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Grandshores Technology Group Limited

雄岸科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1647)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Grandshores Technology Group Limited (the “**Company**”) is pleased to present the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (the “**Review Period**”), together with the comparative figures for the corresponding six months ended 30 September 2023 (the “**Last Period**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended	
		30 September	2023
	Note	2024	2023
		S\$	S\$
		(Unaudited)	(Unaudited)
Revenue	4	48,578,720	29,182,500
Costs of sales and services		(42,132,048)	(25,265,247)
Gross profit		6,446,672	3,917,253
Other income		189,363	1,686,312
Other gains and losses		(1,734,487)	(173,252)
Selling expenses		(247,031)	(110,017)
Administrative expenses		(7,656,341)	(6,715,934)
Impairment loss recognised on financial assets		—	(711)
Finance costs	5	(20,481)	(61,887)
Share of loss of associates		(344)	(2,109)
Loss before taxation		(3,022,649)	(1,460,345)
Income tax expense	6	(20,855)	(120,009)
Loss for the period	7	(3,043,504)	(1,580,354)
Other comprehensive income/(loss) for the period			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		658,235	(634,247)
Total comprehensive loss for the period		(2,385,269)	(2,214,601)

		Six months ended	
		30 September	
		2024	2023
		S\$	S\$
Note		(Unaudited)	(Unaudited)
Loss for the period attributable to:			
	Owners of the Company	(2,874,000)	(1,542,702)
	Non-controlling interests	<u>(169,504)</u>	<u>(37,652)</u>
		<u>(3,043,504)</u>	<u>(1,580,354)</u>
Total comprehensive loss attributable to:			
	Owners of the Company	(2,200,443)	(2,189,860)
	Non-controlling interests	<u>(184,826)</u>	<u>(24,741)</u>
		<u>(2,385,269)</u>	<u>(2,214,601)</u>
Basic and diluted loss per share (S\$ cents)			
	9	<u>(0.24)</u>	<u>(0.13)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
	Note		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		16,399,135	16,120,278
Interest in associates		2,619,097	2,739,354
Equity Investment at FVTOCI		287,818	291,690
Financial assets at fair value through profit or loss		7,663	21,377
		<u>19,313,713</u>	<u>19,172,699</u>
Current assets			
Inventories		4,681,927	2,604,192
Trade receivables	10	15,892,661	16,026,834
Finance lease receivable	11	171,075	173,377
Other receivables, deposits and prepayments		13,187,178	16,215,237
Amount due from a related party		—	238
Financial assets at fair value through profit or loss		2,742,023	2,900,438
Fixed bank deposits		2,336,810	1,000,000
Bank balances and cash		12,213,824	15,804,006
		<u>51,225,498</u>	<u>54,724,322</u>
Current liabilities			
Trade and other payables	12	10,239,378	11,406,451
Amount due to an associate		2,224,756	2,330,650
Lease liabilities		561,070	306,352
Income tax payable		167,216	256,839
		<u>13,192,420</u>	<u>14,300,292</u>
Net current assets		<u>38,033,078</u>	<u>40,424,030</u>
Total assets less current liabilities		<u>57,346,791</u>	<u>59,596,729</u>

	30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
Non-current liabilities		
Lease liabilities	260,548	125,217
Deferred tax liabilities	<u>125,372</u>	<u>125,372</u>
	<u>385,920</u>	<u>250,589</u>
Net assets	<u>56,960,871</u>	<u>59,346,140</u>
EQUITY		
Capital and reserves		
Share capital	2,142,708	2,142,708
Reserves	<u>54,762,940</u>	<u>56,963,383</u>
Equity attributable to owners of the Company	56,905,648	59,106,091
Non-controlling interests	<u>55,223</u>	<u>240,049</u>
Total equity	<u>56,960,871</u>	<u>59,346,140</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 18 May 2016 and its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the “**Companies Ordinance**”) on 13 June 2016.

The Company is an investment holding company and the principal activities of its operating subsidiaries are providing integrated building services and undertaking building and construction works in Singapore. The Group is also engaging in information technology development and application business.

The functional currency of the Group is Singapore Dollars (“**S\$**”), which is also the presentation currency of the Group.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2024 were approved by the Board of the Company on 29 November 2024.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). In addition, the condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Companies Ordinance.

