect to avoid the suspension of acceptance of deposit of share certificates of the Company into Central Clearing and Settlement System. Besides, according to the information provided by the Hong Kong police, the investigation was in good progress, and the Company was actively cooperating with the investigation.

On 28 September 2023, the Board announced that after an internal investigation, the management of the Company found and reported to the Board that an ex-employee of the Group was suspected of using false documents and authority to commit fraud and misappropriation of funds. Up to 28 September 2023, the Group found that there were 4 alleged bonds in total, of which all the relevant documents of these bonds were forged by the said ex-employee of the Group in conspiracy with some bond agents. The Company has reported the alleged case to the Hong Kong police, and the police had already arrested relevant suspects. The arrested persons also include the said ex-employee and a bond agent in the alleged bonds as mentioned in the Company's announcements dated 7 August 2023 and 28 August 2023.

On 8 November 2023, the Board announced that in the affirmation prepared by our lawyer in reply to the lawyer of the petitioner to the Petition, our lawyer stated clearly that it was by law unenforceable for a forged bond and the action of taking petition for winding-up order was absolutely an abuse of legal procedure. As the borrowings in respect of the claims against the Company were purely fictitious, the petitioner to the Petition had executed with the Company and filed a consent summons to the High Court of Hong Kong for withdrawal of the Petition, and the High Court of Hong Kong on 1 November 2023 ordered that (among other things) the Petition be withdrawn. Accordingly, all legal proceedings relating to the winding-up of the Company had been ceased immediately.

Please refer to the announcements of the Company dated 7 August 2023, 10 August 2023, 28 August 2023, 7 September 2023, 18 September 2023, 28 September 2023 and 8 November 2023 for further details.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2023 and up to the date of this interim report.

\* *for identification purpose only*

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2023, none of the Directors and chief executive of the Company had or was deemed to have any interest and short position in the shares of the Company (the “Shares”), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (“SFO”)) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2023, so far as was known to the Directors, the following persons/entities (not being the Directors or chief executive of the Company) have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

#### Long Position in the Ordinary Shares and underlying Shares of the Company

<u>Name of Substantial Shareholders</u>	<u>Capacity/Nature</u>	<u>No. of Shares held</u>	<u>% of the Company's issued Shares (Note 1)</u>
Zhongbei Capital Co., Limited (中北資本有限公司)(Note 2)	Beneficial owner	138,000,000	9.74%
Yao Jiajia (Note 2)	Interest in the controlled corporation	138,000,000	9.74%

Notes:

1. The total number of 1,416,800,000 shares of the Company in issue as at 30 September 2023 has been used for the calculation of the approximate percentage.
2. Ms. Yao Jiajia held 138,000,000 Shares through Zhongbei Capital Co., Limited (中北資本有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by Ms. Yao Jiajia.

\* For identification purpose only

Save as disclosed above, as at 30 September 2023, the Directors were not aware of any persons/entities (not being Directors or chief executives of the Company) who had interest or short position in the Shares or underlying Shares which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## PURCHASE, SALE OR REDEMPTION OF ANY OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023.

## SHARE OPTION SCHEME

The share option scheme of the Company (the "**Share Option Scheme**") has been conditionally adopted on 26 February 2019. The Company has amended the Share Option Scheme on 13 December 2022 (the "**Amended Share Option Scheme**") to align with the amendments to Chapter 17 of the Listing Rules relating to share option schemes which has come into effect on 1 January 2023. A summary of the Amended Share Option Scheme are set out below.

Purpose	The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.
Who may join	<p>The Board may, at its absolute discretion, offer share options ("<b>Options</b>") to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to:</p> <p>(a) Directors and employees of any member of the Group (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with any member of the Group) ("<b>Employee Participants</b>");</p> <p>(the person referred above are the "<b>Eligible Persons</b>").</p> <p>The eligibility of the Eligible Persons will be determined by the Board based on the their potential and/or actual contribution to the business and development of the Group.</p>
Maximum number of shares available for issue	The maximum number of Shares which may be issued in respect of all options or awards to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date (the " <b>Scheme Mandate Limit</b> "). Options lapsed in accordance with the terms of this Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options or awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under this Scheme after three years from the date of Shareholders' approval for the last refreshment (or the adoption of this Scheme).

Any refreshment within any three year period must be approved by Shareholders of the Company subject to the following provisions:

- (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules or such other provisions as required under Rule 17.03(C) of the Listing Rules.

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

The total number of Shares which may be issued in respect of all Options or awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the number of Options that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

The Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the limit are granted only to Eligible Persons specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Persons who may be granted such Options, the number and terms of the Options to be granted to each Eligible Persons, and the purpose of granting Options to the specified Eligible Persons with an explanation as to how the terms of the Options serve such purpose. The number and terms of Options to be granted to such Eligible Persons must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.

On 4 May 2022, 92,000,000 Options have been granted under the Share Option Scheme and therefore the existing Scheme Mandate Limit was fully utilised. The Company has on 13 December 2022 refreshed the Scheme Mandate Limit and therefore, the maximum number of shares which may be issued upon exercise of all options to be granted under the Amended Share Option Scheme is 110,400,000 shares, being 10% of the Shares in issue as at the date of extraordinary general meeting.

On 15 June 2023, the Company has granted Options to subscribe for 110,400,000 shares of the Company to twelve employees of the Group at the exercise price of HK\$0.43 per share. The Options are valid for 3 years from 15 June 2023 and the vesting period for Options are one year from the date of grant. As a result, there were no available unissued shares under the mandate limit of the Amended Share Option Scheme as at the date of this interim report.



## Other Information

Maximum entitlement of each Eligible Person	<p>Where any grant of Options to an Eligible Person would result in the Shares issued and to be issued in respect of all Options granted to such person (excluding any Options lapsed in accordance with the terms of this Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue, such grant must be separately approved by Shareholders of the Company in general meeting with such Eligible Person and his/her close associates (or associates if the Eligible Person is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Eligible Person, the number and terms of the Options to be granted (and those previously granted to such Eligible Person in the 12-month period), the purpose of granting Options to the Eligible Person and an explanation as to how the terms of the Options serve such purpose. The number and terms of the Options to be granted to such Eligible Person must be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.</p>
Offer and grant of options	<p>Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the exercise price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).</p>
Minimum holding period, vesting and performance target	<p>The vesting period for Options shall not be less than 12 months. Options granted to Employee Participants may be subject to a shorter vesting period under the following circumstances:</p> <ul style="list-style-type: none"><li>(a) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;</li><li>(b) grants of Options with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; and</li><li>(c) grants of Options with a total vesting and holding period of more than 12 months.</li></ul>

Subject as aforesaid and other provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) the achievement of any performance targets by the Company and/or the grantee before the right to exercise the Option in respect of any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. If any performance targets are imposed, the Board may assess such performance targets against key performance indicators for the Group, its subsidiaries, operating units, projects, geographical divisions or individuals, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; and such other goals as the Board may determine from time to time.

