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

2024 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Trendzon Holdings Group Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2024. This announcement, containing the full text of the 2024 Interim Report of the Company, complies with relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results. The unaudited condensed consolidated interim financial statements have been reviewed by the audit committee of the Company.

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

Hong Kong, 28 November 2024

As at the date of this announcement, the executive Directors are Ms. Feng Jiamin, Mr. Michael Shi Guan Wah, Mr. Law Wai Yip, Mr. Liu Jianfu, Mr. Leung Yiu Cho and Mr. Fong Hang Fai as executive Directors; Mr. Shek Jun Chong, Mr. Qiu Yue, Ms. Tam Wing Yan, and Mr. Wu Kai Tang as independent non-executive Directors.



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2024

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Corporate Information

BOARD OF DIRECTORS

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. Liao Qinghua
(*resigned on 19 November 2024*)
Ms. Katsaya Wiriyachart
(*resigned on 19 November 2024*)
Mr. Law Wai Yip
(*appointed on 24 April 2024*)
Mr. Liu Jianfu
(*appointed on 19 November 2024*)
Mr. Leung Yiu Cho
(*appointed on 19 November 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
Ms. Tam Wing Yan
(*appointed on 26 July 2024*)

AUDIT COMMITTEE

Mr. Wu Kai Tang (*Chairman*)
Mr. Shek Jun Chong
Mr. Qiu Yue

REMUNERATION COMMITTEE

Mr. Shek Jun Chong (*Chairman*)
Mr. Lui Kwun Yuen
(*resigned on 26 July 2024*)
Mr. Qiu Yue
Ms. Tam Wing Yan
(*appointed on 26 July 2024*)

NOMINATION COMMITTEE

Mr. Wu Kai Tang (*Chairman*)
Ms. Feng Jiamin
Mr. Shek Jun Chong
Mr. Qiu Yue

COMPANY SECRETARY

Mr. Lee Lap Keung

REGISTERED OFFICE

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

AUTHORISED REPRESENTATIVES

Ms. Feng Jiamin
Mr. Lee Lap Keung

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Block D, Mai Tak Industrial Building,
221 Wai Yip Street,
Kwun Tong, Kowloon,
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

38 Senoko Road
Singapore 758110

INDEPENDENT AUDITORS

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

DBS Bank Ltd

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive
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Cayman Islands

COMPANY WEBSITE

www.trendzon1865.com

STOCK CODE

1865

Management Discussion & Analysis

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 the six months ended 30 September 2024 (“**1H2025**”), growth in global economy remained stable yet underwhelming. 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 2024, inflation rate declined steadily. Enterprises should enhance their core competitiveness and strengthen their ability to operate steadily in such challenging business environment and to face forthcoming uncertainties. The board (the “**Board**”) of directors (the “**Director(s)**”) of Trendzon Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will continue to closely monitor the factors that would significantly affect the infrastructural pipeline market in Singapore and the operations of the Group all over the globe.

For 1H2025, the Group recorded a total revenue of approximately S\$24.1 million, representing a decrease of approximately S\$5.0 million from approximately S\$29.1 million for the six months 30 September 2023 (“**1H2024**”). The decrease in revenue was mainly due to the combined effect of decrease in revenue from gas pipeline projects by approximately S\$4.1 million and decrease in revenue from water pipeline projects by approximately S\$0.7 million. During 1H2025, the Group has been awarded 2 new gas projects with an aggregate contract sum of approximately S\$0.6 million, which were commenced in the reporting period.

The major business strategies of the Group remained unchanged for 1H2025. Since the listing of the Company, the management has continuously consolidating and strengthening the reputation of the Group through submission of tenders to keep its presence in the market. Leveraging its listing status, the Group’s core business continues to earn good reputation and provides the Group with sound track record for potential business opportunities. In view of the ongoing projects on hand, subsequent to 1H2025, the Group’s revenue is expected to sustain for the financial year.

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

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

ONGOING PROJECTS

As at 30 September 2024, the Group had four ongoing gas pipeline projects and ten ongoing water pipeline projects with an aggregate contract sum of approximately S\$128.4 million, of which an aggregate sum of approximately S\$92.9 million has been recognised as revenue as at 30 September 2024 (30 September 2023: three gas pipeline projects and ten water pipeline projects with an aggregate sum of approximately S\$148.3 million). The remaining balance will be recognised as our revenue in subsequent periods in accordance with International Financial Reporting Standard 15 (“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 30 September 2024.

FINANCIAL REVIEW

Six months ended 30 September 2024 compared to six months ended 30 September 2023

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 1H2025 and 1H2024.

	For the six months ended 30 September					
	2024			2023		
	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)
Gas pipeline	4	7,874	32.7	3	11,930	41.0
Water pipeline	10	15,964	66.4	10	16,679	57.4
	14	23,838	99.1	13	28,609	98.4
Engineering services		218	0.9		455	1.6
Total		24,056	100.0		29,064	100.0

Management Discussion & Analysis

Revenue of the Group has decreased by approximately S\$5.0 million or 17.2% from approximately S\$29.1 million in 1H2024 to approximately S\$24.1 million in 1H2025 mainly due to the following:

- (i) Decrease in revenue from gas pipeline projects by approximately S\$4.1 million; and
- (ii) Decrease in revenue from water pipeline projects by approximately S\$0.7 million.

The decrease in revenue from the gas pipeline projects by approximately S\$4.1 million and water pipeline projects by approximately S\$0.7 million were mainly due to the substantial completion of relevant projects brought forward from prior years and thus less progress and revenue were recognised during the current period.

Cost of Sales

Our cost of sales decreased by approximately S\$4.7 million or 18.1% from approximately S\$26.1 million in 1H2024 to approximately S\$21.4 million for 1H2025. The decrease in cost of sales was generally in line with the decrease in Group's revenue.

Gross Profits and Gross Profits Margin

Gross profit of the Group for 1H2025 amounted to approximately S\$2.7 million, decreased by approximately S\$0.3 million as compared to the gross profit amounted to approximately S\$3.0 million for 1H2024.

The gross profit margin of the Group for 1H2025 was approximately 11.2%, as compared to the gross profit margin of approximately 10.2% for 1H2024. The increase was mainly due to the construction projects performed during 1H2025 which had a slightly higher gross profit margin.

Other Income

Other income increased by approximately S\$1.2 million from approximately S\$1.0 million in 1H2024 to approximately S\$2.2 million in 1H2025. Other income for 1H2025 mainly comprised of agency income from car trading services amounting to approximately S\$1.6 million, as well as interest income and miscellaneous income pertaining to sale of scraps and adhoc repair works.

Other Gains/(Losses), net

Other gains recognised during 1H2025 mainly comprised of gain on disposal of subsidiaries.