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2024.

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatorily effective for the current accounting period for the preparation of the Group’s consolidated financial statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The application of the new and amendments to IFRSs in the current interim period has no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements. The condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have not been audited but have been reviewed by the Company’s Audit Committee. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents income from (i) providing integrated building services, with a focus on maintenance and installations of mechanical and electrical systems (“**M&E**”) and including minor repairs and improvement works (“**Integrated Building Services**”), (ii) undertaking building and construction works (“**Building Construction Works**”), (iii) engaging in information technology development and application businesses, including provision of service related to blockchain technologies and other internet applications, as well as digital assets trading (“**Information Technology Development and Application**”).

Information is reported to the Executive Directors, being the chief operating decision maker (“**CODM**”) of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, i.e. “Integrated Building Services”, “Building Construction Works”, and “Information Technology Development and Application” and profit or loss for the period as a whole. No analysis of the Group’s result, assets and liabilities is regularly provided to CODM for review as the CODM does not regularly review such information for the purpose of resources allocation and performance assessment. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 “Operating Segments”.

An analysis of the Group’s revenue for the period is as follows:

	Six months ended	
	30 September	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Integrated Building Services	28,632,220	20,402,097
Building Construction Works	19,454,827	8,822,527
Information Technology Development and Application	57,911	11,713
	48,144,958	29,236,337
Income/(loss) from other sources		
Information Technology Development and Application (<i>note</i>)	433,762	(53,837)
	48,578,720	29,182,500

Note:

	Six months ended 30 September	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Income/(loss) from other sources under Information Technology Development and Application business		
Trading of digital assets	380,022	—
Fair value gain/(loss) on digital assets inventories	53,740	(53,837)

Information about the Major Customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	Six months ended 30 September	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Customer I (<i>Note a</i>)	14,151,150	8,352,890
Customer II (<i>Note b</i>)	5,766,456	6,393,232

Notes:

- (a) For Customer I, revenue for the six months ended 30 September 2024 and 2023 represents revenue generated from provision of both integrated building services and building construction works.
- (b) For Customer II, revenue for the six months ended 30 September 2024 and 2023 represents revenue generated from provision of integrated building services.

Geographical Information

The Group's revenue from customers and information about its specified non-current assets, comprising property, plant and equipment and interest in an associate, by geographical location are detailed below:

	Six months ended 30 September	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
<i>Revenue from external customers</i>		
Singapore	48,087,047	29,224,624
People's Republic of China ("PRC")	57,911	11,713
	<u>48,144,958</u>	<u>29,236,337</u>
<i>Income from external customers</i>		
Hong Kong	433,762	(30,517)
Singapore	—	(23,320)
	<u>433,762</u>	<u>(53,837)</u>
	<u>48,578,720</u>	<u>29,182,500</u>

	30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
<i>Non-current assets</i>		
Singapore	16,225,809	16,019,904
The People's Republic of China (including Hong Kong)	2,792,423	2,839,728
	<u>19,018,232</u>	<u>18,859,632</u>

Disaggregation of revenue

Revenue from contracts with customers within the scope of IFRS15 is further analysed as follows:

	Integrated Building Services		Building Construction Works		Information Technology Development and Application		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Disaggregation by timing of revenue recognition								
Over time	28,632,220	20,402,097	19,454,827	8,822,527	57,911	11,713	48,144,958	29,236,337
	<u>28,632,220</u>	<u>20,402,097</u>	<u>19,454,827</u>	<u>8,822,527</u>	<u>57,911</u>	<u>11,713</u>	<u>48,144,958</u>	<u>29,236,337</u>

5. FINANCE COSTS

	Six months ended 30 September 2024 S\$ (Unaudited)		2023 S\$ (Unaudited)
Interest on lease liabilities	20,481		18,283
Interest on other borrowings	—		43,604
	<u>20,481</u>		<u>61,887</u>

6. INCOME TAX EXPENSE

Singapore CIT is calculated at 17% (2023: 17%) of the estimated assessable profits. Singapore incorporated companies can enjoy 75% tax exemption on the first S\$10,000 of normal chargeable income and a further 50% tax exemption on the next S\$190,000 of normal chargeable income for the years of assessment 2024 and 2023.