Amount payable for options and offer period	An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 21 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date no later than 21 days after the offer date (the “ <b>Acceptance Date</b> ”). Such remittance shall in no circumstances be refundable.
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Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

## Other Information

Exercise Price	<p>The exercise price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the exercise price shall not be less than whichever is the highest of:</p> <ul style="list-style-type: none"><li>(a) the nominal value of a Share;</li><li>(b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; and</li><li>(c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days (as defined in the Listing Rules) immediately preceding the offer date.</li></ul>
Life of Share Option Scheme	<p>Subject to the terms of this Share Option Scheme, the Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.</p>

On 15 June 2023, the Company had granted a total of 110,400,000 share options to twelve employees of the Group (the “**Grantees**”) under the share option scheme adopted by the Company on 26 February 2019 as amended on 13 December 2022, to subscribe for a total of 110,400,000 ordinary shares of the Company (the “**Share(s)**”) subject to the acceptance of the Grantees. The fair value of the share options granted to the employees in aggregate of the Company was approximately S\$5.1 million. The fair value of the share options granted on 15 June 2023 was determined at the date of grant using the binominal model. The binomial lattice model is a generally accepted method of valuing options. The significant assumptions used in the calculation of the values of the share options were risk-free rate of interest, dividend yield, volatility and early exercise multiple. The measurement date used in the valuation calculations was the date on which the share options were granted.

Grant date share price	HK\$0.43
Exercise price	HK\$0.43
Expected volatility	153.18%
Expected life	3 years
Expected dividend yield	0.00%
Risk-free interest rate	3.68%

The total number of shares available for grant under the Share Option Scheme and the Amended Share Option Scheme as at 1 April 2023 and 30 September 2023 were 110,400,000 shares and nil respectively. There was no service provider sublimit under the Share Option Scheme and the Amended Share Option Scheme. As at the date of this Interim Report, the Company has no Share available for issue under the Amended Share Option Scheme. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during 1H2024 divided by weighted average number of Shares in issue for 1H2024 is approximately 8.8%.

The following table discloses the details of the Company's share options under the Share Option Scheme and the movements during the six months ended 30 September 2023:

Grantees	Date of grant	Vesting period	Exercise price per share (HK\$)	Exercise period	Number of share options					Outstanding as at 30 September 2023
					Outstanding as at 1 April 2023	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
Employees in aggregate (Note 1)	4 May 2022	- (Note 2)	0.346 (Note 3)	4 May 2022-3 May 2025	92,000,000	-	92,000,000 (Note 4)	-	-	-
Employees in aggregate (Note 5)	15 June 2023	15 June 2023-14 June 2024	0.43 (Note 6)	15 June 2024-14 June 2026	-	110,400,000	-	-	-	110,400,000
<b>Total:</b>					<b>92,000,000</b>	<b>110,400,000</b>	<b>92,000,000</b>	<b>-</b>	<b>-</b>	<b>110,400,000</b>

Notes:

1. The share options were granted to eleven employees of the Group on 4 May 2022.
2. The share options granted on 4 May 2022 were fully vested immediately on the date of grant.
3. The closing price of the Shares immediately before the date of grant was HK\$0.265 per Share.
4. The weighted average closing price of the Shares immediately before the dates on which the options to the employees in aggregate were exercised was HK\$0.43.
5. The share options were granted to twelve employees of the Group on 15 June 2023.
6. The closing price of the Shares immediately before the date of grant was HK\$0.43 per Share.
7. No performance target is required to be met before exercise of the share options.

## RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “DIRECTORS AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES” and “SHARE OPTION SCHEME” in this report, at no time during the six months ended 30 September 2023 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, at no time during the six months ended 30 September 2023 had the Directors and the chief executives (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for the Shares (or warrants or debentures, if applicable) and its associated corporations (within the meaning of the SFO).

## DISCLOSURE OF INFORMATION ON DIRECTORS

Mr. Wong Kwong Fai (“**Mr. Wong**”) resigned as an independent non-executive Director with effect from 5 September 2023 due to his intention to devote more time to his other personal business and commitments. Mr. Wong ceased to be the chairman of each of the nomination committee of the Board, the audit committee of the Board and the Independent Investigation Committee.

With effect from 5 September 2023, Mr. Wu Kai Tang has been appointed as an independent non-executive Director and the chairman of each of the nomination committee of the Board, the audit committee of the Board and the Independent Investigation Committee.

Save as disclosed above, the Company is not aware of any change in the Directors’ information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listings of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries to all Directors, all Directors of the Company confirmed that they have fully complied with the relevant requirements set out in the Model Code throughout the six months ended 30 September 2023.



## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and the Corporate Governance Report (the “**CG Code**”) contained in Appendix 14 to the Listing Rules as its own code of corporate governance.

The Company has complied with the code provisions as set out in the CG Code during the six months ended 30 September 2023 and up to the date of this interim report. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

## REVIEW BY AUDIT COMMITTEE

The interim results of the Company for the six months ended 30 September 2023 have not been audited by the Company’s independent auditors. The audit committee of the Company has reviewed the unaudited interim results for the six months ended 30 September 2023 including the interim report and discussed with the management of the Company and is of the view that such financial information and report have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made with no disagreement by the audit committee of the Company.

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

Hong Kong, 30 November 2023

# Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2023

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	2022
		<b>S\$'000</b>	S\$'000
	<i>Notes</i>	<b>(unaudited)</b>	(unaudited)
<b>Revenue</b>	<i>5</i>	<b>29,317</b>	21,456
Cost of sales	<i>8</i>	<b>(26,087)</b>	(20,189)
<b>Gross profit</b>		<b>3,230</b>	1,267
Other income	<i>6</i>	<b>1,054</b>	1,231
Other losses, net	<i>7</i>	<b>(4)</b>	(359)
Allowance for expected credit losses (“ECL”)		<b>69</b>	(68)
Share of losses of joint ventures		<b>(32)</b>	(153)
Administrative expenses	<i>8</i>	<b>(11,920)</b>	(10,981)
Operating loss		<b>(7,603)</b>	(9,063)
Finance costs	<i>10</i>	<b>(863)</b>	(1,138)
<b>Loss before income tax</b>		<b>(8,466)</b>	(10,201)
<b>Income tax credit</b>	<i>11</i>	<b>–</b>	98
<b>Loss for the period</b>		<b>(8,466)</b>	(10,103)

# Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 30 September 2023

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	2022
		<b>S\$'000</b>	S\$'000
	<i>Notes</i>	<b>(unaudited)</b>	(unaudited)
<b>Other comprehensive (expense)/income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive losses of joint ventures		<b>(176)</b>	(335)
Exchange difference arising on translation of foreign operations		<b>362</b>	1,002
Other comprehensive income for the period		<b>186</b>	667
<b>Total comprehensive expense for the period</b>		<b>(8,280)</b>	(9,436)
Loss for the period attributable to:			
Owners of the Company		<b>(8,302)</b>	(10,103)
Non-controlling interests		<b>(164)</b>	–
		<b>(8,466)</b>	(10,103)
Total comprehensive expense for the period attributable to:			
Owners of the Company		<b>(8,141)</b>	(9,436)
Non-controlling interests		<b>(139)</b>	–
		<b>(8,280)</b>	(9,346)
Basic and diluted loss per share for loss attributable to equity holders of the Company for the period (expressed in Singapore cents per share)			
Basic and diluted	12	<b>(0.66)</b>	(0.99)

# Condensed Consolidated Statement of Financial Position

For the six months ended 30 September 2023

	<i>Notes</i>	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	<b>As at 31 March 2023 S\$'000 (audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	17,190	17,519
Intangible assets	15	286	103
Goodwill		1,103	920
Right-of-use assets		4,093	4,063
Investments in joint ventures		5,735	5,943
Other deposits		36	35
		<b>28,443</b>	<b>28,583</b>
<b>Current assets</b>			
Trade and other receivables	16	48,486	29,623
Loan receivables	17	11,144	13,564
Amount due from a joint venture		3,552	3,667
Contract assets	18	21,212	32,667
Fixed deposits	19	7,103	2,603
Bank balances – trust and segregated accounts	19	1,365	5,936
Cash and cash equivalents	19	2,621	3,710
		<b>95,483</b>	<b>91,770</b>
<b>Total assets</b>		<b>123,926</b>	<b>120,353</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	2,444	1,907
Reserves		72,071	53,949
		<b>74,515</b>	<b>55,856</b>
Equity attributable to owners of the Company		<b>74,515</b>	<b>55,856</b>
Non-controlling interests		779	292
<b>Total equity</b>		<b>75,294</b>	<b>56,148</b>
<b>Current liabilities</b>			
Trade and other payables	20	11,734	25,430
Contract liabilities	18	745	4,622
Borrowings	21	12,555	12,493
Lease liabilities		664	709
Current tax liabilities		921	1,497
		<b>26,619</b>	<b>44,751</b>

## Condensed Consolidated Statement of Financial Position

For the six months ended 30 September 2023

	<i>Notes</i>	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
<b>Non-current liabilities</b>			
Borrowings	21	<b>18,222</b>	15,747
Lease liabilities		<b>3,521</b>	3,437
Deferred tax liabilities		<b>270</b>	270
		<b>22,013</b>	19,454
<b>Total liabilities</b>		<b>48,632</b>	64,205
<b>Total equity and liabilities</b>		<b>123,926</b>	120,353



# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Attributable to equity holders of the Company									Non-controlling interests SS'000	Total SS'000
	Share capital SS'000	Share premium SS'000	Share option reserve SS'000	Merger reserve SS'000	Revaluation reserve SS'000	Exchange reserve SS'000	Other reserve SS'000	Retained profits SS'000	Total SS'000		
<b>2023</b>											
<b>As at 31 March 2023 (Audited)</b>	1,907	31,913	2,372	1,500	433	(1,448)	-	19,179	55,856	292	56,148
Loss for the period	-	-	-	-	-	-	-	(8,302)	(8,302)	(164)	(8,466)
Other comprehensive expense for the period	-	-	-	-	-	161	-	-	161	25	186
Total comprehensive expense for the period	-	-	-	-	-	161	-	(8,302)	(8,141)	(139)	(8,280)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	723	723
Acquisition of further interest in a subsidiary	-	-	-	-	-	-	97	-	97	(97)	-
Share options granted	-	-	5,148	-	-	-	-	-	5,148	-	5,148
Issue of new shares upon exercise of share options	158	7,632	(2,372)	-	-	-	-	-	5,418	-	5,418
Issue of new shares on subscription of shares	379	15,758	-	-	-	-	-	-	16,137	-	16,137
<b>As at 30 September 2023 (Unaudited)</b>	<b>2,444</b>	<b>55,303</b>	<b>5,148</b>	<b>1,500</b>	<b>433</b>	<b>(1,287)</b>	<b>97</b>	<b>10,877</b>	<b>74,515</b>	<b>779</b>	<b>75,294</b>

	Attributable to equity holders of the Company							Total equity SS'000
	Share capital SS'000	Share premium SS'000	Share option reserve SS'000	Merger reserve SS'000	Retained profits SS'000	Exchange reserve SS'000		
<b>2022</b>								
<b>As at 31 March 2022 (audited)</b>		1,589	17,138	-	1,500	21,241	(300)	41,168
Loss for the period		-	-	-	-	(10,103)	-	(10,103)
Other comprehensive loss for the period		-	-	-	-	-	667	667
Total comprehensive loss for the period		-	-	-	-	(10,103)	667	(9,436)
Recognition of equity-settled share-based payment		-	-	2,372	-	-	-	2,372
Issue of new shares		318	14,774	-	-	-	-	15,092
<b>As at 30 September 2022 (unaudited)</b>		<b>1,907</b>	<b>31,912</b>	<b>2,372</b>	<b>1,500</b>	<b>11,138</b>	<b>367</b>	<b>49,196</b>

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from operating activities</b>		
Loss before income tax	<b>(8,466)</b>	(10,201)
Adjustments for:		
– Depreciation of property, plant equipment	<b>829</b>	854
– Depreciation of rights-of-use assets	<b>512</b>	342
– Amortisation of intangible assets	<b>167</b>	11
– Written-off of property, plant and equipment	<b>–</b>	8
– Written-off of intangible assets	<b>–</b>	3
– Loss on disposals of property, plant and equipment	<b>–</b>	405
– Equity-settled share-based payment	<b>5,148</b>	2,372
– Allowance for ECL of trade and other receivables	<b>19</b>	25
– Allowance for ECL of loan receivables	<b>(70)</b>	43
– Allowance for ECL of contract assets	<b>(17)</b>	–
– Share of loss of joint ventures	<b>32</b>	153
– Interest income	<b>(290)</b>	(66)
– Finance costs	<b>863</b>	1,138
	<b>(1,273)</b>	(4,913)
Change in working capital:		
– Trade and other receivables	<b>(17,265)</b>	2,774
– Loan receivables	<b>2,490</b>	(2,383)
– Amount due from a joint venture	<b>(10)</b>	(798)
– Contract assets/(liabilities), net	<b>7,595</b>	170
– Bank balances – trust and segregated accounts	<b>4,571</b>	–
– Trade and other payables	<b>(13,765)</b>	2,324
Cash used in operations	<b>(17,657)</b>	(2,826)
Interest received	<b>290</b>	66
Income tax paid	<b>(576)</b>	(323)
<b>Net cash used in operating activities</b>	<b>(17,943)</b>	(3,083)

