

TAT HONG EQUIPMENT SERVICE CO., LTD.

達豐設備服務有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 02153



INTERIM REPORT

2024/2025

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Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Yau Kok San (*Chief Executive Officer*)

Mr. Lin Han-wei (*Chief Operating Officer*)

NON-EXECUTIVE DIRECTORS

Mr. Ng San Tiong (*Chairman*)

Mr. Sun Zhaolin

Mr. Liu Xin

Mr. Guo Jinjun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wan Kum Tho

Dr. Huang Chao-Jen

Ms. Pan I-Shan

AUDIT COMMITTEE

Ms. Pan I-Shan (*Chairlady*)

Mr. Wan Kum Tho

Dr. Huang Chao-Jen

REMUNERATION COMMITTEE

Mr. Wan Kum Tho (*Chairman*)

Ms. Pan I-Shan

Dr. Huang Chao-Jen

NOMINATION COMMITTEE

Mr. Ng San Tiong (*Chairman*)

Mr. Wan Kum Tho

Dr. Huang Chao-Jen

COMPANY SECRETARY

Ms. Oh Sim Yee

AUTHORISED REPRESENTATIVES

Mr. Yau Kok San

Ms. Oh Sim Yee

LEGAL ADVISER

TC & Co., Solicitors, Hong Kong

Units 2201-2203, 22/F., Tai Tung Building

8 Fleming Road

Wanchai, Hong Kong

AUDITOR

RSM Hong Kong

*Certified Public Accountants and Public Interest Entity Auditor
registered in accordance with the Financial Reporting
Council Ordinance*

29th Floor, Lee Gardens Two

28 Yun Ping Road

Causeway Bay, Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F., Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN CHINA

Room 601, Building 8, PortMix

No. 2377 Shenkun Road

Minhang District

Shanghai, PRC

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

United Overseas Bank (China) Limited

No. 116/128 Yincheng Road
Pudong New Area, Shanghai, PRC

OCBC Wing Hang Bank (China) Limited

OCBC Bank Tower
No. 1155 Yuanshen Road
Pudong New District
Shanghai, PRC

Bank of China (Hong Kong) Limited

13/F, Metroplaza Tower 1
223 Hing Fong Road
Kwai Chung, N.T.
Hong Kong

China Merchants Bank

No. 762, Tianshan Road
Shanghai, PRC

COMPANY'S WEBSITE

www.tathongchina.com

STOCK CODE

2153

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

		Unaudited	
		Six months ended	
		30 September	
		2024	2023
	Note	RMB'000	RMB'000
Revenue	7	340,904	358,629
Cost of sales		(292,895)	(294,841)
Gross profit		48,009	63,788
Selling and distribution expenses		(8,166)	(6,566)
General and administrative expenses		(37,468)	(39,579)
Research and development expenses		(10,240)	(11,712)
Reversal of provision/(provision) for financial assets and contract assets	5	270	(2,769)
Other income		798	1,487
Other gains/(losses), net		1,153	(143)
Operating (loss)/profit		(5,644)	4,506
Finance costs	8	(32,957)	(30,971)
Finance income	8	348	531
Loss before income tax		(38,253)	(25,934)
Income tax credit	9	2,050	5,498
Loss for the period		(36,203)	(20,436)
Loss for the period attributable to:			
Owners of the Company		(36,203)	(20,436)
Other comprehensive loss, net of tax			
<i>Item that may be reclassified to profit or loss:</i>			
Currency translation difference		(626)	(564)
Other comprehensive loss for the period, net of tax		(626)	(564)
Total comprehensive loss for the period, net of tax		(36,829)	(21,000)
Basic and diluted loss per share (RMB)	11	(0.03)	(0.02)

The notes on page 9 to 37 are an integral part of these unaudited consolidated financial statements.

The financial statements were approved by the Board of Directors on 22 November 2024 and were signed on its behalf.

YAU Kok San
Director

Lin Han-wei
Director

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2024

		Unaudited	Audited
		As at	As at
		30 September	31 March
		2024	2024
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	1,570,731	1,556,816
Right-of-use assets	13	96,983	101,193
Intangible assets	14	14,459	16,710
Contract assets	6	15,486	23,797
Other non-current assets		103,428	81,247
		<hr/>	<hr/>
Total non-current assets		1,801,087	1,779,763
		<hr/>	<hr/>
Current assets			
Inventories		40,116	44,464
Contract assets	6	202,972	236,058
Trade receivables	15	838,728	734,470
Prepayments and other receivables		150,129	128,324
Financial assets at fair value through other comprehensive income		10,289	15,574
Restricted cash		–	370
Cash and cash equivalents		174,837	138,938
		<hr/>	<hr/>
Total current assets		1,417,071	1,298,198
		<hr/>	<hr/>
Total assets		3,218,158	3,077,961
		<hr/>	<hr/>

The notes on page 9 to 37 are an integral part of these unaudited consolidated financial statements.