Administrative Expenses

The Group recorded administrative expenses amounting to approximately S\$14.3 million in 1H2025 (1H2024: approximately S\$11.4 million). The increase was mainly due to the increase in rental expenses from approximately S\$1.9 million for 1H2024 to approximately S\$2.5 million for 1H2025, the increase in professional fees from approximately S\$0.8 million for 1H2024 to approximately S\$1.4 million for 1H2025, as well as the increase in business development expenditures in strengthening the market position of the Group and to further develop the Group's business in different geographical locations.

Income Tax Expense

No income tax credit or expense was recognised for 1H2025 (1H2024: nil).

Finance Costs

Finance costs of the Group decreased from approximately S\$0.9 million for 1H2024 to approximately S\$0.6 million in 1H2025. The decrease was mainly due to the reduction of average balance of interest-bearing borrowings in 1H2025 as compared to 1H2024.

Profit/(loss) for the period from discontinued operation

The profit for the period attributable to discontinued operation for 1H2025 amounted to approximately S\$83,000 (1H2024: loss of approximately S\$273,000).

Loss for the Period

Loss for 1H2025 amounted to approximately S\$9.6 million, representing an increase of approximately S\$1.1 million from loss of the Group of approximately S\$8.5 million for 1H2024.

Interim Dividend

The Board has resolved not to declare any interim dividend for 1H2025 (1H2024: Nil).

Property, Plant and Equipment

Property, plant and equipment decreased by approximately S\$0.8 million from approximately S\$17.2 million as at 31 March 2024 to approximately S\$16.4 million as at 30 September 2024, mainly due to the depreciation provided during 1H2025.

Trade and Other Receivables

The Group's trade and other receivables decreased by approximately S\$4.3 million from approximately S\$23.1 million as at 31 March 2024 to approximately S\$18.8 million as at 30 September 2024. The decrease was mainly attributable to the decrease in trade receivables from construction contracts and engineering services from approximately S\$4.9 million as at 31 March 2024 to approximately S\$3.6 million as at 30 September 2024, as well as the decrease in balances of prepayments, deposits and other receivables by approximately S\$3.0 million.

Loan Receivables

As at 30 September 2024, loan receivables amounted to approximately S\$9.2 million (31 March 2024: approximately S\$10.5 million), comprised of (i) loan to shareholder of a joint venture of the Group of approximately S\$3.1 million (interest-free)(31 March 2024: approximately S\$3.2 million); (ii) loans to other individual third parties of approximately S\$6.2 million (fixed interest rate of 6% per annum)(31 March 2024: approximately S\$6.9 million); less (iii) allowance for expected credit loss of approximately S\$0.1 million (31 March 2024: approximately S\$0.1 million). As at 30 September 2024, there was no loan interest receivables included in the balance of loan receivables (31 March 2024: approximately S\$0.5 million). All the loan receivables were with original maturity of one year or less.

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

Trade and Other Payables

Trade and other payables increased by approximately S\$0.8 million from approximately S\$12.7 million as at 31 March 2024 to approximately S\$13.5 million as at 30 September 2024. It was mainly due to the increase in other payables of approximately S\$0.9 million, partially offset by the decrease of trade payables of approximately S\$0.1 million.

Borrowings

Borrowings decreased by approximately S\$5.5 million from approximately S\$23.2 million as at 31 March 2024 to approximately S\$17.7 million as at 30 September 2024. The decrease was mainly attributable to the net repayment of bank and other borrowings and the principal of the bonds during 1H2025.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 September 2024, the Group maintained a healthy liquidity position with net current assets balance of approximately S\$48.8 million (31 March 2024: approximately S\$55.3 million), net assets balance of approximately S\$67.4 million (31 March 2024: approximately S\$69.9 million) and cash and bank balances (including fixed bank deposits) of approximately S\$13.6 million (31 March 2024: approximately S\$5.4 million). The Group's gearing ratio (calculated by total interest-bearing debt over total equity) as at 30 September 2024 was approximately 31%, decreased by approximately 7% from approximately 38% as at 31 March 2024. The decrease in gearing ratio is mainly due to the net decrease in borrowings arising from the repayment of the bank and other borrowings and principal of bonds during 1H2025.

CAPITAL STRUCTURE

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

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

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

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

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group had total of 540 employees (31 March 2024: 481 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries, bonus and allowances. The employees' remuneration (including directors' remuneration) for 1H2025 amounted to approximately S\$9.4 million (for 1H2024: approximately S\$12.3 million).

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

As at 30 September 2024, the Group did not have other plans for material investments and capital assets.

USE OF LISTING PROCEEDS

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

On 17 January 2023, the Board has resolved and approved to change the use of the unutilised Net Proceeds of approximately S\$4.9 million. Based on the economic development, the available tenders, the ongoing and potential projects and the overall cost versus benefit, the Board considered that the purchase of two pipe jacking machines would not be beneficial to the Group. The Group plans to carry out addition and alteration works to the foreign worker dormitory in conformity to the regulatory requirement announced on 17 September 2021 by the Ministry of Manpower of Singapore. Without any addition and alteration works to our existing dormitory, the number of workers allowed to stay in the dormitory would be revised downwards on the next license renewal and the Group would be required to seek other alternative such as third-party dormitory to house the excess workers. Moreover, the rental rate for third party dormitory in the market has also risen significantly post-COVID pandemic and engaging them would give rise to additional costs such as rental, transportation and other related costs. Hence, the Board estimated that approximately S\$2.0 million would be allocated for the proposed addition and alteration works on the foreign worker dormitory. The remaining unutilised Net Proceeds of approximately S\$2.9 million would be used as working capital and other general corporate purposes such as repayment of loans, hire purchase and other operational expenses. Please refer to the announcement of the Company dated 17 January 2023 for further details.

On 12 October 2023, the Board has resolved and approved to further change the use of the unutilised Net Proceeds of approximately S\$2.0 million. Despite the reasons disclosed above and in the annual report of the Company for the year ended 31 March 2023, based on the current economic development, the Board considered the number of foreign workers that the Group hires may fluctuate or reduce, hence it is not cost efficient and beneficial to the Group to carry out addition and alteration works at this juncture. If the addition and alteration works were to be carried out, our existing dormitory would not be available for use and the Group would face additional operational inconveniences and inefficiency as the Group would need to relocate all its foreign workers to third-party dormitory operators at which the location may be unfavourable in terms of distance. The Group may incur more costs to maintain the dormitory as well as to comply with any new rules and regulations as may be imposed by the Singapore Government in future. Hence, the Board has decided to reallocate the remaining unutilised Net Proceeds of approximately S\$2.0 million towards supporting the current operations of the Group, which may include, short term dormitory lease based on project duration, engaging sub-contractors as per project requirement, repayment of loans, and other operational expenses. Please refer to the announcement of the Company dated 12 October 2023 for further details.

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 of the Company at the subscription price of HK\$0.475 per subscription share on the terms and subject to the conditions set out in the subscription agreements (the “**2022 Subscriptions**”). The gross proceeds of the 2022 Subscriptions were HK\$87.4 million and the net proceeds from the 2022 Subscriptions were approximately HK\$87.0 million. The 2022 Subscriptions were completed in June 2022. Please refer to the announcements of the Company dated 16 May 2022, 23 May 2022, 24 May 2022, 6 June 2022, 13 June 2022 and 20 June 2022 for more details.

