卓航控股集團
Trendzon Holdings Group Limited

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**)

2024
ANNUAL REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ms. Feng Jiamin *(Chairman)*
Mr. Michael Shi Guan Wah
(Chief Executive Officer)
Mr. Fong Hang Fai
Mr. Lok Ka Ho
(resigned on 24 April 2024)
Ms. Liao Qinghua
(appointed on 2 February 2024)
Ms. Katsaya Wiriyachart
(appointed on 2 February 2024)
Mr. Law Wai Yip
(appointed on 24 April 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Shek Jun Chong
Mr. Qiu Yue
Mr. Lui Kwun Yuen
(resigned on 26 July 2024)
Mr. Wu Kai Tang
(appointed on 5 September 2023)
Ms. Tam Wing Yan
(appointed on 26 July 2024)
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. Qiu Yue
Mr. Lui Kwun Yuen
(resigned on 26 July 2024)
Ms. Tam Wing Yan
(appointed on 26 July 2024)

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)

AUTHORISED REPRESENTATIVES

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

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Kowloon, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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INDEPENDENT AUDITOR

Elite Partners CPA Limited
Public Interest Entity Auditor
registered in accordance with the
Financial Reporting Council Ordinance
(Chapter 588 of the Laws of Hong Kong)

PRINCIPAL BANKER

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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COMPANY WEBSITE

www.trendzon1865.com

STOCK CODE

1865

FIVE YEARS FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March				
	2024	2023	2022	2021	2020
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
		(Re-presented)			
Revenue	**59,115**	59,750	59,099	43,450	27,284
Cost of sales	**(51,122)**	(52,684)	(49,238)	(33,470)	(22,861)
Gross profit	**7,993**	7,066	9,861	9,980	4,423
(Loss)/profit before tax	**(10,481)**	(1,105)	1,846	4,054	1,853
Total comprehensive (expense)/ income for the year attributable to owners of the Company	**(13,352)**	(2,777)	725	3,253	1,568

ASSETS AND LIABILITIES

	Year ended 31 March				
	2024	2023	2022	2021	2020
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Total assets	**112,131**	120,353	103,132	73,936	44,960
Total liabilities	**42,272**	64,205	61,964	33,493	7,770
Total equity	**69,859**	56,148	41,168	40,443	37,190

Note 1: The summary above does not form part of the audited financial statements.

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Trendzon Holdings Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), it is my pleasure to present to the shareholders of the Company (the "**Shareholders**") the annual report of the Group for the year ended 31 March 2024 ("**FY2024**").

PERFORMANCE REVIEW

In FY2024, Trendzon Holdings Group maintained a steady development and laid a solid foundation for future growth despite a challenging period. During this period, the Group recorded a total revenue of approximately S$59.1 million, representing a slight decrease of approximately S$0.7 million from approximately S$59.8 million for the year ended 31 March 2023 ("**FY2023**"). The decrease in revenue was mainly due to the combined effect of decrease in revenue from gas pipeline projects by approximately S$21.4 million, increase in revenue from water pipeline projects by approximately S$20.0 million and increase in revenue derived from provision of engineering services of approximately S$0.7 million. Although the Group's total revenue saw a slight decrease, the Group's total gross profits increased by approximately S$0.9 million from approximately S$7.1 million in FY2023 to approximately S$8.0 million in FY2024. Gross profit margin increased by approximately 1.7% from 11.8% in FY2023 to approximately 13.5% in FY2024. The increase was primarily due to the recognition of additional costs related to foreseeable losses from two water-related construction projects in FY2023. This reflects our ongoing improvements in project management and cost control.

Over the past year, the Group has enhanced the diversification of its revenue structure and market competitiveness by continuously expanding its business layout. In FY2024, the income from the Group's automotive aftermarket services business further strengthened its overall income structure, demonstrating the Group's robust potential in diversified operations and innovation.

LOOKING AHEAD

Looking ahead to future challenges and opportunities, Trendzon Holdings Group enters a new phase of development with utmost confidence. Looking forward, the Group remains committed to enhancing its market position within China's construction industry while vigorously advancing the Trendzon Diandian Science and Technology Innovation City's Industrial Park project, fostering the clustering and growth of high-tech industries. At the same time, the Group will continue to keep a close watch on the global economic trend and market situations, optimize resource allocation to achieve synergies. The Board is exploring new business opportunities worldwide and identifying markets with growth potential to facilitate our ongoing expansion and steady growth.

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 business portfolio and create a sustainable business development model to strive to deliver satisfactory return to the Shareholders.

APPRECIATION

In retrospect, we have gleaned lessons from challenges, continually refining and enhancing our capabilities. Trendzon Holdings Group is well-prepared to embrace future challenges and opportunities. Through steadfast strategic planning and exceptional execution, the Group aims to achieve higher performance in the new financial year and embrace an even brighter future. On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, subcontractors, business partners, and Shareholders for their persistent support, while also expressing my appreciation to the management team and employees for their valuable contribution to the development of the Group. Let us unite and together write a new and brilliant chapter for Trendzon Holdings Group.

Feng Jiamin
Chairman

Hong Kong, 28 June 2024

The comparative figures in this section are re-presented to reflect the reclassification between continuing operations and a discontinued operation of the Group.

BUSINESS REVIEW

During FY2024, the global economies and market behaviour underwent profound changes amid 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 of the Company will continue to closely monitor factors that would significantly affect the infrastructural pipeline market in Singapore and the operations of the Group all over the globe.

The Group recorded a total revenue of approximately S$59.1 million in FY2024, representing a slight decrease of approximately S$0.7 million from approximately S$59.8 million in FY2023. The decrease in revenue was mainly due to the combined effect of decrease in revenue from gas pipeline projects by approximately S$21.4 million, increase in revenue from water pipeline projects by approximately S$20.0 million and increase in revenue derived from provision of engineering services of approximately S$0.7 million. During FY2024, the Group has been awarded one new gas project and one new water project with an aggregate contract sum of approximately S$10.0 million, one of which commenced in FY2024.

Business strategies of the Group remained unchanged for FY2024. Since the listing of the Company, the management has continuously consolidated and strengthened 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 continued to earn good reputation and provided the Group with sound track record for potential business opportunities. Subsequent to FY2024, the Group has secured new projects, together with the ongoing projects on hand, its revenue could be sustained 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 PRC. 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 business portfolio and create a sustainable business development model to striving to deliver satisfactory return to the Shareholders.

ONGOING PROJECTS

As at 31 March 2024, the Group had two ongoing gas pipeline projects and nine water pipeline projects with an aggregated contract sum of approximately S$122.5 million, of which approximately S$69.1 million has been recognised as revenue as at 31 March 2024 (FY2023: two gas pipeline projects and eight water pipeline projects, with an aggregate contract sum of S$148.0 million). The remaining balance will be recognised as the Group's revenue in subsequent periods in accordance with IFRS 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 31 March 2024.

FINANCIAL REVIEW

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 FY2024 and FY2023.

	For the year ended 31 March					
	2024			2023		
	Number of projects/ contracts performed	Revenue *(S$'000)*	Percentage of revenue *(%)*	Number of projects/ contracts performed	Revenue *(S$'000)*	Percentage of revenue *(%)*
Gas pipeline	4	20,022	33.9	5	41,378	69.3
Water pipeline	10	38,332	64.8	13	18,372	30.7
Cable	1	5	0.0	–	–	–
	15	58,359	98.7	18	59,750	100.0
Trading of building materials		18	0.1		–	–
Engineering services income		738	1.2		–	–
Total		59,115	100.0		59,750	100.0

Revenue of the Group has decreased by approximately S$0.7 million from approximately S$59.8 million in FY2023 to approximately S$59.1 million in FY2024 was mainly due to the following:

(i) Decrease in revenue from gas pipeline projects by approximately S$21.4 million;

(ii) Increase in revenue from water pipeline projects by approximately S$20.0 million; and

(iii) Increase in revenue derived from provision of engineering services by approximately S$0.7 million.

The decrease in revenue from the gas pipeline projects by approximately S$21.4 million in FY2024 as compared with FY2023 was due to the combined effect of decrease in revenue from gas pipeline projects relating to the supply and lay of gas mains and renewal services of approximately S$20.7 million and decrease in revenue from other gas pipeline projects relating to a gas transmission pipeline and conversion of gas pressure networks by approximately S$0.7 million.

The increase in revenue from the water pipeline projects by approximately S$20.0 million in FY2024 as compared with FY2023 was due to the combined effect of increase in revenue from new water pipeline projects relating to district cooling system of approximately S$13.8 million, increase in revenue from water pipeline projects relating to the supply and laying of watermains of approximately S$7.0 million and decrease in other water related pipeline projects of approximately S$0.8 million.

In FY2024, revenue contributed by the provision of engineering services amounted to approximately S$0.7 million.

Cost of Sales

Cost of sales of the Group decreased by approximately S$1.6 million or 3.0% from approximately S$52.7 million in FY2023 to approximately S$51.1 million in FY2024 which was generally in line with the decrease in revenue.

Gross Profit and Gross Profit Margin

The Group's total gross profits increased by approximately S$0.9 million from approximately S$7.1 million in FY2023 to approximately S$8.0 million in FY2024. Gross profit margin increased by approximately 1.7% from 11.8% in FY2023 to approximately 13.5% in FY2024. The increase was primarily due to the additional cost recognised for foreseeable losses in the two water related construction projects during FY2023.

Other Income

Other income decreased by approximately S$3.6 million from approximately S$6.2 million in FY2023 to approximately S$2.6 million in FY2024. It was mainly attributable to the decrease in agency income of approximately S$3.1 million.

Other (Losses)/Gains, net

Other losses recognised during FY2024 mainly comprise of foreign exchange losses and gains on disposals of subsidiaries.

Recognition of allowance for expected credit losses

The Group recorded the allowance for expected credit losses amounting to approximately S$407,000 in FY2024 (FY2023: approximately S$423,000), which was mainly recognised on the balance under the contract assets, trade and other receivables and the loan receivables in FY2024.

Administrative Expenses

The Group recorded administrative expenses amounting to approximately S$18.7 million in FY2024 (FY2023: approximately S$12.2 million). The increase was mainly attributable to the increase in (i) general operating expenses in relation to the newly acquired business during FY2024; (ii) equity-settled share based payment expense from approximately S$2.4 million for FY2023 to approximately S$5.1 million for FY2024; and (iii) wages and salaries of approximately S$3.3 million due to the increase of average number of headcounts.

Finance Costs

Finance costs of the Group remains stable and approximately S$1.7 million was recognised in FY2024 (FY2023: approximately S$1.6 million).

Impairment of goodwill

Regarding the Group's goodwill arising from business acquisition, impairment loss of approximately S$65,000 was recognised in FY2024.

Loss for the year from discontinued operation

The loss for the year attributable to discontinued operation for FY2024 amounted to approximately S$1.6 million (FY2023: approximately S$0.1 million).

Loss for the Year

Due to the above, a loss of approximately S$12.3 million was recorded in FY2024 as compared to the loss of approximately S$2.1 million recorded in FY2023.

Property, Plant and Equipment

Property, plant and equipment slightly decreased by approximately S$0.3 million, mainly due to the depreciation charged during FY2024, partially offset by the addition of property, plant and equipment during the same period.

Trade and Other Receivables

The Group' s trade and other receivables decreased by approximately S$6.5 million from approximately S$29.6 million as at 31 March 2023 to approximately S$23.1 million as at 31 March 2024. The decrease was mainly attributable to the decrease in trade receivables of approximately S$7.6 million, partially offset by increase in prepayments, deposits, and other receivables of approximately S$1.1 million.

Loan Receivables

As at 31 March 2024, loan receivables amounted to approximately S$10.5 million, comprised of (i) loan to shareholder of a joint venture of the Group of approximately S$3.2 million (interest-free); (ii) loans to other individual third parties of approximately S$6.9 million (fixed interest rates ranging from 6% to 14% per annum); (iii) loan interest receivables of approximately S$0.5 million; less (iv) allowance for expected credit loss of approximately S$0.1 million. All the loan receivables were with original maturity of one year or less. All the loan receivables were unsecured.

The Group has actively explored investment opportunities to diversify the business portfolio and broaden its revenue stream, and as such the Group has established the money lending business. 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 of the Company 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.

Trade and Other Payables

Trade and other payables decreased by approximately S$12.7 million from approximately S$25.4 million as at 31 March 2023 to approximately S$12.7 million as at 31 March 2024.

Borrowings

Borrowings decreased by approximately S$5.0 million from approximately S$28.2 million as at 31 March 2023 to approximately S$23.2 million as at 31 March 2024. The decrease was mainly attributable to the repayment of bank and other borrowings during FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group maintained a healthy liquidity position. As at 31 March 2024, the Group had net current assets of approximately S$55.3 million (31 March 2023: net current assets of approximately S$47.0 million), net assets of approximately S$69.9 million (31 March 2023: net assets of approximately S$56.1 million) and bank balances and cash of approximately S$1.4 million (31 March 2023: approximately S$3.1 million). The Group's gearing ratio (calculating by total interest-bearing debt over total equity) as at 31 March 2024 was approximately 38%, decrease of approximately 20% from approximately 58% as at 31 March 2023. The decrease in gearing ratio was mainly attributable to the decrease in borrowings as well as the equity fund raising activity completed during FY2024.

CAPITAL STRUCTURE

The Group manages its capital to ensure that it will be able to continue as 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 debts (including lease liabilities, hire purchase liabilities, bonds, bank and other 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 a part of this 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 31 March 2024, the Group had a total of 481 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.

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 (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 will not be beneficial to the Group. The Group plans to carry out addition and alteration works to the foreign worker dormitory in conformity to the regulatory requirement announced on 17 September 2021 by the Ministry of Manpower of Singapore. Without any addition and alteration works to our existing dormitory, the number of workers allowed to stay in the dormitory will be revised downwards on the next license renewal and the Group will be required to seek other alternative such as third-party dormitory to house the excess workers. Moreover, the rental rate for third party dormitory in the market has also risen significantly post-COVID pandemic and engaging them will give rise to additional costs such as rental, transportation and other related costs. Hence, the Board estimated that approximately S$2.0 million would be allocated for the proposed addition and alteration works on the foreign worker dormitory. The remaining unutilised Net Proceeds of approximately S$2.9 million 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.

Set out below are details of the allocation of the Net Proceeds, the utilised amounts of Net Proceeds as at 31 March 2024, taking into account the changes made in the use of the unutilised Net Proceeds on 17 January 2023 and 12 October 2023 respectively:

Use of net proceeds	Planned use of net proceeds as disclosed in the Prospectus *S$'000*	Reallocation of unutilised net proceeds *S$'000*	Utilised from the Listing up to 31 March 2023 *S$'000*	Utilised in FY2024 *S$'000*	Total remaining net proceeds available as at 31 March 2024 *S$'000*	Expected timeline for utilising the remaining net proceeds *(Note 1)*
(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)	–	N/A
(d) Working capital and other general corporate purposes	–	2,896	(2,896)	–	–	N/A
	15,692	–	(13,692)	(2,000)	–	

As at 31 March 2024, all the Net Proceeds were fully utilised as intended.

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 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, 6 June 2022, 13 June 2022 and 20 June 2022 for further 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 31 March 2024:

	Use of net proceeds	Planned use of net proceeds *HK$'000*	Utilised up to 31 March 2023 *HK$'000*	Utilised in FY2024 *HK$'000*	Total remaining net proceeds available as at 31 March 2024 *HK$'000*	Expected timeline for utilising the remaining net proceeds *(Note 1)*
(a)	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 carparks, 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	(6,000)	–	–	N/A
		11,000	–	–	11,000	Before 30 September 2024
(b)	Future investment funds:					
	– Reserved funds as capital for the development of placing and underwriting business of Wealth Link	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
(c)	General working capital and settlement of liabilities of the Group:					
	– 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
		87,000	(64,000)	(12,000)	11,000	

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 31 March 2024:

Use of net proceeds	Planned use of net proceeds *HK$'000*	Utilised in FY 2024 *HK$'000*	Total remaining net proceeds available as at 31 March 2024 *HK$'000*	Expected timeline for utilising the remaining net proceeds
(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
	94,644	(94,644)	–	

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$65,000 which was entirely impaired during FY2024.

Zhejiang Taiding contributed approximately S$0.7 million to the Group's revenue and approximately S$0.4 million to the Group's loss for the period between the date of acquisition and the end of the reporting period.

* *For identification purpose only*

(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).

As at the date of this 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.

(c) On 26 January 2024, the Company, as the vendor and the Mr. Mao Le (毛樂), Ms. Feng Qiuhe (奉秋和) and Ms. Ding Xiameng (丁霞夢), as the purchasers, entered into a sale and purchase agreement pursuant to which the Company has agreed to sell and the purchasers have agreed to acquire the shares representing the entire issued share capital of Jumbo Harvest Group Limited (“**Jumbo Harvest**”), a wholly-owned subsidiary of the Company, at a cash consideration of HK$9,250,000 (the “**Jumbo Harvest Disposal**”).

Jumbo Harvest is an investment holding company. Wealth Link, the wholly-owned subsidiary of Jumbo Harvest, is licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. It is principally engaged in the provision of brokerage, placing and margin financing services in Hong Kong.

The Jumbo Harvest Disposal was completed in May 2024.

Please refer to the announcements of the Company dated 26 January 2024 and 23 February 2024 for further details.

* *For identification purpose only*

(d) On 26 February 2024, the Company and Mr. Tan Tze Loong ("**Mr. Tan**") entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and Mr. Tan has conditionally agreed to acquire the shares representing 22% of the equity interest in Integral Virtue Limited ("**IVL**"), a wholly-owned subsidiary of the Company, at the consideration of S$6.25 million (the "**IVL Disposal**"). Upon completion of the IVL Disposal, IVL will remain as a subsidiary of the Company and will be owned by the Company and Mr. Tan as to 78% and 22%, respectively.

    IVL is an investment holding company. IVL directly owns 100% of the equity interest in a principal subsidiary of the Group, namely, HSC Pipeline Engineering Pte. Ltd., which is principally engaged in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services in Singapore.

    The IVL Disposal constitute a major transaction of the Company pursuant to Rule 14.06(3) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

    The IVL Disposal was completed in April 2024.

    Please refer to the announcements of the Company dated 26 February 2024 and 19 April 2024 and the circular of the Company dated 26 March 2024 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.

INVESTMENTS HELD

Save as disclosed above, as at 31 March 2023 and 2024, the Group did not hold any significant investments.

FOREIGN EXCHANGE EXPOSURE

The Group has operations in Singapore, Hong Kong, and the PRC. The Group transacts mainly in Singapore Dollar ("**S$**") and Renminbi ("**RMB**"), which are the functional currencies of the Group. Foreign exchange risk arises when a group entity has transactions denominated in currencies other than its own functional currency.

The income and expenses, assets and liabilities of the Company and its subsidiaries which denominated in currencies other than the functional currency are converted into S$ for financial reporting purpose. Fluctuations in exchange rates may have an impact on the Group's financial position and results. The Group monitors the exposure to fluctuations in exchange rates and takes appropriate measures to mitigate and manage the risk on a timely and effective manner. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure to fluctuations in exchange rates as at 31 March 2024.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus, maintained a healthy liquidity position throughout FY2024. 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.

CHARGES ON ASSETS

As at 31 March 2024, the carrying amount of properties pledged for bank borrowings was S$14,250,000 (2023: approximately S$14,000,000).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 41 to the consolidated financial statements of this report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Ms. Feng Jiamin (馮嘉敏女士), aged 39, was appointed as a non-executive Director on 27 September 2019 and was re-designated as an executive Director on 21 September 2020. Ms. Feng has been appointed as a Joint Chairman of the Board together with Mr. Michael Shi on 30 October 2020 and was redesignated as the Chairman of the Board after the resignation of Mr. Michael Shi as a Joint Chairman of the Board on 29 October 2021. Ms. Feng has also been appointed as a member of the nomination committee of the Board on 29 October 2021. Ms. Feng is responsible for overseeing the Group's operations and implementation of the Company's business strategies. She graduated from the University of California, Irvine in 2010 with a Master's degree in Business Administration.

In 2008, she served as an assistant to the chief operating officer for China Region of Pacific Asia Media, participated in the coordination for the organization of Fortune Forum (財富論壇) in China (e.g. Tianjin, Guangzhou), and assisted in the coordination and administration for the first World Mind Sports Games. Ms. Feng later worked as a representative in China Region for Global Strategy Group (環球策略集團) and was engaged in the preparation of "Sino-Singapore Tianjin Eco-city" project. Ms. Feng was appointed as vice chairman of supply security and president of China Baosha Group* in 2013, responsible for offshore supply platform project development. Later she served as chief operating officer of China Baosha Group* and was involved in large-scale urban comprehensive development such as Jing Kai Meng Du* in Zhengzhou, the coordination of Zhangjiakou super-large photovoltaic power generation project, and the planning for and operation of industrial parks, ecological parks, forestry and other forms of business. Ms. Feng has extensive experience in public relations and investor relations. Ms. Feng has been an executive director of China Bozza Development Holdings Limited (formerly known as China Agroforestry Low-Carbon Holdings Limited), a company listed on the Main Board of the Stock Exchange (Stock Code: 1069), from 20 August 2019 to 2 November 2020.

Mr. Michael Shi Guan Wah (徐源華先生), aged 62, is a co-founder of the Group and has been a director of HSC Pipeline Engineering Pte. Ltd. since January 1993. He was appointed as a Director in July 2018 and was re-designated as the Chairman, chief executive officer and an executive Director in August 2018. On 30 October 2020, Mr. Michael Shi was appointed as a Joint Chairman of the Board together with Ms. Feng Jiamin and then resigned as a Joint Chairman on 29 October 2021. From 26 February 2019 to 29 October 2021, he was a member of the nomination committee of the Board. Mr. Michael Shi has been our Group's managing director since January 1993 and is responsible for leading the Group's business development and overseeing all aspects of the business, including corporate operations, project execution and financial performance.

Mr. Michael Shi has over 30 years of experience in the construction industry. He had attended secondary education in Singapore until October 1978, then he participated in his family business engaging in the building construction business, where he gained exposure to the construction industry. He also formed Jet Equipment, a partnership engaging in installation of industrial machinery and equipment and mechanical engineering works from July 1991 until August 1992.

* *For identification purpose only*

Throughout the years, Mr. Michael Shi has attended a number of professional training courses to enhance his skills and knowledge in handling advanced machinery and systems and has obtained relevant licences and certificates. In December 1992, he completed the Gas Service Workers Course organised by the Public Utilities Board. He has become a licensed gas service worker since 1993 and was granted a lifetime Gas Service Worker Licence by the Energy Market Authority of Singapore in February 2015. In July 1995, he obtained the Skill Evaluation Certificate for attaining the required standard in the Practical Test in Construction Plant Operation (Excavator Loader) conducted by the Building and Construction Authority, and he then became a registered excavator operator recognised by SP PowerGrid Ltd in 1996. In October 1995, he completed the Underground Services Detection course organised by the Singapore Power Training Institute. He also completed the basic training for Durafuse PE electrofusion system for gas distribution organised by Glynwed Pipe Systems (Asia) Pte Ltd in June 1997 and July 1998, respectively. In July 2002, he completed the 'on-site' course of instruction on Hy-Ram Fully Automatic butt-fusion Equipment organised by CPP Global Products Pte Ltd. He also completed the training on the WIDOS 4800 CNC 3.0 Welding Machine organised by WIDOS Technology (Asia Pacific) Pte Ltd.

Mr. Michael Shi is the elder brother of Mr. Shi Guan Lee and the father of Mr. Shi Hong Sheng, both of whom are members of the senior management of the Group.

Mr. Fong Hang Fai (方恒輝先生), aged 36, was appointed as an executive Director on 30 November 2021. Mr. Fong is an expert in Information Technology ("**IT**"). He has various experiences in IT projects. He currently serves as an IT Infrastructure Manager of Fwone Science & Technology Hong Kong Company Limited.

Ms. Katsaya Wiriyachart (Wiriyachart女士), aged 27, has been appointed as an executive Director on 2 February 2024. Ms. Wiriyachart has extensive experience in market development, supplier relationship management and project management. Prior to joining our Group, she had worked for a regional governmental economic and cultural office in Southeast Asia. Besides, Ms. Wiriyachart is familiar with financial investment and digital marketing.

Ms. Wiriyachart obtained a Bachelor of Arts degree at Chiang Mai Rajabhat University in 2018.

Ms. Liao Qinghua (廖青花女士), aged 38, has been appointed as an executive Director on 2 February 2024. Ms. Liao has extensive experience in market development and entrepreneurial operations. She has over 10 years of experience in supervisory role in both logistics and automotive industry. She served as Financial Controller of ZhongAnXing (Shenzhen) Holdings Co., Ltd.* (中安行(深圳)控股有限公司) from May 2023 to January 2024 and Financial Controller of Shenzhen ZhongAnXing Traffic Technology Co., Ltd.* (深圳中安行交通科技有限公司) from October 2022 to May 2023. She was the executive director of Shenzhen Jiajinlong Automobile City* (深圳市嘉進隆汽車城) from October 2017 to September 2022. From February 2013 to September 2017, she worked at Shenzhen Delex Container Co., Ltd* (深圳市得萊斯集裝箱有限公司), with the last position as the general manager.

Ms. Liao obtained a Bachelor degree in Marketing at Xiangtan University (湘潭大學) in China in June 2008. Ms. Liao obtained a certificate of accounting profession issued by Xiangyin County Finance Bureau* (湘陰縣財政局) of the People's Republic of China in 2014.

Mr. Law Wai Yip (羅偉業先生), aged 38, has been appointed as an executive Director on 24 April 2024. Mr. Law has over 8 years of experience in logistics, management, business development and strategic planning. Mr. Law was employed by an international logistic company where he was responsible for managing day-to-day air freight and sea freight operation and familiar with bonded warehouse operation, supply chain management, human resources matters and financial investments. Mr. Law's extensive experience can contribute towards the business of the Group including the further development of the Trendzon Diandian Science and Technology Innovation City's Industrial Park.

Independent Non-Executive Directors

Ms. Tam Wing Yan (譚詠欣) ("Ms. Tam"), aged 41, was appointed as an independent non-executive Director, and a member of the remuneration committee of the Board on 26 July 2024. She has over 5 years of experience in risk management, financial and strategic planning. She currently serves as an Financial Planning Officer of Manulife International Ltd. Besides, she also has over 10 years of experience in sales, marketing, business development, inventory control and project management, which can contribute towards the business of the Group including the further development of the Trendzon Diandian Science and Technology Innovation City's Industrial Park.

Mr. Shek Jun Chong (石峻松先生), aged 51, was appointed as an independent non-executive Director, and a member of the audit committee, the nomination committee and the remuneration committee of the Board on 11 November 2020 and was re-designated as the chairman of the Remuneration Committee on 30 November 2021. He has over 20 years of experience in general business management. Mr. Shek worked in Guangzhou Fourth Construction Engineering Company* (廣州市第四建築工程公司) and was sent to Hong Kong in 1993 to participate in the real estate development of Mainland China, including major projects such as Gold Arch Residence, a premium residential development on Ersha Island, Guangzhou. During that period, he also participated in the preliminary land consolidation and primary development as well as investment attraction of Guangzhou Bio-island, a national-level key construction project in China. In 1995, he worked for Tuoyi Company* (拓益公司), a company directly affiliated to the municipal authorities of Guangzhou, where he served as a delegated representative in the Hong Kong and Macau districts and was responsible for the coordination and liaison between large central enterprises and state-owned enterprises and the Hong Kong and Macau counterparts. Mr. Shek was later appointed into the Yuexiu District Committee of the Chinese People's Political Consultative Conference in February 2013 and became a member of the committee's Hong Kong and Macau Section. Since 1998, he acts as the deputy managing director of Zhongqiu Advertising Co., Ltd.* (中球廣告有限公司), which mainly operates the advertising resources for the road signs along the Guangzhou-Shenzhen Highway, Shenzhen-Shantou Highway and other intra-provincial highways. Mr. Shek also founded Shenzhen Maidite Medical Technology Co., Ltd.* (邁地特醫療科技有限公司) in 2015, which is mainly engaged in the research and development and production of medical devices for intrapleural and intraperitoneal hyperthermic cancer treatment.