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2024

		Unaudited	Audited
		As at	As at
		30 September	31 March
		2024	2024
	Note	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	18	598,010	612,405
Lease liabilities	13	82,609	58,306
Deferred income tax liabilities		55,608	57,805
Provisions		27,207	24,906
		<hr/>	<hr/>
Total non-current liabilities		763,434	753,422
		<hr/>	<hr/>
Current liabilities			
Trade and bills payables	19	394,648	327,771
Contract liabilities		2,236	2,531
Other payables and accruals		40,735	31,436
Borrowings	18	582,243	483,476
Lease liabilities	13	24,632	26,138
Provisions		25,634	31,762
		<hr/>	<hr/>
Total current liabilities		1,070,128	903,114
		<hr/>	<hr/>
Total liabilities		1,833,562	1,656,536
		<hr/>	<hr/>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	16	593,026	593,026
Reserves	17	513,748	514,374
Retained earnings		277,822	314,025
		<hr/>	<hr/>
Total equity		1,384,596	1,421,425
		<hr/>	<hr/>
Total equity and liabilities		3,218,158	3,077,961
		<hr/>	<hr/>

The notes on page 9 to 37 are an integral part of these unaudited consolidated financial statements.

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to owners of the Company						Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	
At 1 April 2023 (audited)	593,026	181,942	243,605	58,344	29,083	411,619	1,517,619
Loss for the period	-	-	-	-	-	(20,436)	(20,436)
Other comprehensive income:							
– Currency translation difference	-	-	-	-	(564)	-	(564)
Total comprehensive loss	-	-	-	-	(564)	(20,436)	(21,000)
At 30 September 2023 (unaudited)	593,026	181,942	243,605	58,344	28,519	391,183	1,496,619
At 1 April 2024 (audited)	593,026	181,942	243,605	60,300	28,527	314,025	1,421,425
Loss for the period	-	-	-	-	-	(36,203)	(36,203)
Other comprehensive income:							
– Currency translation difference	-	-	-	-	(626)	-	(626)
Total comprehensive loss	-	-	-	-	(626)	(36,203)	(36,829)
At 30 September 2024 (unaudited)	593,026	181,942	243,605	60,300	27,901	277,822	1,384,596

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	113,127	112,808
Interest received	348	531
Interest paid	(29,045)	(28,238)
Income taxes (paid)/received	(147)	1,082
Net cash inflow from operating activities	84,283	86,183
Cash flows from investing activities		
Payments for property, plant and equipment	(135,195)	(208,043)
Proceeds from disposals of property, plant and equipment and right-of-use assets	16,741	23,274
Net cash outflow from investing activities	(118,454)	(184,769)
Cash flows from financing activities		
Proceeds from borrowings	440,414	327,146
Repayment of borrowings	(357,064)	(209,442)
Payments for lease liabilities	(13,240)	(26,107)
Net cash inflow from financing activities	70,110	91,597
Net decrease in cash and cash equivalents	35,939	(6,989)
Cash and cash equivalents at beginning of the period	138,938	155,551
Effects of exchange rate changes on cash and cash equivalents	(40)	(513)
Cash and cash equivalents at end of the period	174,837	148,049

The notes on page 9 to 37 are an integral part of these unaudited consolidated financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

1. GENERAL INFORMATION OF THE GROUP

Tat Hong Equipment Service Co., Ltd. (the “**Company**”) was incorporated in the Cayman Islands in 26 August 2014 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in one-stop tower crane solution services from consultation, technical solution design, commissioning, construction to after-sale service primarily to the State Owned and other contractors in People’s Republic of China (the “**PRC**”). The ultimate parent company of the Group is Chwee Cheng & Sons Pte. Ltd., a company incorporated in Singapore on 22 January 1994 with limited liability.

The Company’s shares have been listed on the Stock Exchange of Hong Kong Limited since 13 January 2021.

These unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated. These unaudited condensed consolidated financial statements have been approved for issue by the Board of Directors on 22 November 2024.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

These condensed consolidated financial statements should be read in conjunction with those of the annual financial statements for the year ended 31 March 2024. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2024.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

3. NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS

(a) New and amended standard adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to HKAS 1;
- Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – HK Int 5 (Revised);
- Lease Liability in Sale and Leaseback – Amendments to HKFRS 16;
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7.