Set out below are details of the allocation of the net proceeds, the utilised and unutilised amounts of net proceeds in relation to the 2022 Subscriptions as at 30 September 2024:

	Planned use of net proceeds <i>HK\$'000</i>	Utilised up to 31 March 2024 <i>HK\$'000</i>	Utilised for the six months ended 30 September 2024 <i>HK\$'000</i>	Total remaining net proceeds available as at 30 September 2024 <i>HK\$'000</i>	Expected timeline for utilising the remaining proceeds <i>(Note 1)</i>
Use of net proceeds					

Development of the Group's joint venture businesses:

– The expansion of smart parking businesses of Trendzon Zhilian (Shenzhen) Technology Company Limited* (卓航智聯(深圳)科技有限公司), namely the construction and maintenance costs of the smart car parks, located in 24 towns in Guizhou Province, PRC, including (i) procurement of construction materials; and (ii) precision parking and vehicle identification software and hardware procurement, development and maintenance	6,000 11,000	(6,000) –	– –	– 11,000	N/A Before 31 March 2025
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* For identification purpose only

Management Discussion & Analysis

Use of net proceeds	Planned use of net proceeds HK\$'000	Utilised up to 31 March 2024 HK\$'000	Utilised for the six months ended 30 September 2024 HK\$'000	Total remaining net proceeds available as at 30 September 2024 HK\$'000	Expected timeline for utilising the remaining proceeds (Note 1)
Future investment funds:					
– Reserved funds as capital for the development of placing and underwriting business of Wealth Link Securities Limited	12,000	(12,000)	–	–	N/A
– Reserved funds as loan principals for the money lending business of All Good Finance Limited, a wholly-owned subsidiary of the Company and licenced to conduct money lending business in Hong Kong	12,000	(12,000)	–	–	N/A
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	76,000	–	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.

As at 31 March 2024, the net proceeds from the 2023 Subscriptions were fully utilised according to the intentions previously disclosed in the aforesaid announcements of the Company.

RESULTS OF RIGHTS ISSUE

On 19 July 2024, the Board announced a proposal of share consolidation (the “**Share Consolidation**”) of which every ten (10) issued and unissued Shares of HK\$0.01 each into one (1) consolidated Share of HK\$0.1 each. The Board also proposed to change the board lot size for trading on the Stock Exchange from 4,000 Shares to 12,000 consolidated Shares upon the Share Consolidation becoming effective.

On 19 July 2024, the Board proposes, subject to, among other things, the Share Consolidation becoming effective, to conduct the rights issue (the “**Rights Issue**”) on the basis of four (4) rights Shares for every one (1) consolidated Share held on the record date for the determination of the entitlements under the Rights Issue, at the subscription price (the “**Subscription Price**”) of HK\$0.18 per Rights Share. In addition, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent had agreed to procure independent placee(s), on a best effort basis, to subscribe for the unsubscribed rights shares and the unsold rights shares of non-qualifying Shareholders, at a placing price not less than the Subscription Price (the “**Placing**”).

On 5 September 2024, among others, the Share Consolidation, the Rights Issue and the Placing were duly passed as ordinary resolutions of the Company at the extraordinary general meeting.

On 10 September 2024, the Share Consolidation had become effective. The authorised share capital of the Company became HK\$100,000,000 divided into 1,000,000,000 consolidated Shares of HK\$0.1 each, of which 141,680,000 consolidated Shares (which were fully paid or credited as fully paid) were in issue.

Management Discussion & Analysis

On 9 October 2024, the Board announced that the total number of rights Shares offered under the Rights Issue was 566,720,000, and a total of five valid applications and acceptances under the provisional allotment letters had been received for a total of 89,109,539 rights Shares.

On 23 October 2024, the Board announced that the remaining 477,610,461 unsubscribed rights Shares were fully placed to 32 placees at the placing price of HK\$0.18 per rights Share. The gross proceeds raised from the Rights Issue are approximately HK\$102.0 million and the net proceeds from the Rights Issue after deducting the relevant expenses are approximately HK\$100.2 million.

Please refer to the announcements of the Company dated 19 July 2024, 5 September 2024, 6 September 2024, 9 October 2024, 14 October 2024 and 23 October 2024, the circular of the Company dated 20 August 2024 and the prospectus of the Company dated 23 September 2024 for further details.

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

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

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

- (b) 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 (“**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 on 3 May 2024.

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

- (c) 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 constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The IVL Disposal was completed on 19 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.

SIGNIFICANT INVESTMENTS HELD

Save as disclosed above, as at 30 September 2024, the Group held no significant investment.

CHARGES ON ASSETS

As at 30 September 2024, the carrying amount of properties mortgaged for bank borrowings was approximately S\$14.0 million (31 March 2024: S\$14.3 million).

FOREIGN EXCHANGE EXPOSURE

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

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

TREASURY POLICIES

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

CONTINGENT LIABILITIES

As at 30 September 2024, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

On 19 July 2024, the Board announced a proposal of share consolidation (the “**Share Consolidation**”) of which every ten (10) issued and unissued Shares of HK\$0.01 each into one (1) consolidated Share of HK\$0.1 each. The Board also proposed to change the board lot size for trading on the Stock Exchange from 4,000 Shares to 12,000 consolidated Shares upon the Share Consolidation becoming effective.

On 19 July 2024, the Board proposes, subject to, among other things, the Share Consolidation becoming effective, to conduct the rights issue (the “**Rights Issue**”) on the basis of four (4) rights Shares for every one (1) consolidated Share held on the record date for the determination of the entitlements under the Rights Issue, at the subscription price (the “**Subscription Price**”) of HK\$0.18 per Rights Share. In addition, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent had agreed to procure independent placee(s), on a best effort basis, to subscribe for the unsubscribed rights shares and the unsold rights shares of non-qualifying Shareholders, at a placing price not less than the Subscription Price (the “**Placing**”).

On 5 September 2024, among others, the Share Consolidation, the Rights Issue and the Placing were duly passed as ordinary resolutions of the Company at the extraordinary general meeting.

On 10 September 2024, the Share Consolidation had become effective. The authorised share capital of the Company became HK\$100,000,000 divided into 1,000,000,000 consolidated Shares of HK\$0.1 each, of which 141,680,000 consolidated Shares (which were fully paid or credited as fully paid) were in issue.

On 9 October 2024, the Board announced that the total number of rights Shares offered under the Rights Issue was 566,720,000, and a total of five valid applications and acceptances under the provisional allotment letters had been received for a total of 89,109,539 rights Shares.

On 23 October 2024, the Board announced that the remaining 477,610,461 unsubscribed rights Shares were fully placed to 32 placees at the placing price of HK\$0.18 per rights Share. The gross proceeds raised from the Rights Issue are approximately HK\$102.0 million and the net proceeds from the Rights Issue after deducting the relevant expenses are approximately HK\$100.2 million.