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(256)	(419)
Addition in fixed deposit	(4,500)	(1)
Acquisition of a subsidiary	(919)	–
Investments in joint ventures	–	(606)
Proceeds from disposal of property, plant and equipment	–	1,591
<b>Net cash (used in)/generated from investing activities</b>	<b>(5,675)</b>	565
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	21,555	15,092
Principal element of lease liabilities	(504)	(338)
Movements in borrowings	1,876	(2,844)
Interest paid	(863)	(1,138)
<b>Net cash generated from financing activities</b>	<b>22,064</b>	10,772
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,554)</b>	8,254
<b>Cash and cash equivalents at the beginning of financial period</b>	<b>3,710</b>	9,054
<b>Effect of foreign exchange rate changes</b>	<b>465</b>	(98)
<b>Cash and cash equivalents at the end of financial period</b>	<b>2,621</b>	17,210

# Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 1. General Information

The Company was incorporated on 17 July 2018 in the Cayman Islands as an exempted Company with limited liability under the Companies Law (Cap 22, Law 3 of 1961 as consolidated and revised) (now known as the Companies Act (2021 Revision)) of the Cayman Islands. The shares of the Company have been listed on the Main Board (the “**Main Board**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 27 March 2019.

The Company’s registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Singapore is 38 Senoko Road, Singapore 758110. The principal place of business in Hong Kong is 23/F, Central 88, 88-89 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services, provision of brokerage, placing and margin financing services, provision of engineering services and trading of building materials.

The unaudited condensed consolidated financial information was approved by the Board of Directors of the Company on 30 November 2023.

## 2. Basis of preparation

The condensed consolidated financial information for the six months ended 30 September 2023 is prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting”. The condensed consolidated financial information have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by International Accounting Standards Board (“**IASB**”). The condensed consolidated financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2023.

The unaudited condensed consolidated financial information are presented in Singapore Dollars (“**S\$**”), unless otherwise stated.

## 3. Significant accounting policies

The accounting policies applied and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2023, except for the adoption of new or revised standards, amendments and interpretations which are relevant to the operations of the Group and mandatory for annual periods beginning 1 April 2023.

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 April 2023:

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of these new and amended standards does not have significant impact on the condensed consolidated financial statements of the Group.

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 4. Segment information

The Company's executive directors monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors consider the segment from a business perspective. The Group has three (1H2023: two) operating segments that qualify as reporting segment under IFRS 8 and the information that is regularly reviewed by the executive directors for the purposes of allocating resources and assessing performance of the operating segment.

The executive directors assess the performance based on a measure of profit before income tax, and consider all businesses are included in the two segments.

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2023 S\$'000 (unaudited)	2022 S\$'000 (unaudited)	2023 S\$'000 (unaudited)	2022 S\$'000 (unaudited)
Construction contracts	28,609	21,456	2,909	1,267
Engineering services	455	–	68	–
Brokerage, placing and margin financing services	253	–	253	–
Trading of building materials	–	–	–	–
<b>Total segment</b>	<b>29,317</b>	21,456	<b>3,230</b>	1,267
Other income			1,054	1,231
Other losses, net			(4)	(359)
Allowance for ECL			69	(68)
Share of losses of joint ventures			(32)	(153)
Administrative expenses			(11,920)	(10,981)
Finance costs			(863)	(1,138)
<b>Loss before income tax</b>			<b>(8,466)</b>	(10,201)

Revenue reported in Note 5 below represented transactions with third parties and are reported to the executive directors in a manner consistent with that in the condensed consolidated statement of profit or loss.



## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 4. Segment information (Continued)

For the six months ended 30 September 2023, there were four customers (1H2023: two) which individually contributed over 10% of the Group's total revenue. During the six months ended 30 September 2023 and 2022, the revenue contributed from each of these customers was as follows:

	Six months ended 30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Customer A	11,930	16,639
Customer B (Note)	3,881	3,005
Customer C (Note)	5,418	N/A
Customer D (Note)	3,483	N/A

*Note:* Revenue from the customers which individually contributed less than 10% of the total revenue of the Group in corresponding period is shown as "N/A".

As at 30 September 2023, the total non-current assets other than other deposits and investment in joint ventures in Singapore, Hong Kong and the PRC were approximately S\$19,823,000, approximately S\$1,265,000 and approximately S\$1,584,000 respectively (31 March 2023: approximately S\$20,225,000 in Singapore, approximately S\$1,390,000 in Hong Kong and approximately S\$990,000 in the PRC respectively).

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 5. Revenue

#### (a) Disaggregation of revenue from contracts with customers

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Revenue from construction contracts</b>		
Construction contracts relating to:		
– Gas	<b>11,930</b>	16,639
– Water	<b>16,679</b>	4,817
	<b>28,609</b>	21,456
<b>Revenue from engineering services</b>		
Engineering services income	<b>455</b>	–
<b>Revenue from brokerage, placing and margin financing services</b>		
Commission and brokerage income	<b>54</b>	–
Clearing, settlement and handling income	<b>135</b>	–
	<b>189</b>	–
<b>Revenue from other sources:</b>		
<b>Interest income</b>		
Interest income from cash and margin clients	<b>64</b>	–
<b>Total</b>	<b>29,317</b>	21,456

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 5. Revenue (Continued)

#### (a) Disaggregation of revenue from contracts with customers (Continued)

	<b>Six months ended 30 September 2023</b>		2022
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Timing of revenue recognition</b>			
Recognised over time			
– Revenue from construction contracts	<b>28,609</b>		21,456
– Revenue from engineering services	<b>455</b>		–
Recognised at a point in time			
– Revenue from brokerage, placing and margin financing services	<b>189</b>		–
	<b>29,253</b>		21,456

	<b>Six months ended 30 September 2023</b>				
	<b>Revenue from construction contracts</b>	<b>Revenue from engineering services</b>	<b>Revenue from brokerage, placing and margin financing services</b>	<b>Revenue from trading of building materials</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Geographical markets:</b>					
– Singapore	<b>28,609</b>	–	–	–	<b>28,609</b>
– Hong Kong	–	–	<b>189</b>	–	<b>189</b>
– PRC	–	<b>455</b>	–	–	<b>455</b>
	<b>28,609</b>	<b>455</b>	<b>189</b>	–	<b>29,253</b>

For the six months ended  
30 September 2022

	<b>Revenue from construction contracts</b>	<b>Revenue from trading of building materials</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Geographical markets:</b>			
– Singapore	21,456	–	21,456

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 5. Revenue (Continued)

#### (b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	<b>As at 30 September</b>	2022	As at
	<b>2023</b>	2022	31 March
	<b>S\$'000</b>	S\$'000	2023
	<b>(unaudited)</b>	(unaudited)	S\$'000
			(audited)
<b>Total contract assets:</b>			
– Construction contracts	<b>21,212</b>	23,640	32,667
<b>Total contract liabilities:</b>			
– Construction contracts	<b>(745)</b>	(229)	(4,622)

Contract assets and liabilities are related to fixed price specialised pipeline construction contracts.