Under the two-tiered Hong Kong profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No provision for the Hong Kong profits tax has been made for the Review Period and the Last Period as the Group had not generated any taxable profits in Hong Kong during the Review Period and the Last Period.

PRC corporate income tax is calculated at 25% (2023: 25%) on the assessable profits. No PRC corporate income tax has been provided for the Review Period as the Group did not generate any assessable profits in the PRC for the Review Period.

	Six months ended	
	30 September	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current income tax		
— Singapore corporate income tax	28,966	28,803
— Hong Kong profits tax	—	—
— PRC corporate income tax	—	91,206
Overprovision in respect of prior years	(8,111)	—
	<u>20,855</u>	<u>120,009</u>

7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 September	
	2024	2023
	S\$	S\$
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	450,836	251,700
Depreciation of right-of-use assets	297,718	189,783
Impairment loss recognised on financial assets	—	711
Staff costs (including directors' remuneration)		
— Salaries and other benefits	6,694,190	5,583,734
— Retirement benefit scheme contributions (<i>Note a</i>)	233,580	199,710
Total staff costs	<u>6,927,770</u>	<u>5,783,444</u>
Cost of inventories recognised as cost of sales and services	3,449,584	1,716,588
Subcontractor costs recognised as cost of sales and services	<u>35,468,966</u>	<u>20,824,707</u>

Note:

- (a) The Group had no forfeited contributions (by employers on behalf of employees who leave the defined contribution schemes prior to vesting fully in such contributions) to offset existing level of contribution during the Review Period and Last Period.

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (Six months ended 30 September 2023: Nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company (S\$)	<u>(2,874,000)</u>	<u>(1,542,702)</u>
Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share	<u>1,195,040,000</u>	<u>1,195,040,000</u>
Basic and diluted loss per share (S\$ cents)	<u>(0.24)</u>	<u>(0.13)</u>

10. TRADE RECEIVABLES

	30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
Billed trade receivables	11,727,485	9,512,212
Unbilled trade receivables (<i>Note a</i>)	4,165,176	6,514,622
	<u>15,892,661</u>	<u>16,026,834</u>

Note:

- (a) Unbilled trade receivables represent (i) the accrued revenue from Integrated Building Services for work performed but yet to be billed; and (ii) the remaining balances of construction revenue to be billed for completed building construction works which are entitled for billing.

For the majority of customers, invoices are issued upon completion of rendering services.

The Group grants credit terms to customers typically between 15 and 60 days from the invoice date for billed trade receivables. The following is an ageing analysis of billed trade receivables by age presented based on the invoice date at the end of each reporting period:

	30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
Within 90 days	9,343,286	7,889,762
91 days to 180 days	1,686,178	981,829
181 days to 365 days	502,208	436,970
Over 1 year but not more than 2 years	138,093	122,718
More than 2 years	57,720	80,933
	<u>11,727,485</u>	<u>9,512,212</u>

11. FINANCE LEASE RECEIVABLE

	Minimum lease payments receivable		Present value of minimum lease payments receivable	
	30 September 2024	31 March 2024	30 September 2024	31 March 2024
	S\$	S\$	S\$	S\$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Finance lease receivable comprises:				
Within one year	<u>342,151</u>	<u>346,754</u>	<u>342,151</u>	<u>346,754</u>
	342,151	346,754	342,151	346,754
Less: Unearned finance lease income	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	342,151	346,754	342,151	346,754
Less: Allowance for impairment loss	<u>(171,076)</u>	<u>(173,377)</u>	<u>(171,076)</u>	<u>(173,377)</u>
Carrying amount of finance lease receivable	<u>171,075</u>	<u>173,377</u>	<u>171,075</u>	<u>173,377</u>
			30 September 2024	31 March 2024
			S\$	S\$
			(Unaudited)	(Audited)
Analysis for reporting purpose:				
Current assets			<u>171,075</u>	<u>173,377</u>
			<u>171,075</u>	<u>173,377</u>

The following is a credit quality analysis of the finance lease receivable. In the event that an instalment repayment of a finance lease is overdue for more than 30 days, the entire outstanding balance of the finance lease receivable is classified as overdue. If the instalment repayment is overdue within 30 days, only the balance of this instalment is classified as overdue.