Mr. Shek has invested in various companies in partnership and is responsible for the planning and operation of business development. He has been involved in various fields, including research and development of medical devices, commercial properties and catering and entertainment. He has also held positions for the community, serving as an appointed member (Hong Kong and Macau) of the 14th and 15th session of Yuexiu District of Guangzhou Committee of the Chinese People's Political Consultative Conference.

* *For identification purpose only*

Mr. Qiu Yue (邱越先生), aged 55, was appointed as an independent non-executive Director, and a member of the audit committee, the nomination committee and the remuneration committee of the Board on 11 November 2020. He has over 21 years of experience in general business management.

Mr. Qiu obtained his bachelor's degree in Chinese Language from Sun Yat-sen University in Guangzhou in 1991. He worked as a sports journalist for the Guangzhou Daily Newspaper and the Football Newspaper, and established Guangzhou Wavecom Advertising and Communication Limited ("**Guangzhou Wavecom**") (formerly known as Guangzhou Television Promotion Company* (廣州電視推廣公司)) in August 1992 to engage in media advertising related business. Following the acquisition of Guangzhou Wavecom in 2008 by Asian Capital Resources (Holdings) Limited ("**ACR**") (Stock Code: 8025), a company whose shares are listed on GEM of the Stock Exchange, he was an executive director of ACR from October 2008 to June 2019 and was mainly responsible for external investments, mergers and acquisitions and restructuring in a wide range of industries including engineering, real estate, the Internet, etc. Mr. Qiu also established Guangzhou Zhongmao Advertising Co., Ltd* (廣州中懋廣告有限公司) ("**Zhongmao Advertising**") in 2008, which is mainly engaged in the business of national radio advertising and audio content management. In 2014, after Zhongmao Advertising was merged with Guangdong Advertising Group Co., Ltd. (Stock Code: 002400), a company whose shares are listed on the Shenzhen Stock Exchange, and became its subsidiary, Mr. Qiu worked as the general manager until January 2018. Since 2017, he has been the vice president of risk control of Eternity Fuel Gas (Group) Limited and is currently a director of Guangdong Green Assets Operation Management Co., Ltd* (廣東省綠色資產運營管理有限公司).

Mr. Wu Kai Tang (胡啟騰先生), aged 38, obtained his Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University in 2007. Mr. Wu is currently the sole proprietor at Messrs. Wu Kai Tang Certified Public Accountant (Practising), a firm of certified public accountants and established by Mr. Wu on 1 March 2015 in Hong Kong, and has been an independent non-executive director of China Ever Grand Financial Leasing Group Co., Ltd, a company listed on the Main Board of the Stock Exchange (Stock Code: 379), since 31 August 2023. Mr. Wu has over 15 years' experience in accounting and finance. Prior to establishing Messrs. Wu Kai Tang Certified Public Accountant (Practising), Mr. Wu gained experience from working at finance and accounting departments of various companies in Hong Kong, including listed companies. Mr. Wu also has over 6 years of accounting and auditing experience, which he gained from international accounting firms.

Senior Management

Mr. Shi Guan Lee (徐源利先生), aged 59, is a co-founder of the Group and has been a director of HSC Pipeline Engineering Pte. Ltd. since January 1993. He was appointed as a Director in July 2018, re- designated as an executive Director in August 2018 and subsequently resigned as an executive Director in September 2020. Mr. Shi Guan Lee has been the Group's operations director since January 1993 and is responsible for overseeing the Singapore subsidiary's operating performance and monitoring project planning and execution.

Mr. Shi Guan Lee has over 30 years of experience in the construction industry. He had attended secondary education in Singapore until October 1979, then he participated in his family business engaging in building construction business and in March 1990, he formed ABBA Electrical & Plumbing Works which was engaged in electric works, plumbing, non-electric heating and air conditioning.

* *For identification purpose only*

He has attended a number of professional training courses to sharpen his skills and knowledge in operations. In October 1995, he completed the Underground Services Detection Course organised by the Singapore Power Training Institute. Besides, he completed the basic training for Durafuse PE electrofusion system for gas distribution organised by Glynwed Pipe Systems (Asia) Pte Ltd in March 1998, the Building Construction Safety Supervisors Course organised by the Occupational Safety and Health (Training & Promotion) Centre in September 2001, the 'on-site' course of instruction on Hy-Ram Fully Automatic butt-fusion Equipment organised by CPP Global Products Pte Ltd in July 2002, training for epros DrainLiner – Renovation System in accordance with DIBT (German Institute For Construction Engineering) organised by Pipe Seals Gateshead Ltd (Certified Consultant for Rehabilitation of Sewer System) in February 2010 and training on the WIDOS 4800 CNC 3.0 Welding Machine organised by WIDOS Technology (Asia Pacific) Pte Ltd. In November 2015, he was granted the Certificate of Competency in Hydraulic Excavator Operation by the Building and Construction Authority. Currently, he has also been a registered excavator operator recognised by SP PowerGrid Ltd since 1996.

Mr. Shi Guan Lee is the younger brother of Mr. Michael Shi Guan Wah, an executive Director, and the uncle of Mr. Shi Hong Sheng, a member of the senior management of the Group.

Mr. Shi Hong Sheng (Xu Hongsheng) (徐鴻勝先生), aged 37, was appointed as a Director in July 2018, re-designated as an executive Director in August 2018 and appointed as a member of the remuneration committee on 26 February 2019. In November 2020, he resigned as an executive Director and a member of the remuneration committee. He has been a director of HSC Pipeline Engineering Pte. Ltd. since April 2018. Mr. Shi Hong Sheng is responsible for overseeing the Singapore subsidiary's operations and maintaining relationships with customers and suppliers.

Mr. Shi Hong Sheng has over 12 years of experience in the construction industry. Mr. Shi Hong Sheng obtained a degree of Bachelor of Engineering (Mechanical Engineering (Honours)) from the National University of Singapore in June 2011 and a Specialist Diploma in Construction Productivity at the Building and Construction Authority in November 2016. Mr. Shi Hong Sheng joined the Group as a project manager in April 2011. Between December 2017 and March 2018, he was also a director of Skye Marine Pte. Ltd., which was engaged in engineering design and consultancy activities.

Mr. Shi Hong Sheng also attended a number of professional training courses. He attended the Building Construction Supervisors Safety Course organised by Absolute Kinetics Consultancy Pte Ltd in April 2011, the Confined Space Safety Assessor Course organised by Association of Process Industry in June 2011, the Work-at-Height Course for Supervisors organised by QMT Industrial & Safety Pte Ltd in April 2013, Construction Safety Course for Project Managers organised by Avanta Global Pte Ltd in October 2014, the course in relation to detect and locate underground power cables organised by SP Training and Consultancy Company Pte. Ltd. in December 2011, the course in relation to Earth Control Measures (ECM) For Construction Site Personnel organised by The Institute of Engineers, Singapore in February 2016 and the course in relation to Pavement Construction & Maintenance organised by the Building and Construction Authority in July 2014. Mr. Shi Hong Sheng has also obtained a Certificate in Workplace Safety and Health and an Advanced Certificate in Workplace Safety and Health granted by Singapore Workforce Development Agency in November 2012 and October 2013, respectively. Furthermore, he is a registered Earthworks Supervisor recognised by Singapore Institute of Power & Gas.

Mr. Shi Hong Sheng is the son of Mr. Michael Shi Guan Wah, an executive Director, and the nephew of Mr. Shi Guan Lee, a member of the senior management of the Group.

The Board is pleased to present this report together with the audited consolidated financial statements of the Group (the "**Consolidated Financial Statements**") for FY2024.

The Company was incorporated in the Cayman Islands with limited liability on 17 July 2018 and its shares were listed on the Main Board of the Stock Exchange on 27 March 2019.

The comparative figures in this section are re-presented to reflect the reclassification between continuing operations and a discontinued operation of the Group.

PRINCIPAL PLACE OF BUSINESS

The head office and principal place of business of the Company in Hong Kong is located at Suite Room 39, 10/F, Block D, Mai Tak Industrial Building, 21 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. The principal place of business in Singapore is 38 Senoko Road, Singapore 758110.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is principally engaged in (i) the provision of infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services; (ii) trading of building materials; and (iii) brokerage, placing and margin financing services. The revenue was principally derived from pipeline construction works for gas and water installation in FY2024. Details of the principal activities of the principal subsidiaries of the Company are set out in Note 18 to the Consolidated Financial Statements.

RESULT/BUSINESS REVIEW

The result of the Group for FY2024 and financial position of the Group as at 31 March 2024 are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" and "Consolidated Statement of Financial Position" on page 85 and 88 in this annual report.

A review of the Group's business for FY2024, which includes a description of the principal risks and uncertainties facing the Group, an analysis using financial key performance indicators of the Group's business, particulars of important events affecting the Group, an indication of likely future developments in the Group's business, and discussion on the Company's environmental policies and performance and the relationships with its stakeholders, can be found in the sections headed "Statement of Chairman", "Management Discussion and Analysis" and "Corporate Governance Report" of this annual report. The review forms part of this directors' report.

COMPLIANCE WITH LAWS AND REGULATIONS

Sufficient resources and training have been allocated and provided to ensure the on-going compliance with applicable laws and regulations.

The Group is principally engaged in the provision of construction services in Singapore and is thus subject to the rules and regulations implemented by the Energy Market Authority of Singapore and the Public Utilities Board, which regulate activities of contractors. The Company confirmed that save as disclosed below, the Group had obtained all the registrations and certifications required for its business and operations in Singapore, and had complied with the applicable laws and regulations in Singapore in all material respects during FY2024.

RELATIONSHIP WITH KEY PARTIES

The success of the Group also depends on the support from key parties which comprise customers, suppliers and employees.

Customers

The Group's customers mainly include (i) Singapore Government agencies; (ii) private companies in Singapore; and (iii) private companies in the PRC. Open tenders put up by Singapore Government agencies are posted on GeBIZ while tenders for private organisations are mainly by invitation.

During FY2024, revenue derived from the Group's top five customers accounted for approximately 88.6% (FY2023: 98.5%) of the total revenue.

Suppliers and subcontractors

The Group maintains good working relationships with its subcontractors and suppliers and do not foresee any material difficulties in sourcing for services and materials in the future. Its project team will hold regular meetings with its suppliers and subcontractors to discuss progress, quality and issues (if any) encountered or anticipated in a project.

Employees

The Group regards its employees as one of its most important and valuable assets. The Group strives to reward and recognise employees who demonstrate outstanding performance by providing a competitive remuneration package, appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

The Group also places great importance in establishing a safe and healthy work environment for its employees. To ensure the quality of its services, the Group has established a set of Quality, Safety, Health and Environmental ("**QSHE**") policies and have committed to high safety standard and environmental impact control. The Group has been continuously accredited with safety certifications such as ISO 9001:2015, ISO 14001:2015, OHSAS 45001:2018 and bizSAFE STAR certifications for its building and construction services, a testament to the systems and procedures that the Group has in place to deliver high quality services and that conform to Singapore's EHS regulations.

PRINCIPAL RISKS AND UNCERTAINTIES

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties are summarised below:

1. Customer concentration risk

For FY2024, the Group's top five customers accounted for approximately 88.6% of its total revenue (FY2023: 98.5%) and any significant decrease in projects secured from any one of them or any change in their creditworthiness may affect its business, operations and financial results. The Group has not entered into any long-term agreements with its top five customers. There is no assurance that these top five customers will continue to use its services at fees acceptable to the Group. If any of the Group's top five customers were to terminate their business relationship with it entirely, there can be no assurance that the Group would be engaged by other customers to replace any such loss. In addition, if any of the Group's customers fail to settle its invoice in accordance with the agreed credit terms, the Group's working capital position may be adversely affected. Allowance for expected credit losses may also be required for receivables, which will have an adverse effect on its profitability. If there is a change in its customers' creditworthiness, its results of operations would be materially and adversely affected.

2. Non-recurring nature of projects

The Group contracts are awarded on a project basis and its revenue is not recurring in nature. The Group cannot guarantee that the Group will continue to secure new projects from its customers after the completion of the existing projects. Any failure to do so could materially and adversely affect its financial performance.

3. Difficulties in recruiting and retaining skilled staff and/or foreign workers

There is high labour demand within the infrastructural pipeline and building and construction industry in Singapore and it is increasingly hard to employ skilled and licensed foreign workers due to the tightened policies on the employment of foreign workers and the labour shortage in Singapore. Any changes in the policies of the foreign workers' countries of origin may also affect the supply of foreign workers and cause disruptions to its operations, resulting in a delay for the completion of its projects.

In addition, the Group may also face difficulties in retaining skilled staff and/or foreign workers due to unforeseen fluctuations in labour costs. The Group may need to take into consideration such salary trends when recruiting or retaining skilled local talents and/or foreign workers as the Group would want to offer more competitive remuneration packages in order to attract higher skilled labour which may result in increased operating expenses thereby affecting its financial performance.

SHARE CAPITAL

As at 31 March 2024, 1,416,800,000 shares of the Company were in issue. Details of the movement in share capital during FY2024 are set out in Note 33 to the Consolidated Financial Statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and the Company during FY2024 are set out in the Consolidated Statement of Changes in Equity on page 89 and Note 37 to the Consolidated Financial Statements respectively.

As at 31 March 2024, distributable reserve available for distribution to the owners of the Company is approximately S$20.2 million, which represents the aggregate of share premium and capital reserves of approximately S$74.2 million, net of accumulated losses of approximately S$54.0 million (FY2023: S$21.1 million).

DIVIDEND

The Board resolved not to recommend the payment of a final dividend for FY2024 (FY2023: Nil).

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

During FY2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during FY2024 are set out in Note 19 to the Consolidated Financial Statements.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

EQUITY-LINKED AGREEMENTS

Other than the Amended Share Option Scheme of the Company (as defined below) and the subscription agreements dated 16 May 2022 and 1 June 2023 disclosed under heading "Use of 2022 Subscription Proceeds" and "Use of 2023 Subscription Proceeds" respectively, as set out in the Management Discussion and Analysis, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during FY2024 or subsisted at the end of FY2024.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

CORPORATE GOVERNANCE

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 43 to 57 in this report.

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on 5 September 2024 and the notice convening such meeting will be published and despatched to the Shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 2 September 2024 to Thursday, 5 September 2024 (both days inclusive), during which period no transfers of shares of the Company will be registered. To determine the entitlement to attend and vote at the AGM of the Company, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrars in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 30 August 2024.

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

The percentages of purchases, subcontracting costs and revenue for FY2024 contributed by the Group's major suppliers, subcontractors and customers to the Group's total costs and revenue are as follows:

Purchases

– the largest supplier	5.9%
– five largest suppliers in aggregate	15.0%

Subcontracting costs

– the largest subcontractor	11.2%
– five largest subcontractors in aggregate	21.6%

Revenue

– the largest customer	33.9%
– five largest customers in aggregate	88.6%

During FY2024, none of the Directors, their respective close associates or any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers or suppliers or subcontractors.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company who held office during FY2024 were:

Executive Directors

Ms. Feng Jiamin (Chairman)
Mr. Michael Shi Guan Wah (Chief Executive Officer)
Mr. Lok Ka Ho (resigned on 24 April 2024)
Mr. Fong Hang Fai
Ms. Katsaya Wiriyachart (appointed on 2 February 2024)
Ms. Liao Qinghua (appointed on 2 February 2024)
Mr. Law Wai Yip (appointed on 24 April 2024)

Independent non-executive Directors

Mr. Shek Jun Chong
Mr. Qiu Yue
Mr. Lui Kwun Yuen (resigned on 26 July 2024)
Mr. Wong Kwong Fai (resigned on 5 September 2023)
Mr. Wu Kai Tang (appointed on 5 September 2023)
Ms. Tam Wing Yan (appointed on 26 July 2024)

Each of the executive Directors has entered into a service contract with the Company for a term of three years. All such service contracts are continuous until terminated by either party giving to the other not less than three months' notice in writing, or by payment of three months' salary in lieu of such notice.

Each of the independent non-executive Directors is appointed for a term of one year unless terminated by one month's notice in writing.

All Directors are subject to retirement by rotation and re-election at annual general meetings, and will continue thereafter until terminated in accordance with the Articles of Association.

Article 83(3) of Company's Articles of Association provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Article 84 of Company's Articles of Association provides that one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one third) shall retire from office by rotation at each AGM, provided that every Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer themselves for re-election.

In accordance with article 83(3) of the Articles of Association, Mr. Law Wai Yip, Ms. Liao Qinghua. Ms. Katsaya Wiriyachart, Ms. Tam Wing Yan and Mr. Wu Kai Tang shall retire from office as Directors and being eligible, have offered themselves for re-election as Directors at the forthcoming AGM.

In accordance with article 84 of the Articles of Association, Ms. Feng Jiamin, Mr. Fong Hang Fai, and Mr. Shek Jun Chong shall retire from office as Directors and being eligible, have offered themselves for re-election as Directors at the forthcoming AGM.

Apart from the foregoing, no Director proposed for re-election at the AGM has a service contract/letter of appointment which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONFIRMATION ON INDEPENDENCE

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Accordingly, the Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Group are disclosed in the section headed "Biographical Details of Directors and Senior Management" on pages 20 to 24 of this annual report.

EMOLUMENT POLICY

As at the date of this report, the Group had a total of 481 employees (FY2023: 476 employees). The Group's emolument policy is 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 emolument policy for the general staff of the Group is set up by the management of the Group on the basis of their merits, qualifications and competence.

A remuneration committee was set up by the Board to develop the Group's emolument policy and structure for remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

DIRECTORS' EMOLUMENTS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

The Directors' emoluments are subject to the Shareholders' approval at annual general meeting of the Company. Other emoluments are determined by the Board with reference to the recommendations by remuneration committee of the Company, directors' duties, responsibilities and performance and the results of the Group.

Details of the Directors' emoluments and five highest paid individuals are set out in Note 13 to the Consolidated Financial Statements of this annual report.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's Articles of Association, every Director or other officers of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses as a result of any act or failure to act in carrying out his/her functions.

Such permitted indemnity provision (within the meaning in Section 469 of the Companies Ordinance) is currently in force and was in force during FY2024. In addition, the Company has taken out and maintained Directors' and officers' liability insurance during FY2024, which provides appropriate cover for the directors and officers of the Group.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save for the service contract/letter of appointment with the Directors, no other transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted at the end of FY2024 or at any time during FY2024.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Up to the date of this annual report, none of the directors, the substantial shareholders or the management shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

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 came into effect on 1 January 2023. Details 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	The Board may, at its absolute discretion, offer share options ("**Options**") to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to 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) ("**Eligible Persons**"). 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.
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 Share Option 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 "**Scheme Mandate Limit**"). 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 utilized. 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 as at the date of extraordinary general meeting.

On 15 June 2023, the Company has granted Options to subscribe for 110,400,000 shares 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 annual report.

Maximum entitlement of each Eligible Person

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.

Offer and grant of options

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).

Minimum holding period, vesting and performance target

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:

(a) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;

(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

(c) grants of Options with a total vesting and holding period of more than 12 months.

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 "**Acceptance Date**"). Such remittance shall in no circumstances be refundable.

	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.
Exercise Price	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: (a) the nominal value of a Share; (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 (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.
Lift of Share Option Scheme	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.

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 31 March 2024 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 annual report, the total number of shares of the Company available for issue under the Amended Share Option Scheme was 110,400,000 shares, representing approximately 7.79% of the issued shares of the Company. As at the date of this annual 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 FY2024 divided by weighted average number of Shares in issue for FY2024 is approximately 8.3%.

The following table discloses the details of the Company's share options under the Share Option Scheme and the movements during the year ended 31 March 2024:

					Number of share options					
Grantees	**Date of grant**	**Vesting period**	**Exercise price per share (HK$)**	**Exercise period**	**Outstanding as at 1 April 2023**	**Granted during the period**	**Exercised during the period**	**Cancelled during the period**	**Lapsed during the period**	**Outstanding as at 31 March 2024**
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
Total:					92,000,000	110,400,000	92,000,000	–	–	110,400,000

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

Apart from the aforesaid Share Option Scheme, at no time during FY2024 was the Company or any associated corporation a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the Listing Rules) to acquire benefits by means of the acquisition of shares in, or debentures of, or had exercise any such rights in the Company or any other body corporate.

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.

With effect from 2 February 2024, Ms. Liao Qinghua and Ms. Katsaya Wiriyachart have been appointed as executive directors.

With effect from 24 April 2024, Mr. Law Wai Yip has been appointed as an executive director and Mr. Lo Ka Ho resigned as an executive director due to his intention to concentrate on other business commitments.

With effect from 26 July 2024, Ms. Tam Wing Yan has been appointed as an independent non-executive director and the member of the remuneration committee of the Board.

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.

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

As at 31 March 2024, none of the Directors and chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**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 as set out in Appendix C3 of the Listing Rules.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2024, 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

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

Notes:

Zhongbei Capital, a company incorporated in Hong Kong with limited liability is wholly-owned by Ms. Yao Jiajia. Accordingly, Ms. Yao Jiajia was deemed to be interested in 138,000,000 shares held by Zhongbei Capital by virtue of the SFO.

Save as disclosed above, as at 31 March 2024, the Directors were not aware of any persons (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.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in Note 36 to the Consolidated Financial Statements. Those related party transactions did not constitute "continuing connected transactions" under Chapter 14A of the Listing Rules.

RETIREMENT BENEFITS SCHEME

The Group participates in the Central Provident Fund scheme ("**CPF scheme**"), which is a defined contribution pension scheme in Singapore.

Pursuant to the Central Provident Fund Act, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for owners who have not been exempted from the relevant provisions of the Central Provident Fund Act).

CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of employees at the applicable prescribed rates which are dependent on, among others, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's share of the monthly CPF contribution. However, an employer can recover the employee's share of CPF contributions from their wages when the contributions are paid for that month. The CPF scheme is a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement.

The Group also operates a Mandatory Provident Fund retirement benefit scheme ("**MPF scheme**") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of the relevant payroll costs capped at HK$1,500 per month to MPF scheme, in which the contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits scheme operated by the government of PRC. The subsidiaries in the PRC are required to contribute a certain percentage of the payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

The total cost charged to profit or loss, amounting to approximately S$711,000 for the FY2024, representing contributions paid to the retirement benefits scheme by the Group. As at 31 March 2024, all contribution that was due had been paid.

Save as aforesaid, the Group did not participate in any other pension schemes during FY2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, there was sufficient public float in the Company's issued shares as required under the Listing Rules of at least 25% of the Company's total number of issued shares which was held by public.

AUDITOR

PricewaterhouseCoopers was engaged as the auditor of the Company from 18 September 2018 to 18 September 2020. Baker Tilly TFW LLP ("**Baker Tilly**") was engaged as the auditor of the Company with effect from 18 September 2020 to fill the casual vacancy following the retirement of PricewaterhouseCoopers. Baker Tilly resigned as the auditor of the Company on 21 April 2021 and Linksfield CPA Limited was appointed as the auditor of the Company with effect from 21 April 2021. On 26 May 2022, Linksfield CPA Limited resigned as auditor of the Company and McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**") was appointed by the Board as the auditor of the Company to fill the casual vacancy as arising. McMillan Woods resigned as the auditor of the Company on 22 January 2024 and Elite Partners CPA Limited ("**Elite Partners**") was appointed as the auditor of the Company with effect from 22 January 2024 to fill the casual vacancy following the resignation of McMillan Wood.

The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by Elite Partners who will retire at the conclusion of the AGM and, being eligible, will offer itself for re-appointment.

Elite Partners shall hold office until the conclusion of the next AGM pursuant to the Articles of Association. A resolution to re-appoint Elite Partners as the auditor of the Company will be proposed for approval by the Shareholders at the forthcoming AGM.

By order of the Board
Trendzon Holdings Group Limited

Feng Jiamin
Chairman

Hong Kong, 28 June 2024

The Board is pleased to present this corporate governance report in the annual report of the Company for FY2024.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieve and maintain high standards of corporate governance to safeguard the interests of the shareholders and to enhance its corporate value and accountability. The Directors recognize the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability. The Company adopted all the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") in Appendix C1 of Listing Rules on the Stock Exchange as its own code on corporate governance practices.

The Company had complied with the code provisions in the CG Code during the year ended 31 March 2024.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code. Set out below is detailed discussion of the corporate governance practices adopted and observed by the Company for FY2024.

GROUP CULTURE

Brand Story

Trendzon Holdings Group consists of three main elements: "coin", "arc pattern" and "letter h".

Coin – symbol Trendzon Holdings Group is a financial investment group dedicated Coins also echoes the Group's vision of leading listed companies to build a diversified ecological platform.

Arc Pattern – "sea waves" means Trendzon Holdings Group rides the wind and waves and heads towards the future; "mountains" means the Group's management team has the courage to climb; "roads" means the realization of resource integration and goal-oriented vision.

H – "H" symbolizing the Group's itself, also has the meanings such as Hope, Honor and Height.

Core Value: Vision, Leading, Win-Win, Excellence

The Group takes vision as the blueprint and guidance for the voyage, and the results of the action as the driving force for the voyage. Gather the efforts of all parties to realize the integration of resources and financial achieve the goal and vision to which the heart belongs.

Group's Vision: "Metamorphosis" and "Rich"

Trendzon Holdings Group is committed to promoting the alliance of listed enterprises and building a multi-ecological platform. Together with the alliance partners wholeheartedly, we have become a pioneer enterprise to realize transformation and move towards abundance.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising from corporate activities. The insurance coverage will be reviewed on an annual basis.

Board Composition

The Board currently comprises six executive Directors, namely Ms. Feng Jiamin (Chairman), Mr. Michael Shi Guan Wah (Chief Executive Officer), Ms. Katsaya Wiriyachart, Ms. Liao Qinghua, Mr. Law Wai Yip and Mr. Fong Hang Fai and four independent non-executive Directors, namely Mr. Shek Jun Chong, Mr. Qiu Yue, Ms. Tam Wing Yan and Mr. Wu Kai Tang.

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

Relationships between the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

During FY2024, the Board met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

Under Rule 3.10A of the Listing Rules, issuers are required to appoint independent non-executive Directors representing at least one-third of the Board. As disclosed in this annual report, the Company has four independent non-executive Directors currently representing more than one-third of the Board and therefore the Company has complied with Rule 3.10A of the Listing Rules.

The Company has adopted a board diversity policy, a summary of which is set out under "Board Committees – Nomination Committee" below.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

In regard to the CG Code provision requiring Directors to disclose to the issuer the number and nature of offices held in public companies or organizations and other significant commitments, as well as their identity and an indication of the time involved, all the Directors have agreed to disclose their commitments and any change to the Company in a timely manner.

Continuous Professional Development

During FY2023, the participation by each Director in the continuous professional development (the "**CPD**") was recorded as follows:

The executive Directors, Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Ms. Katsaya Wiriyachart, Ms. Liao Qinghua, Mr. Law Wai Yip and Mr. Fong Hang Fai, participated in CPD activities by ways of attending trainings and reading materials which are relevant to the Company's business or to directors' duties and responsibilities.

The independent non-executive Directors, Mr. Shek Jun Chong, Ms. Tam Wing Yan, Mr. Lui Kwun Yuen and Mr. Wu Kai Tang participated in CPD by way of attending training and reading materials which are relevant to the Company's business or to directors' duties and responsibilities.

Ms. Liao Qinghua and Ms. Katsaya Wiriyachart have on 19 January 2024 and 17 January 2024 respectively obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that their understood their obligations as directors of the Company.

Mr. Law Wai Yip has on 23 April 2024 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that he understood his obligations as a director of the Company.