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

Except for those as mentioned above, the Group did not change its accounting policies or make retrospective adjustments as a result of adopting other amended standards or revised interpretation.

(b) Impact of new and amended standards issued but not yet adopted by the Group

In September 2023, HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management does not expect the amendment to have a material impact on the consolidated financial statements.

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The management is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The unaudited condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2024.

There have been no changes in the risk management department since year end or in any risk management policies.

Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, financial assets at fair value through other comprehensive income, contract assets and trade and other receivables. The carrying amounts of trade and other receivables, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk on trade debtors is managed by the management of the individual business units and monitored by the Group's management on a group basis. Most customers are sizable and renowned. Management assesses the credit quality of smaller customers by considering their financial position, past experience therewith and other relevant factors. The utilisation of credit limits is regularly monitored.

(i) Credit risk of cash and cash equivalents

To manage this risk arising from bank balances, the Group primarily transacts with reputable banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

5. FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

Credit risk *(Continued)*

(ii) Credit risk of contract assets and trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- actual or expected significant changes in the operating results of customers
- significant changes in the expected performance and behaviour of the customers, including changes in the payment status.

The expected loss rates are based on the payment profiles of sales over a period of at least 60 months before the balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Credit Default Spread of China 5-Year Government Bond ("**CDS**") to be the most relevant factor, and accordingly adjusted the historical loss rates based on expected changes in these factors.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Financial risk factors (Continued)

Credit risk (Continued)

(ii) Credit risk of contract assets and trade receivables (Continued)

	Unaudited					Total RMB'000
	Within credit term RMB'000	Less than 180 days past due RMB'000	181 days to 365 days past due RMB'000	1 to 2 years past due RMB'000	More than 2 years past due RMB'000	
30 September 2024						
Trade receivables						
Gross carrying amount	209,535	217,576	159,911	141,296	129,466	857,784
Expected loss rate	0.12%-5.64%	0.17%-12.71%	0.34%-12.71%	0.31%-24.40%	0.33%-98.86%	0.25%-38.9%
Loss allowance	(1,012)	(2,609)	(1,976)	(4,899)	(8,560)	(19,056)
Contract assets – current and non-current						
Gross carrying amount	219,156	-	-	-	-	219,156
Expected loss rate	0.34%-0.82%	-	-	-	-	0.34%-0.82%
Loss allowance	(1,723)	-	-	-	-	(1,723)
31 March 2024						
Trade receivables						
Gross carrying amount	221,352	218,465	105,702	130,033	78,876	754,428
Expected loss rate	0.07%-0.83%	0.58%-16.95%	1.15%-16.94%	1.05%-32.51%	1.35%-100%	N/A
Loss allowance	(2,226)	(3,918)	(2,597)	(4,757)	(6,460)	(19,958)
Contract assets – current and non-current						
Gross carrying amount	260,984	-	-	-	-	260,984
Expected loss rate	0.07%-0.83%	-	-	-	-	0.07%-0.83%
Loss allowance	(1,129)	-	-	-	-	(1,129)

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Financial risk factors (Continued)

Credit risk (Continued)

(ii) Credit risk of contract assets and trade receivables (Continued)

The movements in provision for impairment of contract assets and trade receivables are as follows:

	Six months ended 30 September 2024		2023
	RMB'000		RMB'000
Contract assets			
At the beginning of the period (audited)	1,129		1,484
Provision for/(reversal of) previous impairment losses	594		(854)
		<hr/>	
At the end of the period (unaudited)	1,723		630

	Six months ended 30 September 2024		2023
	RMB'000		RMB'000
Trade receivables			
At the beginning of the period (audited)	19,958		16,276
(Reversal of)/provision for previous impairment losses	(864)		3,623
Currency translation differences	(38)		68
		<hr/>	
At the end of the period (unaudited)	19,056		19,967

(iii) Credit risk of other receivables

Other receivables mainly comprise deposits and other receivables. The Directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the six months ended 30 September 2024 and the year ended 31 March 2024. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;
- actual or expected significant changes in the operating results of the third party;
- significant changes in the expected performance and behavior of the third party, including changes in the payment status of the third party.