	30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
Overdue and credit impaired	342,151	346,754
Less: allowance for impairment losses	(171,076)	(173,377)
	<u>171,075</u>	<u>173,377</u>

On 31 March 2024, the Group and the customer entered into a repayment extension agreement, whereby the customer agreed to repay the entire amount of RMB1,866,373 (equivalent to approximately S\$346,754 as at 31 March 2024 and approximately S\$342,151 as at 30 September 2024) on or before 31 December 2024. The same amount had defaulted during the year ended 31 March 2024. In accordance with the repayment extension agreement, both parties agreed to waive the default interest, which was approximately 0.05% per day from 1 April 2023 until 31 December 2024 on the condition that the customer fulfills its obligation under the repayment extension agreement. The default interest would be applicable should the customer fail to repay the amount on or before 31 December 2024 and the Group retains the right to collect the amount since 1 April 2023, being the first default date. The accumulated default interest waived was approximately S\$50,279 up to 31 March 2024 and S\$80,919 up to 30 September 2024. Having taken into account the historical repayment pattern of the debtor, the repayment extension agreement and default event which occurred during the year ended 31 March 2024, the directors considered that the finance lease receivable had become credit impaired.

The finance lease receivable is secured by leased assets which are used in power supply. Additional collaterals may be obtained from customer to secure the repayment obligations under finance lease and such collaterals include property, plant and equipment, guarantee of the customer and/or its related parties.

12. TRADE AND OTHER PAYABLES

	30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
Trade payables	8,363,962	7,131,020
Trade accruals	2,996	2,516,780
	8,366,958	9,647,800
Accrued operating expenses	1,132,443	1,161,673
Deposit	47,173	47,173
Other payables		
GST payable	566,784	390,588
Others	126,020	159,217
	<u>10,239,378</u>	<u>11,406,451</u>

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30 September 2024 S\$ (Unaudited)	31 March 2024 S\$ (Audited)
Within 90 days	7,856,332	6,721,845
91 days to 180 days	231,278	298,613
181 days to 365 days	171,588	16,760
Over 1 year but not more than 2 years	19,495	8,533
Over 2 years	85,269	85,269
	8,363,962	7,131,020

The credit period on purchases from suppliers and subcontractors is between 15 to 90 days (31 March 2024: 15 to 90 days) or payable upon delivery.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and outlook

The Group's revenue increased from approximately S\$29.2 million for the Last Period to approximately S\$48.6 million for the Review Period. The Group's gross profit increased from approximately S\$3.9 million for the Last Period to approximately S\$6.4 million for the Review Period, while the Group's gross profit margin decreased slightly from approximately 13.4% for the Last Period to approximately 13.3% for the Review Period.

According to Singapore Building and Construction Authority ("BCA"), the total construction demand (i.e. the value of construction contracts to be awarded) in 2024 is projected to be between S\$32 billion and S\$38 billion. The public sector is expected to contribute about 55 percent of the total construction demand, between S\$18 billion and S\$21 billion. The private sector construction demand is anticipated to reach between S\$14 billion and S\$17 billion in 2024.

BCA expects a steady improvement in construction demand over the medium term. It is projected to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028. The public sector will continue to lead demand and is expected to contribute S\$19 billion to S\$23 billion per annum from 2025 to 2028, with building projects and civil engineering works constituting about 70% and 30% respectively. Private sector construction demand is projected to remain stable over the medium-term, reaching approximately S\$12 billion to S\$15 billion per annum from 2025 to 2028.

The Group believes that the outlook for the construction sector will remain challenging for 2024 and 2025 in view of the continued uncertainties in the external environment and negative economic outlook in Singapore and major economies around the world impacted by COVID-19. All of these constraints make tenders highly competitive. Another challenge is the labor shortage in Singapore has driven up the Group's labor and subcontracting charges. Despite these challenges, the Group has achieved an increase in revenue and gross profit for the Review Period due to our continue effort to adapting the evolving market conditions. The Group is monitoring the situation closely and will maintain operational and financial prudence amidst a challenging economy. The Group will continue to manage its expenditure, review the business strategy constantly and look for opportunities in a cautious and prudent manner.