Ms. Tam Wing Yan has on 25 July 2024 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that she understood her obligations as a director of the Company.

Chairman and Chief Executive Officer

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organizational structure of the Company, Ms. Feng Jiamin is the Chairman of the Board and Mr. Michael Shi Guan Wah is the Chief Executive Officer which satisfied the code provision C.2.1 of the CG Code.

Appointment and Re-Election of Directors

Mr. Michael Shi Guan Wah, entered into a service contract with the Company for a period of three years commencing from 26 February 2022. Ms. Feng Jiamin is re-designated from non-executive Director to executive Director and entered into a service contract with the Company for a period of three years commencing from 21 September 2020. Ms. Katsaya, has been appointed as an executive Director from 2 February 2024 and entered into a service contract with the Company for an initial fixed term of three years commencing from 2 February 2024. Ms. Liao Qinghua, has been appointed as an executive Director from 2 February 2024 and entered into a service contract with the Company for an initial fixed term of three years commencing from 2 February 2024. Mr. Fong Hang Fai, has been appointed as an executive Director from 30 November 2021 and has not entered into any written service contract with the Company will be subject to retirement and re-election at the annual general meetings. Subsequently, Mr. Fong entered into a service contract with the Company for an initial fixed term of three years commencing from 1 April 2023. Mr. Law Wai Yip, has been appointed as an executive Director from 24 April 2024 and entered into a service contract with the Company for an initial fixed term of three years commencing from 24 April 2024.

Ms. Tam Wing Yan has been appointed as an independent non-executive Director on 26 July 2024. Ms. Tam has entered into a letter of appointment with the Company for an initial fixed term of one year commencing from 26 July 2024.

Mr. Wu Kai Tang has been appointed as an independent non-executive Director on 5 September 2023. Mr. Wu has entered into a letter of appointment with the Company for an initial fixed term of one year commencing from 5 September 2023.

Mr. Shek Jun Chong and Mr. Qiu Yue, have been appointed as independent non-executive Directors on 11 November 2020, Each of Mr. Shek and Mr. Qiu has entered into a letter of appointment with the Company for a term of one year commencing on 11 November 2022, which may be terminated by not less than one month' notice in writing by either party on the other.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the articles of association of the Company, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall submit himself/herself for election by the Shareholders at the first annual general meeting of the Company after appointment and new Directors appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the articles of association of the Company. The Nomination Committee is responsible for reviewing the Board composition, and monitoring the appointment, re-election and succession planning of Directors.

Board Meetings and General Meetings

The Company adopted the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying Board papers are despatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail including the matters considered by the Board and the committees and the decisions reached, and any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are sent to the Directors for consideration within a reasonable time after the date on which the meeting was held. The minutes of the Board meetings are open for inspection by Directors.

The Chairman also held a meeting with the independent non-executive Directors without presence of the executive Directors during FY2024.

During FY2024, eleven board meetings and one general meeting were held and the attendance of the individual Directors at these meetings is set out in the table below:

Directors	Attendance/ Eligible to attend Board Meeting(s)	Attendance/ Eligible to attend General Meeting(s)
Ms. Feng Jiamin	11/11	1/1
Mr. Michael Shi Guan Wah	11/11	1/1
Mr. Lok Ka Ho	11/11	1/1
Ms. Katsaya Wiriyachart	1/1	0/0
Ms. Liao Qinghua	1/1	0/0
Mr. Law Wai Yip	0/0	0/0
Mr. Fong Hang Fai	11/11	1/1
Mr. Shek Jun Chong	11/11	1/1
Mr. Qiu Yue	11/11	1/1
Mr. Lui Kwun Yuen	11/11	1/1
Mr. Wong Kwang Fai	7/7	1/1
Mr. Wu Kai Tang	4/4	0/0
Ms. Tam Wing Yan	0/0	0/0

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with all the Directors and each of the Directors has confirmed that he has complied with the Model Code during FY2024.

The Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of Directors and their corporate governance duties include:

(i) to develop, review and implement the Company's policy and practices on corporate governance;

(ii) to review and monitor the training and continuous professional development of Directors and senior management;

(iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

(v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and

(vi) to develop, review and monitor the implementation of the Shareholders' communication policy to ensure its effectiveness, and where appropriate to enhance Shareholders' relationship with the Company.

During FY2024, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

BOARD COMMITTEES

Nomination Committee

The Nomination Committee consists of four members, namely, Mr. Wu Kai Tang, Ms. Feng Jiamin, Mr. Shek Jun Chong and Mr. Qiu Yue. Mr. Wu Kai Tang is the chairman of the Nomination Committee, and except Ms. Feng Jiamin, an executive Director, the rest of them are independent non-executive Directors.

The principal duties of the Nomination Committee include the followings:

- to review the structure, size and composition of the Board and make recommendations regarding any proposed changes;
- to identify individuals suitably qualified as potential Board members;
- to make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of independent non-executive Directors; and
- to make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular the Chairman and the chief executive.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. Their written terms of reference are available on the websites of the Stock Exchange and the Company.

The Company has adopted a board independence policy to ensure independent views are available to the board. Under the policy, the Nomination Committee shall put emphasis on whether the composition of executive and non-executive Directors (including independent non-executive Directors) is balanced and shall ensure that there is a strong independent element on the Board. All Directors (including the independent non-executive Directors) are given opportunities to include matters in the agenda for regular Board meetings. Upon a reasonable request of any Director, the Board shall resolve to provide separate independent professional advice, at the Company's expenses.

During FY2024, two meeting of the Nomination Committee was held and the attendance record of the Nomination Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Shek Jun Chong	2/2
Mr. Qin Yue	2/2
Ms. Feng Jiamin	2/2
Mr. Wong Kwong Fai (resigned on 5 September 2023)	1/1
Mr. Wu Kai Tang (appointed on 5 September 2023)	1/1

The Nomination Committee reviewed the Board structure, assessed the independence of independent non-executive Directors and considered the re-appointment of the retiring Directors.

Nomination Policy

The Company adopted a nomination policy (the "**Nomination Policy**"). A summary of this policy is disclosed as below.

1. *Purpose*

To ensure that Board members have the skills, experiences and diverse perspectives needed by the Company's business.

2. *Selection Principle*

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

(1) The Company's development strategy needs;

(2) Reputation for integrity;

(3) Achievements and experiences in the Company's major business;

(4) Time devotion and the representation of relevant beneficial parties;

(5) Diversity in all its aspects, including but not limited to gender, age (has to be aged 18 or older), cultural and educational background, professional experiences, skills, knowledge and management experiences;

(6) Directorship in other public companies and corporate governance structures of those companies, etc; and

(7) Independence (for independent non-executive Directors).

These factors are for references only and excluded to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

3. *Nomination Procedure*

3.1 The secretary of the Nomination Committee shall call a meeting of the Nomination Committee and invites nominated candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

3.2 For filling a casual vacancy, the Nomination Committee shall propose candidate(s) for the Board's consideration and approval. For proposing candidate(s) to stand for election at a general meeting of the Company, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

3.3 The nominated candidate(s) shall not assume that he/she has been proposed by the Board to stand for election at the general meeting of the Company until a circular to the Shareholders is issued.

3.4 In order to provide information of the candidate(s) nominated by the Board stand for election at general meeting of the Company, the Company will issue a circular to the Shareholders stating the candidate's name, resume (including qualifications and relevant experiences), proposed remuneration, and other information required in accordance with applicable laws, rules and regulations.

3.5 For independent non-executive Director, in addition to the information listed in clause 3.4 above, the followings should also be specified in the Shareholders' circular:

(1) Process used to identify the individual, reason why the Board considers that individual should be elected, and reason why the Board considers that individual is independent;

(2) If the nominated independent non-executive Director will serve as a director for the seventh (or more) public listed companies, the reason why the Board believes this individual can still devote enough time to fulfil his/her Director's responsibilities;

(3) Views and perspectives, skills and experiences that individual can bring to the Board;

(4) How will this individual promote diversity of the Board; and

(5) Other contents that applicable laws, regulations, listing rules and regulatory bodies required.

4. Responsibility

The ultimate responsibility for selecting and appointing Directors is shared by all Directors of the Company.

5. Monitoring and Reviewing

5.1 The Nomination Committee is responsible for reviewing composition of the Board and succession plan of the Board and conducting a review annually.

5.2 The Nomination Committee should regularly monitor and review formal procedures for the Nomination Policy to ensure that the Nomination Policy is tailored to the needs of the Company and reflects current regulatory requirement and good governance practices.

Board Diversity Policy

The Company adopted the board diversity policy with measurable objectives. The Nomination Committee evaluates the balance and blend of skills, experience and diversity of perspectives of the Board. Selection of candidates is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board has reviewed such measurable objectives to ensure their appropriateness and ascertain the progress made towards.

The Nomination Committee will review the policy from time to time as appropriate to ensure that the policy is effectively executed. The Nomination Committee will discuss any or necessary amendments and submit to the Board regarding the proposed amendments for their approval.

All members of the Board have made contribution to their respective areas. The Directors have a balanced mix of experiences and industry background, including but not limited to experiences in construction, finance, banking and consulting, and legal industries. The independent non-executive Directors who have different industry backgrounds, represent more than one third of the Board.

The Board currently has one female Director, and as such has achieved gender diversity in respect of the Board. We will continue to strive to enhance female representation over time as and when suitable candidates are identified and achieve and appropriate balance of gender diversity with reference to the shareholders' expectation and international and local recommended best practices. The Nomination Committee shall review the diversity and composition of the Board at least annually taking into account the Group's business model and needs and shall monitor the implementation of the Board Diversity Policy and, if appropriate, make recommendations on proposed changes to the Board. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to the Board in near future.

As at 31 March 2024, the gender ratio in the workforce (including senior management) of the Company of female and male are 7% and 93%. The female gender ratio in the workforce is relatively low in general in the industry which the Group operates.

Remuneration Committee

The Remuneration Committee consists of three members, namely Mr. Shek Jun Chong, Mr. Qiu Yue and Ms. Tam Wing Yan. Mr. Shek Jun Chong is the chairman of the Remuneration Committee, all of them are independent non-executive Directors.

The primary duties of the Remuneration Committee include making recommendations on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; determining terms of specific remuneration package of Directors and senior management; and reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by Directors from time to time and dealing with the matters relating to share option schemes of the Company. Their written terms of reference are available on the websites of the Stock Exchange and the Company.

During FY2024, two meeting of the Remuneration Committee was held and the attendance record of the Remuneration Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Shek Jung Chong	2/2
Mr. Qiu Yue	2/2
Mr. Lui Kwun Yuen (resigned on 26 July 2024)	2/2
Ms. Tam Wing Yan (appointed on 26 July 2024)	0/0

The Remuneration Committee discussed and reviewed the remuneration policy for Directors and senior management of the Company, and made recommendations to the Board on the remuneration packages of individual executive Directors and senior management, also the remuneration package of newly appointed/re-designated Directors.

Details of the remuneration paid to the senior management of the Group by band, whose biographies are set out on pages 20 to 24 of this annual report, for the year are set out below:

Remuneration band (S$'000)	Number of individuals
S$301 to S$400	1
S$601 to S$700	1

Audit Committee

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Wu Kai Tang, Mr. Shek Jun Chong and Mr. Qiu Yue. Mr. Wu Kai Tang is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. Their written terms of reference are available on the websites of the Stock Exchange and the Company.

During FY2024, four meetings of the Audit Committee were held and the attendance record of the Audit Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Shek Jung Chong	4/4
Mr. Qiu Yue	4/4
Mr. Wong Kwong Fai (resigned on 5 September 2023)	1/1
Mr. Wu Kai Tang (appointed on 5 September 2023)	3/3

The Audit Committee reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions), internal control and risk management systems and processes and the appointment and resignation of the external auditor. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

They also reviewed interim/final results of the Company and its subsidiaries for the fiscal year as well as the report prepared by the external auditor relating to accounting issues and major findings in course of audit. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements for the year ended 31 March 2024 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are provided to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 78 to 84 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate risk management and internal control systems to safeguard the investments of the Shareholders and assets of the Company and reviewing the effectiveness of such systems on an annual basis. Risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems during FY2024.

The Group has outsourced its internal audit function, which is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, during FY2024, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Inside Information

The Group has adopted and implemented its own disclosure policy aiming to provide a general guide to the Directors and senior management of the Company in handling of confidential information and/or monitoring of information disclosure pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The disclosure policy provides the procedures and internal controls for the handling and dissemination of inside information by publication of the announcement to the websites of the Stock Exchange and the Company on a timely basis to enable the public to access the latest information of the Group, unless such information falls within the safe harbours of the SFO. The management has notified all employees to comply with the disclosure policy. Briefing and training on the implementation of the policy have been provided to Directors and senior management of the Group.

AUDITOR AND THEIR REMUNERATION

The report of the auditor of the Company about their reporting responsibilities on the Group's financial statements for FY2024 is set out in the section "Independent Auditor's Report" of this report. During FY2024, remuneration paid and payable to the auditor of the Group are approximately S$144,000 for annual audit fee.

COMPANY SECRETARY

Mr. Lee Lap Keung is the company secretary of the Company. All Directors have access to the advices and services of the company secretary on corporate governance and board practices and matters.

He has attended not less than 15 hours training as per the requirement under Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make informed investment decisions.

The annual general meeting of the Company provides opportunity for Shareholders to communicate directly with the Directors. The Chairman of the Company, and the chairmen of the Board Committees of the Company will attend the annual general meeting to answer Shareholders' questions. The external auditor of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship, communicating between the Company and its Shareholders and maintaining a website at www.trendzon1865.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Board has reviewed the Shareholders' communication policy and its effectiveness and is of the view that the existing Shareholders' communication policy is appropriate to the Company and has been duly and effectively implemented.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at Shareholder's meetings, including the election of individual Directors.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Stock Exchange and the Company in a timely manner after each Shareholder meeting.

Procedures for Convening an Extraordinary General Meeting ("EGM") and Putting Forward Proposals at EGM

Pursuant to article 58 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM.

Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must state clearly the name of the requisitionists, their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted in the EGM and signed by the requisitionist(s).

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the principal place of business of the Company in Hong Kong at Room 39, 10/F, Block D, Mai Tak Industrial Building, 221 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (email address: admin@trendzon.org).

Dividend Policy

The Company has adopted a dividend policy pursuant to code provision F.1.1 of the CG Code, pursuant to which the Company may declare dividends recommended by the Board to the shareholders.

The declaration of dividends is subject to the discretion of the Board, and the dividend payout shall be based on the Group's actual and expected financial performance, retained earnings and distributable reserves of the Company and members of the Group, economic conditions and other internal or external factors which may have an impact on the business or financial performance and position of the Group, business strategies of the Group (including future cash commitments and investment needs to sustain the long-term growth aspect of the business), current future operations, liquidity position and capital requirements of the Group, statutory and regulatory restrictions and any other factors that the Board deems appropriate.

The declaration and payment of dividend by the Company is subject to the approval of the shareholders of the Company and requirements of the relevant law and articles of association of the Company.

CHANGE IN CONSTITUTIONAL DOCUMENTS

For FY2024, there is no significant change in constitutional documents of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 REPORTING SCOPE AND BOUNDARY

Trendzon Holdings Group Limited is pleased to publish the Environmental, Social, and Governance (the "**ESG**") report, this report is prepared in accordance with the ESG Reporting Guide set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**ESG Reporting Guide**").

The principal activities of the Group are principally:

(i) construction contracts and engineering services; and

(ii) trading of building materials.

The Group, since the previous reporting period, has acquired 100% equity interest of Zhongshan Jiantaiying Electric Appliance Manufacturing Co., Ltd. (中山市堅泰盈電器製造有限公司), 51% equity interest of Zhejiang Taiding Construction Co., Ltd. (浙江台鼎建設有限公司) and has disposed 100% equity interest of Jumbo Harvest Group Limited, 22% equity interest of Integral Virtue Limited. The Group is pleased to demonstrate its commitment to improve ESG performance progress on our sustainable journey.

This ESG report covers the Group's overall performance in two subject areas, namely, environmental and social aspects of the business operations in infrastructural pipeline construction and related engineering services in Singapore and in the trading of building materials in Hong Kong from 1 April 2023 to 31 March 2024 ("**reporting period**" or "**2024**"), unless otherwise stated. For details of the Group's corporate governance, please refer to the Group's corporate governance report in the Group's annual report for the year ended 31 March 2024.

The basis of reporting principles – materiality, quantitative, balance and consistency:

- "Materiality" Principle: The Group determines material ESG issues by stakeholder engagement and materiality assessment.

- "Quantitative" Principle: Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.

- "Balance" Principle: Provides an unbiased picture of the Group's performance and avoids any selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

- "Consistency" Principle: The Report will use consistent methodologies for meaningful comparisons in the past years unless improvements in methodology are identified.

Unless otherwise specified, the reporting boundary of this Report covers the principal businesses of the Group. We regularly review the scope of the ESG Report to ensure that significant impacts to the Group's overall business portfolio are covered.

2 SUSTAINABILITY MISSION AND VISION

Mission

The Group is focused on strengthening the market position in the building and construction industry in Singapore and exploring the industries with local potential business opportunities such as real estate, engineering infrastructure, culture, tourism, healthcare, hotel, finance, securities, tobacco and money lender in the PRC and other regions and countries in the Southeast Asia. The Group is committed to implement the national Belt and Road strategy and promote the economic development of Southeast Asia based on the resource advantages of the Greater Bay Area.

Vision on Environment, Social, and Governance

Sound corporate governance attracts investment, protects rights of shareholders and stakeholders and enhances shareholder value. The Group is committed to account for its shareholders with a highly transparent and open attitude.

The Group has established an ESG Task Force, comprising members from senior management and risk management team, maintaining oversight in the ESG efforts of work teams across different departments including project, contract, finance and human resources. The ESG Task Force reviews the Group's ESG objectives, challenges, targets and progress to ensure their alignment with the Group's strategic direction and supervises the implementation and tracking of sustainability data and progress of various work teams. The board of directors of the Company (the "**Board**") has the overall responsibility of the Group's ESG strategy and reporting, and continuously oversees the process to engage stakeholders, identifies material topics, and approves the ESG material factors identified by the ESG Task Force.

The Group also holds a high standard in business ethics and invests in sustainable businesses. It is committed to improving quality of the communities and the environment, whilst providing long-term returns to its shareholders.

3 AWARD AND RECOGNITION

The Group's efforts in building a safe, high quality, sustainable and friendly built environment is recognised by the Building and Construction Authority ("**BCA**"), and the Group was awarded the BCA Green and Gracious Builder Award. The Group has a "Green and Gracious Policy Statement", listing out ways that it is committed to protecting the Earth, taking care of the environment, and being gracious to our employees and stakeholders. Commitments include and are not limited to preventing pollution, promoting resource efficiency, reducing waste generation, and training personnel on green and gracious practices. The Group strives to improve its green and gracious performances on all our project sites to create the best workplace for its staff and workers, as well as to maintain a conducive, clean and safe living environment for its stakeholders.

In addition, the Group has adopted the Quality, Safety, Health and Environmental ("**QSHE**") Policy in accordance with relevant Singapore standards related to safety and health management system and other standards, code of practice or guidance issued or approved by the Workplace Safety and Health Council of Singapore.

4 BOARD STATEMENT

The Board has a primary role in overseeing the Group's ESG issues. During the reporting period, the Board, the management and the ESG working team spent significant time in evaluating the impacts of ESG-related risks towards the operation and formulating ESG-related policies in dealing with relevant risks. The oversight of the Board ensures that the management and the ESG working team can have all the right tools and resources to oversee the ESG issues.

The Board is responsible for monitoring the Group's ESG strategies and reporting, ensuring that the requirements from the Board are met. Furthermore, the Board monitors and reviews the Group's compliance status of ESG-related laws and regulations by external regulatory bodies, such as The Stock Exchange of Hong Kong Limited ("**HKEX**"). Regular Board meetings are hosted regularly to help understanding the progress, targets and goals on ESG related performances.

The management and ESG working team is primarily responsible for reviewing and supervising the ESG process and risk management of the Group. ESG governance matters and ESG-related issues are reviewed at the regular meeting during the reporting period.

The Board has identified potential and material issues to the business and its stakeholders. The Board has also taken part in the materiality assessment as one of the key stakeholders of the company in providing constructive opinions on the materiality of ESG issues.

5 STAKEHOLDERS ENGAGEMENT AND MATERIALITY MATRIX

The Group communicates with key stakeholders through daily interaction to understand their concerns and expectations on ESG issues. Through regular engagement sessions, the Group obtains valuable feedback and reviews areas of attention which will help the business to meet its potential growth and be prepared for future ESG challenges. Communication channels are as follows:

Stakeholders	Expectations	Communication and feedback
Shareholders/ Investors	• Corporate governance system • Business strategies and performance • Corporate transparency and reputation	• Annual General Meeting (AGM) and other shareholders' meeting • Annual reports and interim reports • Announcements and circulars • Company website and email
Customers and business partners	• Work and service quality • Delivery time • Pricing	• Customer satisfaction survey • Progress meetings • Communication with staff and management

Stakeholders	Expectations	Communication and feedback
Employees	• Rights and benefits • Remuneration and compensation • Career development and training • Working hours • Occupational health and safety • Working environment	• Trainings, seminars, and briefing sessions • Performance reviews • Intranet • Employee communication meetings • Employee's handbook
Suppliers and subcontractors	• Supplier management • Customer service	• Supplier management meetings and events • Supplier review • Site visits
Media, NGOs, and the public	• Community environment • Employment and community development • Social welfare	• ESG report • Community activities • Employee voluntary activities • Community welfare subsidies • Charitable donations

The Group will conduct an Enterprise Risk Assessment at least once per year that covers the current and potential risks it faces, including but not limited to the risks arising in the ESG aspect of the business. Upon receipt of the Enterprise Risk Assessment report, the Board will assess and evaluate the identified risks and review the Group's existing strategy, target and execute internal control to implement necessary improvement to mitigate the risks. In order to manage the environmental-related risks and social sustainability risks, the Board adopts the measures against the risks identified during the Enterprise Risk Assessment to make sure that the stakeholders and the environment are better sheltered from any potential risks inherent to its business operations.

Materiality Assessment

To identify material ESG issues, the Group has specifically engaged a wide range of stakeholders, including the Board, shareholders, senior management, frontline workers, customers and suppliers, to gain insights into ESG material topics. In the materiality assessment, stakeholders were asked to rate a list of 19 ESG topics in terms of their relevance and importance to the Group's business continual and sustainability performance, as well as to the wider community.

Results of the materiality assessment and the consolidated list of material aspects with respective management are presented in the following matrix, table and section, respectively.

Importance to the Group

Importance to Stakeholder	Low	Medium	High
High	• Anti-discrimination • Protecting labour rights	• Talent management • Staff training and promotion opportunity • Staff compensation and welfare policies	• Product/service quality • Customers' satisfaction • Anti-corruption • Data protection • Community investment • Occupational health and workplace safety
Medium		• Use of resources	• Operational compliance • Suppliers management • Air emissions
Low	• Preventive measures for child and forced labour	• Non-hazardous wastes produced	• Use of raw materials • Hazardous wastes produced

6 STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at admin@trendoz.org.

The table underneath showed aspects on the ESG Guide to be assessed and those ESG issues were determined to be material to the Group.

ESG Aspects as set forth in the ESG Guide		Material ESG issues for the Group
(A)	***Environmental***	
A1	Emissions	Emission from town gas or vehicle
A2	Use of Resources	Use of energy and paper
A3	Environment and Natural Resources	
A4	Climate change	
(B)	***Social***	
B1	Employment	Labour practices
B2	Health and Safety	Workplace health and safety
B3	Development and Training	Employee development and training
B4	Labour Standards	Anti-child and forced labour
B5	Supply Chain Management	Supply chain management
B6	Product Responsibility	Product responsibility
B7	Anti-corruption	Anti-corruption, fraud prevention and anti-money laundering
B8	Community Investment	Community programs, employee volunteering and donation

A. ENVIRONMENTAL

Emissions

Types of emissions the Group contributed towards in the reporting period were mainly due to petrol, diesel, electricity, water and paper consumption. The business does not involve in consumption of packaging materials, production-related air, water, and land pollutions which are regulated under national laws and regulations.

Since the Group's operations consist mainly of pipeline project works, it does not have a material consumption of natural resources and the production of hazardous wastes. However, it is aware that it may inevitably produce non-hazardous waste and consume fuels. Therefore, the Group places the highest priority on reduction of the non-hazardous wastes and limitation of oil consumption. Currently, the Group is not aware of actual environmental risks on the Group's business, strategies and financial performance.

The Group understands that electricity and water consumed, as well as wastes generated in its business operation, contribute to significant consumption of natural resources and poses a risk to public health and the environment. Therefore, electricity and water saving initiatives were highly promoted and implemented in its workplace, wastes were treated cautiously according to the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Environmental Public Health Act (Chapter 95, Section 113) of Singapore and the Group's guidelines during the reporting period. Details of electricity and water saving initiatives and handling of wastes are discussed below in the corresponding sections.

A1.1. Emissions Data from Gaseous Fuel Consumption

a) Since the Group did not consume town fuel and town gas during the reporting period, therefore no emissions data applied.

b) During the reporting period, the Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x), and Particulate Matter (PM) emitted from the consumption of the Group's motor vehicles are shown as below:

Key performance indicator ("KPI")

	2024	Unit	%
NO_x	**5,030.1**	kg	88.5%
SO_x	**142.2**	kg	2.5%
PM	**511.5**	kg	9.0%
Total	**5,683.8**	kg	100%

A1.2. Greenhouse Gas Emission

The greenhouse gas (the "**GHG**") emissions of the Group were mainly generated from electricity and petrol consumed. The Group always aims to reduce waste and minimize the consumption of electricity in order to tackle GHG emissions issue.

The table below highlights its carbon footprint during the reporting period:

	KPI		
	2024	Unit	%
Scope 1 Direct Emission	**1,724.5**	tonnes	95.7%
Scope 2 Indirect Emission	**76.3**	tonnes	4.2%
Scope 3 Other indirect Emission	**1.1**	tonnes	0.1%
Total	**1,801.9**	tonnes	100%

During the reporting year, there was 1,801.9 (2023: 1,931.5) tonnes of carbon dioxide equivalent greenhouse gases (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation. Average floor area of the site was 7,367.3m^2 in 2024 (2023: 7,367.3m^2). The annual emission intensity was 0.24 tonnesCO2e/m^2 (2023: 0.26 tonnesCO2e/m^2).

The Group strives to continually improve its sustainability practices and reduce its overall emissions and impacts on the environment. Regarding air emissions, due to the Group's business nature, it considers the relevant air emissions generated as insignificant. However, it still pays attention to the limited air emissions that are generated at construction sites. The Group strives to mitigate the exhaust gas and dusts generated from the production process as much as possible.

Dust is a main concern of the Group due to its operations regarding the construction of pipelines. To control and monitor the dust generated from its operations, the Group has a section on "Site Dust Control" in its QSHE Management Programme. To target and cater to dust problems at sites, the following guidelines have been established:

– Concreted or paved areas for site access to reduce generation of airborne dust;

– Provided water sprays to dampen dust generated during works; and

– Covered and secured all loads on vehicles before leaving the site.

Consequently, the Group is not aware of any significant issues regarding dust discharge.

Additionally, in the aspect of GHG emissions, the Group is aware that the principal GHG are generated from the petrol and diesel consumption of vehicles (Scope 1) and purchased electricity (Scope 2). Hence, the Group has adopted the various measures to mitigate the direct GHG emissions from petrol and diesel consumption in its operations (see section "**Energy**").

Finally, the consumption of electricity is concluded as the most significant source of indirect GHG emission. Therefore, the Group has instilled the following measures to promote energy efficiency:

– Switch off unnecessary lightings and electrical appliances when not in use; and

– Purchase and use of LED lightings and energy efficient office equipment.