As at 30 September 2024 and 31 March 2024, there was no significant increase in credit risk since initial recognition, the Group assessed that the expected credit losses for these receivables are not material through using the 12 months expected losses method.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Financial risk factors (Continued)

Credit risk (Continued)

(iv) Credit risk of financial assets at fair value through other comprehensive income

All of the Group's financial assets at fair value through other comprehensive income are considered to have low credit risk because they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Unaudited Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
As at 30 September 2024					
Borrowings	582,243	358,741	239,269	–	1,180,253
Trade and bills payables	394,648	–	–	–	394,648
Other payables and accruals (excluding payroll and welfare payables and other tax payables)	7,282	–	–	–	7,282
Interest payable	40,148	23,635	67,225	–	131,008
Lease liabilities	33,763	23,304	54,159	7,904	119,130
	1,058,084	405,680	360,653	7,904	1,832,321
			Audited		
	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
As at 31 March 2024					
Borrowings	483,476	174,941	437,464	–	1,095,881
Trade and bills payables	327,771	–	–	–	327,771
Other payables and accruals (excluding payroll and welfare payables and other tax payables)	10,135	–	–	–	10,135
Interest payable	46,099	27,018	51,893	–	125,010
Lease liabilities	36,570	19,232	29,521	11,478	96,801
	904,051	221,191	518,878	11,478	1,655,598

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

5. FINANCIAL RISK MANAGEMENT *(Continued)*

5.2 Fair value estimation

Financial instruments carried at fair value or where fair value was disclosed can be categorised by levels of the inputs to valuation techniques used to measure fair value. The inputs are categorised into three levels within a fair value hierarchy as follows:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 September 2024				
Assets				
Financial assets at fair value through other comprehensive income (unaudited)	–	–	10,289	10,289
As at 31 March 2024				
Assets				
Financial assets at fair value through other comprehensive income (audited)	–	–	15,574	15,574

There were no transfers between Level 1, 2 and 3 during year/period.

Level 3 financial assets at fair value through other comprehensive income comprise bank and commercial acceptance notes that are held for collection of contractual cash flow and for selling the financial assets. The fair values are estimated by using a discounted cash flow approach with discount rates quoted in main state-owned banks.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Fair value estimation (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of financial assets at fair value through other comprehensive income:

Fair value		Un-observable	Inputs (probability-weighted average)	
As at 30 September 2024 RMB'000	As at 31 March 2024 RMB'000		Six months ended 30 September 2024	Year ended 31 March 2024
10,289	15,574	Discount rates quoted in main state-owned banks	2.81%	4.61%

The higher the discount rates quoted in main state-owned banks, the lower the fair value is.

Increasing/decreasing the discount rates quoted in main state-owned banks by 0.5% would decrease/increase the fair values as at 30 September 2024 and 31 March 2024 by approximately RMB27,000/RMB27,000 and RMB7,000/RMB7,000, respectively.

6. SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision-makers of the Group who review the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The operating segments derive their revenue primarily from the tower crane service.

No geographical segment information is presented as all the revenue and operating profits of the Group are derived within PRC and all the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

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

	Unaudited Six months ended 30 September	
	2024	2023
	RMB'000	RMB'000
Customer A	56,528	48,730
Customer B	45,878	41,019
Customer C	37,020	44,090

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

6. SEGMENT INFORMATION (Continued)

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

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Contract assets		
Non-current	15,508	23,997
Loss allowance	(22)	(200)
	15,486	23,797
Current	204,673	236,987
Loss allowance	(1,701)	(929)
	202,972	236,058
Total contract assets	218,458	259,855

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting carried-forward contract liabilities.

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period	2,289	728

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

6. SEGMENT INFORMATION *(Continued)*

(ii) Unsatisfied performance obligations

The following table shows unsatisfied one-stop tower crane solution services and dry lease resulting from long-term contracts which have not been commenced and have been commenced but not yet been completed.

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
One-stop tower crane solution services	671,630	531,310
Dry lease	8,107	5,783
	697,737	537,093

The Company expects that unsatisfied one-stop tower crane solution services and dry lease of approximately RMB455,117,000 as at 30 September 2024 will be recognised as revenue within 1 year. The remaining unsatisfied performance obligations of approximately RMB224,620,000 will be recognised as revenue after 1 year but less than 5 years.

7. REVENUE

An analysis of revenue is as follows:

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	RMB'000	RMB'000
Timing of revenue recognition – Over the time		
One-stop tower crane solution services:		
– Operating Lease	137,962	141,664
– Hoisting Service	188,880	210,019
Dry lease	14,062	6,946
	340,904	358,629

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

8. FINANCE COSTS AND INCOME

	Unaudited Six months ended 30 September	
	2024	2023
	RMB'000	RMB'000
Finance costs:		
Interest expenses on borrowings and loans from a related party	29,542	27,112
Interest expenses on lease liabilities	2,393	1,363
Net exchange losses on foreign currency borrowings and loans from a related party	1,022	2,496
	<hr/>	<hr/>
Total finance costs	32,957	30,971
	<hr/>	<hr/>
Finance income:		
Interest income	(348)	(531)
	<hr/>	<hr/>
Finance costs – net	32,609	30,440
	<hr/>	<hr/>