Please refer to the announcements of the Company dated 19 July 2024, 5 September 2024, 6 September 2024, 9 October 2024, 14 October 2024, 23 October 2024, the circular of the Company dated 20 August 2024 and the prospectus of the Company dated 23 September 2024 for further details.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2024 and up to the date of this interim report.

* for identification purpose only

Other Information

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

As at 30 September 2024, none of the Directors and chief executive of the Company had or was deemed to have any interest and short position in the shares of the Company (the “**Shares**”), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (“**SFO**”)) that was required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

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

As at 30 September 2024, so far as was known to the Directors, the following persons/entities (not being the Directors or chief executive of the Company) have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

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

<u>Name of Substantial Shareholders</u>	<u>Capacity/Nature</u>	<u>No. of Shares held</u>	<u>% of the Company's issued Shares (Note 1)</u>
Zhongbei Capital Co., Limited (中北資本有限公司)(Note 2)	Beneficial owner	13,800,000	9.74%
Yao Jiajia (Note 2)	Interest in the controlled corporation	13,800,000	9.74%

Notes:

1. The total number of 141,680,000 shares of the Company in issue as at 30 September 2024 has been used for the calculation of the approximate percentage.
2. Ms. Yao Jiajia held 13,800,000 Shares through Zhongbei Capital Co., Limited (中北資本有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by Ms. Yao Jiajia.

* For identification purpose only

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any persons/entitles (not being Directors or chief executives of the Company) who had interest or short position in the Shares or underlying Shares which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

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

SHARE OPTION SCHEME

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

Purpose	The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.
Who may join	<p>The Board may, at its absolute discretion, offer share options ("Options") to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to:</p> <p>(a) Directors and employees of any member of the Group (including persons who are granted Options under this Scheme as an inducement to enter into employment contracts with any member of the Group) ("Employee Participants");</p> <p>(the person referred above are the "Eligible Persons").</p> <p>The eligibility of the Eligible Persons will be determined by the Board based on the their potential and/or actual contribution to the business and development of the Group.</p>
Maximum number of shares available for issue	The maximum number of Shares which may be issued in respect of all options or awards to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date (the " 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 utilised. The Company has on 13 December 2022 refreshed the Scheme Mandate Limit and therefore, the maximum number of shares which may be issued upon exercise of all options to be granted under the Amended Share Option Scheme is 110,400,000 shares, being 10% of the Shares in issue as at the date of extraordinary general meeting.

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

Other Information

Maximum entitlement of each Eligible Person

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.

Other Information

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.

Life 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 binomial 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%

There was no Share available for grant under the Share Option Scheme and the Amended Share Option Scheme as at 1 April 2024 and 30 September 2024. There was no service provider sublimit under the Share Option Scheme and the Amended Share Option Scheme. As at the date of this Interim Report, the Company has no Share available for issue under the Amended Share Option Scheme. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during 1H2025 divided by weighted average number of Shares in issue for 1H2025 is approximately 7.8%.

The following table discloses the details of the Company's share options under the Share Option Scheme and the movements during the six months ended 30 September 2024:

Grantees	Date of grant	Vesting period	Exercise price per share (HK\$)	Exercise period	Number of share options						Outstanding as at 30 September 2024
					Outstanding as at 1 April 2024	Granted during the period	Exercised during the period	Cancelled during the period	Adjusted during the period	Lapsed during the period	
Employees in aggregate (Note 1)	15 June 2023	15 June 2023-14 June 2024	4.3 (Note 2)	15 June 2024-14 June 2026	110,400,000	-	-	-	(99,360,000)	-	11,040,000
Total:					110,400,000	-	-	-	(99,360,000)	-	11,040,000

Notes:

- The share options were granted to twelve employees of the Group on 15 June 2023.
- As a result of the Share Consolidation, the total number and the exercise price of Shares which may be issued upon exercise of all outstanding Share Options under the Share Option Scheme has been adjusted to 11,040,000 Consolidated Shares and HK\$4.3 pursuant to the terms of the Share Option Scheme (as detailed in the Company's announcement dated 5 September 2024 and circular dated 20 August 2024).
- No performance target is required to be met before exercise of the share options.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “DIRECTORS AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES” and “SHARE OPTION SCHEME” in this report, at no time during the six months ended 30 September 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, at no time during the six months ended 30 September 2024 had the Directors and the chief executives (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for the Shares (or warrants or debentures, if applicable) and its associated corporations (within the meaning of the SFO).

DISCLOSURE OF INFORMATION ON DIRECTORS

Mr. Lok Kai Ho resigned as an executive Director with effect from 24 April 2024 due to his intention to devote more time to his other personal business and commitments.

Mr. Law Wai Yip has been appointed as an executive Director with effect from 24 April 2024.

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.

With effect from 26 July 2024, Mr. Lui Kwun Yuen resigned as an independent non-executive Director and the member of the remuneration committee.

Ms. Liao Qinghua resigned as an executive Director with effect from 19 November 2024 due to her intention to devote more time to her other personal business and commitments.

Ms. Katsaya Wiriyachart resigned as an executive Director with effect from 19 November 2024 due to her intention to devote more time to her other personal business and commitments.

Mr. Liu Jianfu has been appointed as an executive Director with effect from 19 November 2024.

Mr. Leung Yiu Cho has been appointed as an executive Director with effect from 19 November 2024.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries to all Directors, all Directors of the Company confirmed that they have fully complied with the relevant requirements set out in the Model Code throughout the six months ended 30 September 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and the Corporate Governance Report (the “**CG Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with the code provisions as set out in the CG Code during the six months ended 30 September 2024 and up to the date of this interim report. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

REVIEW BY AUDIT COMMITTEE

The interim results of the Company for the six months ended 30 September 2024 have not been audited by the Company’s independent auditors. The audit committee of the Company has reviewed the unaudited interim results for the six months ended 30 September 2024 including the interim report and discussed with the management of the Company and is of the view that such financial information and report have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made with no disagreement by the audit committee of the Company.