The Group set the targets to 3,000 tonnes of GHG emission for the reporting period. The targets will be further reviewed on 2026. The Group has achieved the target during the reporting period.

Water

Water consumption of the Group is mainly used for headquarters' cleaning and sanitation. The Group has set up procedures for water conservation measures. Also, there is a monitoring system for overlooking the water consumption in its headquarters. Due to our business nature, we do not have issues in sourcing water that is fit for purpose.

The Group encourages all employees to develop the habit of water conservation. It has been strengthening its water-saving promotion, posting water saving reminders, and guiding employees to use water reasonably. The following are some measures that have been implemented to increase water efficiency:

– Utilised recycled water for vehicle washing, cleaning of drains and dirty boot;

– Use of water recycling equipment that are of chemical type or membrane type; and

– Use of water efficient fittings and rainwater collected from water tanks for toilet flushing, vehicles and compound area washing related activities.

Water consumption by the Group was 28,144.1m^3 in Singapore operation with water intensity of 4.0m^3/m^2. Nevertheless, the Group reminds its staff to reduce water usage whenever possible. Only water consumption of the Group's Singapore operation is included as water consumption of its Hong Kong operation is managed by the office's building management office and respective data is not available, but it is noteworthy that water consumption of its Hong Kong operation is insignificant.

Additionally, the nature of the Group's operations did not generate any wastewater.

A1.3. Hazardous and non-hazardous Waste

Hazardous Waste

The Group did not generate material hazardous wastes during the reporting period, but it has established guidelines in governing the management and disposal of hazardous wastes. In the case that there is any hazardous wastes being produced, chemical wastes will be temporarily stored in a dedicated location with appropriate hazard labels. We must engage a qualified chemical waste collector to handle such waste, which follows the relevant environmental regulations and rules. The Group is not aware of any hazardous waste that is being discharged during its business.

Non-hazardous Waste

The Group's waste was mainly generated from its construction sites and office, including non-hazardous waste types such as construction waste, wood and paper. With the aim of minimizing the environmental impacts from non-hazardous wastes generated from its business operations, the Group has implemented measures in waste management and launched different reduction initiatives. For wastes generated at sites, the Group has implemented separate refuse management systems for organic and construction wastes at our project work site. Industrial wastes are brought back to the Group's headquarters for disposal by the appropriate certified disposal vendor.

To promote waste separation at source, disposal bins for different types of waste streams are made readily available. We set up procedures for reduction of construction waste and office waste by implementing arrangement of recycling of office waste management. In addition, we have implemented the following procedures to encourage employees to share responsibilities in waste management and minimise waste generations:

- Used double sided printing or photocopying wherever possible;
- Utilised electronic media for communication;
- Digitalisation of site documents;
- Recycled one-sided printed paper; and
- Avoided single-use disposable items.

The Group also inculcates good practices among staff, including sub-contractors, to segregation of paper packaging for disposal into recycling bin(s) to designated refuse collecting point(s).

A total 275 kg of paper has been used for daily office operations such as documents printing and deliverables packaging.

The Company will send its staff and employees for professional and technical courses to improve their technical skills and hence, improving their efficiency and indirectly contributing to less waste produced in their course of operations. The Group has implemented various digitalization efforts which enables the Company to move away from the conventional manual filling and record keeping.

A2.1. Use of resource

Energy

The Group aims to minimise environmental impacts in its operations by identifying and adopting appropriate measures in its operations. All employees are notified to implement such policies and measures on resource utilisation. Regular review is conducted on its energy objectives and targets to seek continuous improvement in the Group's energy performance.

Monthly monitoring of the usage of electricity, water and other materials is implemented. Unexpected high electricity consumptions will be investigated to find out the root cause and preventive measures will be taken. During the reporting period, the Group has performed the following measures relating to promoting energy efficiency:

– Switching off unnecessary lightings and electrical appliances when not in use; and

– Purchasing and using LED lighting and energy efficient office equipment.

During the reporting period, the energy consumption by type in total of the Group are showed as below:

KPI

	2024	2023	Unit	% increase/ (decrease)
Electricity consumed	157,406	165,841	kWh	(5.1%)
Oil consumed	6,374,895	7,362,547	kWh	(13.4%)
Total energy consumed	6,532,301	7,528,388	kWh	(13.2%)
Total floor area of facilities	7,367	7,367	m^2	0.0%
Energy consumed per square meter	887	1,022	kWh/m^2	(13.2%)

The principal energy consumption of the Group is generated from diesel. As a result, we have adopted the following measures:

– Switching off engines whenever the vehicle is idled;

– Purchased Euro VI Emission Petrol and Diesel Vehicles;

– Examined and obtained certification for the vehicles under Section 90 of the "Road Traffic Act" on the prescribed statutory requirements; and

– Provided maintenance service to the vehicles on a regular basis to ensure engine performance to ensure efficient use of fuel.

The Group set the targets of total energy consumption to 10,500 mWh for the reporting period. The targets will be further reviewed on 2026. The Group has achieved the target during the reporting period.

The Company will only source for newer energy efficient machineries when the need arises and continues to review its existing machineries to ensure they are functioning well. Machineries which are battered will be scrapped and replaced.

Total packaging material used for finished products

The Group's business did not involve any use of packaging materials; hence no data nor information is being presented in this report.

A3 Environmental and Natural Resources

Realising that the core business of the Group have potential impacts on the environment and natural resources, as an ongoing commitment to corporate social responsibility, we strive to minimise negative environmental impacts of our business operations. Due to our business nature, we recognise the potential negative environmental impacts like noise pollution. To mitigate the disturbance to the community and environment, we included a section on "Site Noise Control" in our QSHE Management Programme. We are also devoted to achieve sustainable development for generating long-term values to the community and our stakeholders. To mitigate our potential environmental impacts, we made efforts to reduce consumption of natural resources and to promote effective environmental management. We regularly assess the environmental risks of our businesses, adopt preventive measures to reduce potential risks and ensure compliance with relevant laws and regulations.

Environmentally Friendly Construction Methods

We strive for environmental protection and gracious practices during construction phase of projects. The concept of sustainability is embedded in our procurement and working processes. We recommend and use environmentally friendly or green label products on site. To raise the awareness of staff at the sites, environmental posters are displayed at our various notice boards.

Realising the potential environmental and health problems may arise from our construction sites due to pests, we adopt proactive vector control measures at site by deployment of inhouse team, carrying out regular oiling besides the engagement of Pest Control service.

Our efforts in building a safe, high quality, sustainable and friendly built environment is recognised by the BCA, and we were awarded the BCA Green and Gracious Builder Award.

Noise Control

Realising the potential noise pollution from our construction sites, we have a section on "Site Noise Control" in our QSHE Management Programme. We have implemented the following measures to control noise emissions at sites:

– Installed noise barriers at areas of concern to reduce noise transmission; and

– Installed noise monitoring meter(s) both on and off site to monitor where it is reasonable and practicable.

A4 Climate change

The Group is committed to establishing climate resilience in the face of climate change. The Group have assessed and evaluated the potential climate physical and transitional risks to understand the climate risks that we may face and the effects on the Group's business.

The potential risk is that the outdoor work arrangement and business operation may be affected by extreme weather. In the event of inclement weather conditions such as typhoons and rainstorms, the Group has bound to make adjustment and take precautionary measures to prevent injuries to workers. To cope with weather changes, the Group has assessed climate change risks and prepared operational guidelines for weather conditions. The Group, as a responsible enterprise, is committed to implement certain measures to reduce greenhouse gas emissions from business operations.

To cope with adverse weather conditions, the Group takes precautionary and protective measures including work schedule rearrangement and redeployment of resources, to ensure the safety of employees, to minimize the impact on business process and to avoid any physical damages to assets of the Group.

B. SOCIAL

B1 Employment and Labour Practices

Recruitment and dismissal

Human resources are the foundation for the Group's continuous development. Hence, we have established relevant employment policies to adopt people-oriented management strategy and realizing the full potential of employees. Relevant employment policies including recruitment and dismissal are formally documented in our Employee Handbook. We adopt robust, transparent and fair treatment processes based on merit selection against the job criteria applied. Recruitment of individuals are based on their suitability for the position and potential to fulfill the Group's current and future needs. We ensure that our employees and applicants are treated and evaluated in a fair way.

Work Policies

The Group has formulated policies in determining the working hours and rest periods for employees in accordance with local employment laws. Apart from the basic leaves, such as annual leaves, employees are also entitled to additional leaves, such as maternity leave, childcare leave, marriage leave, and compassionate leave, if such leave periods are granted in accordance with the relevant employment laws, and leaves are in accordance with the provision of the "Employment Act".

The Group did not note any cases of material non-compliance in relation to employment during the reporting period.

Competitive Compensation and Benefits Package

Employees are entitled to basic salary with various allowance as per their job positions, age and extra work hours, year-end bonus on performance. Basic social insurance including pension, medical, work-related injury, unemployment compensation and maternity. Various types of leave are provided including annual, sick, work-related injury, marriage, maternity and compassionate leave. The Group regularly reviews employees' salary together with business growth and market price, the pay is generally above market average.

Internal Promotion

Internal promotion and job opportunities are offered to existing employees and selection is based on the monthly reviewed work capability, attitude, and quality of work of the employees on a point scoring system. Employees are encouraged to discuss their goals in job advancement and career development.

Equal Opportunity, Diversity and Anti-discrimination

A diverse and skilled workforce is crucial for its business. The Group is committed to create and maintain an inclusive and collaborative workplace culture. It is dedicated to providing equal opportunities in all aspects of employment and maintaining workplace that are free from discrimination, physical or verbal harassment against any individual based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation. The Group also strives to ensure that complaints, grievances and concerns, including whistleblowing, are dealt with promptly and confidentially. The Group has zero tolerance on sexual harassment or abuse in the workplace of any form.

Employee Communication

The Company organizes events occasionally such as dinner during festive occasion, annual dinner and team bonding event.

As for its workers, occasional packed catering was being organized during the year.

Staff Composition

The Group had a total number of 396 full-time employees as of 31 March 2024 (2023:340). Most of the Group's employees are foundation workers in Hong Kong. No part-time employees are hired during the reporting period.

a) Employee' s Age Distribution

	2024		2023	
Age Group	**Male**	**Female**	Male	Female
0–15	**0%**	**0%**	0%	0%
16–18	**0%**	**0%**	0%	0%
19–30	**42%**	**3%**	46%	3%
31–45	**39%**	**5%**	36%	4%
46–60	**5%**	**1%**	6%	1%
=61/>61	**5%**	**1%**	4%	0%
Total	**91%**	**9%**	92%	8%

b) Employee' s Geographical Distribution

Location	**2024**	2023
Mainland China	**2%**	0%
Singaporean	**14%**	12%
Malaysian	**10%**	8%
India	**69%**	74%
Burmese	**4%**	5%
Thailand	**1%**	1%
Total	**100%**	100%

c) Turnover Rate by Age Group

	2024		2023	
Age Group	**Male**	**Female**	Male	Female
0–15	**0%**	**0%**	0%	0%
16–18	**0%**	**0%**	0%	0%
19–30	**9%**	**0%**	8%	1%
31–45	**8%**	**1%**	6%	0%
46–60	**1%**	**0%**	1%	0%
=61/>61	**0%**	**0%**	1%	0%
Total	**17%**	**1%**	16%	1%

B2 Employee Health and Safety

The Group is committed to provide and maintain a safe and healthy working environment for the benefit of our employees, subcontractors, and suppliers. It has established a QSHE (Quality, Safety, Health and Environmental) Management System Operation Procedure which sets out clear terms for project management approaches and commitments to health and safety. The Group reviews the policy annually, or when incidents arising determine a need to review, to ensure that the procedure remains relevant and appropriate.

The QSHE system, was written in accordance with relevant Singapore standards relating to safety and health management system and other standards. The policy includes main-contractor and subcontractor responsibilities, and the management's commitments to safety and health. The policy also states the requirement of subcontractor to provide sufficient and appropriate resources at the site. The QSHE Policy is reviewed at intervals of at least once a year, or when there is a change of operations that requires other sources and personnel management, and after statutory audits.

In addition, the Group has established various occupational health programmes which aim to protect workers from health hazards relevant to the construction industry such as noise, dust, toxic gases and vapours. Such programmes include Hearing Conservation Programme, Respiratory Protection Programme, Hand Protection Programme, Personal Eye Protection Programme, etc.

The Group is also certified with bizSafe Star Level, which is accredited by the Workplace Safety and Health Council in Singapore. The Group will continue to invest sufficient resources and devote its efforts to maintain and enhance safety management to reduce risks in employee health and safety.

The Group is not aware of any non-compliances related to employee health and safety that have significant impact on us during the reporting period.

In consideration of the COVID-19 pandemic, the Group has also implemented various new policies to ensure the health and safety of employees:

1. In the premise, everyone must be wearing masks at all times.

2. Employees that have mild symptoms are encouraged to seek medical consultations and to take medical leave as prescribed.

3. The Group updates its office staffs via WhatsApp group chat on the latest developments. For foreign workers in the dormitory, notices are put up to update the workers.

Occupational Health and Safety Data

Health and Safety	2024 Male	2024 Female	2023 Male	2023 Female
Number of work-related fatalities	–	–	–	–
Lost days due to work injury	–	–	–	–

B3 Development and Training

The Group conducts regular safety inspections to ensure its operations are conducted in a manner so as to reduce the risks to employees and workers. Safety inspections are conducted by different levels of management, and follow-up actions will be conducted immediately when deemed necessary. The Group emphasises to its employees that strict compliance with safety requirements is vital to ensure that there are no accidents to themselves or others that work on its projects. The Group also requires its subcontractors to abide by all applicable laws, regulations and safety requirements imposed by the relevant government authorities.

Mass Toolbox Meetings and/or Weekly Toolbox Meetings are regularly conducted to train all workers on the relevant health hazards, safe work practice and proper use of personal protective equipment. The worksite management also implement Safety and Health Management System ("**SHMS**") promotional programmes to educate the workers on health hazards and the corresponding control measures.

In addition to compulsory induction training, internal trainings for employees generally fall in the following categories: work safety, fire safety, occupational health, environmental protection, work procedures, ISO 9001 quality management system and ISO 14001 Environmental Management System. These trainings aim to strengthen employees' knowledge, competency, productivity and effectiveness related to their job position, as well as relevant laws and regulations, policies and procedures, and their response to emergency for both hazardous waste fire and leakage. Employees in management level were required to attend both internal corporate management skill training course and external safety training held by State Administration of Work Safety.

The Group also encourages employees to attend external training courses for excavation, heavy lifting and hoisting machinery operation, class III boiler operation, welder certification, electrician permit, on-site health and safety certification. The Group is committed to invest in the training and further education of its employees through on-the-job training as well as external courses which are supported by the Group. Training needs of each department are assessed by its respective Heads of Department, and courses are arranged between the employee and the Heads.

During the reporting period, the Group provided training hours to its staff as below:

Position	Male	Female	Total	Unit
Senior Management	18	–	18	Hours
Middle Management	426	27	453	Hours
Junior level	10,297	761	11,058	Hours
Total	10,741	788	11,529	Hours

B4 Labour Standard

The Group strictly complies with local laws and does not provide employment to children before they reach the legal age to work as defined by the International Labour Organisation ("**ILO**") Convention and Ministry of Manpower in Singapore. No employee will be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work.

The Human Resources and Administration Department of the Group strictly complies with local laws and conducts recruitment based on all the employment requirements in each respective location in which the headquarters are located. Personal data will be collected during the recruitment process to assist in the selection of suitable candidates. The Human Resources Department will also ensure the compliance at all operations and facilities by checking original identification cards upon recruitment. If violation is involved, it will be dealt with in the light of circumstances. The Group also sources its candidates through legal and legitimate sources, such as websites like JobStreet, while foreign workers through licensed employment agencies. The Group reviews each applicant's resumes to ensure they are of appropriate legal age before engaging them for interview. Hence there will not be any chance of such practice.

During the reporting period, the Group did not notice any non-compliance incidents related to child and forced labour that have a significant impact on us.

B5 Supply Chain Management

The Group has established a vendor performance assessment and monitoring system to provide the Purchasing Department with a structured and systematic way to assess suppliers and sub-contractors. Supplier and sub-contractor evaluations are based on product quality, ability in meeting contractual requirements, previous project references and delivery capability. The system also helps to ensure the delivery of maximum value and service quality for the Group's purchase with the input from users and purchasing staff.

Suppliers and sub-contractors' assessments will be conducted periodically, and the results of the evaluations, both positive and those needing improvement, will be promptly shared with the vendors. Suppliers who consistently fail to meet the Group's requirements may be subjected to suspension for future supply.

Supplier's environmental and social risk management is one of the Group's considerations in the Supplier Initial Assessment Report. The Group assess its suppliers' certified management systems such as ISO 9000, ISO/TS 16949, ISO 14000, OHSAS 18000, ISO 22000, ISO/IEC17025 and etc. in the evaluation processes. Other factors such as quality, environmental, occupational health and safety problems are also included in our assessment processes.

When choosing a new supplier, the Group give priority to the suppliers who are environmentally friendly and socially responsible in order to promote and support environmentally preferable products and services in supply chain.

The Group has formulated a tendering manual to ensure vendors in the market could engage in fair competition during the tendering processes. The Group prohibits the differentiation or discrimination on certain vendors; and it strictly monitors and prevents all kinds of business bribery. Employees or personnel having any interest relationship with the vendors should not be involved in the related business activity.

The geographical distribution of suppliers are set out below:

By Location	2024
Singapore	177
Malaysia	4
Total	181

B6 Product Responsibility

Intellectual Property Rights

As the Group's operational process does not involve advertising and labelling practices, the information relating to advertising and labelling is considered as non-material to the Group.

Service Quality Assurance

In order to ensure service quality is being maintained, the Group has implemented the quality policy, complied with international standards, and is certified with ISO 9001 quality management. The Group is dedicated to deliver quality products and services which satisfy the needs and requirements of our customers and interested parties by continually improving the effectiveness of the quality management system.

For redress, the Group has a customer visit report for customers to provide feedback for its services. Customers evaluate the Group's performances on quality of our services, response to instructions, progress of work delivery, quality of workmanship, site planning and control, public inconvenience, and performance during defect liability period. Other recommendation and comments from the clients are also recorded.

Industrial information, customer feedback, product information request, customer enquiries, customer complaints and competitors' action are gathered for determination and review of customer's requirements. This information will then be used for service or product generation, review will be carried out to ensure customer satisfaction. If customers are not satisfied with the service or product, further studies and review will be conducted.

The Group has also established a set of procedures in handling customers' feedbacks or complaints in a professional manner. Upon receiving product or service-related enquiries or complaints, reviews will be conducted immediately. After complaints are settled, customers' satisfaction will be evaluated.

Consumer Data Protection

The Group respects the values and rights of customers' information assets, and strictly complies with the customers' information security management systems and standards. In order to provide high-quality services, we are determined to strengthen the protection of customers' privacy. In addition, the Group adheres to the "Personal Data Protection Act" of Singapore and the Personal Data (Privacy) Ordinance in Hong Kong. It has implemented firewall, anti-virus, and anti-spam solutions for our IT systems to prevent leakage of confidential information, which are upgraded constantly.

There has been no complaints on the Group's services regarding the areas of product responsibility during the reporting period.

B7 Anti-corruption

The Group has zero toleration on any corruptions, frauds and all other behaviours violating work ethics. It values and upholds integrity, honesty and fairness in the way it conducts businesses. The Group has formulated related policies on the control and prevention of bribery, extortion, fraud and money laundering between shareholders and related parties in each business operation and trade activity. During the reporting period, the Group did not note any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the "Prevention of Corruption Act" of Singapore and the Prevention of Bribery Ordinance of Hong Kong.

As spelt out in the Employee Handbook, employees should declare potential conflict of interest to their supervisor or Human Resources Department and abide by the Code of Ethics for employees. Basic standards of expected conducts for all employees are clearly set out in the Anti-Fraud, Anti-Money Laundering Policy. The definition of "Fraud", "Money laundering", "Terrorism Financing" and "Employees" are clearly stated in the above policy. Such policy will be reviewed at least bi-annually and revised as needed. The Director is responsible for the administration, revision, interpretation and application of this policy.

All employees should be alert for occurrences of fraud and be aware that unusual transactions or behaviours could be indications of fraud. Employees will be subjected to disciplinary actions if they are found being engaged in fraudulent activities. Disciplinary actions include termination of an individual, or prosecution to the appropriate law enforcement and/or regulatory agencies for independent investigation, depending on the situation.

An assessment of the risk of money laundering in the Group's operations will be conducted by the Managing Director annually. Due diligence will be conducted by the responsible departments before the acceptance of business counterparties. For any indicators of suspicious activities, the Finance Manager will report to the Audit Committee immediately.

During the reporting period, the Group provide 4 hours training in relation to anti-corruption to its employees.

Whistleblowing Mechanism:

In order to further maintain and achieve the highest standards of openness, probity and accountability, the Group has formulated a reporting procedure. While management is responsible for detecting irregularities, employees are also encouraged to report fraudulent activity immediately to the Head of Department, or where that is not possible, to the Director when they discover or suspect such activity.

An Investigative Procedure is also implemented for the coordination for investigations. The Director will be in charge of coordinating all investigations, and they will seek to ensure the investigators have free and unrestricted access to all company records and premises, whether owned or rented. Investigators will have the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

The Group endeavours to protect an individual's identity when they raise an issue and does not want their identity to be disclosed. It should be understood, however, that an investigation of any malpractice may need to identify the source of the information and a statement by the individual may be required as part of the evidence. All details of the investigation must be kept confidential throughout so as to avoid any mistaken accusations and to prevent alerting the suspected individual. All details and results of the investigation will only be shared with individuals on a need-to-know basis.

On a final note, all employees of the Group are required to read through the Employee Handbook which also includes the "anti-corruption policy". The Handbook is also readily available for any employee should they require to refer to it. Any updates to the policy will be monitored by the HR Department and then the update will be circulated to all employees.

B8 Community Investment

In the pursuit of business development, the Group also encourages its employees to actively participate in charitable activities to help the disadvantaged and make contribution to the community.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRENDZON HOLDINGS GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Trendzon Holdings Group Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 85 to 188, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are: (i) revenue recognition for construction contract; (ii) recoverability of carrying amount of investments in joint ventures.

Key Audit Matters	How our audit addressed the key audit matter
Revenue recognition for construction contract	
Refer to Note 4.16, Note 5(a) and Note 9 to the consolidated financial statements The Group's revenue from construction contracts is recognised over the period of the contract. For the year ended 31 March 2024, the revenue recognised from construction contracts amounted to approximately S$58,359,000. The revenue was recognised using the 5-step approach under IFRS 15 by identifying the contract with customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations in the contract; and recognising revenue as the entity satisfies a performance obligation over time.	We performed the following procedures in relation to management's estimates of transaction price and contract costs in respect of the revenue recognition: – We obtained understanding and performed evaluation and validation of the relevant controls in place over preparation of and revisions to the estimated transaction price and total costs for the construction contracts and the recording of actual costs incurred for each contract; – We selected, on a sample basis, construction contracts to test the total contract value to the contracts, variation orders (if any) and/or other forms of agreements and correspondences; – We selected, on a sample basis, construction contracts to assess the appropriateness of the significant cost components, based on our understanding on the nature of each project and the components that make up the total estimated construction cost for each project, referencing to actual costs incurred on completed contracts of a similar nature. We also checked supporting documents such as quotations and contracts with suppliers for the estimated cost;

Key Audit Matters	How our audit addressed the key audit matter
Revenue recognition from construction contracts (Continued)	
At the inception of the contract, management determines the transaction price taking into account the variable consideration based on the contract terms. As the contract progresses, management regularly reviews and revises the estimates of transaction price and total contract costs if circumstances change, such as variations in contract work and claims. The changes in estimated transaction price and/or total estimated contract costs result in adjustments to the extent of progress towards completion, revenue recognised and provision for foreseeable losses in the period when the circumstances that give rise to the revision becomes known by management. We identified the recognition of revenue from construction contracts as a key audit matter as it involves significant estimations and judgement by management on the estimation of transaction price and total contract costs.	– We tested the actual costs incurred, such as material and subcontractors costs, on a sample basis, to underlying documents, such as the suppliers' invoices and timesheet summary for labour costs, and also checked the calculation of allocation of overheads, such as labour costs and depreciation, to each contract. We also tested subsequent payments made after year end and unpaid invoices in respect of the projects to assess whether management appropriately accounted for the actual costs incurred up to year end; – We performed comparisons between the percentage of completion and the percentage of progress billings on selected contracts for any significant deficiencies; – We checked the progress billings to invoices issued; and – We obtained understanding from the above testing, assess whether provision for foreseeable losses on construction contracts made by management was appropriate.

Key Audit Matters	How our audit addressed the key audit matter
Recoverability of carrying amount of investments in joint ventures	
Refer to Note 4.4, Note 5(c) and Note 23 to the consolidated financial statements As at 31 March 2024, the Group had investments in joint ventures with carrying amount of approximately S$9,906,000. Management performed assessment at the end of reporting period whether there is any indication that the investments in joint ventures may be impaired. Should any indication of impairment exist, an impairment assessment will be performed accordingly. The recoverable amounts of the investments in joint ventures are measured under (i) asset-based approach and (ii) market approach which are focusing on (i) the net asset value of joint ventures in particular to the fair market values of its total assets minus its total liabilities and (ii) the value of an asset through an analysis of recent sales or offerings of comparable assets respectively. Management has concluded that there was no impairment loss in respect of the investments in joint ventures at 31 March 2024. This area is significant to our audit because of the significant management judgement involved and significant assumptions made under asset based approach and market approach which involves estimation uncertainties and may impact the results of the impairment assessments.	We obtained an understanding on the Group's policies and procedures to identify impairment indicators of investments in joint ventures, and performed the following procedures in relation to management's impairment assessments: – Evaluated the internal and external sources of information to identify impairment indications, if any; – Obtained an understanding of the management's internal control and assessment process for identifying the existence of impairment indicators in respect of investments in joint ventures; – Where indicators of impairment have been identified, evaluated the appropriateness of the valuation approaches adopted for the impairment assessment; – Challenged the reasonableness of key assumptions being determine by management by comparing against available market information; – Agreed key inputs to supporting evidence, such as market data; and recalculated the recoverable amount; and – Evaluated management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would be required for the investment to be impaired, where applicable.

OTHER MATTER

The consolidated financial statement of the Group for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2023.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Mr. Chan Wai Nam, William with practising certificate number: P05957.