During the Review Period, the Group's revenue from Information Technology Development and Applications business changed from loss of approximately S\$42,000 for the Last Period to income of approximately S\$492,000. The increase in revenue from Information Technology Development and Application business was mainly due to increased trading volume of Bitcoin during the Review Period.

Future Prospects

The Group intends to continue the existing principal businesses. At the same time, the Group intends to expand and diversify our business by investing into new business opportunities which can enhance shareholder value as well as complement and leverage existing business lines.

The Group will continue to expand into more comprehensive scope of internet technologies related businesses instead of simply focusing on blockchain technology development and application.

Financial review

Revenue

For the Review Period, the Group recorded a revenue of approximately S\$48.6 million (approximately S\$29.2 million for the Last Period), an increase of approximately S\$19.4 million or approximately 66.4%.

The revenue from the integrated building services increased from approximately S\$20.4 million for the Last Period to approximately S\$28.6 million for the Review Period, an increase of approximately S\$8.2 million or approximately 40.2%. The revenue from the building construction works increased from approximately S\$8.8 million for the Last Period to approximately S\$19.5 million for the Review Period, an increase of approximately S\$10.7 million or approximately 121.6%. The increases in both the revenue from the integrated building services and the building construction works were mainly due to more tenders won and worked performed during the Review Period as a result of aggressive pricing strategy together with targeted tendering strategy implemented by the Group.

The revenue from the information technology development and application business changed from loss of approximately S\$42,000 for the Last Period to income of approximately S\$492,000 for the Review Period, an increase of approximately S\$534,000. The increase was mainly due to increased trading volume of Bitcoin during the Review Period.

Cost of sales and services

The Group's cost of sales and services increased from approximately S\$25.3 million for the Last Period to approximately S\$42.1 million for the Review Period, an increase of approximately S\$16.8 million or approximately 66.4%. The increase was mainly driven by the increase in revenue from Integrated Building Services business and Building Construction Works business and Information Technology Development and Application business.

Gross profit and gross profit margin

The Group's gross profit increased from approximately S\$3.9 million for the Last Period to approximately S\$6.4 million for the Review Period, an increase of approximately S\$2.5 million or approximately 64.1%. The increase was mainly due to the increase in the revenue discussed above.

The Group's gross profit margin slightly decreased from approximately 13.4% for the Last Period to approximately 13.3% for the Review Period. The Group's gross profit margin remained relatively steady.

Other income

Other income decreased from approximately S\$1,686,000 for the Last Period to approximately S\$189,000 for the Review Period, a decrease of approximately S\$1,497,000. The decrease was mainly resulted from the decrease in government grants from approximately S\$1,178,000 for the Last Period to approximately S\$13,000 for the Review Period; and decrease in interest income from approximately S\$449,000 for the Last Period to approximately S\$29,000 for the Review Period.

Other gains and losses

The Group's other gains and losses increased from loss of approximately S\$173,000 for the Last Period to loss of approximately S\$1,734,000 for the Review Period. The foreign exchange on monetary items and cash and cash equivalent changed from gain of approximately S\$1.0 million for the Last Period to loss of approximately S\$1.6 million for the Review Period, which resulted from the depreciation of Hong Kong dollars and USD against Singapore dollars for the Review Period as compared with appreciation of Hong Kong dollars and USD against Singapore dollars for the Last Period. The change from foreign exchange gain to loss on monetary items and cash and cash equivalent was partly offset by the decrease in the recognition of fair value loss on financial assets through profit or loss from approximately S\$1,146,000 for the Last Period to approximately S\$97,000 for the Review Period.

Administrative expenses

The Group's administrative expenses increased from approximately S\$6.7 million for the Last Period to approximately S\$7.7 million for the Review Period, an increase of approximately S\$1.0 million or approximately 14.9%. The increase was mainly due to the increase in the total number of employees which resulted in more salary and staff related expenses incurred during the Review Period.

Finance costs

The Group's finance costs decreased from approximately S\$62,000 for the Last Period to approximately S\$20,000 for the Review Period. This is mainly due to the decrease in interest on other borrowings during the Review Period.