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

Hong Kong, 28 November 2024

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2024

		Six months ended	
		30 September	
		2024	2023
		S\$'000	S\$'000
	<i>Notes</i>	(unaudited)	(unaudited)
			(Re-presented)
Continuing operations			
Revenue	5	24,056	29,064
Cost of sales		(21,356)	(26,087)
Gross profit		2,700	2,977
Other income	6	2,193	1,037
Other gains/(losses), net	7	220	(4)
Reversal of expected credit losses (“ECL”)		164	69
Share of losses of joint ventures		(17)	(32)
Administrative expenses		(14,349)	(11,379)
Operating loss		(9,089)	(7,332)
Finance costs	8	(587)	(861)
Loss before income tax	9	(9,676)	(8,193)
Income tax expense	11	–	–
Loss for the period from continuing operations		(9,676)	(8,193)
Discontinued operation			
Profit/(loss) for the period from discontinued operation		83	(273)
Loss for the period		(9,593)	(8,466)

Condensed Consolidated Statement of Other Comprehensive Income

For the six months ended 30 September 2024

	<i>Note</i>	Six months ended 30 September 2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited) (Re-presented)
Other comprehensive (expense)/income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive losses of joint ventures		(202)	(176)
Exchange difference arising on translation of foreign operations		1,178	362
Other comprehensive income for the period		976	186
Total comprehensive expense for the period		(8,617)	(8,280)
Loss for the period attributable to:			
Owners of the Company		(9,551)	(8,302)
Non-controlling interests		(42)	(164)
		(9,593)	(8,466)
(Loss)/profit for the period attributable to owners of the Company arising from:			
– Continuing operations		(9,634)	(8,070)
– Discontinued operations		83	(232)
		(9,551)	(8,302)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(8,574)	(8,141)
Non-controlling interests		(43)	(139)
		(8,617)	(8,280)
Total comprehensive expense for the period attributable to owners of the Company arising from:			
– Continuing operations		(8,590)	(7,930)
– Discontinued operations		16	(211)
		(8,574)	(8,141)
(Loss)/earning per share attributable to owners of the Company for the period	12		
From continuing and discontinued operations			
Basic and diluted (Singapore cents)		(6.74)	(6.61)
From continuing operations			
Basic and diluted (Singapore cents)		(6.80)	(6.43)
From discontinued operations			
Basic and diluted (Singapore cents)		0.06	(0.18)

Condensed Consolidated Statement of Financial Position

For the six months ended 30 September 2024

	<i>Notes</i>	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	16,420	17,191
Intangible assets	15	73	–
Right-of-use assets		3,003	3,282
Investments in joint ventures		9,780	9,906
		29,276	30,379
Current assets			
Trade and other receivables	16	18,783	23,086
Loan receivables	17	9,223	10,461
Amount due from a joint venture		18,400	18,802
Contract assets	18	15,338	20,651
Fixed deposits	19	10,971	4,001
Cash and cash equivalents	19	2,657	1,439
		75,372	78,440
Assets of disposal group classified as held for sale		–	3,312
		75,372	81,752
Total assets		104,648	112,131
EQUITY AND LIABILITIES			
Equity			
Share capital	22	2,444	2,444
Reserves		58,164	67,242
Equity attributable to owners of the Company		60,608	69,686
Non-controlling interests		6,800	173
Total equity		67,408	69,859

Condensed Consolidated Statement of Financial Position

For the six months ended 30 September 2024

	<i>Notes</i>	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Current liabilities			
Trade and other payables	20	13,523	12,748
Contract liabilities	18	2,475	658
Borrowings	21	9,959	10,457
Lease liabilities		366	519
Current tax liabilities		278	347
		26,601	24,729
Liabilities directly associated with disposal group classified as held for sale		–	1,717
		26,601	26,446
Non-current liabilities			
Borrowings	21	7,698	12,769
Lease liabilities		2,739	2,855
Deferred tax liabilities		202	202
		10,639	15,826
Total liabilities		37,240	42,272
Total equity and liabilities		104,648	112,131

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to equity holders of the Company										
	Share capital S\$'000	Share premium S\$'000	Share option reserve S\$'000	Merger reserve S\$'000	Revaluation reserve S\$'000	Exchange reserve S\$'000	Other reserve S\$'000	Retained profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total S\$'000
2024											
As at 1 April 2024 (Audited)	2,444	55,303	5,148	1,500	1,141	(3,521)	479	7,192	69,686	173	69,859
Loss for the period	-	-	-	-	-	-	-	(9,551)	(9,551)	(42)	(9,593)
Other comprehensive income for the period	-	-	-	-	-	977	-	-	977	(1)	976
Total comprehensive expense for the period	-	-	-	-	-	977	-	(9,551)	(8,574)	(43)	(8,617)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(84)	(84)
Change in ownership interest in subsidiaries without change of control	-	-	-	-	-	-	(504)	-	(504)	6,754	6,250
As at 30 September 2024 (Unaudited)	2,444	55,303	5,148	1,500	1,141	(2,544)	(25)	(2,359)	60,608	6,800	67,408

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Six months ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Loss before tax		
From continuing operations	(9,676)	(8,193)
From discontinued operation	83	(273)
Adjustments for:		
– Depreciation of property, plant equipment	846	829
– Depreciation of rights-of-use assets	275	512
– Amortisation of intangible assets	13	167
– Loss on disposals of property, plant and equipment	17	–
– Gain on disposal of subsidiaries	(175)	–
– Equity-settled share-based payment	–	5,148
– Reversal of allowance for ECL of trade and other receivables	(23)	19
– Reversal of allowance for ECL of loan receivables	(15)	(70)
– Reversal of allowance for ECL of contract assets	(126)	(17)
– Share of loss of joint ventures	17	32
– Interest income	(152)	(290)
– Finance costs	587	863
	(8,329)	(1,273)
Change in working capital:		
– Trade and other receivables	4,484	(17,265)
– Loan receivables	1,253	2,490
– Amount due from a joint venture	402	(10)
– Contract assets/(liabilities), net	7,256	7,595
– Bank balances – trust and segregated accounts	–	4,571
– Trade and other payables	1,896	(13,765)
Cash generated from/(used in) operations	6,962	(17,657)
Interest received	152	290
Income tax paid	(69)	(576)
Net cash generated from/(used in) operating activities	7,045	(17,943)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Six months ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flows from investing activities		
Additions to property, plant and equipment	(232)	(256)
Additions to intangible assets	(86)	–
Addition in fixed deposit	(6,970)	(4,500)
Acquisition of a subsidiary	–	(919)
Disposal of subsidiaries	475	–
Investments in joint ventures	93	–
Net cash inflow in respect of change in ownership interest in a subsidiary	6,250	–
Proceeds from disposal of property, plant and equipment	119	–
Net cash used in investing activities	(351)	(5,675)
Cash flows from financing activities		
Proceeds from issuance of shares	–	21,555
Principal element of lease liabilities	(266)	(504)
Movements in borrowings	(5,569)	1,876
Interest paid	(587)	(863)
Net cash (used in)/generated from financing activities	(6,422)	22,064
Net increase/(decrease) in cash and cash equivalents	272	(1,554)
Cash and cash equivalents at the beginning of financial period	1,439	3,710
Effect of foreign exchange rate changes	946	465
Cash and cash equivalents at the end of financial period	2,657	2,621

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

1. General Information

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

The Company’s registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Singapore is 38 Senoko Road, Singapore 758110. The principal place of business in Hong Kong is Room 39, 10th Floor, Block D, Mai Tak Industrial Building, 221 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

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

The unaudited condensed consolidated financial information was approved by the Board of Directors of the Company on 28 November 2024.