Elite Partners CPA Limited
Certified Public Accountants
Hong Kong, 28 June 2024

Level 23,
YF Life Tower,
33 Lockhart Road,
Wan Chai,
Hong Kong

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2024

	Notes	2024 S$'000	2023 S$'000 (Re-presented)
Continuing operations			
Revenue	9	59,115	59,750
Cost of sales		(51,122)	(52,684)
Gross profit		7,993	7,066
Other income	10	2,576	6,163
Other (losses)/gains, net	11	(67)	191
Allowance for expected credit losses		(407)	(469)
Administrative expenses		(18,683)	(12,164)
(Loss)/profit from operations		(8,588)	787
Finance costs	14	(1,727)	(1,613)
Share of losses of joint ventures	23	(101)	(259)
Impairment loss on investment in a joint venture		–	(20)
Impairment loss on goodwill		(65)	–
Loss before tax	12	(10,481)	(1,105)
Income tax expense	15	(171)	(852)
Loss for the year from continuing operations		(10,652)	(1,957)
Discontinued operation			
Loss for the year from discontinued operation		(1,624)	(122)
Loss for the year		(12,276)	(2,079)
Other comprehensive (expenses)/income			
Item that will not be reclassified subsequently to profit or loss:			
Surplus on revaluation of leasehold properties		708	433
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive expenses of joint ventures		(190)	(563)
Exchange differences on translating foreign operations		(1,876)	(548)
Other comprehensive expenses for the year, net of tax		(1,358)	(678)
Total comprehensive expenses for the year		(13,634)	(2,757)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2024

	Note	2024 S$'000	2023 S$'000 (Re-presented)
Loss for the year attributable to:			
Owners of the Company		**(11,987)**	(2,062)
Non-controlling interests		**(289)**	(17)
		(12,276)	(2,079)
Loss for year attributable to owners of the Company arising from:			
– Continuing operations		**(10,437)**	(1,957)
– Discontinued operation		**(1,550)**	(105)
		(11,987)	(2,062)
Total comprehensive (expenses)/income for the year attributable to:			
Owners of the Company		**(13,352)**	(2,777)
Non-controlling interests		**(282)**	20
		(13,634)	(2,757)
Total comprehensive expenses for the year attributable to owners of the Company arising from:			
– Continuing operations		**(11,814)**	(2,548)
– Discontinued operation		**(1,538)**	(229)
		(13,352)	(2,777)
Loss per share	16		
From continuing and discontinued operations			
Basic and diluted (Singapore cents)		**(0.89)**	(0.19)
From continuing operations			
Basic and diluted (Singapore cents)		**(0.78)**	(0.18)
From discontinued operation			
Basic and diluted (Singapore cents)		**(0.11)**	(0.01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 S$'000	2023 S$'000
Non-current assets			
Property, plant and equipment	19	**17,191**	17,519
Right-of-use assets	20	**3,282**	4,063
Goodwill	21	**–**	920
Intangible assets	22	**–**	103
Investments in joint ventures	23(a)	**9,906**	5,943
Other deposits	24	**–**	35
		30,379	28,583
Current assets			
Trade and other receivables	25	**23,086**	29,623
Loan receivables	26	**10,461**	13,564
Amounts due from joint ventures	23(b)	**18,802**	3,667
Contract assets	27	**20,651**	32,667
Pledged bank deposits	28(b)	**4,001**	2,603
Bank balances – trust and segregated accounts	28(c)	**–**	5,936
Cash and cash equivalents	28(a)	**1,439**	3,710
		78,440	91,770
Assets of disposal group classified as held for sale	39	**3,312**	–
		81,752	91,770
Current liabilities			
Trade and other payables	29	**12,748**	25,430
Contract liabilities	27	**658**	4,622
Borrowings	31	**10,457**	12,493
Lease liabilities	30	**519**	709
Current tax liabilities		**347**	1,497
		24,729	44,751
Liabilities directly associated with disposal group classified as held for sale	39	**1,717**	–
		26,446	44,751
Net current assets		**55,306**	47,019
Total assets less current liabilities		**85,685**	75,602

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 S$'000	2023 S$'000
Non-current liabilities			
Borrowings	*31*	**12,769**	15,747
Lease liabilities	*30*	**2,855**	3,437
Deferred tax liabilities	*32*	**202**	270
		15,826	19,454
Net assets		**69,859**	56,148
Capital and reserves			
Share capital	*33*	**2,444**	1,907
Reserves		**67,242**	53,949
Equity attributable to owners of the Company		**69,686**	55,856
Non-controlling interests		**173**	292
Total equity		**69,859**	56,148

Approved by the board of directors on 28 June 2024 and are signed on its behalf by:

Ms. Feng Jiamin
Director

Mr. Michael Shi Guan Wah
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2024

	Attributable to owners of the Company										
	Share capital	Share premium (Note i)	Share option reserve (Note ii)	Merger reserve (Note iii)	Revaluation reserve (Note iv)	Exchange reserve (Note v)	Other reserve (Note vi)	Retained profits	Total	Non-controlling interests	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
As at 1 April 2022	1,589	17,138	–	1,500	–	(300)	–	21,241	41,168	–	41,168
Loss for the year	–	–	–	–	–	–	–	(2,062)	(2,062)	(17)	(2,079)
Other comprehensive income/(expenses) for the year	–	–	–	–	433	(1,148)	–	–	(715)	37	(678)
Total comprehensive expenses for the year	–	–	–	–	433	(1,148)	–	(2,062)	(2,777)	20	(2,757)
Issue of shares *(Note 33(a))*	318	14,775	–	–	–	–	–	–	15,093	–	15,093
Share options granted *(Note 34)*	–	–	2,372	–	–	–	–	–	2,372	–	2,372
Acquisition of a subsidiary *(Note 35(a)(i))*	–	–	–	–	–	–	–	–	–	272	272
Change in equity for the year	318	14,775	2,372	–	–	–	–	–	17,465	272	17,737
As at 31 March 2023 and 1 April 2023	1,907	31,913	2,372	1,500	433	(1,448)	–	19,179	55,856	292	56,148
Loss for the year	–	–	–	–	–	–	–	(11,987)	(11,987)	(289)	(12,276)
Other comprehensive income/(expenses) for the year	–	–	–	–	708	(2,073)	–	–	(1,365)	7	(1,358)
Total comprehensive expenses for the year	–	–	–	–	708	(2,073)	–	(11,987)	(13,352)	(282)	(13,634)
Acquisition of a subsidiary *(Note 35(a)(ii))*	–	–	–	–	–	–	–	–	–	298	298
Acquisition of further interest in a subsidiary *(Note 35(a)(i))*	–	–	–	–	–	–	479	–	479	(135)	344
Share options granted *(Note 34)*	–	–	5,148	–	–	–	–	–	5,148	–	5,148
Issue of new shares upon exercise of share options *(Note 33(b))*	158	7,632	(2,372)	–	–	–	–	–	5,418	–	5,418
Issue of new shares on subscription of shares *(Note 33(c))*	379	15,758	–	–	–	–	–	–	16,137	–	16,137
Change in equity for the year	537	23,390	2,776	–	–	–	479	–	27,182	163	27,345
As at 31 March 2024	2,444	55,303	5,148	1,500	1,141	(3,521)	479	7,192	69,686	173	69,859

Notes:

(i) The share premium account records the excess of the total consideration over the par value of the shares issued by the Company, net of share issue expenses incurred.

(ii) The share option reserve represents the fair value of the actual or estimated number of the exercised share option granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 4.18 to the consolidated financial statements.

(iii) The merger reserve arose from the issue of the Company's shares in exchange for the shares of companies being acquired, and represents the difference between the nominal value of the shares issued by the Company in exchange for the value of the subsidiaries acquired.

(iv) Revaluation reserve arises on the revaluation of property, plant and equipment. Details refer to Note 4.6 to the consolidated financial statements.

(v) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(vi) Other reserve arises from the deemed acquisition on capital injection in a subsidiary (Note 35(a)(i)).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024 S$'000	2023 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
From continuing operations	**(10,481)**	(1,105)
From discontinued operation	**(1,624)**	(122)
Adjustments for:		
Depreciation of property, plant and equipment	**1,685**	1,605
Depreciation of right-of-use assets	**780**	741
Amortisation of intangible assets	**19**	19
Write-off of intangible assets	**–**	4
Gain on disposal of subsidiaries	**(51)**	–
Gain on termination of leases	**(14)**	–
(Gain)/losses on disposal of property, plant and equipment	**(2)**	365
Surplus on revaluation of leasehold properties	**–**	(562)
Impairment loss on investment in a joint venture	**–**	20
Impairment loss on goodwill	**918**	–
Allowance for expected credit losses of trade receivables and contract assets	**386**	37
Allowance for expected credit losses of other and loan receivables and amounts due from joint ventures	**107**	474
Share of losses of joint ventures	**101**	259
Interest income	**(114)**	(26)
Finance costs	**1,728**	1,614
Equity-settled share-based payments	**5,148**	2,372
Provision for foreseeable losses on construction contracts	**1,414**	3,167
Operating profit before working capital changes	**–**	8,862
Decrease/(increase) in contract assets	**12,635**	(9,101)
Increase in amounts due from joint ventures	**(15,620)**	(771)
Decrease in bank balances – trust and segregated accounts	**5,049**	1,103
Decrease/(increase) in loan receivables	**3,113**	(2,432)
Decrease/(increase) in trade and other receivables	**2,310**	(3,434)
(Decrease)/increase in contract liabilities	**(3,964)**	4,622
(Decrease)/increase in trade and other payables	**(12,996)**	3,601
Cash (used in)/generated from operations	**(9,473)**	2,450
Interest received	**114**	26
Income tax paid	**(1,361)**	(535)
Net cash (used in)/generated from operating activities	**(10,720)**	1,941

For the year ended 31 March 2024

	Notes	2024 S$'000	2023 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(571)	(818)
Proceeds from disposals of property, plant and equipment		2	1,637
Acquisition of a subsidiary	35(a)	(357)	(1,045)
Acquisition of a joint venture		–	(582)
Disposal of subsidiaries		(9)	–
Disposal of a joint venture		(12)	–
Increase in investment in a joint venture		(4,746)	–
Increase in pledged bank deposits		(1,398)	(2,501)
Net cash used in investing activities		(7,091)	(3,309)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		–	15,093
Proceeds from issuance of shares pursuant to Share Options		5,418	–
Proceeds from issuance of shares pursuant to Share Subscription		16,137	–
Repayment of bonds		(976)	(16,687)
Interest paid for term loans		(190)	(165)
Interest paid for other borrowings		(595)	(57)
Interest paid for lease liabilities		(84)	(81)
Interest paid for hire purchase liabilities		–	(7)
Interest paid for bonds		(859)	(1,324)
Repayment of other borrowings		(3,291)	(1,703)
Other borrowings raised		257	4,486
Repayment of principal elements of lease payments		(755)	(701)
Proceeds from draw down of term loans		564	–
Repayment of term loans		(1,935)	(1,962)
Repayment of obligation under hire purchase liabilities		–	(600)
Net cash generated from/(used in) financing activities		13,691	(3,708)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,120)	(5,076)
Effect of foreign exchange rate changes		3,081	(268)
Cash and cash equivalents at beginning of the year		3,710	9,054
Cash and bank balance from discontinued operation	39	(1,232)	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	28(a)	1,439	3,710

1 CORPORATE INFORMATION

Trendzon Holdings Group Limited (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 were listed on 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 Suite 2108, Prudential Tower, The Gateway, Harbour City, 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, brokerage, placing and margin financing services and trading of building materials.

The audited consolidated financial statements are presented in thousands of units of Singapore dollars ("**S$'000**"), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**"). IFRS comprise International Financial Reporting Standard ("**IFRS**"), International Accounting Standards ("**IASs**"), and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policy information adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and amendments to IFRS that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 1	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
Amendment to IAS 12	International Tax Reform – Pillar Two Model Rules

Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR

In June 2022, the HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which will be effective from 1 May 2025 (the "**Transition Date**"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("**MPF Benefits**") of an entity would no longer be eligible to offset against its obligations on long service payment ("**LSP**") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the "**Practical expedient**") to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPFLSP offsetting mechanism in HKSAR" (the "**Guidance**") which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a "simple type of contributory plans" to which the Practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 March 2024 or for the year then ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

Except as described above, the application of the above new and amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

New and amendments to IFRS that are mandatorily effective for the current year (Continued)

Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR *(Continued)*

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the IFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IAS 28 and IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]

1 effective for annual periods beginning on or after 1 January 2024
2 effective for annual periods beginning on or after 1 January 2025
3 to be determined

The directors of the Company anticipate that the application of all the above amendments to IFRS will have no material impact on the consolidated financial statements in the foreseeable future.

4 MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared on the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

4.1 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March.

4.2 Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

4.3 Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.3 Business combination and goodwill (Continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("**CGUs**") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4.4 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.4 Joint arrangements (Continued)

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of a joint venture's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's entire carrying amount of that joint venture (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

4.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Singapore dollars (SGD), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.5 Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements (Continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the exchange reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4.6 Property, plant and equipment

Property, plant and equipment, other than leasehold properties, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.6 Property, plant and equipment (Continued)

Leasehold properties held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising on the revaluation of such leasehold properties are recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such leasehold properties are recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued leasehold properties are recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained profits.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

– Leasehold improvements	over the shorter of remaining lease term or 5 years
– Leasehold properties	over the shorter of remaining lease term or 9 years
– Computer and device	3 to 10 years
– Furniture and office equipment	3 to 10 years
– Motor vehicles	3 to 10 years
– Plant and machinery	5 to 10 years

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.7 Intangible assets

(i) Computer software licenses

Acquired computer software licenses are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to consolidated statement of profit or loss using the straight-line method over their estimated useful lives of 3 to 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at the end of each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(ii) Trading rights

Trading rights confer eligibility on the Group to trade on the Stock Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate cash flows. As a result, the trading rights are considered by the management of the Group as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until its useful life is determined to be finite. They will be tested for impairment annually and whenever there is an indication that they may be impaired.

The useful life of the trading rights is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is account for on a prospective basis.

4.8 Leases

(i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.8 Leases (Continued)

(i) The Group as a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group entities, which does not have recent third-party financing, and

- makes adjustments specific to the lease, eg term, country, currency and security.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.8 Leases (Continued)

(i) *The Group as a lessee* (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.9 Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("**ECL**") in accordance with the policy set out in Note 4.23 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognised.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

4.10 Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.11 Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.11 Financial assets (Continued)

Debt investments

Debt investments held by the Group are classified into amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

4.12 Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

4.13 Loan receivables

Loan receivables are carried at amortised cost using the effective interest method less allowance for credit loss (see Note 6c) except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such case, loan receivables are stated at cost less allowance for credit loss. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of reporting period. These are classified as non-current assets.

Interest income is recognised on an effective interest basis.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flow. Cash and cash equivalents are assessed for ECL.

4.15 Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.15 Financial liabilities and equity instruments (Continued)

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(ii) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

4.16 Revenue and other income

(i) Revenue from contracts with customers within IFRS15

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities.

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.16 Revenue and other income (Continued)

(i) Revenue from contracts with customers within IFRS15 (Continued)

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service. Specific criteria where revenue is recognised with the 5-step approach under IFRS 15 are described below.

(a) Revenue from construction contract

Identifying the contracts with customer

The Group is a main contractor specialising in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries in Singapore. A contract with a customer is classified by the Group as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

The Group has primary responsibility to fulfilment of the contract due to the integration of construction works that the Group assumes primary responsibility for the quality management and completion, and has discretion in selecting subcontractors and discretion of the pricing for subcontractor.

Identifying the performance obligations in the contract

The Group has to identify the performance obligations in contract. A performance obligation is a promise in a contract to transfer a good or service to a customer. Generally, an infrastructural pipeline construction contract will provide a significant integration services including purchase of materials, arrangement of subcontractor and labour for the provision of construction services and the good and services within the contract will be highly dependent on or highly integrated with other goods or services. As such, different elements of a construction contract are accounted as a single performance obligation. The Group treated all of the construction contracts as a single performance obligation as the construction works are not capable of being distinct.

Determining the transaction price and allocating the transaction price to the performance obligations in the contract

When determining the transaction price at the inception of the contract, the Group takes into account the variable consideration based on the contract terms and considers factors such as whether there is any financing component. The Group considers whether the payment schedule is commensurate with the Group's performance and whether the delayed payment is for finance purpose. The Group assessed that there is no significant financing component in construction contracts as the payment schedule commensurates closely to Group's performance. Therefore, transaction price is not adjusted for any financing component.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.16 Revenue and other income (Continued)

(i) Revenue from contracts with customers within IFRS15 (Continued)

(a) Revenue from construction contract (Continued)

Recognising revenue as the entity satisfies a performance obligation over time

Under IFRS 15, revenue is recognised when, or as, performance obligations are satisfied through transfer of control of goods or services to a customer. A performance obligation is satisfied over time when at least one of the following three criteria is met: (1) the customer receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; (3) the Group's performance does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group recognises the revenue over time as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group recognised the revenue from the contract progressively over time using the input method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group suffering contractual penalties or liquidated damages for late completion are taken into account in estimating contract transaction prices, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The contractual penalties, or liquidated damages and modification of contracts are treated as variable consideration under IFRS 15 and the amounts are included in revenue to the extent that it is highly probable that contract revenue will not reverse. The Group undertakes continuing reassessment for variable considerations.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised.

There is generally no material cost of obtaining contracts of the Group.

A contract asset is recognised when the amount of revenue recognised is more than the amount received but without unconditional right to receive payment (receivable). Contract assets are assessed for ECL model and are reclassified to receivables when the right to the consideration has become unconditional. A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. The Group recognises contract liabilities when the Group received consideration arising from initial deposit, progress and final payment were received or has right to receive such payments before the Group transfers a good or service to the customer. In such cases, a corresponding receivable would also be recognised. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.16 Revenue and other income (Continued)

(i) Revenue from contracts with customers within IFRS15 (Continued)

(a) Revenue from construction contract (Continued)

Recognising revenue as the entity satisfies a performance obligation over time (Continued)

Retention receivables are settled in accordance with the terms of the respective contracts. Retention receivables are classified as contract assets.

(b) Revenue from trading of building materials

Revenues are recognised when control of the goods has been transferred, being when the goods are delivered to the customers, the customers have full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the goods. Delivery occurs when the goods have been shipped to the location specified by customer, the risks of obsolescence and loss have been transferred to the customers, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue is shown net of value-added tax, returns, claims and discounts and after eliminating sales within the Group.

(c) Revenue from brokerage, placing and margin financing

For placing and underwriting commission income, the Group recognised income at a point in time in accordance with the terms of the underlying agreement or deal mandate when relevant significant act has been completed.

For brokerage and commission income for broking business, the Group recognised income at a point in time on a trade date basis.

For clearing, settlement and handling fee income, the Group recognised income at a point in time when the relevant transactions have been arranged or the relevant services have been rendered.

(d) Agency income

Revenues are recognised when the services have been rendered.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or financial assets at fair value through other comprehensive income (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.17 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund (the "**CPF**") in Singapore and the Mandatory Provident Fund (the "**MPF**") retirement benefit scheme (the "**MPF Scheme**") in Hong Kong on a mandatory, contractual or voluntary basis. A defined contribution plan defines the benefits that the employee will receive at the time of retirement in which the Group makes contribution to meet the costs of benefits defined in the plan. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. The Group has no further legal or constructive payment obligations once the contributions have been paid. Payments made to the CPF in Singapore and the MPF in Hong Kong which are a defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The employees of the Group's subsidiaries which operate in the People's Republic of China (the "**PRC**") are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

No forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) will be used by the Group to reduce the existing level of contributions under the CPF, the MPF and the central pension scheme operated by the local municipal government in the PRC.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.18 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

4.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.20 Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4.21 Taxation

Income tax represents the sum of the current tax and deferred tax.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.21 Taxation (Continued)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.22 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

4.23 Impairment of financial assets and contracts assets

The Group recognises a loss allowance for ECL on trade receivables, contract assets, deposits paid, other receivables, amounts due from joint ventures and loan receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.23 Impairment of financial assets and contracts assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk for a particular financial instrument;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor;

– significant increases in credit risk on other financial instruments of the same debtor;

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) the financial instrument has a low risk of default,

(b) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.23 Impairment of financial assets and contracts assets (Continued)

(i) Significant increase in credit risk (Continued)

(c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

– when there is a breach of financial covenants by the counterparty; or

– information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.23 Impairment of financial assets and contracts assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

4.23 Impairment of financial assets and contracts assets (Continued)

(v) Measurement and recognition of ECL (Continued)

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4.24 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

4.25 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5 CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's material accounting policies, which are described in Note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Revenue recognition of construction contracts relating to accounting for variation orders

During the course of business, the Group would make claims for additional work performed, which may arise either under specific circumstances provided for under the contracts, or due to variations made to the contract specifications by customers. Where the amounts of such claims have not been formally agreed at the end of the reporting period, the amount recoverable as estimated by management is included in the contract assets in determining the estimated recoverable amount.

(b) Significant increase in credit risk

As explained in Note 4.23, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Joint control assessment

Although the Group holds 51% of the voting rights of Trendzon Park Project Investment and Development (Zhongshan) Company Limited and Trendzon Zhilian (Shenzhen) Technology Company Limited, the directors have determined that the Group has joint control over these investees as under the contractual agreement, unanimous consent is required from all parties to the agreement for all relevant activities.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

5 CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(a) Revenue recognition of construction contracts

As disclosed in Note 4.16 to the consolidated financial statements, revenue recognition on a construction contract is dependent on management's estimation of the total outcome of the construction contracts, as well as the work done to date. The management reviews and revises the estimates of contract revenue, contract costs, variation orders and provision for claims, prepared for each construction contract as the contract progresses. Budgeted construction costs are prepared by the management on the basis of quotations provided by contractors, suppliers or vendors involved and the experience of the management. In order to keep the budgets accurate and up-to-date, the management conducts periodic reviews on the budgets by comparing the budgeted amounts to the actual amounts incurred. When the final cost incurred by the Group is different from the amounts initially budgeted, such differences will impact revenue and the profit or loss recognised on the contracts. The provision for claims is determined on the basis of the delay in the number of workdays of the completion of the construction works which is highly subjective and is subject to negotiation with the customers. Management conducts periodic review of the provision amount. Significant judgement is required in estimating the contract revenue, contract costs, variation works and provision for claims which have an impact on the percentage of completion of contracts and profit or loss recognised.

During the year ended 31 March 2024, approximately S$59,097,000 (2023: S$59,750,000) of revenue from construction contracts and engineering services was recognised. At the end of the reporting period, the Group's contract assets and contract liabilities were amounted to approximately S$20,651,000 (2023: S$32,667,000) and S$658,000 (2023: S$4,622,000) respectively.

(b) Fair value of leasehold properties

For the purpose of measuring the Group's leasehold properties in Singapore at revaluation model, the Group appointed an independent professional valuer to assess the fair value of the leasehold properties. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of the Group's leasehold properties as at 31 March 2024 was S$14,250,000 (2023: S$14,000,000).

5 CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Allowance for trade and other receivables, loan receivables, contract assets and amounts due from joint ventures

The management of the Group estimates the amount of allowance for ECL on trade and other receivables, loan receivables, contract assets and amounts due from joint ventures based on the credit risk of these receivables. The amount of the allowance based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 March 2024, the aggregated carrying amounts of trade and other receivables, loan receivables, contract assets and amounts due from joint ventures are S$73,000,000 (net of allowance for ECLs of approximately S$1,067,000) (2023: S$79,521,000 (net of allowance for ECLs of S$679,000)).

(d) Impairment assessment of investments in joint ventures

The Group determines whether investments in joint ventures are impaired by regularly review whether there are any indicators of impairment of the investment by reference to the requirements under IAS 28 (2011) "Investments in Associates and Joint Ventures" and IAS 36 "Impairment of Assets". For investment where impairment indicators exist, management estimated the recoverable amounts of the investment, being higher of fair value less costs of disposal and value in use. The value in use of the underlying business is determined based on the discounted cash flow projections. Calculation of fair values by asset-based approach and market approach requires valuation technique which used information generated by market transactions involving identical and comparable group of assets and liabilities to adjust the book value of joint venture's assets. Independent external valuers were also involved in the fair value and value in use assessments, where appropriate.

The carrying amount of the Group's investments in joint ventures as at 31 March 2024 was S$9,906,000 (2023: S$5,943,000). No impairment loss (2023: S$20,000) on investments in joint ventures was recognised in the consolidated financial statements as at 31 March 2024.

(e) Valuation of PPA for acquisition of a subsidiary

The acquisition of a subsidiary during the year ended 31 March 2024 was accounted for as a business combination, which required the Group to allocate the purchase price to the assets acquired, liabilities assumed, and identified intangible assets (if any), based on their estimated fair values at the date of acquisition. The fair values of the assets acquired, liabilities assumed and identified intangible assets (if any) were determined using the discounted cash flow approach and involved various key assumptions and estimates. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the fair values of the assets acquired, liabilities assumed and identified intangible assets. In aggregate, the fair value of total identifiable net assets amounted to approximately S$609,000 and was recognised in the consolidated statement of financial position as at the acquisition date.

6 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

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. The Group operates in Singapore, Hong Kong, and the PRC. The majority of the transactions at each location are settled in the respective local currencies, namely Singapore dollar ("**SGD**"), Hong Kong dollar ("**HKD**"), and Renminbi ("**RMB**").

Management closely monitors foreign currency exchange exposure and will take measures to minimise the currency translation risk. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure.

Sensitivity analysis

The Group is primarily exposed to changes in HK$/S$ and RMB/S$ exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from HK$ and RMB denominated financial instruments in group companies with S$ as functional currency.

As at 31 March 2024

Net liabilities denominated in:	**Change in exchange rate** ***+/– in %***	**Impact on pre-tax loss** ***+/– S$'000***
– RMB	**4%**	**802**
– HKD	**4%**	**213**

As at 31 March 2023

Net liabilities denominated in:	Change in exchange rate *+/– in %*	Impact on pre-tax loss *+/– S$'000*
– RMB	4%	355
– HKD	4%	486

6 FINANCIAL RISK MANAGEMENT (Continued)

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

The Group's interest-bearing assets and liabilities are loan receivables, cash at bank, pledged bank deposits, lease liabilities and borrowings.

In the opinion of the directors, the interest income derived from loan receivables and bank balance is insignificant and the Group's income and operating cash flows are substantially independent of changes in market interest rates. Accordingly, no sensitivity analysis is performed.

As at 31 March 2024 and 2023, pledged bank deposits, lease liabilities and borrowings bore fixed interest rates and therefore, they are exposed to fair value interest rate risk. Accordingly, no sensitivity analysis is performed.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from contract assets, trade receivables, loan receivables, amounts due from joint ventures, pledged bank deposits, deposits and other receivables, trust and segregated accounts in bank and cash and cash equivalents. The Group's exposure to credit risk arising from cash and cash equivalents, trust and segregated accounts in bank and pledged bank deposits are limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

The Group does not provide guarantees to external parties which would expose the Group to credit risk.

Credit exposure to an individual counter-party is restricted by credit limits that are approved by the directors based on on-going credit evaluation. The counter-party's payment profile and credit exposure are continuously monitored by the directors of the Group. The Group has assessed that there are minimal credit risk arising from its other receivables and amounts due from joint ventures.

All receivables and contract assets are written off and all relevant allowance for ECL are written back when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 12 months past due.

Allowance of all receivables are presented as net allowance within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

(i) Trade receivables and contract assets

For trade receivables and contract assets, the Group is exposed to concentration of credit risk as at 31 March 2024 from the Group's top five customers accounted for 53% (2023: 86%) of the total trade receivables and contract assets balances. The major customers of the Group are reputable organisations which comprise mainly gas, water, telecommunications and power utility companies in the private sector and Singapore government agencies such as those governing water utility and catchment in the public sector. Management considers that the credit risk is limited in this regard.

The Group uses IFRS 9 simplified approach for measuring the ECLs, which use a lifetime expected loss allowance for all trade receivables and contract assets. To measure the ECLs, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the invoice date.