#### (c) Unsatisfied performance obligation

The following table shows unsatisfied performance obligations resulting from contracts and when the Group expects to recognise as revenue:

	<b>As at 30</b>
	<b>September 2023</b>
	<b>Revenue</b>
	<b>from</b>
	<b>construction</b>
	<b>contracts</b>
	<b>S\$'000</b>
	<b>(unaudited)</b>
<b>Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied:</b>	
– Within 1 year after financial period	<b>73,478</b>
– Between 1 to 2 years after financial period	<b>12,070</b>
	<b>85,548</b>

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 5. Revenue (Continued)

#### (c) Unsatisfied performance obligation (Continued)

	As at 30 September 2022		
	Revenue from construction contracts <i>S\$'000</i> (unaudited)		
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied:			
– Within 1 year after financial period			107,319
– Between 1 to 2 years after financial period			25,937
– More than 2 years after financial period			<u>6,366</u>
			<u>139,622</u>
	<b>As at 30 September</b>		As at
	<b>2023</b>	2022	31 March
	<b><i>S\$'000</i></b>	<i>S\$'000</i>	2023
	<b>(unaudited)</b>	(unaudited)	<i>S\$'000</i> (audited)
<b>Receivables from contracts with customers within the scope of IFRS 15, which are included in “trade and other receivables”, before allowance for ECL</b>			
– Construction contracts	<b>8,651</b>	2,251	9,815
– Trading of building materials	–	1,119	–
– Engineering services	<b>144</b>	–	–
– Brokerage, placing and margin financing services	<b>782</b>	–	<u>2,705</u>
	<u><b>9,577</b></u>	<u>3,370</u>	<u>12,520</u>



## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 6. Other income

	Six months ended 30 September	
	2023 S\$'000 (unaudited)	2022 S\$'000 (unaudited)
Interest income	226	66
Government grant	25	364
Insurance claims	20	24
Agency income	382	–
Others	401	777
	<b>1,054</b>	<b>1,231</b>

### 7. Other losses, net

	Six months ended 30 September	
	2023 S\$'000 (unaudited)	2022 S\$'000 (unaudited)
Write off of property, plant and equipment	–	8
Write off of intangible assets	–	(3)
Loss on disposal of property, plant and equipment	–	(405)
Foreign exchange (losses)/gains	(4)	41
	<b>(4)</b>	<b>(359)</b>

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 8. Expenses by nature

	Six months ended 30 September 2023 S\$'000 (unaudited)	2022 S\$'000 (unaudited)
Material costs	6,859	5,351
Subcontractor costs	5,950	2,408
Transportation costs	295	326
Auditor's remuneration	174	292
Entertainment expenses	209	63
Rental expenses	1,898	1,164
Depreciation of property, plant and equipment	829	854
Depreciation of right-of-use	512	342
Amortisation of intangible asset	167	11
Professional fees	825	894
Vehicle-related expenses	726	1,058
Repair and maintenance expenses	373	402
Employee benefit costs ( <i>Note 9</i> )	12,586	8,003
Project application fee	544	2,014
Other expenses	6,060	7,988
<b>Total cost of sales and administrative expenses</b>	<b>38,007</b>	<b>31,170</b>
Represented by:		
Cost of sales	26,087	20,189
Administrative expenses	11,920	10,981
	<b>38,007</b>	<b>31,170</b>

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 9. Employee benefit costs – including directors' emoluments

	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
Wages and salaries	7,245	5,352
Employer's contribution to defined contribution plans	193	279
Equity-settled share-based payment	5,148	2,372
	<b>12,586</b>	8,003

Employee benefits costs have been included in the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
Cost of sales	4,463	3,817
Administrative expenses	8,123	4,186
	<b>12,586</b>	8,003

### 10. Finance costs

	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
Bonds	382	1,015
Hire purchase liabilities	–	6
Lease liabilities	45	32
Term loan	86	85
Other borrowings	350	–
	<b>863</b>	1,138

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 11. Income tax credit

Tax for group company incorporated in Singapore has been provided at the applicable Singapore statutory corporate tax rate of 17% (1H2023: 17%) on the estimated assessable profit during the financial year. Companies within the Group that are incorporated in the Cayman Islands and the British Virgin Island (“**BVI**”) are not subject to any income tax. Under the two-tiered profits tax regime in Hong Kong, the applicable tax rates for a qualified group company incorporated in Hong Kong is 8.25% (1H2023: 8.25%) on the first HK\$2,000,000 of assessable profit and 16.5% (1H2023: 16.5%) on the remaining assessable profit. The applicable tax rate for those non-qualified group companies incorporated in Hong Kong is 16.5% (1H2023: 16.5%). The applicable tax rate for group company incorporated in the PRC is 25% (1H2023: 25%).

The amount of income tax (credit)/expense charged to the condensed consolidated statement of profit or loss represents:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
Tax expense attributable to profit is made up of:		
– Current income tax – Singapore	–	(79)
– Current income tax – PRC	–	–
– Current income tax – Hong Kong	–	(69)
– Deferred income tax	–	50
	<u>–</u>	<u>(98)</u>

### 12. Loss per share

#### (a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the reporting period.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
	<b>(unaudited)</b>	(unaudited)
Loss attributable to owners of the Company (S\$'000)	<u>(8,302)</u>	<u>(10,103)</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>1,255,423</u>	<u>1,023,563</u>
Basic loss per share (Singapore cents)	<u>(0.66)</u>	<u>(0.99)</u>

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 12. Loss per share (Continued)

#### (b) Diluted loss per share

No adjustment has been made to the basic loss per share for the six months ended 30 September 2022 and 2023 as the outstanding potential ordinary shares of the Company did not have dilutive effect. The computation of diluted loss per share for the six months ended 30 September 2022 and 2023 do not assume the exercise of outstanding share options of the Company since their assumed exercise would result in a decrease in loss per share.