2. Basis of preparation

The condensed consolidated financial information for the six months ended 30 September 2024 is prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting”. The condensed consolidated financial information have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by International Accounting Standards Board (“**IASB**”). The condensed consolidated financial information should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024.

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

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

3. Material accounting policy information

The accounting policies applied and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2024, except for the adoption of new or revised standards, amendments and interpretations which are relevant to the operations of the Group and mandatory for annual periods beginning 1 April 2024.

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 April 2024:

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

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

4. Segment information

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

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors consider the segment from a business perspective. The Group has one (1H2024: one) 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.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

4. Segment information (Continued)

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

	Segment revenue Six months ended 30 September		Segment results Six months ended 30 September	
	2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited) (Re-presented)	2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited) (Re-presented)
Continuing operations:				
Construction contracts and engineering services	<u>24,056</u>	<u>29,064</u>	<u>2,700</u>	<u>2,977</u>
Other income			2,193	1,037
Other gains/(losses), net			220	(4)
Reversal of/(allowance for) ECL			164	69
Share of losses of joint ventures			(17)	(32)
Administrative expenses			(14,349)	(11,379)
Finance costs			(587)	(861)
Loss before income tax			<u>(9,676)</u>	<u>(8,193)</u>
Discontinued operation:				
Profit/(loss) for the period from discontinued operation			<u>83</u>	<u>(273)</u>

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

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

4. Segment information (Continued)

For the six months ended 30 September 2024, there were four customers (1H2024: four) which individually contributed over 10% of the Group's total revenue. During the six months ended 30 September 2024 and 2023, the revenue contributed from each of these customers was as follows:

	Six months ended 30 September	
	2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited)
Customer A	7,734	11,930
Customer B (Note)	5,702	N/A
Customer C (Note)	5,358	N/A
Customer D	3,135	3,881
Customer E (Note)	N/A	5,418
Customer F (Note)	N/A	3,483

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

As at 30 September 2024, the total non-current assets in Singapore, Hong Kong and the PRC were approximately S\$19,017,000, approximately S\$537,000 and approximately S\$9,722,000 respectively (31 March 2024: approximately S\$19,793,000 in Singapore, approximately S\$298,000 in Hong Kong and approximately S\$10,288,000 in the PRC respectively).

5. Revenue

(a) Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited) (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	7,874	11,930
– Water	15,964	16,679
– Engineering services	218	455
Total	24,056	29,064

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

5. Revenue (Continued)

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

	Six months ended 30 September 2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited) (Re-presented)
Continuing operations		
Timing of revenue recognition		
Recognised over time		
– Revenue from construction contracts and engineering services	24,056	29,064
		Six months ended 30 September 2024 Revenue from construction contracts and engineering services S\$'000 (unaudited)
Geographical markets:		
– Singapore		23,838
– PRC		218
		24,056
		Six months ended 30 September 2023 Revenue from construction contracts and engineering services S\$'000 (unaudited) (Re-presented)
Geographical markets:		
– Singapore		28,609
– PRC		455
		29,064

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

5. Revenue (Continued)

(b) Assets and liabilities related to contracts with customers

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

	As at 30 September	2023	As at
	2024	2023	31 March
	S\$'000	S\$'000	2024
	(unaudited)	(unaudited)	S\$'000
			(audited)
Total contract assets:			
– Construction contracts	15,338	21,212	20,651
Total contract liabilities:			
– Construction contracts	2,475	745	658

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

(c) Unsatisfied performance obligation

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

	As at 30
	September 2024
	Revenue
	from
	construction
	contracts
	S\$'000
	(unaudited)
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied:	
– Within 1 year after financial period	35,461

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

5. Revenue (Continued)

(c) Unsatisfied performance obligation (Continued)

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

	As at 30 September 2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
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	3,548	8,795	4,882
– Trading of building materials	–	–	18
– Brokerage, placing and margin financing services	–	782	–
	<u>3,548</u>	<u>9,577</u>	<u>4,900</u>

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

6. Other income

	Six months ended 30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
Continuing operations		
Interest income	88	226
Government grant	79	25
Insurance claims	45	20
Agency income	1,554	382
Others	427	384
	<u>2,193</u>	<u>1,037</u>

Note: 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.

7. Other gains/(losses), net

	Six months ended 30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
Continuing operations		
Loss on disposal of property, plant and equipment	(17)	–
Gain on disposal of subsidiaries	175	–
Foreign exchange gains/(losses)	62	(4)
	<u>220</u>	<u>(4)</u>

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

8. Finance costs

	Six months ended 30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
Continuing operations		
Bonds	363	382
Lease liabilities	31	43
Term loan	91	86
Other borrowings	102	350
	587	861

9. Loss before income tax

Loss before income tax is stated after charging the following:

	Six months ended 30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
Continuing operations		
Material costs (included in cost of sales)	3,140	6,859
Subcontractor costs (included in cost of sales)	4,142	5,950
Technical service fees (included in cost of sales)	1,420	3,227
Transportation costs (included in cost of sales)	296	295
Auditor's remuneration	88	174
Entertainment expenses	178	192
Rental expenses	2,493	1,898
Depreciation of property, plant and equipment	846	796
Depreciation of right-of-use	275	483
Amortisation of intangible asset	13	19
Professional fees	1,443	818
Vehicle-related expenses	737	726
Repair and maintenance expenses	713	339
Employee benefit costs (Note 10)	9,374	12,345
Project application fee (included in cost of sales)	720	544

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

10. Employee benefit costs – including directors' emoluments

	Six months ended 30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
Continuing operations		
Wages and salaries	8,936	7,020
Employer's contribution to defined contribution plans	438	177
Equity-settled share-based payment	–	5,148
	9,374	12,345

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

	Six months ended 30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
Continuing operations		
Cost of sales	6,164	4,463
Administrative expenses	3,210	7,882
	9,374	12,345

For the six months ended 30 September 2024

11. Income tax expense

Tax for group company incorporated in Singapore has been provided at the applicable Singapore statutory corporate tax rate of 17% (1H2024: 17%) on the estimated assessable profit during the financial year. Companies within the Group that are incorporated in the Cayman Islands and the British Virgin Island (“**BVI**”) are not subject to any income tax. Under the two-tiered profits tax regime in Hong Kong, the applicable tax rates for a qualified group company incorporated in Hong Kong is 8.25% (1H2024: 8.25%) on the first HK\$2,000,000 of assessable profit and 16.5% (1H2024: 16.5%) on the remaining assessable profit. The applicable tax rate for those non-qualified group companies incorporated in Hong Kong is 16.5% (1H2024: 16.5%). The applicable tax rate for group company incorporated in the PRC is 25% (1H2024: 25%).