The expected loss rates are based on the payment profiles of sales over a period of 36 months (2023: 36 months) before 31 March 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it renders services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

According to above mentioned consideration, the Group does not expect any significant default possibility and loss allowance of trade receivables and contract assets are minimal. As at 31 March 2024, the Group had provided an allowance for ECLs of trade receivables and contract assets of S$27,000 (2023: S$47,000) and S$352,000 (2023: S$43,000) respectively.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2024 and 2023:

As at 31 March 2024

Trade receivables from construction contracts and engineering services:	**Non-credit impaired** *S$'000*	**Credit–impaired** *S$'000*	**Total** *S$'000*
Gross carrying amount	4,882	–	4,882
Loss allowance	(27)	–	(27)
Net carrying amount	4,855	–	4,855
Expected loss rate	0.55%	–	0.55%

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

Trade receivables from trading of building materials:	**Non-credit impaired** ***S$'000***	**Credit–impaired** ***S$'000***	**Total** ***S$'000***
Gross carrying amount	**18**	**–**	**18**
Loss allowance	**–**	**–**	**–**
Net carrying amount	**18**	**–**	**18**
Expected loss rate	**Nil**	**–**	**Nil**

As at 31 March 2023

Trade receivables from construction contracts and engineering services:	Non-credit impaired *S$'000*	Credit–impaired *S$'000*	Total *S$'000*
Gross carrying amount	9,815	–	9,815
Loss allowance	(6)	–	(6)
Net carrying amount	9,809	–	9,809
Expected loss rate	0.06%	–	0.06%

Trade receivables from brokerage, placing and margin financing business:	Non-credit impaired *S$'000*	Credit–impaired *S$'000*	Total *S$'000*
Gross carrying amount	2,705	–	2,705
Loss allowance	(41)	–	(41)
Net carrying amount	2,664	–	2,664
Expected loss rate	1.52%	–	1.52%

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

(i) *Trade receivables and contract assets* (Continued)

As at 31 March 2024

Contract assets from construction contracts and engineering services:	**Non-credit impaired** *S$'000*	**Credit–impaired** *S$'000*	**Total** *S$'000*
Gross carrying amount	**21,003**	**–**	**21,003**
Loss allowance	**(352)**	**–**	**(352)**
Net carrying amount	**20,651**	**–**	**20,651**
Expected loss rate	**1.68%**	**–**	**1.68%**

As at 31 March 2023

Contract assets from construction contracts and engineering services:	Non-credit impaired *S$'000*	Credit–impaired *S$'000*	Total *S$'000*
Gross carrying amount	32,710	–	32,710
Loss allowance	(43)	–	(43)
Net carrying amount	32,667	–	32,667
Expected loss rate	0.13%	–	0.13%

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

(i) ***Trade receivables and contract assets*** (Continued)

Movements of allowances for trade receivables and contract assets are as follows:

As at 31 March 2024

	Simplified approach **Lifetime ECL** ***S$'000***
As at 1 April	**90**
Impairment losses recognised for the year	**386**
Acquisition of a subsidiary (Note 35(a)(ii))	**31**
Transfer to assets of disposal group classified as held for sale (Note 39)	**(155)**
Exchange alignment	**27**
As at 31 March	**379**

As at 31 March 2023

	Simplified approach Lifetime ECL *S$'000*
As at 1 April	55
Impairment losses recognised for the year	37
Exchange alignment	(2)
As at 31 March	90

(ii) ***Loan receivables***

The Group adopted general approach for ECL of loan receivables. In order to minimise the credit risk of loan receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approval and other monitoring procedures to ensure that follow-up action is taken for the recoverable amount. In addition, the Group reviews the recoverable amount of each individual's loan receivables at the end of each reporting period to ensure that adequate allowance loss are made for irrecoverable amounts.

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

(ii) ***Loan receivables*** (Continued)

As at 31 March 2024, based on past experience adjusted for factors that are specific to the general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions, the directors of the Company are of the opinion that the allowance for ECLs of approximately S$116,000 (2023: S$408,000) was provided for loan receivables as at 31 March 2024. The Group manages and analyses the credit risk for each of their new and existing clients before standard payment terms and conditions are offered. If there is no independent rating, the Group assesses the credit quality of the customer based on the customer's financial position, past experience and other factors. Individual risk limits are set based on the value of collaterals provided by customers and internal or external ratings in accordance with limits set by the directors. The utilisation of credit limits is regularly monitored.

The following table provides information about the Group's exposure to credit risk and ECLs for loan receivables as at 31 March 2024 and 2023:

As at 31 March 2024

Loan receivables:	**Stage 1** ***S$'000***	**Stage 2** ***S$'000***	**Stage 3** ***S$'000***	**Total** ***S$'000***
Gross carrying amount	**10,002**	**575**	**–**	**10,577**
Loss allowance	**(105)**	**(11)**	**–**	**(116)**
Net carrying amount	**9,897**	**564**	**–**	**10,461**
Expected loss rate	**1.05%**	**1.91%**	**–**	**1.10%**

As at 31 March 2023

Loan receivables:	Stage 1 *S$'000*	Stage 2 *S$'000*	Stage 3 *S$'000*	Total *S$'000*
Gross carrying amount	7,387	6,585	–	13,972
Loss allowance	(107)	(301)	–	(408)
Net carrying amount	7,280	6,284	–	13,564
Expected loss rate	1.45%	4.57%	–	2.92%

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

(iii) Deposits, other receivables and amounts due from joint ventures

The Group adopted general approach for ECL of other receivables, deposits and amounts due from joint ventures. The Group considered these financial assets have not significantly increased in credit risk from initial recognition. Thus, these financial assets are classified in stage one and only considered 12-month ECLs. Considering the history of default and forward-looking factor, the ECL is minimal. As at 31 March 2024, the Group had provided allowances for ECL of deposits and other receivables and amount due from joint ventures of approximately S$232,000 (2023: S$181,000) and approximately S$340,000 (2023: Nil).

ECL measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportive forward-looking information.

The following table provides information about the Group's exposure to credit risk and ECLs for deposits, other receivables and amounts due from joint ventures as at 31 March 2024 and 2023:

As at 31 March 2024

Deposits and other receivables:	**Stage 1** *S$'000*	**Stage 2** *S$'000*	**Stage 3** *S$'000*	**Total** *S$'000*
Gross carrying amount	**16,650**	**–**	**–**	**16,650**
Loss allowance	**(232)**	**–**	**–**	**(232)**
Net carrying amount	**16,418**	**–**	**–**	**16,418**
Expected loss rate	**1.39%**	**–**	**–**	**1.39%**

As at 31 March 2023

Deposits and other receivables:	Stage 1 *S$'000*	Stage 2 *S$'000*	Stage 3 *S$'000*	Total *S$'000*
Gross carrying amount	13,753	–	–	13,753
Loss allowance	(181)	–	–	(181)
Net carrying amount	13,572	–	–	13,572
Expected loss rate	1.32%	–	–	1.32%

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

(iii) Deposits, other receivables and amounts due from joint ventures (Continued)

As at 31 March 2024

Amounts due from joint ventures:	**Stage 1** *S$'000*	**Stage 2** *S$'000*	**Stage 3** *S$'000*	**Total** *S$'000*
Gross carrying amount	**19,142**	**–**	**–**	**19,142**
Loss allowance	**(340)**	**–**	**–**	**(340)**
Net carrying amount	**18,802**	**–**	**–**	**18,802**
Expected loss rate	**1.78%**	**–**	**–**	**1.78%**

As at 31 March 2023

Amounts due from joint ventures:	Stage 1 *S$'000*	Stage 2 *S$'000*	Stage 3 *S$'000*	Total *S$'000*
Gross carrying amount	3,667	–	–	3,667
Loss allowance	–	–	–	–
Net carrying amount	3,667	–	–	3,667
Expected loss rate	–	–	–	–

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Movements of allowances for loan receivables and deposits, other receivables and amounts due from joint ventures, is as follows:

Loan receivables:	**General approach**			**Simplified approach**	
As at 31 March 2024	**12-month ECL** ***S$'000***	**Lifetime ECL** ***S$'000***	**Lifetime ECL credit impaired** ***S$'000***	**Lifetime ECL** ***S$'000***	**Total** ***S$'000***
As at 1 April	**107**	**301**	**–**	**–**	**408**
Impairment losses recognised for the year	**(3)**	**(280)**	**–**	**–**	**(283)**
Exchange alignment	**1**	**(10)**	**–**	**–**	**(9)**
As at 31 March	**105**	**11**	**–**	**–**	**116**

Loan receivables:	General approach			Simplified approach	
As at 31 March 2023	12-month ECL *S$'000*	Lifetime ECL *S$'000*	Lifetime ECL credit impaired *S$'000*	Lifetime ECL *S$'000*	Total *S$'000*
As at 1 April	125	–	–	–	125
Impairment losses recognised for the year	(20)	301	–	–	281
Exchange alignment	2	–	–	–	2
As at 31 March	107	301	–	–	408

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Deposits and other receivables:	**General approach**
As at 31 March 2024	**12-month ECL**
	S$'000
As at 1 April	**181**
Impairment losses recognised for the year	**48**
Exchange alignment	**3**
As at 31 March	**232**

Deposits and other receivables:	General approach
As at 31 March 2023	12-month ECL
	S$'000
As at 1 April	16
Impairment losses recognised for the year	193
Exchange alignment	(28)
As at 31 March	181

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Amounts due from joint ventures:	**General approach**
As at 31 March 2024	**12-month ECL**
	S$'000
As at 1 April	**–**
Impairment losses recognised for the year	**342**
Exchange alignment	**(2)**
As at 31 March	**340**

Amounts due from joint ventures:	General approach
As at 31 March 2023	12-month ECL
	S$'000
As at 1 April	–
Impairment losses recognised for the year	–
As at 31 March	–

6 FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents which are generated from internal operations, funding from the group companies and having adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 March 2024	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000	Total undiscounted cash flows S$'000	Total carrying amounts S$'000
Trade and other payables	12,748	–	–	–	12,748	12,748
Borrowings	9,219	11,789	433	3,482	24,923	23,226
Lease liabilities	577	203	375	2,972	4,127	3,374
	22,544	11,992	808	6,454	41,798	39,348

As at 31 March 2023	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000	Total undiscounted cash flows S$'000	Total carrying amounts S$'000
Trade and other payables	25,430	–	–	–	25,430	25,430
Borrowings	13,536	5,521	10,898	1,398	31,353	28,240
Lease liabilities	787	812	412	2,937	4,948	4,146
	39,753	6,333	11,310	4,335	61,731	57,816

6 FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital risk management

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt.

Gearing has a significant influence on the Group's capital structure and the Group monitors capital using a gearing ratio. The gearing ratio is calculated as total debt divided by equity attributable to owners of the Company. Total debt is calculated as the sum of borrowings and lease liabilities. The Group manages its gearing ratio by regularly monitoring its current and expected liquidity requirement and adjusting its the capital structure to reflect the change in economic conditions affecting the Group.

The gearing ratios as at 31 March 2024 and 2023 were as follows:

	2024 ***S$'000***	2023 *S$'000*
Total borrowings and lease liabilities	**26,600**	32,386
Equity attributable to owners of the Company	**69,686**	55,856
Gearing ratio	**38.2%**	58.0%

The gearing ratio decreased from 58.0% to 38.2% resulted from repayment in borrowings and placing of shares during the year.

A subsidiary of the Company has two loans related to two properties, respectively, that are subject to covenants. The covenants require the subsidiary to maintain a loan-to-value ratio for each loan and its related property below 60% and 80%, respectively, and to maintain a consolidated net worth of not less than S$14 million (2023: S$14 million). The loan-to-value ratio refers to the ratio of loan amount over the market value of leasehold properties. Net worth is defined as the sum of the subsidiary's paid-up capital and retained profits.

The directors of the Company confirmed that they had neither experienced any difficulties in obtaining or repaying the loan, nor breached any major covenant in this regard.

6 FINANCIAL RISK MANAGEMENT (Continued)

(f) Categories of financial instruments

	2024 S$'000	2023 S$'000
Financial assets		
Financial assets at amortised cost		
– Trade and other receivables (excluding prepayments)	21,290	26,010
– Other deposits	–	35
– Loan receivables	10,461	13,564
– Amounts due from joint ventures	18,802	3,667
– Pledged bank deposits	4,001	2,603
– Bank balances – trust and segregated accounts	–	5,936
– Cash and cash equivalents	1,439	3,710
	55,993	55,525
Financial liabilities		
Financial liabilities at amortised cost		
– Trade and other payables	12,748	25,430
– Borrowings	23,226	28,240
	35,974	53,670

7 FAIR VALUE MEASUREMENTS

The table below analyses financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The directors of the Group consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7 FAIR VALUE MEASUREMENTS (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at year end.

As at 31 March 2024	Fair value measurements using Level 1 S$'000	Level 2 S$'000	Level 3 S$'000
Recurring fair value measurements:			
Leasehold properties under property, plant and equipment	–	–	14,250

As at 31 March 2023	Fair value measurements using Level 1 S$'000	Level 2 S$'000	Level 3 S$'000
Recurring fair value measurements:			
Leasehold properties under property, plant and equipment	–	–	14,000

During the years ended 31 March 2024 and 2023, there was no significant transfer between Level 1, Level 2 and Level 3.

Fair value measurements using significant unobservable inputs (Level 3)

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 3 fair value measurements. The financial controller reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the board of directors at least once a year.

For Level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

The following table presents the changes in Level 3 items for the years ended 31 March 2024 and 2023 for recurring fair value measurements:

	Leasehold properties S$'000
As at 1 April 2022	13,430
Depreciation	(425)
Surplus on revaluation recognised in the consolidated profit or loss	562
Surplus on revaluation recognised in other comprehensive income	433
As at 31 March 2023 and 1 April 2023	14,000
Depreciation	(458)
Surplus on revaluation recognised in other comprehensive income	708
As at 31 March 2024	14,250

7 FAIR VALUE MEASUREMENTS (Continued)

Fair value measurements using significant unobservable inputs (Level 3) (Continued)

The table below sets out information about significant inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value *S$'000* *2024*	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Property A	13,200	Direct comparison approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for location and conditions of the property, which ranged from S$107 to S$250 per sqft	The higher the market unit rate, the higher the fair value
Property B	1,050	Direct comparion approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for location and conditions of the property, which ranged from S$474 to S$674 per sqft	The higher the market unit rate, the higher the fair value

7 FAIR VALUE MEASUREMENTS (Continued)

Fair value measurements using significant unobservable inputs (Level 3) (Continued)

Description	Fair value ***S$'000*** *2023*	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Property A	13,000	Direct comparion approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for location and conditions of the property, which ranged from S$142 to S$370 per sqft	The higher the market unit rate, the higher the fair value
Property B	1,000	Direct comparion approach	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for location and conditions of the property, which ranged from S$455 to S$488 per sqft	The higher the market unit rate, the higher the fair value

8 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.

For the year ended 31 March 2024, 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 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. No operating segments have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 March 2024, one of the business segments namely, brokerage, placing and margin financing service segment, which was presented as a separate reportable segment of the Group in previous year, became a discontinued operation due to the classification of the relevant subsidiaries as a disposal group held for sale as at 31 March 2024 and the disposal of the relevant subsidiaries has been completed on 3 May 2024.

The Group's continuing operations comprise two reportable segments, which are: 1) construction contracts and engineering services and 2) trading of building materials. Prior year segment disclosures have been re-presented to conform with the current year's presentation of reportable segments in continuing operations. The segment information reported does not include any amounts for the discontinued operation.

8 SEGMENT INFORMATION (Continued)

The executive directors assess the performance based on a measure of loss before tax, and consider all businesses are included in the reportable segments of the Group.

Continuing operations:

	Segment revenue		Segment results	
	2024 S$'000	2023 S$'000 (Re-presented)	**2024 S$'000**	2023 S$'000 (Re-presented)
Construction contracts and engineering services	**59,097**	59,750	**7,975**	7,066
Trading of building materials	**18**	–	**18**	–
Total segment	**59,115**	59,750	**7,993**	7,066
Other income			**2,576**	6,163
Other (losses)/gains, net			**(67)**	191
Allowance for expected credit losses ("**ECL**")			**(407)**	(423)
Impairment loss on investment in a joint venture			**–**	(20)
Impairment loss on goodwill			**(65)**	–
Share of losses of joint ventures			**(101)**	(259)
Administrative expenses			**(18,683)**	(12,210)
Finance costs			**(1,727)**	(1,613)
Loss before tax			**(10,481)**	(1,105)
Discontinued operation: Loss for the year from discontinued operation			**(1,624)**	(122)

For the year ended 31 March 2024, there were six customers (2023: one) which individually contributed over 10% of the Group's total revenue. During the years ended 31 March 2024 and 2023, the revenue contributed from these customers were as follows:

	2024 S$'000	2023 S$'000
Construction contracts segment		
Customer A	**20,022**	41,378
Customer B	**9,286**	N/A*
Customer C	**8,121**	N/A*
Customer D	**7,643**	N/A*
Customer E	**7,327**	N/A*
Customer F	**6,163**	N/A*

* *Contributed under 10% of total revenue for the year ended 31 March 2023.*

As at 31 March 2024, the total non-current assets, other than other deposits, approximately S$19,793,000 (2023: S$20,225,000), S$298,000 (2023: S$1,390,000) and S$10,288,000 (2023: S$6,933,000) were located in Singapore, Hong Kong and the PRC respectively.

9 REVENUE

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or services line for the year is as follows:

	2024 S$'000	2023 S$'000 (Re-presented)
Continuing operations		
Revenue from contracts with customers within the scope of IFRS 15:		
Revenue from construction contracts and engineering services		
Construction contracts relating to:		
– Gas infrastructures	20,022	41,378
– Water infrastructures	38,332	18,372
– Cable	5	–
– Engineering services income	738	–
	59,097	59,750
Revenue from trading of building materials		
Building materials	18	–
Total	59,115	59,750

	2024 S$'000	2023 S$'000 (Re-presented)
Continuing operations		
Timing of revenue recognition		
Recognised overtime		
– Revenue from construction contracts and engineering services	59,097	59,750
Recognised at a point in time		
– Revenue from trading of building materials	18	–
	59,115	59,750

9 REVENUE (Continued)

(a) Disaggregation of revenue (Continued)

	For the year ended 31 March 2024		
	Revenue from construction contracts and engineering services S$'000	Revenue from trading of building materials S$'000	Total S$'000
Geographical markets:			
– Singapore	58,359	–	58,359
– PRC	738	18	756
	59,097	18	59,115

	For the year ended 31 March 2023 Revenue from construction contracts and engineering services S$'000
Geographical markets:	
– Singapore	59,750
	59,750

The Group provides infrastructural pipeline construction services. Such works are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the Group performs. Revenue is recognised for these contract works using input method based on proportion of the actual costs incurred relative to the estimated total costs.

The Group's revenue recognition on a construction contract is dependent on management's estimation of the total outcome of the construction contracts, as well as the work done to date. The management reviews and revises the estimates of contract revenue, contract costs, variation orders and provision for claims, prepared for each construction contract as the contract progresses.

9 REVENUE (Continued)

(a) Disaggregation of revenue (Continued)

A contract asset is recognised when the amount of revenue recognised is more than the amount received but without unconditional right to receive payment (receivable). Contract assets are assessed for ECL model and are reclassified to receivables when the right to the consideration has become unconditional. A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognized if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. The Group recognises contract liabilities when the Group received consideration arising from initial deposit, progress and final payment were received or has right to receive such payments before the Group transfers a good or service to the customer. In such cases, a corresponding receivable would also be recognised. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Retention receivables are settled in accordance with the terms of the respective contracts. Retention receivables are classified as contract assets.

(b) Unsatisfied performance obligation

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

	2024 ***S$'000***	2023 *S$'000*
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied:		
– Within 1 year after financial year	**52,102**	96,583
– Between 1 to 2 years after financial year	**1,866**	25,877
– Between 2 to 5 years after financial year	**–**	2,830
	53,968	125,290

Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its contract revenue for construction work, engineering services and trading of building materials such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contract revenues that had an original expected duration of one year or less.

9 REVENUE (Continued)

(c) Trade receivables from contracts with customers

	2024 S$'000	2023 S$'000
Receivables from contracts with customers within the scope of IFRS 15, which are included in "trade and other receivables", before allowance for ECL		
– Construction contracts and engineering services	4,882	9,815
– Trading of building materials	18	–
– Brokerage, placing and margin financing services	–	2,705
	4,900	12,520

The amount of revenue recognised for the year ended 31 March 2024 that was included in the contract liabilities at the beginning of the reporting year was approximately S$2,052,000 (2023: S$ Nil).

10 OTHER INCOME

	2024 S$'000	2023 S$'000 (Re-presented)
Continuing operations		
Interest income	114	26
Government grants *(Note i)*	55	431
Loan interest income	252	566
Agency income *(Note ii)*	778	3,873
Others	1,377	1,267
	2,576	6,163

Notes:

(i) During the year ended 31 March 2024, the Group recognised government grants of approximately S$55,000 (2023: S$431,000), which mainly represent the Foreign Worker Levy rebates and Jobs Growth Incentive provided by the Singapore government. The Group complied with all attached conditions and therefore such grants were recognised as other income during the year.

(ii) Agency income arose from recognition of income on a net basis as the Group was considered to be acting as agent, not principal, in the car trading transactions and are accounted for in accordance with IFRS 15.

For the year ended 31 March 2024

11 OTHER (LOSSES)/GAINS, NET

	2024 S$'000	2023 S$'000 (Re-presented)
Continuing operations		
Gain/(loss) on disposal of property, plant, and equipment	2	(365)
Gain on disposal of subsidiaries	51	–
Surplus on revaluation of leasehold properties	–	562
Gain on termination of lease	14	–
Foreign exchange loss	(152)	(2)
Loss on disposal of intangible assets	–	(4)
Gain on disposal of a joint venture	18	–
	(67)	191

12 LOSS BEFORE TAX

Loss before tax is stated after charging the following:

	2024 S$'000	2023 S$'000 (Re-presented)
Material costs under construction operation (included in cost of sales)	11,869	15,024
Subcontracting costs (included in cost of sales)	11,217	7,413
Technical service fees (included in cost of sales)	4,853	4,743
Application fee to Land Transport Authority for close road permit (included in cost of sales)	1,133	3,709
Legal and professional fee	1,767	1,849
Auditor's remuneration		
– Audit services	140	144
Expenses relating to short-term lease	4,409	3,229
Depreciation of property, plant and equipment	1,617	1,601
Amortisation of intangible assets	19	19
Depreciation of right-of-use assets	721	721
Employee benefit costs, including directors' emoluments		
Wages and salaries	15,406	12,071
Equity-settled share-based payments	5,148	2,372
Employer's contribution to defined contribution plans	711	569
	21,265	15,012

13 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Benefits and interest of directors

	2024	2023
	S$'000	*S$'000*
Fees	**55**	48
Salaries, allowances and benefits in kind	**619**	605
Discretionary bonuses	**560**	504
Employer's contribution to defined contribution plans	**11**	11
	1,245	1,168

(i) Directors' emoluments

The directors' emoluments for the years ended 31 March 2024 and 2023 are set out below:

	Fees	Salaries, allowances, and benefits in kind	Employer's contribution to defined contribution plans	Discretionary bonuses	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
For the year ended 31 March 2024					
Executive directors					
Mr. Michael Shi Guan Wah (Chief Executive Officer ("**CEO**"))	–	409	11	560	980
Ms. Feng Jiamin (Chairman)	–	180	–	–	180
Mr. Lok Ka Ho *(Note i)*	–	10	–	–	10
Mr. Fong Hang Fai	–	10	–	–	10
Ms. Liao Qinghua *(Note iii)*	–	7	–	–	7
Ms. Katsaya Wiriyachart *(Note iii)*	–	3	–	–	3
Independent non-executive directors					
Mr. Shek Jun Chong	10	–	–	–	10
Mr. Qiu Yue	10	–	–	–	10
Mr. Lui Kwun Yuen	10	–	–	–	10
Mr. Wong Kwong Fai *(Note ii)*	7	–	–	–	7
Mr. Wu Kai Tang *(Note iv)*	18	–	–	–	18
	55	619	11	560	1,245

13 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Benefits and interest of directors (Continued)

(i) ***Directors' emoluments*** (Continued)

	Fees S$'000	Salaries, allowances, and benefits in kind S$'000	Employer's contribution to defined contribution plans S$'000	Discretionary bonuses S$'000	Total S$'000
For the year ended 31 March 2023					
Executive directors					
Mr. Michael Shi Guan Wah (CEO)	–	378	11	504	893
Ms. Feng Jiamin (Chairman)	–	207	–	–	207
Mr. Lok Ka Ho *(Note i)*	–	10	–	–	10
Mr. Fong Hang Fai	–	10	–	–	10
Independent non-executive directors					
Mr. Shek Jun Chong	11	–	–	–	11
Mr. Qiu Yue	11	–	–	–	11
Mr. Lui Kwun Yuen	10	–	–	–	10
Mr. Wong Kwong Fai *(Note ii)*	16	–	–	–	16
	48	605	11	504	1,168

Note i: Mr. Lok Ka Ho resigned as an executive director on 24 April 2024.

Note ii: Mr. Wong Kwong Fai resigned as an independent non-executive director on 5 September 2023.

Note iii: Ms. Katsaya Wiriyachart and Ms. Liao Qinghua were appointed as executive directors on 2 February 2024.

Note iv: Mr. Wu Kai Tang was appointed as an independent non-executive director on 5 September 2023.

13 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Benefits and interest of directors (Continued)

(i) Directors' emoluments (Continued)

There was no arrangement under which a director has waived or agreed to waive any emolument during the years ended 31 March 2024 and 2023.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the Company or Operating Subsidiaries and no directors waived or agreed to waive any emolument during each of the years ended 31 March 2024 and 2023.

(ii) Directors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the years ended 31 March 2024 and 2023.

No payment was made to the directors as compensation for early termination of the appointment during the year ended 31 March 2024 and 2023.

(iii) Consideration provided to third parties for making available directors' services

No payment was made to any former employers of the directors for making available the services of them as a director of the Company during the years ended 31 March 2024 and 2023.

(iv) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

Save as disclosed in Note 36(a), there were no other loans, quasi-loans and other dealings in favour of the directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 March 2024 and 2023.

(v) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the Note 36(a), no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 March 2024 and 2023.

For the year ended 31 March 2024

13 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two (2023: two) directors, whose emolument was reflected in the analysis presented in Note 13(a) during the year ended 31 March 2024. The emoluments paid/payable to the remaining include three (2023: three) individuals are as follows:

	2024 S$'000	2023 S$'000
Wages and salaries	599	540
Discretionary bonuses	654	380
Employer's contribution to defined contribution plans	47	43
	1,300	963

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
Emolument band		
HK$0 to HK$1,000,000	–	1
HK$1,500,001 to HK$2,000,000	1	2
HK$2,500,001 to HK$3,000,000	1	–
HK$3,000,001 to HK$3,500,000	1	–
	3	3

No directors or any of the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or compensation for loss of office (2023: Nil).

14 FINANCE COSTS

	2024 S$'000	2023 S$'000 (Re-presented)
Continuing operations		
Interests on:		
Hire purchase liabilities	–	7
Lease liabilities	83	80
Term loan	190	165
Other borrowings	595	149
Bonds	859	1,212
	1,727	1,613

15 INCOME TAX EXPENSE

Tax for the group company incorporated in Singapore has been provided at the applicable Singapore statutory Corporate Income Tax rate of 17% (2023: 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 Islands ("**BVI**") are not subject to any income tax. Under the two-tiered Profits Tax regime, the applicable tax rates for a qualified group company incorporated in Hong Kong is 8.25% (2023: 8.25%) on the first HK$2,000,000 of assessable profit and 16.5% (2023: 16.5%) on the remaining assessable profit. The applicable tax rate for those non-qualified group companies incorporated in Hong Kong is 16.5% (2023: 16.5%). The applicable tax rate for group companies incorporated in the PRC is 25% (2023: 25%).

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	2024 ***S$'000***	2023 *S$'000*
Continuing operations		
Current tax		
Singapore Corporate Income Tax		
Current year	**119**	1,159
Under/(over) provision in prior years	**120**	(79)
	239	1,080
Hong Kong Profits Tax		
Current year	**–**	–
	239	1,080
Deferred tax *(Note 32)*	**(68)**	(228)
	171	852

The tax on the loss before tax from continuing operations differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

	2024 ***S$'000***	2023 *S$'000* *(Re-presented)*
Loss before tax from continuing operations	**(10,481)**	(1,105)
Calculated at a taxation rate of 17% (2023: 17%)	**(1,782)**	(188)
Tax effect of different tax rate in other jurisdictions	**85**	(149)
Tax effect of share of losses of joint ventures	**17**	44
Tax effect of utilisation of tax losses not previously recognised	**(147)**	(46)
Income not subject to tax	**(37)**	(11)
Expense not deductible	**537**	657
Tax effect of tax losses not recognised	**1,326**	583
Partial tax exemption *(Note i)*	**(17)**	(17)
Under/(over) provision in prior years	**120**	(79)
Others	**69**	58
	171	852

15 INCOME TAX EXPENSE (Continued)

Notes:

(i) Partial tax exemption relates to tax exemption of 75% on the first S$10,000 of normal chargeable income and a further 50% of tax exemption on the next S$190,000 of normal chargeable income since the financial year ended 31 March 2020.