### 13. Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

### 14. Property, plant and equipment

	Leasehold improvements S\$'000	Leasehold properties held for own use carried at fair value S\$'000	Computer and device S\$'000	Furniture and office equipment S\$'000	Motor vehicles S\$'000	Plant and machinery S\$'000	Total S\$'000
<b>30 September 2023</b>							
Cost or valuation							
Beginning of financial period	2,214	14,000	10	220	1,930	7,505	25,879
Additions	161	-	9	5	74	7	256
Acquisition of a subsidiary	21	-	20	-	192	-	233
Exchange alignment	9	-	1	2	4	-	16
End of financial period	2,405	14,000	40	227	2,200	7,512	26,384
Accumulated depreciation							
Beginning of financial period	548	-	2	140	1,408	6,262	8,360
Provided for the period (Note 8)	260	229	10	22	63	245	829
Exchange alignment	3	-	-	2	-	-	5
End of financial period	811	229	12	164	1,471	6,507	9,194
<b>Net book value</b>							
<b>End of financial period</b> <b>(unaudited)</b>	<b>1,594</b>	<b>13,771</b>	<b>28</b>	<b>63</b>	<b>729</b>	<b>1,005</b>	<b>17,190</b>

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 14. Property, plant and equipment (Continued)

	Leasehold improvements <i>S\$'000</i>	Leasehold held for own used carried at fair value <i>S\$'000</i>	Computer and device <i>S\$'000</i>	Plant and machinery <i>S\$'000</i>	Furniture and office equipment <i>S\$'000</i>	Motor vehicle <i>S\$'000</i>	Total <i>S\$'000</i>
<b>31 March 2023</b>							
Cost or valuation							
Beginning of financial year	1,972	13,430	-	7,457	353	6,234	29,446
Additions	640	-	10	55	38	75	818
Written-off	(394)	-	-	(7)	(157)	-	(558)
Disposals	-	-	-	-	(13)	(4,379)	(4,392)
Depreciation eliminated against cost	-	(425)	-	-	-	-	(425)
Surplus on revaluation	-	995	-	-	-	-	995
Exchange alignment	(4)	-	-	-	(1)	-	(5)
End of financial year	<u>2,214</u>	<u>14,000</u>	<u>10</u>	<u>7,505</u>	<u>220</u>	<u>1,930</u>	<u>25,879</u>
Accumulated depreciation							
Beginning of financial year	537	-	-	5,771	265	3,560	10,133
Provided for the year	410	425	2	498	43	227	1,605
Written-off	(394)	-	-	(7)	(157)	-	(558)
Disposals	-	-	-	-	(11)	(2,379)	(2,390)
Write back on revaluation	-	(425)	-	-	-	-	(425)
Exchange alignment	(5)	-	-	-	-	-	(5)
End of financial year	<u>548</u>	<u>-</u>	<u>-</u>	<u>6,262</u>	<u>140</u>	<u>1,408</u>	<u>8,360</u>
<b>Net book value</b>							
<b>End of financial year (audited)</b>	<u>1,666</u>	<u>14,000</u>	<u>8</u>	<u>1,243</u>	<u>80</u>	<u>522</u>	<u>17,519</u>



## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 15. Intangible asset

	<b>Trading right in Stock Exchange</b> <i>S\$'000</i>	<b>Computer Software</b> <i>S\$'000</i>	<b>Licence</b> <i>S\$'000</i>	<b>Total</b> <i>S\$'000</i>
<b>Cost</b>				
As at 1 April 2022	–	179	–	179
Arising from acquisition of a subsidiary	87	–	–	87
Written-off	–	(10)	–	(10)
Exchange alignment	(3)	–	–	(3)
As at 31 March 2023 and 1 April 2023	84	169	–	253
Arising from acquisition of a subsidiary	–	–	339	339
Exchange alignment	3	–	8	11
As at 30 September 2023	87	169	347	603
<b>Accumulated amortisation</b>				
As at 1 April 2022	–	137	–	137
Amortisation for the year	–	19	–	19
Written-off	–	(6)	–	(6)
As at 31 March 2023 and 1 April 2023	–	150	–	150
Amortisation for the period ( <i>Note 8</i> )	–	9	158	167
As at 30 September 2023	–	159	158	317
<b>Carrying amount</b>				
<b>As at 30 September 2023 (unaudited)</b>	<b>87</b>	<b>10</b>	<b>189</b>	<b>286</b>
As at 31 March 2023 (audited)	84	19	–	103

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 16. Trade and other receivables

	As at 30 September 2023 S\$'000 (unaudited)	As at 31 March 2023 S\$'000 (audited)
<b>Trade receivables from construction contracts and engineering services</b>	<b>8,795</b>	9,815
Less: Allowance for ECL	(58)	(6)
	<b>8,737</b>	9,809
(a)		
<b>Trade receivables arising from brokerage, placing and margin financing business:</b>		
– Cash clients	703	2,292
– Margin clients	79	397
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	–	16
Less: Allowance for ECL	(12)	(41)
	<b>770</b>	2,664
(b)		
<b>Total trade receivables</b>	<b>9,507</b>	12,473
<b>Prepayments, deposits and other receivables</b>		
Prepayments	24,801	3,613
Deposits	5,100	4,214
Other receivables	9,257	9,504
Less: Allowance for ECL	(179)	(181)
	<b>38,979</b>	17,150
<b>Total trade and other receivables</b>	<b>48,486</b>	29,623

#### (a) Trade receivables from construction contracts and engineering services

The Group normally grants credit terms to its customers ranging from 30 to 45 days. The ageing analysis of the trade receivables from construction contracts and engineering services based on invoice date, net of allowance for ECL is as follows:

	As at 30 September 2023 S\$'000 (unaudited)	As at 31 March 2023 S\$'000 (audited)
Within 30 days	4,834	3,882
31 to 60 days	15	5,634
61 to 90 days	14	293
Over 90 days	3,874	–
	<b>8,737</b>	9,809

Note: Subsequent to the end of reporting period, for trade receivables aged over 90 days, approximately S\$886,000 were settled.

For the six months ended 30 September 2023

### **16. Trade receivables, deposits and other receivables** (Continued)

#### **(a) Trade receivables from construction contracts and engineering services** (Continued)

The Group's customers comprise mainly (i) gas, water, telecommunications and power utility companies in the private sector, (ii) Singapore government agencies such as those governing water utility and catchment in the public sector, and (iii) property developers in public and private sectors in the PRC. The Group has assessed ECL by grouping the receivables based on shared credit risk characteristics. Accordingly, the Group is of the view that the ECL rate to be consistent throughout the reporting period, by taking into consideration of the track record of regular repayment of receivables from the customers over time and also the outlook of overall economic environment.

#### **(b) Trade receivables arising from brokerage, placing and margin financing business**

The Group seeks to maintain tight control over its outstanding trade receivables and has procedures and policies to assess its clients' credit quality and defines credit limits for each client. All client acceptances and credit limit are approved by designated approvers according to the clients' credit worthiness.

The settlement terms of trade receivables from cash client are two days after trade date.

Trade receivables from margin clients are repayable on demand. As at 30 September 2023, all balances were secured by sufficient collateral on an individual basis.

No ageing analysis by invoice date is disclosed for these trade receivables as in the opinion of the directors, the ageing analysis does not give additional value in view of the nature of financial services business. The Group offset certain trade receivable and trade payable when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.

The settlement terms of trade receivables arising from the provision of securities brokerage business with HKSCC are two days after trade date.

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 17. Loan receivables

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
Loan receivables		
– secured loans	<b>1,340</b>	2,168
– unsecured loans	<b>10,136</b>	11,804
Less: Allowance for ECL	<b>(332)</b>	(408)
	<b>11,144</b>	13,564
Amount due within one year included under current assets	<b>11,144</b>	13,564

The loans to customers had a loan period of 12 months. The loans provided to customers bore fixed interest rate ranging from 6% to 14% per annum and were repayable according to the loan agreements.