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

	Six months ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
Tax expense attributable to profit is made up of:		
– Current income tax – Singapore	–	–
– Current income tax – PRC	–	–
– Current income tax – Hong Kong	–	–
– Deferred income tax	–	–
	–	–

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

12. (Loss)/earning per share

	Six months ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
		(Re-presented)
(Loss)/profit		
(Loss)/profit attributable to owners of the Company for the purpose of calculating basic (loss)/earning per share		
– Continuing operations	(9,634)	(8,070)
– Discontinued operation	83	(232)
	(9,551)	(8,302)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earning per share	141,680	125,542
Basic (loss)/earning per share (<i>Singapore cents</i>)		
– Continuing operations	(6.80)	(6.43)
– Discontinued operation	0.06	(0.18)
	(6.74)	(6.61)

No adjustment has been made to the basic loss per share for the six months ended 30 September 2024 and 2023 as the outstanding share options which were potential ordinary shares of the Company did not have dilutive effect.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

13. Dividends

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

14. Property, plant and equipment

	Leasehold improvements S\$'000	Leasehold properties held for own use carried at fair value S\$'000	Computer and device S\$'000	Furniture and office equipment S\$'000	Motor vehicles S\$'000	Plant and machinery S\$'000	Total S\$'000
30 September 2024							
Cost or valuation							
Beginning of financial period	2,167	14,250	40	300	2,416	7,529	26,702
Additions	104	-	10	11	90	17	232
Disposals	-	-	-	-	(244)	-	(244)
Exchange alignment	(8)	-	(6)	(10)	(15)	1	(38)
End of financial period	2,263	14,250	44	301	2,247	7,547	26,652
Accumulated depreciation							
Beginning of financial period	995	-	14	182	1,573	6,747	9,511
Provided for the period	221	241	11	14	111	248	846
Disposals	-	-	-	-	(108)	-	(108)
Exchange alignment	(8)	-	(2)	(3)	(6)	2	(17)
End of financial period	1,208	241	23	193	1,570	6,997	10,232
Net book value							
End of financial period (unaudited)	1,055	14,009	21	108	677	550	16,420

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

14. Property, plant and equipment (Continued)

	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
31 March 2024							
Cost or valuation							
Beginning of financial year	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)
Depreciation eliminated on revaluation against cost	-	(458)	-	-	-	-	(458)
Surplus on valuation	-	708	-	-	-	-	708
Transfer to assets of disposal group classified as held for sale	(233)	-	-	-	-	-	(233)
Exchange alignment	5	-	1	1	1	-	8
End of financial year	2,167	14,250	40	300	2,416	7,529	26,702
Accumulated depreciation							
Beginning of financial year	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	(73)	-	-	-	-	-	(73)
Exchange alignment	2	-	-	2	(1)	-	3
End of financial year	995	-	14	182	1,573	6,747	9,511
Net book value							
End of financial year (audited)	1,172	14,250	26	118	843	782	17,191

For the six months ended 30 September 2024

15. Intangible asset

	Trading right in Stock Exchange <i>S\$'000</i>	Computer Software <i>S\$'000</i>	Total <i>S\$'000</i>
Cost			
As at 1 April 2023	84	169	253
Transfer to assets of disposal group classified as held for sale	(86)	–	(86)
Exchange alignment	2	–	2
As at 31 March 2024 and 1 April 2024	–	169	169
Additions	–	86	86
As at 30 September 2024	–	255	255
Accumulated amortisation			
As at 1 April 2023	–	150	150
Amortisation for the year	–	19	19
As at 31 March 2024 and 1 April 2024	–	169	169
Amortisation for the period	–	13	13
As at 30 September 2024	–	182	182
Carrying amount			
As at 30 September 2024 (unaudited)	–	73	73
As at 31 March 2024 (audited)	–	–	–

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

16. Trade and other receivables

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Trade receivables from construction contracts and engineering services	3,548	4,882
Less: Allowance for ECL	<u>(10)</u>	<u>(27)</u>
<i>(a)</i>	<u>3,538</u>	<u>4,855</u>
Trade receivables from trading of building materials:	–	18
Less: Allowance for ECL	<u>–</u>	<u>–</u>
<i>(b)</i>	<u>–</u>	<u>18</u>
Total trade receivables	<u>3,538</u>	<u>4,873</u>
Prepayments, deposits and other receivables		
Prepayments	2,140	1,796
Deposits	2,602	3,949
Other receivables	10,718	12,700
Less: Allowance for ECL	<u>(215)</u>	<u>(232)</u>
	<u>15,245</u>	<u>18,213</u>
Total trade and other receivables	<u>18,783</u>	<u>23,086</u>

For the six months ended 30 September 2024

16. Trade and other receivables (Continued)**Trade receivables from construction contracts and engineering services, and trading of building materials**

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

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Within 30 days	3,139	4,358
31 to 60 days	67	80
61 to 90 days	6	303
Over 90 days	326	114
	3,538	4,855

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

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

17. Loan receivables

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Loan receivables		
– unsecured loans	9,322	10,577
Less: Allowance for ECL	(99)	(116)
	9,223	10,461
Amount due within one year included under current assets	9,223	10,461

The loans provided to borrowers bore fixed interest rate of 6% per annum (31 March 2024: ranging from 6% to 14% per annum).

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Within 90 days	3,071	9,426
91 to 180 days	6,152	–
181 to 365 days	–	1,035
	9,223	10,461

The above ageing analysis is presented based on the period to the maturity date of the loans.

For the six months ended 30 September 2024

18. Contract assets/(liabilities)

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Comprising:		
Current		
Contract assets	15,338	20,651
Contract liabilities	(2,475)	(658)
	12,863	19,993

The contract assets primarily relate to the Group's conditional right to a consideration in exchange for a satisfied performance obligations at the reporting date in respect of construction contracts. 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. 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.

As at 30 September 2024, retention receivables amounted to approximately S\$1,943,000 (31 March 2024: approximately S\$2,163,000) are included in contract assets.

As at 30 September 2024, the allowance for ECL amounted to approximately S\$226,000 (31 March 2024: approximately S\$352,000) are included in the carrying amount of contract assets.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

19. Cash and cash equivalents and fixed deposits

(a) Cash and cash equivalents

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

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Cash at banks	2,657	1,439

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

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
SGD	981	968
USD	27	2
HKD	943	180
RMB	706	289
	2,657	1,439

(b) Fixed deposits

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Fixed deposits denominated in SGD	10,608	3,605
Fixed deposits denominated in HKD	363	396
	10,971	4,001

Fixed deposits at 30 September 2024 bore interest rates ranging from 0.9% to 3.3% (31 March 2024: from 0.9% to 3.3%) per annum and certain fixed deposits were pledged to the banking facilities of the subsidiary of the Group.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

20. Trade and other payables

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Trade payables arising from construction contracts and engineering services:		
Trade payables	<u>4,555</u>	<u>4,700</u>
Other payables:		
– Advances received from customers	444	32
– Provision for foreseeable losses on construction contracts	1,147	1,414
– Others	3,385	3,540
Accrued expenses	2,517	1,563
Accrued for trade related costs	685	685
Accrual for employee benefit expenses	<u>790</u>	<u>814</u>
	<u>8,968</u>	<u>8,048</u>
Total trade and other payables	<u>13,523</u>	<u>12,748</u>