9. INCOME TAX CREDIT

	Unaudited Six months ended 30 September	
	2024	2023
	RMB'000	RMB'000
Current tax	148	–
Over-provision in prior years	–	(1,082)
Deferred income tax	(2,198)	(4,416)
	<hr/>	<hr/>
Income tax credit	(2,050)	(5,498)
	<hr/>	<hr/>

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

9. INCOME TAX CREDIT *(Continued)*

The Group's subsidiary in Singapore is subject to Singapore corporate income tax at a rate of 17% on estimated assessable profits.

The Group's subsidiaries in the PRC are subject to the PRC corporate income tax at a rate of 25% on estimated assessable profits.

Pursuant to the relevant laws and regulation in the PRC, in November 2021, the Group's subsidiaries, China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. ("**Huaxing Tat Hong**") and JiangSu Zhongjian Tat Hong Machinery Construction Co. Ltd. ("**Zhongjian Tat Hong**"), were accredited as high-tech enterprises, and were entitled to the preferential tax rate of 15% for three years effective from 2021. The qualification of high-tech enterprise is subject to renewal for each three years interval.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax.

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 September 2024 is 5.3% (for the six months ended 30 September 2023: 21.3%).

10. DIVIDENDS

The Board did not recommend the payment of any dividend for the six months ended 30 September 2024 (2023: Nil).

11. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of shares in issue or deemed to be in issue during the financial period. Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The fully diluted earnings per share for the financial period is the same as the basic loss per share as there is no dilutive potential share during the financial period.

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	RMB'000	RMB'000
Loss attributable to the owners of the Company	(36,203)	(20,436)
Weighted average number of ordinary shares in issue ('000)	1,166,871	1,166,871
Basic and diluted loss per share (RMB)	(0.03)	(0.02)

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

12. PROPERTY, PLANT AND EQUIPMENT

	Building	Machinery	Transportation	Office equipment	Leasehold improvements	Construction in-progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 March 2024 (audited)							
Cost	38,610	2,477,061	11,631	12,660	18,841	3,885	2,562,688
Accumulated depreciation	(3,114)	(974,264)	(7,690)	(7,798)	(13,006)	-	(1,005,872)
Net book amount	35,496	1,502,797	3,941	4,862	5,835	3,885	1,556,816
Six months ended 30 September 2024							
Opening net book amount	35,496	1,502,797	3,941	4,862	5,835	3,885	1,556,816
Additions	2,181	107,942	-	291	2,719	1,494	114,627
Disposals	-	(698)	(85)	(1)	-	-	(784)
Depreciation	(877)	(97,019)	(700)	(686)	(646)	-	(99,928)
Transfer	-	1,323	-	-	70	(1,393)	-
Net book amount	36,800	1,514,345	3,156	4,466	7,978	3,986	1,570,731
As at 30 September 2024 (Unaudited)							
Cost	40,791	2,585,628	11,546	12,950	21,630	3,986	2,676,531
Accumulated depreciation	(3,991)	(1,071,283)	(8,390)	(8,484)	(13,652)	-	(1,105,800)
Net book amount	36,800	1,514,345	3,156	4,466	7,978	3,986	1,570,731

As at 30 September 2024, the Group pledged machineries with carrying amount of approximately RMB911,747,000 (31 March 2024: RMB966,710,000) for the bank borrowings and other borrowings of the Group (Note 18).

As at 30 September 2024, the Group pledged buildings with carrying amount of approximately RMB4,820,000 (31 March 2024: RMB4,962,000) for the bank borrowings of the Group (Note 18).

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

13. LEASES

(i) Amounts recognised in the consolidated statements of financial position

The consolidated statements of financial position show the following amounts relating to leases:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Right-of-use assets		
Land-use rights	11,736	11,942
Machinery	54,644	56,955
Office	11,442	10,615
Warehouse	18,457	20,609
Others	704	1,072
	96,983	101,193
Lease liabilities		
Current	24,632	26,138
Non-current	82,609	58,306
	107,241	84,444

Additions to the right-of-use assets during the six months ended 30 September 2024 and the year ended 31 March 2024 were RMB33,509,000 and RMB60,337,000.

As at 30 September 2024, the lease liabilities of RMB28,352,000 (31 March 2024: RMB18,869,000) were secured by the pledge of the machinery with the carrying value of RMB27,695,000 (31 March 2024: RMB16,399,000).