Income tax expense

The Group's income tax expense decreased from approximately S\$120,000 for the Last Period to approximately S\$21,000 for the Review Period, a decrease of approximately S\$99,000 or approximately 82.5% which is due to the decrease in taxable profit of certain subsidiaries.

Loss attributable to owners of the Company

Even the Group's gross profit increased from approximately S\$3.9 million from the Last Period to approximately S\$6.4 million for the Review Period, the Group's loss attributable to owners of the Company increased from loss of approximately S\$1.5 million for the Last Period to loss of approximately S\$2.9 million for the Review Period.

The increase in loss was mainly due to the decrease in government grant received in the Review Period and change from an exchange gain in the Last Period to exchange loss in the Review Period as resulted from the fluctuation in exchange rate.

Interim dividend

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2024 (Six months ended 30 September 2023: Nil).

Liquidity and financial resources

The Group maintained a healthy financial position during the Review Period. As at 30 September 2024, the Group had total bank balances and cash of approximately S\$12.2 million (31 March 2024: approximately S\$15.8 million). The current ratio of the Group as at 30 September 2024 was approximately 3.9 times (31 March 2024: approximately 3.8 times).

The loans and borrowings and lease liabilities of the Group as at 30 September 2024 was approximately S\$822,000 (31 March 2024: approximately S\$432,000). The gearing ratio (calculated based on loans and borrowings and lease liabilities divided by total equity) of the Group as of 30 September 2024 was approximately 1.4% (31 March 2024: approximately 0.7%).

Exposure to foreign exchange rate risks

The functional currency of the Group's major operating subsidiaries is Singapore dollars. However, certain subsidiaries of the Company have their assets and liabilities denominated in Hong Kong dollars and Renminbi. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in Hong Kong dollars and Renminbi. During the Review Period, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk. The Group recorded a foreign exchange loss of approximately S\$1.6 million for the Review Period (gain of approximately S\$1.0 million for the Last Period).

Material acquisition and disposal of subsidiaries, associated companies and joint ventures

There was no material acquisitions and disposals of subsidiaries, associated companies and joint ventures during the six months ended 30 September 2024.

Employees and remuneration policy

As at 30 September 2024, the Group employed a total of 494 full-time employees (including executive Director), as compared to 461 full-time employees as at 31 March 2024. The Group's employees are remunerated according to their job scope, responsibilities, and performance. Local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group. The Group's foreign workers of the Singapore integrated building services business and building construction works business are typically employed on two-year basis depending on the period of their work permits and subject to renewal based on their performance, and are remunerated according to their work skills. Other staff benefits include the provision of retirement benefits, medical benefits and sponsorship of training courses.

Events after the Reporting Period

Subsequent to 30 September 2024 and up to the date of this announcement, the market price of Bitcoin has been increased from approximately US\$64,000 as at 30 September 2024 to approximately US\$96,000 as at the date of this announcement.

Compliance with the Corporate Governance Code

The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability.

The Company has adopted the corporate governance code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Code provision C.2.1 of the CG Code stipulates that the roles of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual.

During the Review Period, the role of the Chairman of the Board is performed by Mr. Yao Yongjie, while the office of the Chief Executive Officer of the Company is vacated following the resignation of Mr. Li Wei on 23 July 2021. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the Chief Executive Officer as appropriate.

To the best knowledge of the Board, the Company has complied with the CG code for the Review Period, save for the deviation from code provision C.2.1 as disclosed above.

Purchase, Sales or Redemption of the Company's Securities

For the six months ended 30 September 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

Review of Interim Results by the Audit Committee

The unaudited consolidated financial results of the Group for the six months ended 30 September 2024 have been reviewed by the Audit Committee of the Company.

By order of the Board
Grandshores Technology Group Limited
Yao Yongjie
Chairman and Executive Director

Hong Kong, 29 November 2024

As at the date of this announcement, the Board comprises Mr. Yao Yongjie as an executive Director; Mr. Chua Seng Hai, Ms. Yu Zhuochen and Mr. Yao Zeqian as non-executive Directors; and Mr. Chu Chung Yue, Howard, Mr. Li Kanlin and Mr. Fan Jianyin as independent non-executive Directors.