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
Within 90 days	<b>3,631</b>	–
91 to 180 days	<b>6,185</b>	–
181 to 365 days	<b>1,328</b>	13,564
	<b>11,144</b>	13,564

The above ageing analysis is presented based on the maturity date.

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 18. Contract assets/(liabilities)

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
Comprising:		
<b>Current</b>		
Contract assets	<b>21,212</b>	32,667
Contract liabilities	<b>(745)</b>	(4,622)
	<b>20,467</b>	28,045

The contract assets primarily relate to the Group's conditional right to a consideration in exchange for a satisfied performance obligations at the reporting date in respect of construction contracts. The contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

As at 30 September 2023, retention receivables amounted to approximately S\$1,583,000 (31 March 2023: approximately S\$828,000) are included in contract assets.

Retention receivables is unsecured, interest-free and recoverable at the end of the defect liability period of individual contracts.

As at 30 September 2023, the allowance for ECL amounted to approximately S\$25,000 (31 March 2023: approximately S\$43,000) are included in the carrying amount of contract assets.

For the six months ended 30 September 2023

**19. Cash and cash equivalents and fixed deposits****(a) Cash and cash equivalents**

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
Cash at banks	<b>2,621</b>	3,710

The Group's cash and cash equivalents are denominated in the following currencies:

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
SGD	<b>719</b>	2,097
USD	<b>1</b>	–
HKD	<b>1,609</b>	853
RMB	<b>292</b>	760
	<b>2,621</b>	3,710

**(b) Fixed deposits**

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
Fixed deposits denominated in SGD	<b>7,103</b>	2,603

Fixed deposits at 30 September 2023 bore interest rates ranging from 0.90% to 3.00% (31 March 2023: from 0.90% to 3.30%) per annum and certain fixed deposits were pledged to the banking facilities of the subsidiary of the Group.

**(c) Bank balances – trust and segregated accounts**

The Group receives and holds money deposited by clients and other institutions in the course of the conduct of the regulated activities of its ordinary business. These clients' monies are maintained in one or more segregated bank accounts. The Group has recognised the corresponding trade payables to respective clients and other institutions.



## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 20. Trade and other payables

		<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
<b>Trade payables arising from construction contracts and engineering services:</b>			
Trade payables	(a)	<u>5,795</u>	<u>7,612</u>
<b>Trade payables arising from brokerage and placing and margin financing business:</b>			
– Cash clients		1,353	5,910
– Margin clients		13	287
– HKSCC		<u>–</u>	<u>1,632</u>
	(b)	<u>1,366</u>	<u>7,892</u>
<b>Total trade payables</b>		<u>7,161</u>	<u>15,441</u>
<b>Other payables:</b>			
– Advances received from customers		33	25
– Provision for foreseeable losses on construction contracts		2,201	3,167
– Others		638	1,680
Accrued expenses		162	1,403
Accrued for trade related costs		–	825
Accrual for employee benefit expenses		<u>1,539</u>	<u>2,889</u>
		<u>4,753</u>	<u>9,989</u>
<b>Total trade and other payables</b>		<u>11,734</u>	<u>25,430</u>

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 20. Trade and other payables (Continued)

#### (a) Trade payables arising from construction contracts and engineering services:

The ageing analysis of the trade payables arising from construction contracts and engineering services, based on invoice date, were as follows:

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
Within 30 days	4,297	4,352
31 to 60 days	1,264	2,722
61 to 90 days	153	528
Over 90 days	81	10
	<b>5,795</b>	<b>7,612</b>

#### (b) Trade payables arising from brokerage, placing and margin financing business:

No ageing analysis is disclosed for these trade payables as, in the opinion of the directors, the ageing analysis does not give additional value in view of the nature of financial services business. The normal settlement terms of trade payables to cash clients and margin clients are repayable on demand.

### 21. Borrowings

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
Bank borrowings-term loans (i)	6,784	7,771
Bonds (ii)	14,509	15,629
Other borrowings (iii)	9,484	4,840
Total borrowings	<b>30,777</b>	<b>28,240</b>
Of which:		
– Current liabilities	12,555	12,493
– Non-current liabilities	18,222	15,747
	<b>30,777</b>	<b>28,240</b>

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 21. Borrowings (Continued)

#### (i) Bank borrowings – term loans

The Group's term loan were repayable as follows:

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
<b>Non-current, secured</b>		
– Repayable later than 1 year and no later than 2 years	<b>1,915</b>	3,305
– Repayable later than 2 years and no later than 5 years	<b>1,931</b>	1,207
– Repayable later than 5 years	<b>1,050</b>	1,325
	<b>4,896</b>	5,837
<b>Current, secured</b>		
– Repayable no later than 1 year	<b>1,888</b>	1,934
	<b>6,784</b>	7,771

The carrying amounts of the Group's term loan approximate their fair values and are denominated in Singapore dollar.

Term loans are secured by leasehold properties and corporate guarantee from the Company.

For the period ended 30 September 2023, interest was charged at fixed rate of 1.68% and 4.38% (31 March 2023: 1.5% and 2%) per annum.

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 21. Borrowings (Continued)

#### (ii) Bonds

The issued bonds of the Group were repayable as follows:

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
<b>Non-current, unsecured</b>		
– Repayable later than 1 year and no later than 2 years	–	4
– Repayable later than 2 years and no later than 5 years	<b>8,448</b>	8,713
	<b>8,448</b>	8,717
<b>Current, unsecured</b>		
– Repayable no later than 1 year	<b>6,061</b>	6,912
	<b>14,509</b>	15,629

The carrying amounts of the Group's bonds approximate their fair values and are denominated in Hong Kong dollar, United States dollar and in Renminbi.

For the period ended 30 September 2023, the bonds bore a fixed interest rate between 4.3% to 9% per annum (31 March 2023: between 6% to 9% per annum).

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 21. Borrowings (Continued)

#### (iii) Other borrowings

The other borrowings of the Group were repayable as follows:

	<b>As at 30 September 2023 S\$'000 (unaudited)</b>	As at 31 March 2023 S\$'000 (audited)
<b>Non-current, unsecured</b>		
– Repayable later than 1 year and no later than 2 years	<b>3,898</b>	633
– Repayable later than 2 years and no later than 5 years	<b>980</b>	560
	<b>4,878</b>	1,193
<b>Current, unsecured</b>		
– Repayable no later than 1 year	<b>4,606</b>	3,647
	<b>9,484</b>	4,840

The carrying amounts of the Group's other borrowings approximate their fair values and are denominated in Renminbi.

Other borrowings were unsecured and bore a fixed interest rate between 8% to 10% per annum during the period ended 30 September 2023 (31 March 2023: between 8% to 10% per annum).