(ii) At the end of the reporting period, the Group has unrecognised tax losses of S$15,210,000 (2023: S$3,371,000 (re-presented)) that are available to offset against future taxable profits. Included in the unrecognised tax losses of S$10,607,000 (2023: S$2,641,000) were derived from the PRC that will expire in five years from 2024 to 2027 and the remaining tax losses of S$4,603,000 (2023: S$730,000 (re-presented)) can be carried forward indefinitely.

16 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 year.

	2024 ***S$'000***	2023 *S$'000* *(Re-presented)*
Loss		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share		
– Continuing operations	**(10,437)**	(1,957)
– Discontinued operation	**(1,550)**	(105)
Continuing and discontinued operations	**(11,987)**	(2,062)
	'000	*'000*
Number of share		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**1,336,111**	1,063,671
Basic loss per share *(Singapore cents)*		
– Continuing operations	**(0.78)**	(0.18)
– Discontinued operation	**(0.11)**	(0.01)
Continuing and discontinued operations	**(0.89)**	(0.19)

No adjustment has been made to the basic loss per share for the years ended 31 March 2024 and 2023 as the outstanding share options which were potential ordinary shares of the Company did not have dilutive effect.

17 DIVIDENDS

The directors have resolved not to declare any dividend for the year ended 31 March 2024 (2023: Nil).

18 SUBSIDIARIES

Details of the principal subsidiaries of the Company as at 31 March 2024 and 2023 are as follows. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of subsidiaries	Place and date of incorporation/ operation	Particulars of share capital	Equity interest attributable to the Group 2024	2023	Principal activities
Directly held by the Company:					
Integral Virtue Limited	BVI, 10 July 2018	1 share of US$1 each	**100%**	100%	Investment holding
Pioneer Galaxy Holdings Limited	BVI, 12 August 2020	10,000 shares of US$1 each	**100%**	100%	Investment holding
Jumbo Harvest Group Limited	BVI, 3 March 2021	1 share of US$1 each	**100%**	100%	Dormant
Trendzon Investment Group Limited	BVI, 28 March 2022	100 shares of US$1 each	**100%**	100%	Investment holding
Trendzon Universe Group Limited	BVI, 28 March 2022	100 shares of US$1 each	**100%**	100%	Investment holding
Indirectly held by the Company:					
HSC Pipeline Engineering Pte. Ltd.	Singapore, 13 January 1993	1,500,000 shares of S$1 each	**100%**	100%	Infrastructural pipeline construction and related engineering services
Trendzon (Hong Kong) International Holding Co Ltd	Hong Kong, 25 January 2019	10,000 shares, totalling HK$10,000	**100%**	100%	Trading of building materials
Inner Mongolia City Environment Protection Pipeline Engineering Limited#	The PRC, 5 November 2020	Registered share capital of HK$10,000,000; Paid up: Nil	**–**	100%	Investment holding
Trendzon Catering Entertainment Limited	Hong Kong, 13 September 2021	10,000 shares, totalling HK$10,000	**–**	100%	Dormant
All Good Finance Limited	Hong Kong, 16 June 2020	1 share, totalling HK$1	**100%**	100%	Money lending
Trendzon (Guangzhou) Construction Investment Company Limited#	The PRC, 18 June 2021	Registered share capital of RMB10,000,000; Paid up: Nil	**100%**	100%	Engineering management & development consultants
Trendzon (Guangzhou) Industrial Park Investment Development Company Limited#	The PRC, 18 June 2021	Registered share capital of RMB10,000,000; Paid up: Nil	**100%**	100%	Investment holding
Wealth Link Securities Limited	Hong Kong, 11 June 2015	51,685,539 shares, totaling HK$24,471,482	**96.13%**	85%	Provision of placing and underwriting services, brokerage in securities and margin financing services
Zhejiang Taiding Construction Co., Ltd.	The PRC, 29 January 2021	Registered share capital of RMB51,958,800; Paid up: RMB6,042,800	**51%**	–	Engineering services

\# Recognised as a wholly-foreign owned enterprise in the PRC.

19 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
Cost or valuation							
As at 1 April 2022	1,972	13,430	–	353	6,234	7,457	29,446
– Additions	640	–	10	38	75	55	818
– Write-off	(394)	–	–	(157)	–	(7)	(558)
– Disposals	–	–	–	(13)	(4,379)	–	(4,392)
– Deprecation eliminated on revaluation against cost	–	(425)	–	–	–	–	(425)
– Surplus on revaluation	–	995	–	–	–	–	995
– Exchange alignment	(4)	–	–	(1)	–	–	(5)
As at 31 March 2023 and 1 April 2023	2,214	14,000	10	220	1,930	7,505	25,879
– Additions	160	–	9	79	293	30	571
– Acquisition of a subsidiary	21	–	20	–	192	–	233
– Disposals	–	–	–	–	–	(6)	(6)
– Deprecation eliminated on revaluation against cost	–	(458)	–	–	–	–	(458)
– Surplus on revaluation	–	708	–	–	–	–	708
– Transfer to assets of disposal group classified as held for sale *(Note 39)*	(233)	–	–	–	–	–	(233)
– Exchange alignment	5	–	1	1	1	–	8
As at 31 March 2024	**2,167**	**14,250**	**40**	**300**	**2,416**	**7,529**	**26,702**
Accumulated depreciation							
As at 1 April 2022	537	–	–	265	3,560	5,771	10,133
– Provided for the year	410	425	2	43	227	498	1,605
– Write-off	(394)	–	–	(157)	–	(7)	(558)
– Disposals	–	–	–	(11)	(2,379)	–	(2,390)
– Write back on revaluation	–	(425)	–	–	–	–	(425)
– Exchange alignment	(5)	–	–	–	–	–	(5)
As at 31 March 2023 and 1 April 2023	548	–	2	140	1,408	6,262	8,360
– Provided for the year	518	458	12	40	166	491	1,685
– Disposals	–	–	–	–	–	(6)	(6)
– Write back on revaluation	–	(458)	–	–	–	–	(458)
– Transfer to assets of disposal group classified as held for sale *(Note 39)*	(73)	–	–	–	–	–	(73)
– Exchange alignment	2	–	–	2	(1)	–	3
As at 31 March 2024	**995**	**–**	**14**	**182**	**1,573**	**6,747**	**9,511**
Net carrying amount							
As at 31 March 2024	**1,172**	**14,250**	**26**	**118**	**843**	**782**	**17,191**
As at 31 March 2023	1,666	14,000	8	80	522	1,243	17,519

19 PROPERTY, PLANT AND EQUIPMENT (Continued)

The analysis of the cost or valuation of the above assets at the end of the reporting period is as follows:

As at 31 March 2024

	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
At cost	2,167	–	40	300	2,416	7,529	12,452
At valuation	–	14,250	–	–	–	–	14,250
	2,167	14,250	40	300	2,416	7,529	26,702

As at 31 March 2023

	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
At cost	2,214	–	10	220	1,930	7,505	11,879
At valuation	–	14,000	–	–	–	–	14,000
	2,214	14,000	10	220	1,930	7,505	25,879

During the year ended 31 March 2024, the Group's leasehold properties located in Singapore mainly consists of factory units and workers' dormitory under medium lease within 47 and 28 years (2023: 48 and 29 years) respectively.

The Group's leasehold properties were revalued as at 31 March 2024 and 2023 on the open market value basis by reference to market evidence of recent transactions for similar properties by Savills Valuation and Professional Services (S) Pte Ltd, an independent firm of chartered surveyors.

The carrying amount of the Group's leasehold properties would be approximately S$13,542,000 (2023: S$13,567,000) had they been stated at cost less accumulated depreciation and impairment losses.

Leasehold properties with carrying amount of S$14,250,000 (2023: S$14,000,000) were pledged to the bank for term loans. Details are set out in Note 31(i).

20 RIGHT-OF-USE ASSETS

	Leasehold land S$'000	Offices S$'000	Motor vehicles S$'000	Housing S$'000	Total S$'000
As at 1 April 2022	2,696	228	490	–	3,414
Additions	141	959	204	–	1,304
Arising from acquisition of a subsidiary *(Note 35(a))*	–	79	–	–	79
Depreciation	(114)	(240)	(387)	–	(741)
Exchange alignment	–	7	–	–	7
As at 31 March 2023 and 1 April 2023	2,723	1,033	307	–	4,063
Additions	141	–	565	190	896
Depreciation	(93)	(216)	(399)	(72)	(780)
Termination of lease	–	(789)	(81)	–	(870)
Transfer to assets of disposal group classified as held for sale *(Note 39)*	–	(5)	–	–	(5)
Exchange alignment	–	(23)	–	1	(22)
As at 31 March 2024	2,771	–	392	119	3,282

Lease liabilities of approximately S$3,374,000 (2023: S$4,146,000) are recognised with related right-of-use assets of approximately S$3,282,000 (2023: S$4,063,000) as at 31 March 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2024 S$'000	2023 S$'000
Depreciation expenses on right-of-use assets	**780**	741
Interest expense on lease liabilities (included in finance costs)	**84**	81
Expenses relating to short-term leases* (included in cost of sales and administrative expenses)	**4,409**	3,229

* represented rental interest, rent and rates

Details of total cash outflow for leases is set out in Note 35(c).

For both years, the Group leases various leasehold land, offices, motor vehicles and housing for its operations. Lease contracts are entered into for fixed term of 2 to 32 years (2023: 2 to 32 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 March 2024 and 2023, there was no such triggering event.

21 GOODWILL

	Wealth Link (Note 1) S$'000	Zhejiang Taiding (Note 2) S$'000	Total S$'000
Cost			
As at 1 April 2022	–	–	–
Addition	920	–	920
As at 31 March 2023 and 1 April 2023	920	–	920
Addition	–	63	63
Exchange realignment	–	2	2
Transfer to assets of disposal group classified as held for sale *(Note 39)*	(920)	–	(920)
As at 31 March 2024	**–**	**65**	**65**
Accumulated impairment			
As at 1 April 2022, 31 March 2023 and 1 April 2023	–	–	–
Impairment loss for the year	853	65	918
Transfer to assets of disposal group classified as held for sale *(Note 39)*	(853)	–	(853)
As at 31 March 2024	**–**	**65**	**65**
Carrying values			
As at 31 March 2024	**–**	**–**	**–**
As at 31 March 2023	920	–	920

Note 1:

On 23 December 2022, the Group acquired 85% equity interests in Wealth Link Securities Limited ("**Wealth Link**") at a cash consideration of HK$14,000,000 (equivalent to approximately S$2,426,000). Wealth Link is engaged in provision of placing and underwriting services, brokerage services in securities and margin financing services in Hong Kong. The excess of the consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed amounted to approximately S$920,000 and was recognised as goodwill. The goodwill is allocated to the CGU of Wealth Link ("**Wealth Link CGU**").

The Group engaged Ravia Global Appraisal Advisory Limited, an independent valuer to determine the fair value of identifiable assets and liabilities assumed of Wealth Link CGU at the date of completion of acquisition on 23 December 2022 and its recoverable amount as at 31 March 2023.

21 GOODWILL (Continued)

Note 1: (Continued)

As at 31 March 2023, the Group assessed the recoverable amount of the Wealth Link CGU with reference to a business valuation of Wealth Link based on value-in-use calculation using discounted cash flow method. The calculation used cash flow projection based on financial budgets covering a 5-year period with reference to the financial information of the selected Hong Kong listed comparable companies, whose principal business were comparable to that of Wealth Link. Cash flows beyond the 5-year period were extrapolated using a 3% long-term growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry.

As the recoverable amount of Wealth Link CGU as at 31 March 2023 exceeded its carrying amount, no impairment loss was recognised against the goodwill associated with the Wealth Link CGU for the year then ended.

Key assumptions and inputs used for the business valuation as at 31 March 2023 were as follows:

	2023
Long-term growth rate	3.0%
Annual revenue growth rate	3.0%
Corporate tax rate	16.5%
Discount rate	12.05%

The management considered that a reasonably possible change in the key assumptions and inputs on the Wealth Link CGU would not cause significant impairment loss.

As at 31 March 2024, the recoverable amount of the Wealth Link CGU has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period with annual revenue growth rate of 3%, pre-tax discount rate of 12%, and cash flow beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows or outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

If the recoverable amount of the CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount. The impairment loss will be recognised in profit or loss.

The overall trading volumes in the financial markets have declined in recent years, leading to a reduction in the commission and fee income generated by the brokerage, placing and margin financing operations. As at 31 March 2024, the recoverable amount of the Wealth Link CGU is approximately S$313,000 and the carrying amount of the Wealth Link CGU is approximately S$1,166,000. An impairment loss of approximately S$853,000 is recognised for the year ended 31 March 2024.

21 GOODWILL (Continued)

Note 2:

On 11 July 2023, the Group acquired 51% equity interests in Zhejiang Taiding Construction Co., Ltd.* (浙江台鼎建設有限公司) ("**Zhejiang Taiding**"), which principal activities are construction enterprise integrating planning, design, construction and procurement in the PRC. The consideration of the acquisition was RMB5,100,000 (equivalent to approximately S$936,000), to be satisfied by cash in three tranches, for which the first tranche amounted to be RMB2,040,000 (equivalent to approximately S$374,000), while the remaining two tranches are subject to the financial performances of Zhejiang Taiding for the financial years ended 31 December 2023 and 2024.

The Group engaged Peak Vision Appraisals Limited, an independent valuer to perform a purchase price allocation analysis of Zhejiang Taiding. The projected revenue does not meet the threshold of guaranteed revenue for both financial years ended 31 December 2023 and 2024, while also incurring losses for both financial years ended 31 December 2023 and 2024, hence the Group determines that there are no contingent considerations. The excess of the consideration transferred over the acquisition date-fair values of the identifiable assets acquired and the liabilities assumed amounted to approximately S$63,000 and was recognised as goodwill. The goodwill is allocated to the CGU of Zhejiang Taiding ("**Zhejiang Taiding CGU**").

The Group also engaged Peak Vision Appraisals Limited to determine the fair values of identifiable assets and liabilities of Zhejiang Taiding CGU at the date of completion of acquisition on 11 July 2023 and its recoverable amount as at 31 March 2024.

As at 31 March 2024, the Group assessed the recoverable amount of Zhejiang Taiding CGU with reference to a business valuation of Zhejiang Taiding based on value-in-use calculation using discounted cash flow method. The calculation used cash flow projection based on financial budgets covering a 5-year period with reference to the financial information of the selected Hong Kong listed comparable companies, whose principal businesses were comparable to that of Zhejiang Taiding. The annual revenue growth rate within the forecast period was 2% and the cash flows beyond the 5-year period were extrapolated using a 2% long-term growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry.

If the recoverable amount of the CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount. The impairment loss will be recognised in profit or loss.

The industry in which Zhejiang Taiding CGU operates has experienced increased competition and pricing pressures, leading to a downward revision of the Company's future revenue and profit projections for the acquired business. As at 31 March 2024, the recoverable amount of the Zhejiang Taiding CGU is approximately S$233,000 and the carrying amount of the Zhejiang Taiding CGU is approximately S$298,000. An impairment loss of approximately S$65,000 is recognised for the year ended 31 March 2024.

For the year ended 31 March 2024

22 INTANGIBLE ASSETS

	Trading right in Stock Exchange *S$'000*	Computer software *S$'000*	Total *S$'000*
Cost			
As at 1 April 2022	–	179	179
Arising from acquisition of a subsidiary *(Note 35(a))*	87	–	87
Write-off	–	(10)	(10)
Exchange alignment	(3)	–	(3)
As at 31 March 2023 and 1 April 2023	84	169	253
Transfer to assets of disposal group classified as held for sale *(Note 39)*	(86)	–	(86)
Exchange alignment	2	–	2
As at 31 March 2024	–	169	169
Accumulated amortisation			
As at 1 April 2022	–	137	137
Amortisation for the year	–	19	19
Write-off	–	(6)	(6)
As at 31 March 2023 and 1 April 2023	–	150	150
Amortisation for the year	–	19	19
As at 31 March 2024	–	169	169
Carrying amount			
As at 31 March 2024	–	–	–
As at 31 March 2023	84	19	103

For the purpose of impairment testing on trading right, the recoverable amount has been determined based on the second-hand market price less cost of disposal. No impairment loss was recognised for the year ended 31 March 2024 (2023: Nil) with reference to the recoverable amount of the trading rights.

In the opinion of the directors, the trading right has indefinite useful life.

23 INVESTMENTS IN JOINT VENTURES AND AMOUNTS DUE FROM JOINT VENTURES

(a) Investments in joint ventures

	2024 **S$'000**	2023 S$'000
Unlisted investments:		
Share of net assets	**9,906**	5,963
Less: impairment loss	**–**	(20)
	9,906	5,943

Details of the Group's joint ventures as at 31 March 2024 and 2023 are as follows:

Name	**Place of incorporation /registration /operation**	**Registered and paid up capital**	**Percentage of ownership interest/ voting power held by the Group**		**Principal activities**
			2024	2023	
Trendzon Park Project Investment and Development (Zhongshan) Company Limited	The PRC/ Mainland China	RMB80,000,000 Paid: RMB29,750,000	**51%**	51%	– Real estate development and management
Trendzon Yian Capital Co., Ltd	Hong Kong/ Hong Kong	1,000,000 share, totaling HK$1,000,000	**–**	51%	– Development of trading platform for gold, silver and other precious metals
Trendzon Zhilian (Shenzhen) Technology Company Limited	The PRC/ Mainland China	RMB10,000,000 Paid: RMBNil	**51%**	51%	– Information technology service

23 INVESTMENTS IN JOINT VENTURES AND AMOUNTS DUE FROM JOINT VENTURES (Continued)

(a) Investments in joint ventures (Continued)

The following tables show information on the joint ventures that are material to the Group. These joint ventures are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the IFRS financial statements of the joint ventures.

	Trendzon Park Project Investment and Development (Zhongshan) Company Limited	
	2024	2023
	S$'000	*S$'000*
As at 31 March		
Non-current assets	**60**	83
Current assets	**27,416**	24,262
Non-current liabilities	**(143)**	(13,617)
Current liabilities	**(9,605)**	(77)
Net assets	**17,728**	10,651
Group's share of net assets	**9,041**	5,432
Cash and cash equivalents included in current assets	**7**	2
Current financial liabilities (excluding trade and other payables and provisions) included in current liabilities	**–**	–
Non-current financial liabilities (excluding trade and other payables and provisions) included in non-current liabilities	**(9,605)**	(13,617)
Year ended 31 March		
Revenue	**–**	–
Depreciation	**21**	16
Interest income	**–**	–
Interest expense	**–**	–
Income tax expense	**–**	–
Loss for the year	**(167)**	(406)
Other comprehensive expense	**(1,451)**	(1,107)
Total comprehensive expense for the year	**(1,618)**	(1,513)
Dividends received from joint ventures	**–**	–
The Group's share of loss for the year	**(85)**	(208)
The Group's share other comprehensive expense for the year	**(176)**	(564)

23 INVESTMENTS IN JOINT VENTURES AND AMOUNTS DUE FROM JOINT VENTURES (Continued)

(a) Investments in joint ventures (Continued)

The following table shows, in aggregate the Group's share of the amounts of all individually immaterial joint ventures that are accounted for using the equity method.

	2024 **S$'000**	2023 S$'000
As at 31 March:		
Carrying amounts of interests	**501**	531
Year ended 31 March:		
Loss for the year	**(30)**	(103)
Other comprehensive (expenses)/income	**(28)**	3
Total comprehensive expenses for the year	**(58)**	(100)
The Group's share of loss for the year	**(16)**	(51)
The Group's share of other comprehensive (expenses)/income for the year	**(14)**	1

As at 31 March 2024, the carrying amounts of investments in joint ventures and amounts due from joint ventures amounted to S$9,906,000 (2023: S$5,943,000) and S$18,802,000 (2023: S$3,667,000) respectively, and the aggregate of which representing approximately 25.6% (2023: 8.0%) of the Group's total assets.

The management assesses whether there is any indication that the investments in joint ventures may be impaired at each reporting period. The recoverable amounts of the investments in joint ventures are determined based on fair value less costs of disposal ("**FVLCD**"). The Group engaged Peak Vision Appraisals Limited, an independent valuer to determine the recoverable amounts of the investments in joint ventures as at 31 March 2024 and 2023.

Investments in Trendzon Yian Capital Co., Ltd, Trendzon Park Project Investment and Development (Zhongzhan) Company Limited

In determining the FVLCD of the investments in Trendzon Yian Capital Co., Ltd. ("**TYCCL**") as at 31 March 2023 and Trendzon Park Project Investment and Development (Zhongshan) Company Limited ("**TPPID**") as at 31 March 2024 and 2023, the management has adopted the asset-based approach (Level 3 fair value measurements), which is focusing on the net asset value of these joint ventures determined based on the fair values of their total assets minus their total liabilities. The key assumptions used in the FVLCD calculation is the expected credit loss rates of the financial assets held by TYCCL as at 31 March 2023, and TPPID as at 31 March 2024 and 2023, with the consideration of the discount rate of 20.5% for lack of marketability.

23 INVESTMENTS IN JOINT VENTURES AND AMOUNTS DUE FROM JOINT VENTURES (Continued)

(a) Investments in joint ventures (Continued)

Pursuant to the valuation report from the independent valuer, the recoverable amount of investment in TYCCL as at 31 March 2023 was approximately S$87,000 which is lower than its carrying value of approximately S$67,000. The reduction in the recoverable amount was preliminary attributable to the significant increase in credit loss of certain financial assets held by TYCCL as at 31 March 2023. Therefore, an impairment loss of approximately S$20,000 was recognised in respect of the investment in TYCCL as at 31 March 2023. TYCCL was disposed of during the year ended 31 March 2024.

Pursuant to the valuation report from the independent valuer, the recoverable amount of TPPID as at 31 March 2024 and 2023 exceeded its carrying value and thus there was no impairment in respect of the investment in TPPID as at 31 March 2024 and 2023.

As of 31 March 2024, the Group increased the capital injection in TPPID by S$4,746,000, which did not affect the Group's control, percentage of ownership interest, or voting power.

Investment in Trendzon Zhilian (Shenzhen) Technology Company Limited
In determining the FVLCD of the investment in Trendzon Zhilian (Shenzhen) Technology Company Limited, the management has adopted the market approach (Level 3 fair value measurements), which is focusing on the fair value of assets through an analysis of recent sales or offerings of comparable assets. Pursuant to the valuation report from the valuer, the recoverable amount of this joint venture as at 31 March 2024 and 2023 exceeded its carrying value and thus there was no impairment in respect of the investment in Trendzon Zhilian (Shenzhen) Technology Company Limited as at 31 March 2024 (2023: Nil).

The joint ventures had no contingent liabilities or capital commitments as at 31 March 2024 and 2023.

(b) Amounts due from joint ventures

The amounts due from joint ventures are unsecured, non-interest bearing and repayable on demand. The Group applies general approach to provide for ECL as prescribed by IFRS 9. The details of the loss allowance is set out in Note 6(c) to the consolidated financial statements.

24 OTHER DEPOSITS

	2024	2023
	S$'000	*S$'000*
Deposits with the Stock Exchange		
– Compensation Fund deposit	**–**	9
– Fidelity Fund deposit	**–**	9
– Stamp duty deposit	**–**	1
Contribution of Guarantee Fund paid to Hong Kong Securities Clearing Company Limited ("**HKSCC**")	**–**	8
Admission fee paid to HKSCC	**–**	8
	–	35

25 TRADE AND OTHER RECEIVABLES

	Notes	2024 S$'000	2023 S$'000
Current:			
Trade receivables from construction contracts and engineering services		**4,882**	9,815
Less: Allowance for ECL		**(27)**	(6)
	(a)	**4,855**	9,809
Trade receivables arising from brokerage, placing and margin financing business:			
– Cash clients		**–**	2,292
– Margin clients		**–**	397
– HKSCC		**–**	16
Less: Allowance for ECL		**–**	(41)
	(b)	**–**	2,664
Trade receivables from trading of building materials		**18**	–
Less: Allowance for ECL		**–**	–
		18	–
Prepayments, deposits, and other receivables:			
– Prepayments		**1,796**	3,613
– Deposits		**3,949**	4,214
– Other receivables		**12,700**	9,504
Less: Allowance for ECL		**(232)**	(181)
		18,213	17,150
Total trade and other receivables *(Notes)*		**23,086**	29,623

25 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

(a) Trade receivables from construction contracts and engineering services, and trading of building materials:

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

	2024	2023
	S$'000	*S$'000*
Trade receivables from construction contracts and engineering services:		
1 to 30 days	**4,358**	3,882
31 to 60 days	**80**	5,634
61 to 90 days	**303**	293
Over 361 days	**114**	–
	4,855	9,809

	2024	2023
	S$'000	*S$'000*
Trade receivables from trading of building materials:		
1 to 30 days	**18**	–

(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 define credit limits for each client. All client acceptances and credit limits 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 31 March 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 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. All the trade receivables from HKSCC are neither past due nor impaired as at 31 March 2023.

25 TRADE AND OTHER RECEIVABLES (Continued)

(c) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2024 S$'000	2023 S$'000
SGD	**13,162**	9,830
HKD	**4,431**	10,750
RMB	**5,493**	9,043
	23,086	29,623

(d) The details of the loss allowance is set out in Note 6(c) to the consolidated financial statements.

26 LOAN RECEIVABLES

	2024 S$'000	2023 S$'000
Loan receivables		
– Secured loans	**–**	2,168
– Unsecured loans	**10,577**	11,804
Less: Allowance for ECL	**(116)**	(408)
	10,461	13,564
Amount due within one year included under current assets	**10,461**	13,564

The loans provided to customers bore fixed interest rate ranging from 6.00% to 14.00% per annum (2023: 6.00% to 14% per annum).

	2024 S$'000	2023 S$'000
Within 90 days	**9,426**	–
91 to 180 days	**–**	–
181 to 365 days	**1,035**	13,564
	10,461	13,564

The above ageing analysis is presented based on the period to the maturity dates of the loans.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approval and other monitoring procedures to ensure that follow-up action is taken for the recoverable amount of the loan receivables. In addition, the Group reviews the recoverable amount of each individual's loan receivables at the end of each reporting period to ensure that adequate allowance is made for irrecoverable amounts.

26 LOAN RECEIVABLES (Continued)

The Group manages and analyses the credit risk for each of their new and existing clients before standard payment terms and conditions are offered. If there is no independent rating, the Group assesses the credit quality of the customer based on the customer's financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the directors of the Company. The utilisation of credit limits is regularly monitored.

Loan receivables are repayable in accordance with the terms of the loan agreements and all loan receivables are recoverable within 1 year. In determining the ECL of the Group's loan receivables, the management assessed the expected losses individually by estimation based on general economic conditions of each debtors such as value of any pledged assets, financial position of the debtors and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Quantitative information related to allowance for ECL of loan receivables is detailed in Note 6(c) to the consolidated financial statements.

27 CONTRACT ASSETS/CONTRACT LIABILITIES

	2024 ***S$'000***	2023 *S$'000*
Contract assets		
Construction contracts and engineering services	**18,840**	31,882
Retention receivables	**2,163**	828
	21,003	32,710
Less: Allowance for ECL	**(352)**	(43)
	20,651	32,667
Contract liabilities	**658**	4,622

As at 1 April 2022, contract assets amounted to S$13,564,000.

Contract assets

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.

Retention receivables are unsecured, interest-free and recoverable at the end of the defects liability period which is based on individual contract basis and ranges from 1 to 2 years.

An allowance analysis in contract assets is performed at each reporting period using a provision matrix to measure the ECL. Quantitative information related to allowance for ECL of contract assets is detailed in Note 6(c) to the consolidated financial statements.