As at 30 September 2024, the land-use rights with carrying value of approximately RMB11,736,000 (31 March 2024: RMB11,942,000) were secured for the bank borrowings of the Group (Note 18).

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

13. LEASES (Continued)

(ii) Amounts recognised in the consolidated statements of comprehensive income

The consolidated statements of comprehensive income show the following amounts relating to leases:

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Land-use rights	206	206
Machinery	32,460	25,298
Office	2,667	2,556
Warehouse	2,152	2,665
Others	369	578
	37,854	31,303
Interest expense (included in finance costs)	2,393	1,363

The total cash outflow for leases of the six months ended 30 September 2024 and 2023 were RMB19,852,000 and RMB62,345,000.

14. INTANGIBLE ASSETS

	Software	Patent	Total
	RMB'000	RMB'000	RMB'000
As at 31 March 2024 (audited)			
Cost	9,902	36,654	46,556
Accumulated amortisation	(7,022)	(22,824)	(29,846)
Net book amount	2,880	13,830	16,710
Six months ended 30 September 2024			
Opening net book amount	2,880	13,830	16,710
Amortisation charge	(401)	(1,850)	(2,251)
Net book amount	2,479	11,980	14,459
As at 30 September 2024 (unaudited)			
Cost	9,902	36,654	46,556
Accumulated amortisation	(7,423)	(24,674)	(32,097)
Net book amount	2,479	11,980	14,459

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

15. TRADE RECEIVABLES

	As at 30 September 2024 RMB'000	As at 31 March 2024 RMB'000
Accounts receivable	857,784	754,428
Less: provision for impairment	(19,056)	(19,958)
	838,728	734,470

The majority of the Group's receivables are with credit term from 30 days to 90 days. At 30 September 2024 and 31 March 2024, the aging analysis of the trade receivables, based on due date, was as follows:

	Unaudited As at 30 September 2024 RMB'000	Audited As at 31 March 2024 RMB'000
Within credit term	209,535	221,352
Less than 180 days past due	217,576	218,465
181 days to 365 days past due	159,911	105,702
1 to 2 years past due	141,296	130,033
More than 2 years past due	129,466	78,876
	857,784	754,428

For the trade receivables, the Group has assessed the expected credit losses by considering historical default rates, existing market conditions and forward-looking information. Based on the assessment, the creation and reversal for impaired receivables have been included in the net impairment losses on financial assets. Amounts charged to allowance account are written off when there is no expectation of receiving the receivables.

As at 30 September 2024, the Group pledged accounts receivables with carrying amount of approximately RMB234,569,000 (31 March 2024: RMB233,124,000) for the bank borrowings of the Group (Note 18).

The Group's trade receivables were denominated in RMB.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

16. SHARE CAPITAL

Share capital as at 30 September 2024 and 31 March 2024, represented the share capital of the Group.

	Number of Shares Authorised '000	Number of Shares Issued '000	Share Capital USD'000	Share Capital RMB'000
As at 30 September 2024 (unaudited) and 31 March 2024 (audited) (ordinary shares of USD0.08 each)	1,875,000	1,166,871	93,350	593,026

17. RESERVES

Reserves of the Group during the six months ended 30 September 2024 and the year ended 31 March 2024 comprised of share premium, capital reserve, statutory reserve and other reserve.

Share premium of the Company represents the capital contribution premium from shareholders. Where the Company issued shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums over share capital shall be classified as share premium.

Capital reserve comprised of merger reserve arising from the combination of Tat Hong Equipment (China) Pte. Ltd. ('**THEC**')'s subsidiaries in 2015.

As stipulated by the relevant PRC laws and regulations applicable to the Company's subsidiaries established and operated in the PRC, the subsidiaries are required to make appropriation from profit after tax (after offsetting prior years' losses) to statutory reserve. The PRC entities are required to transfer at least 10% of its net profit as determined under the PRC accounting rules and regulations, to their statutory reserve. The appropriations to the statutory reserve are required until the balance reaches 50% of the subsidiaries' registered capital. The statutory reserve can be utilised to offset prior year losses. The Company's PRC subsidiaries are restricted in their ability to transfer a portion of their reserve either in the form of dividends, loans or advances.