Trade payables arising from construction contracts and engineering services:

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

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Within 30 days	3,184	2,853
31 to 60 days	1,185	1,615
61 to 90 days	176	28
Over 90 days	<u>10</u>	<u>204</u>
	<u>4,555</u>	<u>4,700</u>

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

21. Borrowings

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Bank borrowings-term loans (i)	5,315	7,069
Bonds (ii)	11,181	14,350
Other borrowings (iii)	1,161	1,807
Total borrowings	17,657	23,226
Of which:		
– Current liabilities	9,959	10,457
– Non-current liabilities	7,698	12,769
	17,657	23,226

(i) Bank borrowings – term loans

The Group's term loan were repayable as follows:

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Non-current, secured		
– Repayable later than 1 year and no later than 2 years	493	1,417
– Repayable later than 2 years and no later than 5 years	1,615	1,757
– Repayable later than 5 years	487	771
	2,595	3,945
Current, secured		
– Repayable no later than 1 year	2,720	3,124
	5,315	7,069

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

As at 30 September 2024 and 31 March 2024, the term loans were secured by leasehold properties and corporate guarantee from the Company.

For the period ended 30 September 2024, interest was charged ranging from 1.68% to 4.38% (31 March 2024: ranging from 1.68% to 4.38%) per annum.

For the six months ended 30 September 2024

21. Borrowings (Continued)**(ii) Bonds**

The issued bonds of the Group were repayable as follows:

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Non-current, unsecured		
– Repayable later than 1 year and no later than 2 years	<u>5,103</u>	<u>8,272</u>
Current, unsecured		
– Repayable no later than 1 year	<u>6,078</u>	<u>6,078</u>
	<u>11,181</u>	<u>14,350</u>

The carrying amounts of the Group's bonds approximate their fair values and are denominated in HKD and in RMB.

For the period ended 30 September 2024, the bonds bore a fixed interest rate between 6% to 9% per annum (31 March 2024: between 6% to 9% per annum).

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

21. Borrowings (Continued)

(iii) Other borrowings

The other borrowings of the Group were repayable as follows:

	As at 30 September 2024 S\$'000 (unaudited)	As at 31 March 2024 S\$'000 (audited)
Non-current, unsecured		
– Repayable later than 1 year and no later than 2 years	–	552
Current, unsecured		
– Repayable no later than 1 year	1,161	1,255
	1,161	1,807

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

Other borrowings were unsecured and bore a fixed interest rate between 3.6% to 15% per annum during the period ended 30 September 2024 (31 March 2024: between 3.2% to 10% per annum).

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

22. Share capital

	Number of shares	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2023 (audited) and 31 March 2024 (audited)	10,000,000,000	100,000
Share consolidation (Note 3)	<u>(9,000,000,000)</u>	<u>–</u>
At 30 September 2024 (unaudited)	<u>1,000,000,000</u>	<u>100,000</u>

	Number of shares	Share capital HK\$'000	Share capital S\$'000
Issued and fully paid:			
Ordinary shares of HK\$0.01 each			
As at 1 April 2023 (audited)	1,104,000,000	11,040	1,907
Issue of shares upon exercise of share options (Note 1)	92,000,000	920	158
Issue of new shares under subscription of shares (Note 2)	<u>220,800,000</u>	<u>2,208</u>	<u>379</u>
As at 31 March 2024	1,416,800,000	14,168	2,444
Share consolidation (Note 3)	<u>(1,275,120,000)</u>	<u>–</u>	<u>–</u>
At 30 September 2024 (unaudited)	<u>141,680,000</u>	<u>14,168</u>	<u>2,444</u>

Notes:

- (1) During the six months ended 30 September 2023, 92,000,000 new shares were allotted and issued upon the exercise of share options by the eligible employees which were granted under the share option scheme adopted by the Company on 26 February 2019. The share options were granted on 4 May 2022 at the exercise price of HK\$0.346 per share.
- (2) On 1 June 2023, the Company entered into five separate subscription agreements with each of the five subscribers respectively, pursuant to which the Company has agreed to allot and issue and the five subscribers have conditionally agreed to subscribe for an aggregate of 220,800,000 new shares at the subscription price of HK\$0.43 per subscription share on the terms and subject to the conditions set out in the subscription agreements. The subscription were completed in July 2023.
- (3) On 10 September 2024, the share consolidation of the Company had become effective. The authorised share capital of the Company became HK\$100,000,000 divided into 1,000,000,000 consolidated Shares of HK\$0.1 each, of which 141,680,000 consolidated Shares (which were fully paid or credited as fully paid) were in issue.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2024

23. Subsequent events

On 19 July 2024, the Board announced a proposal of share consolidation (the “**Share Consolidation**”) of which every ten (10) issued and unissued Shares of HK\$0.01 each into one (1) consolidated Share of HK\$0.1 each. The Board also proposed to change the board lot size for trading on the Stock Exchange from 4,000 Shares to 12,000 consolidated Shares upon the Share Consolidation becoming effective.

On 19 July 2024, the Board proposes, subject to, among other things, the Share Consolidation becoming effective, to conduct the rights issue (the “**Rights Issue**”) on the basis of four (4) rights Shares for every one (1) consolidated Share held on the record date for the determination of the entitlements under the Rights Issue, at the subscription price (the “**Subscription Price**”) of HK\$0.18 per Rights Share. In addition, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent had agreed to procure independent placee(s), on a best effort basis, to subscribe for the unsubscribed rights shares and the unsold rights shares of non-qualifying Shareholders, at a placing price not less than the Subscription Price (the “**Placing**”).

On 5 September 2024, among others, the Share Consolidation, the Rights Issue and the Placing were duly passed as ordinary resolutions of the Company at the extraordinary general meeting.

On 10 September 2024, the Share Consolidation had become effective. The authorised share capital of the Company became HK\$100,000,000 divided into 1,000,000,000 consolidated Shares of HK\$0.1 each, of which 141,680,000 consolidated Shares (which were fully paid or credited as fully paid) were in issue.

On 9 October 2024, the Board announced that the total number of rights Shares offered under the Rights Issue was 566,720,000, and a total of five valid applications and acceptances under the provisional allotment letters had been received for a total of 89,109,539 rights Shares.

On 23 October 2024, the Board announced that the remaining 477,610,461 unsubscribed rights Shares were fully placed to 32 placees at the placing price of HK\$0.18 per rights Share. The gross proceeds raised from the Rights Issue are approximately HK\$102.0 million and the net proceeds from the Rights Issue after deducting the relevant expenses are approximately HK\$100.2 million.

Please refer to the announcements of the Company dated 19 July 2024, 5 September 2024, 6 September 2024, 9 October 2024, 14 October 2024, 23 October 2024, the circular of the Company dated 20 August 2024 and the prospectus of the Company dated 23 September 2024 for further details.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2024 and up to the date of this interim report.