Contract liabilities

Contract liabilities relating to construction contracts are balances due to customers under construction services. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

27 CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Contract liabilities (Continued)

The significant contract asset balance is attributable to the excess on completion of site work, which is the main focus of the Group, as compared to claims processing. Furthermore, progress billings may be affected by the varying payment milestones specific to each project. Consequently, this gives rise to a gap between the recognised revenue and the actual billings, which is reflected as the contract assets.

28 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

(a) Cash and cash equivalents

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

	2024 ***S$'000***	2023 *S$'000*
Cash at banks	**1,439**	3,710

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

	2024 ***S$'000***	2023 *S$'000*
SGD	**968**	2,097
USD	**2**	–
HKD	**180**	853
RMB	**289**	760
	1,439	3,710

As at 31 March 2024, the cash and cash equivalent of the Group' subsidiaries in the PRC denominated in RMB amounted to approximately S$289,000 (2023: S$760,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations. The Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

(b) Pledged bank deposits

	2024 ***S$'000***	2023 *S$'000*
Fixed deposits denominated in SGD	**3,605**	2,603
Fixed deposits denominated in HKD	**396**	–
	4,001	2,603

Fixed deposits as at 31 March 2024 bore interest rates ranging from 0.9% to 3.3% (2023: 0.90% to 3.30%) per annum and were pledged to the banking facility of a subsidiary of the Group.

28 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

(Continued)

(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 (Note 29).

29 TRADE AND OTHER PAYABLES

	Note	2024 S$'000	2023 S$'000
Trade payables arising from construction contracts and engineering services			
Trade payables	(a)	4,700	7,612
Trade payables arising from brokerage, placing and margin financing business:			
– Cash clients		–	5,910
– Margin clients		–	287
– HKSCC		–	1,632
	(b)	–	7,829
Trade payables from trading of building materials			
Trade payables		–	–
Total trade payables		4,700	15,441
Other payables:			
– Advances received from customers		32	25
– Provision for foreseeable losses on construction contracts		1,414	3,167
– Others	(c)	3,540	1,680
Accrued expenses		1,563	1,403
Accrued for trade related costs		685	825
Accrual for employee benefit expenses		814	2,889
		8,048	9,989
Total trade and other payables		12,748	25,430

29 TRADE AND OTHER PAYABLES (Continued)

Notes:

(a) Trade payables arising from construction contracts and engineering services, and trading of building materials:

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

	2024 S$'000	2023 S$'000
1 to 30 days	**2,853**	4,352
31 to 60 days	**1,615**	2,722
61 to 90 days	**28**	528
Over 90 days	**204**	10
	4,700	7,612

(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.

The carrying amounts of trade and other payables approximate their fair values. The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2024 S$'000	2023 S$'000
SGD	**10,159**	15,340
HKD	**175**	8,698
RMB	**2,414**	1,392
	12,748	25,430

(c) The other payables included consideration received in advance of approximately S$2,376,000 from independent third parties for disposal of subsidiaries.

30 LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2024	2023	**2024**	2023
	S$'000	*S$'000*	***S$'000***	*S$'000*
Within one year	**577**	787	**519**	709
More than one year, but not exceeding two years	**203**	812	**156**	748
More than two years, but not more than five years	**375**	412	**246**	284
More than five years	**2,972**	2,937	**2,453**	2,405
	4,127	4,948	**3,374**	4,146
Less: future finance charges	**(753)**	(802)	**N/A**	N/A
Present value of lease obligations	**3,374**	4,146	**3,374**	4,146
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(519)**	(709)
Amount due for settlement after 12 months			**2,855**	3,437

The average lease term is 2 to 32 years (2023: 2 to 32 years). As at 31 March 2024, the average effective borrowing rate was approximately 1.60% to 7.96% (2023: approximately 1.60% to 5.25%).

31 BORROWINGS

	2024 S$'000	2023 S$'000
Bank borrowing – term loans *(Note (i))*	7,069	7,771
Bonds *(Note (ii))*	14,350	15,629
Other borrowings *(Note (iii))*	1,807	4,840
Total borrowings	23,226	28,240
Of which:		
– Current liabilities	10,457	12,493
– Non-current liabilities	12,769	15,747
	23,226	28,240

(i) Bank borrowing – term loans

As at 31 March, the Group's term loans were repayable as follows:

	2024 S$'000	2023 S$'000
Bank borrowings		
Non-current, secured		
– Repayable more than 1 year but not exceeding 2 years	1,417	3,305
– Repayable more than 2 years but not exceeding 5 years	1,757	1,207
– Repayable more than 5 years	771	1,325
Current, secured	3,945	5,837
– Repayable within 1 year	3,124	1,934
	7,069	7,771

The Group's term loans are denominated in SGD and RMB.

As at 31 March 2024 and 2023, the term loans were secured by leasehold properties and corporate guarantee from the Company.

For the year ended 31 March 2024, interest was charged ranging from 1.68% to 4.38% (2023: 1.50% to 2.0%) per annum.

For the year ended 31 March 2024

31 BORROWINGS (Continued)

(ii) Bonds

As at 31 March, the issued bonds of the Group were repayable as follows:

	2024 S$'000	2023 S$'000
Non-current, secured		
– Repayable more than 1 year but not exceeding than 2 years	8,272	4
– Repayable more than 2 years but not exceeding than 5 years	–	8,713
	8,272	8,717
Current, secured		
– Repayable within 1 year	6,078	6,912
	14,350	15,629

The Group's bonds are denominated in the followings currencies:

	2024 S$'000	2023 S$'000
– HKD	6,078	6,916
– RMB	8,272	8,713
	14,350	15,629

For the year ended 31 March 2024, the bonds bore a fixed interest rate between 6% to 9% per annum (2023: 6% to 9%).

31 BORROWINGS (Continued)

(iii) Other borrowings

As at 31 March, the other borrowings of the Group were repayable as follows:

	2024 S$'000	2023 S$'000
Non-current, secured		
– Repayable more than 1 year but not exceeding than 2 years	552	633
– Repayable more than 2 years but not exceeding than 5 years	–	560
	552	1,193
Current, secured		
– Repayable within 1 year	1,255	3,647
	1,807	4,840

The Group's other borrowings are denominated in RMB.

Other borrowings were unsecured and bore a fixed interest rate ranging from 3.2% to 10% per annum during the year ended 31 March 2024 (2023: 8% to 10%).

32 DEFERRED TAX LIABILITIES

	2024 S$'000	2023 S$'000
Deferred tax liabilities:		
– To be settled after one year	202	270

The movements in deferred tax liabilities in respect of accelerated tax depreciation during the year are as follows:

	2024 S$'000	2023 S$'000
As at 1 April	270	498
Credited to the consolidated statement of profit or loss	(68)	(228)
As at 31 March	202	270

For the year ended 31 March 2024

33 SHARE CAPITAL

	Number of shares '000	Par value HK$	Amount HK$'000	Equivalent to S$'000
Authorised:				
Ordinary shares				
As at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	10,000,000	0.01	100,000	
Issued and fully paid:				
Ordinary shares				
As at 1 April 2022	920,000	0.01	9,200	1,589
Issue of shares under subscriptions *(Note a)*	184,000	0.01	1,840	318
As at 31 March 2023 and 1 April 2023	1,104,000	0.01	11,040	1,907
Issue of shares upon exercise of share options *(Note b)*	92,000	0.01	920	158
Issue of shares under subscription of shares *(Note c)*	220,800	0.01	2,208	379
As at 31 March 2024	1,416,800	0.01	14,168	2,444

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

Notes:

(a) On 16 May 2022, the Company entered into two subscription agreements with two subscribers, (the "**Subscription Agreements**"). Pursuant to the Subscription Agreements, the Company has agreed to allot and issue, and the two subscribers have conditionally agreed to subscribe 184,000,000 subscription shares at HK$0.475 per share (the "**Subscription Shares**"). All the conditions of the Subscription Agreements have been fulfilled and the Subscription Shares were allotted and issued to two independent subscribers on 20 June 2022. The Company received net proceeds, after deducting the related expenses and the other related expenses, from the subscription amounted to approximately HK$87,000,000 (equivalent to S$15,093,000).

(b) During the year ended 31 March 2024, 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.

(c) 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 subscriptions were completed on 10 July 2023.

34 SHARE OPTION SCHEME

The Company has a share option scheme which was adopted on 26 February 2019 ("**Share Option Scheme**") whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for ordinary shares of the Company. The purpose of the Share Option Scheme is to give the eligible persons 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, and to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The exercise price of options is the highest of: (i) the nominal value of the shares (if any); (ii) the closing price of the shares on the Stock Exchange on the date of grant; and (iii) the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant.

The amount payable by the grantee to the Company on acceptance of the offer shall be a non-refundable payment of HK$1.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of total number of shares in issue at the date of approval of the Share Option Scheme. The total number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the shares in issue for the time being ("**Individual Limit**"). Any further grant of options to a participant in excess of Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the shareholders' approval in the general meeting of the Company with such participant and his/her associates abstaining from voting.

The option may be accepted by a participant within 21 days from the day of the offer of grant of the option. There is no minimum period required under the Share Option Scheme for holding of an option before it can be exercised unless otherwise determined by the directors and stated in the offer for the grant options to a grantee.

34 SHARE OPTION SCHEME (Continued)

Details of the movements of the share options granted by the Company pursuant to the Share Option Scheme from the date of grant are as below:

Grantees	Date of grant	Exercise period	Outstanding as at 1 April 2022	Granted during the year (Note)	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2023	Exercised during the year	Outstanding as at 31 March 2023	Exercise price per share HK$
Employees	4 May 2022	4 May 2022 to 3 May 2025	–	92,000,000	–	–	92,000,000	(92,000,000)	–	0.346

Note:

On 4 May 2022, 92,000,000 options were granted under the Share Option Scheme and the options were vested immediately at the date of grant. The closing price of the Company's shares immediately before the grant date was HK$0.265 per share. The fair value of the share options granted to the employees in aggregate of the Company was approximately S$2,372,000 which was recognised to the consolidated statements of profit or loss during the year. The fair value of the share options granted on 4 May 2022 was determined at the date of grant using the binominal model.

As at 31 March 2023, the exercisable options were 92,000,000. The options outstanding at the end of the year have a weighted average remaining contractual life of 2.09 years and the exercise price was HK$0.346.

The fair value of share options were calculated using the Binomial Model. The inputs into the model were as follows:

	4 May 2022
Grant date share price	HK$0.265
Exercise price	HK$0.346
Expected volatility	157.203%
Expected life	3 years
Risk-free rate	2.611%
Expected dividend yield	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

34 SHARE OPTION SCHEME (Continued)

The following table discloses the details of the Company's share options granted under the Share Option Scheme from the date of grant:

Grantees	Date of grant	Vesting period	Exercise price per share (HK$)	Exercise period	Number of share options: Outstanding as at 1 April 2023	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31 March 2024
Employees in aggregate	15 June 2023	15 June 2023-14 June 2024	0.43	15 June 2024-14 June 2026	–	110,400,000	–	–	–	110,400,000

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.

The fair value of share options were calculated using the Binomial Model. The inputs into the model were as follows:

	15 June 2023
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 31 March 2024, the Company has no share available for issue under the amended Share Option Scheme.

34 SHARE OPTION SCHEME (Continued)

The following table discloses the details of the Company's share options under the Share Option Scheme and the movements during the year ended 31 March 2024:

Grantees	Date of grant	Vesting period	Exercise price per share (HK$)	Exercise period	Number of share options: Outstanding as at 1 April 2023	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31 March 2024
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
Total:					92,000,000	110,400,000	92,000,000	–	–	110,400,000

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.

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

(i) Acquisition of Wealth Link

On 23 December 2022, the Group acquired 85% equity interests of Wealth Link from an independent third party at a consideration of HK$14,000,000 (equivalent to S$2,426,000), which was settled by cash. Wealth Link is carrying on Types 1 and 4 regulated activities in Hong Kong. The acquisition is to enable the Group to enter into financial services industry and to diversify its revenue stream.

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

(i) Acquisition of Wealth Link (Continued)

The fair values of the identifiable assets and liabilities of Wealth Link acquired as at the date of acquisition are as follow:

Consideration	*S$'000*
Cash consideration	2,426
Net assets acquired	
Intangible assets	87
Right-of-use assets	79
Other deposits	35
Bank balances	
– trust and segregated accounts	7,039
– general accounts and cash	1,381
Trade and other receivables	298
Trade and other payables	(7,061)
Lease liabilities	(80)
	1,778
Non-controlling interests	(272)
Goodwill arising on acquisition *(Note 21)*	920
	2,426
Net cash outflow arising on acquisition of a subsidiary	
Cash and cash equivalents acquired	1,381
Cash consideration paid	(2,426)
	(1,045)

In respect of the fair values of the trade and other receivables acquired, the gross contract amount of the trade and other receivables was approximately S$298,000. None of these receivables had been impaired and expected to be uncollectible.

The goodwill arising on the acquisition of Wealth Link is attributable to the growth and profit potential as the Group participates 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.

Wealth Link contributed approximately S$353,000 and S$122,000 to the Group's revenue and the Group's loss for the year respectively for the period between the date of acquisition and 31 March 2023.

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

(i) Acquisition of Wealth Link (Continued)

If the acquisition had been completed on 1 April 2022, total Group revenue for the year would have been approximately S$61,162,000 and loss for the year would have been approximately S$2,445,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2022, nor is intended to be a projection of future results.

During the year ended 31 March 2024, the Group injected further capital of approximately HK$5,471,000 to Wealth Link and the Group held 96.13% interests in Wealth Link since then.

(ii) Acquisition of Zhejiang Taiding

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.

The Zhejiang Taiding Acquisition was completed on 11 July 2023.

With the view to diversify the Group's existing business portfolio and to broaden its source of income, the Board believes the Zhejiang Taiding Acquisition can enrich the Group's business by leveraging the construction licenses including Grade II General Contracting of Construction Engineering* (建築工程施工總承包貳級), Grade II Professional Contracting of Building Decoration and Decoration Engineering* (建築裝修裝飾工程專業承包貳級), and Grade III Professional Contracting of Special Project Structural Reinforcement* (特程工程 (結構補強) 專業承包貳級) of Taiding, and the prospect and network in the PRC. The Board is also of the view that integrating the infrastructural construction business of Taiding and the existing business of the Group can achieve synergies of the Group's business as a whole. Through the Zhejiang Taiding Acquisition, the Group will be able to leverage on the licenses to expand the business region of pipe construction engineering business and capture other possible construction opportunities, which in turn allow the Group and its shareholders to achieve sustainable economic returns. The Board considers that the Zhejiang Taiding Acquisition is in line with the Group's investment strategy, and, if materialised, would immediately bring in a new income stream to the Group and enable the Group to further strengthen its revenue and client base, which, in turn, will increase its shareholders' value and benefit the Group and its shareholders as a whole.

* *For identification purpose only*

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

(ii) Acquisition of Zhejiang Taiding (Continued)

The fair values of the identifiable assets and liabilities of Zhejiang Taiding acquired as at the date of acquisition are as follows:

Consideration	*S$'000*
Cash consideration	374
Net assets acquired	
Property, plant and equipment	233
Bank balances	17
Trade and other receivables	773
Contract assets	906
Trade and other payables	(538)
Borrowings	(809)
Tax recoverable	27
	609
Equity attributable to non-controlling interests	(298)
Goodwill arising on acquisition *(Note 21)*	63
	374
Net cash outflow arising on acquisition of a subsidiary	
Cash and cash equivalents acquired	17
Cash consideration paid	(374)
	(357)

In respect of the fair value of the trade and other receivables acquired, the gross contract amount of the trade and other receivables was approximately S$773,000.

None of these receivables had been impaired and expected to be uncollectible.

The goodwill arising on the acquisition of Zhejiang Taiding 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$738,000 and S$439,000 to the Group's revenue and the Group's loss for the year respectively for the period between the date of acquisition and the end of the reporting period.

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

(ii) Acquisition of Zhejiang Taiding (Continued)

If the acquisition had been completed on 1 April 2023, total Group revenue for the year would have been approximately S$59,397,000 and loss for the year would have been approximately S$10,649,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2023, nor is intended to be a projection of future results.

Based on the acquisition agreement, the total consideration for the acquisition shall be satisfied by the TIL to the Zhejiang Taiguang in three tranches as below:

The total consideration for the acquisition is RMB5.1 million (subject to adjustment) as follows:

1. 40% of the consideration (RMB2,040,000) will be paid within 30 days of completion.

2. 30% of the consideration (up to RMB1,530,000) will be paid on or before August 30, 2024, based on the following formula:

   – If the Zhejiang Taiding's FY2023 actual revenue and profit meet or exceed the guaranteed levels, the full 30% (RMB1,530,000) will be paid.

   – If the FY2023 actual revenue and profit are below the guaranteed levels, the payment will be reduced proportionally.

3. 30% of the consideration (up to RMB1,530,000) will be paid on or before August 30, 2025, based on a similar formula using the Zhejiang Taiding's FY2024 performance metrics.

The guaranteed revenue and profit levels for FY2023 are RMB22,000,000 and RMB2,500,000 respectively, and for FY2024 are RMB26,000,000 and RMB3,000,000 respectively.

Based on the acquisition agreement, the total consideration for the acquisition shall be satisfied by the TIL to the Zhejiang Taiguang in three tranches as mentioned above. However, as Zhejiang Taiding has been incurring operating losses since its incorporation, management believes that Zhejiang Taiding will not be able to meet the guaranteed revenue and profit levels for the financial years ended 31 December 2023 and ending 31 December 2024. Consequently, the fair value of these contingent consideration obligations as at the date of acquisition and as of 31 March 2024 are deemed to be minimal. Therefore, no contingent consideration has been recognised in the consolidated financial statements.

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

(b) Reconciliation of liabilities arising from financing activities

	Term loans	Hire purchase liabilities	Lease liabilities	Bonds	Other borrowings	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
As at 1 April 2022	9,733	600	3,473	33,130	2,058	48,994
Additions	–	–	1,304	–	4,486	5,790
Arising from acquisition of a subsidiary (Note 35(a)(i))	–	–	80	–	–	80
Principal payment	(1,962)	(600)	(701)	(16,687)	(1,703)	(21,653)
Interest paid	(165)	(7)	(81)	(1,324)	(57)	(1,634)
Interest expenses	165	7	81	1,212	149	1,614
Non-cash movement	–	–	(10)	(702)	(93)	(805)
As at 31 March 2023 and 1 April 2023	7,771	–	4,146	15,629	4,840	32,386
Additions	**564**	**–**	**896**	**–**	**257**	**1,717**
Arising from acquisition of a subsidiary (Note 35(a)(ii))	**660**	**–**	**–**	**–**	**149**	**809**
Principal payment	**(1,935)**	**–**	**(755)**	**(976)**	**(3,291)**	**(6,957)**
Interest paid	**(190)**	**–**	**(84)**	**(859)**	**(595)**	**(1,728)**
Interest expenses	**190**	**–**	**84**	**859**	**595**	**1,728**
Transfer to liabilities directly associated with disposal group classified as held for sale (Note 39)	**–**	**–**	**(5)**	**–**	**–**	**(5)**
Non-cash movement	**9**	**–**	**(908)**	**(303)**	**(148)**	**(1,350)**
As at 31 March 2024	**7,069**	**–**	**3,374**	**14,350**	**1,807**	**26,600**

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

(c) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2024 S$'000	2023 S$'000
Within operating cash flows	4,409	3,229
Within financing cash flows	839	782
Lease rental paid	5,248	4,011

36 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The directors of the Company are of the view that the following companies are related parties and their transactions and balances with the Group during the years ended 31 March 2024 and 2023 are as follows:

	2024 S$'000	2023 S$'000
Technical service fee charged by related parties:		
– A+ Officers Security Pte Ltd	3,199	4,346
– ROA Services Pte Ltd	248	536

Mr. Michael Shi Guan Wah, an executive director and CEO of the Company, is interested in the aforesaid transactions to the extent that he is a director and a beneficial shareholder of A+ Officers Security Pte Ltd and ROA Services Pte Ltd.

(b) Key management personnel compensation

The executive directors of the Company are regarded as key management personnel. Details of the key management personnel compensation are disclosed in Note 13(a) to the consolidated financial statements.

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2024 S$'000	2023 S$'000
Non-current asset			
Investments in subsidiaries		**18,974**	18,974
Current assets			
Prepayments, deposits and other receivables		**4,741**	655
Amounts due from subsidiaries		**14,701**	15,230
Cash and cash equivalents		**54**	720
		19,496	16,605
Current liabilities			
Other payables and accruals		**2,587**	723
Amounts due to subsidiaries		**2,003**	2,606
Borrowings		**6,078**	6,912
		10,668	10,241
Net current assets		**8,828**	6,364
Total assets less current liabilities		**27,802**	25,338
Net assets		**27,802**	25,338
Capital and reserves			
Share capital	*33*	**2,444**	1,907
Reserves		**25,358**	23,431
Total equity		**27,802**	25,338

Approved and authorised for issue by the board of directors on 28 June 2024 and signed on its behalf by:

Ms. Feng Jiamin
Director

Mr. Michael Shi Guan Wah
Director

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Share capital and reserve movement of the Company

	Share capital S$'000	Share premium S$'000	Share option reserve S$'000	Capital reserve S$'000	Accumulated losses S$'000	Total S$'000
As at 1 April 2022	1,589	17,138	–	18,893	(5,851)	31,769
Loss and total comprehensive expense for the year	–	–	–	–	(23,896)	(23,896)
Share option granted	–	–	2,372	–	–	2,372
Issue of shares	318	14,775	–	–	–	15,093
As at 31 March 2023 and 1 April 2023	1,907	31,913	2,372	18,893	(29,747)	25,338
Loss and total comprehensive expense for the year	–	–	–	–	(24,239)	(24,239)
Share options granted	–	–	5,148	–	–	5,148
Issue of new shares upon exercise of share options	158	7,632	(2,372)	–	–	5,418
Issue of new shares on subscription of shares	379	15,758	–	–	–	16,137
As at 31 March 2024	2,444	55,303	5,148	18,893	(53,986)	27,802

38 COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2024 S$'000	2023 S$'000
Capital contributions to joint ventures	**8,576**	8,887

39 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In 26 January 2024, the Group entered into an equity transfer agreement with an independent third party whereby the Group agreed to dispose of its entire issued share capital of Jumbo Harvest Group Limited ("Jumbo Harvest"), which is an investment holding company incorporated in the British Virgin Islands wholly owned by the Group, along with Jumbo Harvest's 96.13% equity interest in Wealth Link Securities Limited ("Wealth Link") ("Jumbo Harvest Group"). Wealth Link, a company incorporated in Hong Kong with limited liability, is principally engaged in the provision of securities brokerage, placing and underwriting services and margin financing services and comprised the whole "Brokerage, placing and margin financing services" reportable and operating segment of the Group. The transfer of the equity interest was completed on 3 May 2024. As at 31 March 2024, the directors of the Company were committed to the disposal plan for the sale of Jumbo Harvest Group and the sale of Jumbo Harvest Group was assessed to be highly probable. Accordingly, the assets and liabilities of Jumbo Harvest Group as at 31 March 2024 were classified as assets and liabilities of a disposal group held for sale and the results of Jumbo Harvest Group have been presented as loss from discontinued operation. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the results of Jumbo Harvest Group in the year ended 31 March 2023 as loss from discontinued operation.

The major classes of assets and liabilities of Jumbo Harvest Group classified as held for sale as at 31 March 2024 were as follows:

	2024 ***S$'000***
Property, plant and equipment	**160**
Goodwill	**67**
Intangible assets	**86**
Other deposits	**35**
Right-of-use assets	**5**
Trade and other receivables	**750**
Bank balances – trust and segregated accounts	**977**
Cash and cash equivalents	**1,232**
Total assets classified as held for sale	**3,312**
Trade and other payables	**1,712**
Lease liabilities	**5**
Total liabilities classified as held for sale	**1,717**

For the year ended 31 March 2024

39 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

Loss for the year from discontinued operation comprised:

	2024 S$'000	2023 S$'000
Revenue	**309**	353
Other income	**–**	13
Allowance for ECL	**(86)**	(42)
Administrative expense	**(993)**	(445)
Finance costs	**(1)**	(1)
Impairment loss on goodwill recognised on measurement to fair value less costs to sell of disposal group	**(853)**	–
Loss before tax from discontinued operation	**(1,624)**	(122)
Income tax expense	**–**	–
Loss for the year from discontinued operation	**(1,624)**	(122)
Loss for the year from discontinued operation includes the following:		
Deprecation of property, plant and equipment	**68**	4
Deprecation of right-of-use assets	**59**	20
Employment benefit costs:		
Wages and salaries	**448**	140
Employee's contribution to defined contribution plans	**16**	9
Cash flows from discontinued operations:		
Net cash from operating activities	**321**	1,820
Net cash outflow from investing activities	**(85)**	(1,194)
Net cash outflow from financing activities	**(61)**	(16)

40 DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2024, the Group disposed of all the interests in Inner Mongolia City Environment Protection Pipeline Engineering Limited ("Inner Mongolia") and Trendzon Catering Entertainment Limited ("Trendzon Catering"). These subsidiaries were dormant and investment holding.

The following table summarises the aggregate net assets and liabilities of the subsidiaries disposed of during the current period and the financial impacts are summarised as follows:

	Inner Mongolia *S$'000*	Trendzon Catering *S$'000*	Total *S$'000*
Current Assets			
Other receivable	2	–	2
Cash and cash equivalents	–	11	11
Current Liabilities			
Others payables & accruals	(1)	(16)	(17)
Net assets/(liabilities) disposed of	1	(5)	(4)
Less: translation reserve	–	(45)	(45)
	1	(50)	(49)
Gain on disposal of subsidiaries	1	50	51
	2	–	2
Total sales consideration:			
Cash consideration received	2	–	2
Analysis of cash and cash equivalents in respect of the disposal:			
Cash consideration	2	–	2
Less: Cash and cash equivalents disposed of	–	(11)	(11)
Net cash inflow/(outflow) on disposal of subsidiaries	2	(11)	(9)

41 EVENTS AFTER THE REPORTING PERIOD

a) On 26 January 2024, the Company, as the vendor, and Mr. Mao Le（毛樂）, Ms. Feng Qiuhe（奉秋和）and Ms. Ding Xiameng（丁霞夢）, as the purchasers, entered into a sale and purchase agreement pursuant to which the Company has agreed to sell and the purchasers have agreed to acquire the shares representing the entire issued share capital of Jumbo Harvest Group Limited, a wholly-owned subsidiary of the Group, at a cash consideration of HK$9,250,000 (the "Jumbo Harvest Disposal").

Jumbo Harvest is an investment holding company. Wealth Link, a 96.13% held subsidiary of Jumbo Harvest, is licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance. It is principally engaged in the provision of brokerage, placing and margin financing services in Hong Kong.

The Jumbo Harvest Disposal was completed on 3 May 2024.

b) On 26 February 2024, the Company and Mr. Tan Tze Loong ("Mr. Tan"), an independent third party, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and Mr. Tan has conditionally agreed to acquire the shares representing 22% of the equity interest in Integral Virtue Limited ("IVL"), a wholly-owned subsidiary of the Company, at the consideration of S$6.25 million (the "IVL Disposal"). Upon completion of the IVL Disposal, IVL will remain as a subsidiary of the Company and will be owned by the Company and Mr. Tan as to 78% and 22%, respectively.

IVL is an investment holding company. IVL directly owns 100% of the equity interest in a principal subsidiary of the Group, namely, HSC Pipeline Engineering Pte. Ltd., which is principally engaged in infrastructural pipeline construction and related engineering services mainly for gas, water, telecommunications and power industries services in Singapore.

The IVL Disposal was completed on 19 April 2024.

Save as disclosed above, the Directors are not aware of any subsequent event which had a material effect on the Group which have occurred since 31 March 2024.