Other reserves consist of translation reserves and shares granted and vested under share award schemes.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. BORROWINGS

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Non-current		
Bank borrowings – Secured	504,726	514,903
Bank borrowings – Unsecured	–	3,414
Other borrowings	93,284	94,088
	598,010	612,405
Current		
Bank borrowings – Secured	400,855	395,232
Bank borrowings – Unsecured	42,670	42,290
Commercial papers	96,337	–
Other borrowings	42,381	45,954
	582,243	483,476
Total borrowings	1,180,253	1,095,881

As at end of reporting period, the Group's borrowings were repayable as follows:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Within 1 year	582,243	483,476
Between 1 and 2 years	358,741	174,941
Between 2 and 5 years	239,269	437,464
	1,180,253	1,095,881

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. BORROWINGS (Continued)

Analysis of the carrying amounts of the Group's borrowings by currency was as follows:

	Unaudited As at 30 September 2024 RMB'000	Audited As at 31 March 2024 RMB'000
RMB	1,045,757	1,053,386
HKD	38,159	42,495
SGD	96,337	–
	1,180,253	1,095,881

The weighted average effective interest rates per annum for the six months ended 30 September 2024 and the year ended 31 March 2024 were as follows:

	Unaudited Six months ended 30 September 2024 RMB'000	Audited Year ended 31 March 2024 RMB'000
SGD	5.6%	–
RMB	4.9%	5.0%
HKD	6.3%	6.4%

The fair values of the borrowings of the Group are approximate to their carrying amounts, since either the interest rates of those borrowings are close to current market rates or the borrowings are of a short-term nature.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. BORROWINGS (Continued)

Secured borrowings are pledged or guaranteed by the followings (Note 12, Note 13 and Note 15):

- (i) As at 30 September 2024, the syndicated bank borrowings of RMB182,617,000 were guaranteed by certain subsidiaries, including China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. ("**Huaxing Tat Hong**"), Jiangsu Zhongjian Tat Hong Machinery Construction Co., Ltd. ("**Zhongjian Tat Hong**"), Changzhou Tat Hong Zhaomao Machinery Construction Co., Ltd ("**Changzhou Tat Hong**"). and the Company, and secured by the pledge of machinery with carrying value of RMB157,309,000.

The borrowings of RMB40,000,000 were guaranteed by Tat Hong Zhaomao Investment Group Co., Ltd. ("**Tat Hong Zhaomao**").

The borrowings of RMB10,000,000 were guaranteed by Tat Hong Zhaomao and one of the senior management. Tat Hong Zhaomao had entered into agreements with the senior management, pursuant to which Tat Hong Zhaomao agreed to compensate them for any loss incurred by them in relation to the guarantee provided.

The borrowings of RMB169,037,000 were guaranteed by the Company, and secured by the accounts receivable of third-party with amount of RMB204,038,000.

The borrowings of RMB28,500,000 were guaranteed by Tat Hong Zhaomao Investment Group Co., Ltd ("**Tat Hong Zhaomao**"), and secured by the land-use rights with carrying value of RMB11,736,000 and the buildings with carrying value of RMB4,820,000.

The borrowings of RMB5,425,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB6,033,000.

The borrowings of RMB92,230,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB105,596,000.

The borrowings of RMB131,973,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB195,453,000.

The borrowings of RMB35,240,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong and Changzhou Tat Hong, and secured by the pledge of machinery with carrying value of RMB37,927,000.

The borrowings of RMB51,469,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong, Changzhou Tat Hong, and Hengxingmao, and secured by the pledge of machinery with carrying value of RMB58,634,000.

The borrowings of RMB13,978,000 were guaranteed by Tat Hong Zhaomao.

The borrowings of RMB83,612,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB141,037,000.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. BORROWINGS (Continued)

(i) (Continued)

The borrowings of RMB10,000,000 were guaranteed by the Company, and secured by the accounts receivable of third-party with amount of RMB13,912,000.

The borrowings of RMB1,500,000 were guaranteed by the Company, and secured by the accounts receivable of third-party with amount of RMB1,582,000.

The borrowings of RMB10,000,000 were guaranteed by the Company, and secured by the accounts receivable of third-party with amount of RMB15,037,000.

The borrowings of RMB5,000,000 were guaranteed by an external third party, Jiangsu Huajian Financing Guarantee Co., Ltd. Ronghe Tat Hong pledged tower cranes and spare parts with carrying value of RMB5,000,000 to the external third party for full counter-guarantee.

The borrowings of RMB30,000,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong, and Changzhou Tat Hong, and secured by the pledge of machinery with carrying value of RMB27,009,000.

The borrowings of RMB5,000,000 were guaranteed by Zhongjian Tat Hong.

The borrowings of RMB2,505,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB5,165,000.

The borrowings of RMB5,887,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong, Changzhou Tat Hong, and Hengxingmao, and secured by the pledge of machinery with carrying value of RMB13,813,000.