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 22. Share capital

	Number of shares	Share capital <i>HK\$'000</i>	
Authorised:			
Ordinary shares of HK\$0.01 each			
At 1 April 2022 (audited), 31 March 2023 (audited) and 30 September 2023 (unaudited)	10,000,000,000	100,000	
	Number of shares	Share capital <i>HK\$'000</i>	Share capital <i>S\$'000</i>
<b>Issued and fully paid:</b>			
Ordinary shares of HK\$0.01 each			
At 1 April 2022 (audited)	920,000,000	9,200	1,589
Issue of shares under subscriptions ( <i>Note 1</i> )	184,000,000	1,840	318
As at 31 March 2023 (unaudited)	1,104,000,000	11,040	1,907
Issue of shares upon exercise of share options ( <i>Note 2</i> )	92,000,000	920	158
Issue of new shares under subscription of shares ( <i>Note 3</i> )	220,800,000	2,208	379
As at 30 September 2023 (unaudited)	1,416,800,000	14,168	2,444



## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 22. Share capital (Continued)

*Notes:*

- (1) On 16 May 2022, the Company entered into two subscription agreements with two subscribers, pursuant to which the Company has agreed to allot and issue and the two subscribers have conditionally agreed to subscribe for an aggregate of 184,000,000 new shares of the Company at the subscription price of HK\$0.475 per subscription share on the terms and subject to the conditions set out in the subscription agreements. The subscription were completed in June 2022.
- (2) During the six months ended 30 September 2023, 92,000,000 new shares were allotted and issued upon the exercise of share options by the eligible employees which were granted under the share option scheme adopted by the Company on 26 February 2019. The share options were granted on 4 May 2022 at the exercise price of HK\$0.346 per share.
- (3) On 1 June 2023, the Company entered into five separate subscription agreements with each of the five subscribers respectively, pursuant to which the Company has agreed to allot and issue and the five subscribers have conditionally agreed to subscribe for an aggregate of 220,800,000 new shares at the subscription price of HK\$0.43 per subscription share on the terms and subject to the conditions set out in the subscription agreements. The subscription were completed in July 2023.

For the six months ended 30 September 2023

### 23. Subsequent events

On 7 August 2023, the Board announced that the Company had received three letters (the “**Letters**”) from three parties who claim to be the bondholders (the “**Alleged Bondholders**”) of the Company. The Alleged Bondholders are in relation to the Alleged Bondholders’ claim for an alleged outstanding debt (the “**Alleged Debts**”) pursuant to respective alleged bond agreements dated 8 March 2021, 8 September 2021 and 22 July 2022 in the Letters respectively. The Company had not entered into and had no knowledge of the alleged bond agreements or incurred the Alleged Debts. In this respect, the Company conducted an internal investigation and had reported the case to the Hong Kong police, and had contested the existence of the Alleged Debts.

On 10 August 2023, the Board announced that, since the abovementioned matter might involve criminal acts, besides reporting to the Hong Kong police, the Board had immediately established an independent investigation committee to conduct a comprehensive internal investigation. The purpose was to strengthen the corporate governance and plug any loophole as well as internal control.

On 28 August 2023, the Board announced that all the bonds mentioned in the announcement dated 7 August 2023 were not issued by the Group and the signatures, including the Directors and the Company Secretary of the Company, appearing on the alleged bonds were forged. No approval was granted by the Board, nor any minutes were found in our book, that is totally contravening the internal procedure of the Company. The Board had reasons to suspect that such forged bonds were made by one of the Company’s previous employees in conspiracy with some bond agents when most of the executive Directors of the Company were not in Hong Kong due to Covid-19 during the past three years. Besides those three alleged bonds, there was one more alleged forged bond. After a preliminary internal investigation, the Board had grounds to suspect that at least two of these forged bonds are relating to immigration purposes under the investment immigration scheme. Therefore, the Company had also reported to the Immigration Department of Hong Kong for their investigation.

These alleged bond holders had been incited by the bond agents to threaten to petition winding up order against the Group in the hope that the Group would submit to the oppressive and malicious means to pay the so-called loan. There was one alleged bond holder which had petitioned for a winding up order on 24 August 2023, where the amount was only HK\$1,000,000.00 (the “**Petition**”). As advised by the legal advisor we had resorted to the law and reported to the relevant authorities.

Under s.182 Companies (Winding up and Miscellaneous) Ordinance Cap (Cap. 32), if the petition was successfully to get a winding up order, all disposal or transfer of asset of the Group would be void unless it obtains a validation order granted by the court. However, during the petition period, it does not affect the Group’s normal operation including entering into business contracts.

## Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 23. Subsequent events (Continued)

On 7 September 2023, the Board announced that besides the Company had already instructed lawyers to take legal action to strike off the unreasonable and malicious petition, we found that there was a confirmation for one of the alleged bonds mentioned in previous made by a solicitor, in reply to our enquiry for the details, her reply revealed that the said authorization had not been given by the Board. We had submitted this information to the authorities for their investigation. To our best knowledge, as at 7 September 2023, the Hong Kong police and the Immigration department had commenced investigation.

On 18 September 2023, the Board announced that, in view of the impact of the Petition, the Group had instructed the Company's lawyer to apply to the court for a validation order in this respect to avoid the suspension of acceptance of deposit of share certificates of the Company into Central Clearing and Settlement System. Besides, according to the information provided by the Hong Kong police, the investigation was in good progress, and the Company was actively cooperating with the investigation.

On 28 September 2023, the Board announced that after an internal investigation, the management of the Company found and reported to the Board that an ex-employee of the Group was suspected of using false documents and authority to commit fraud and misappropriation of funds. Up to 28 September 2023, the Group found that there were 4 alleged bonds in total, of which all the relevant documents of these bonds were forged by an ex-employee of the Group in conspiracy with some bond agents. The Company has reported the alleged case to the Hong Kong police, and the police had already arrested relevant suspects. The arrested persons also include the said ex-employee and a bond agent in the alleged bonds as mentioned in the Company's announcements dated 7 August 2023 and 28 August 2023.

On 8 November 2023, the Board announced that in the affirmation prepared by our lawyer in reply to the lawyer of the petitioner to the Petition, our lawyer states clearly that it was by law unenforceable for a forged bond and the action of taking petition for winding up order was absolutely an abuse of legal procedure. As the borrowings in respect of the claims against the Company were purely fictitious, the petitioner to the Petition had executed with the Company and filed a consent summons to the High Court of Hong Kong for withdrawal of the Petition, and the High Court of Hong Kong had on 1 November 2023 ordered that (among other things) the Petition be withdrawn. Accordingly, all legal proceedings relating to the winding-up of the Company had been ceased immediately.

Please refer to the announcements of the Company dated 7 August 2023, 10 August 2023, 28 August 2023, 7 September 2023, 18 September 2023, 28 September 2023 and 8 November 2023 for further details.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2023 and up to the date of this interim report.

\* for identification purpose only