The borrowings of RMB101,112,000 were guaranteed by certain subsidiaries, including Zhongjian Tat Hong, Changzhou Tat Hong and Tat Hong Zhaomao, and secured by the pledge of machinery with carrying value of RMB141,718,000.

The borrowings of RMB4,892,000 were guaranteed by Tat Hong Zhaomao, and secured by the pledge of machinery with carrying value of RMB17,053,000.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. BORROWINGS *(Continued)*

- (ii) As at 31 March 2024, the syndicated bank borrowings of RMB195,462,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong, Changzhou Tat Hong, Hengxingmao and the Company, and secured by the pledge of machinery with carrying value of RMB174,275,000.

The borrowings of RMB35,000,000 were guaranteed by Tat Hong Zhaomao.

The borrowings of RMB10,000,000 were guaranteed by Tat Hong Zhaomao and one of the senior management. Tat Hong Zhaomao had entered into agreements with the senior management, pursuant to which Tat Hong Zhaomao agreed to compensate them for any loss incurred by them in relation to the guarantee provided.

The borrowings of RMB164,536,000 were guaranteed by the Company, and secured by the accounts receivable of third-party with amount of RMB217,630,000.

The borrowings of RMB30,500,000 were guaranteed by Tat Hong Zhaomao, a wholly owned subsidiary, and secured by the land-use rights with carrying value of RMB11,942,000 and the buildings with carrying value of RMB4,962,000.

The borrowings of RMB6,573,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB17,385,000.

The borrowings of RMB24,813,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB52,080,000.

The borrowings of RMB69,238,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB111,031,000.

The borrowings of RMB139,732,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB196,364,000.

The borrowings of RMB35,240,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong and Changzhou Tat Hong, and secured by the pledge of machinery with carrying value of RMB39,196,000.

The borrowings of RMB55,146,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong, Changzhou Tat Hong and Hengxingmao, and secured by the pledge of machinery with carrying value of RMB68,093,000.

The borrowings of RMB18,948,000 were guaranteed by Tat Hong Zhaomao.

The borrowings of RMB20,000,000 were guaranteed by the Company.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. BORROWINGS (Continued)

(ii) (Continued)

The borrowings of RMB93,448,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB124,182,000.

The borrowings of RMB10,000,000 were guaranteed by the Company, and secured by the accounts receivable of third-party with amount of RMB13,912,000.

The borrowings of RMB1,500,000 were guaranteed by the Company, and secured by the accounts receivable of third-party with amount of RMB1,582,000.

The borrowings of RMB3,367,000 were guaranteed by the Company, and secured by the pledge of machinery with carrying value of RMB5,355,000.

The borrowings of RMB8,241,000 were guaranteed by certain subsidiaries, including Huaxing Tat Hong, Zhongjian Tat Hong, Changzhou Tat Hong, and Hengxingmao, and secured by the pledge of machinery with carrying value of RMB13,466,000.

The borrowing of RMB115,077,000 were guaranteed by certain subsidiaries, including Zhongjian Tat Hong, Changzhou Tat Hong and Tat Hong Zhaomao, and secured by the pledge of machinery with carrying value of RMB145,230,000.

The borrowings of RMB3,356,000 were guaranteed by Tat Hong Zhaomao Investment Group Co., Ltd and secured by the pledge of machinery with carrying value of RMB20,053,000.

Commercial papers

On 3 April 2024, the Company has launched a SGD50 million multicurrency multi-series unsecured and unsubordinated commercial paper facility programmed (the “**SDAX Multicurrency CP Facility Programme**”) pursuant to which the Company may issue and list commercial paper in the form of security tokens in multiple series on the SDAX digital platform (the “**SDAX Platform**”) operated by SDAX Exchange Pte. Ltd., a company incorporated in Singapore that is a recognised market operator and regulated by the Monetary Authority of Singapore.

On 3 April 2024, the Company has launched the first issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.6% per annum and matures approximately three (3) months from the date of issuance (the “**3-month SGD Series 001 Issuance**”). On 23 April 2024, the Company raised approximately SGD5 million through the SDAX Platform. Out of which SGD1 million was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder. The 3-month SGD Series 001 Issuance was fully settled during the six months period ended 30 September 2024.

On 9 July 2024, the Company has launched the second issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.6% per annum and matures approximately three (3) months from the date of issuance (the “**3-month SGD Series 002 Issuance**”). On 23 July 2024, the Company raised SGD17.62 million through the SDAX Platform. Out of which SGD10 million was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

19. TRADE AND BILLS PAYABLES

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Accounts payable	340,784	290,801
Bills payable	53,864	36,970
	394,648	327,771

As at 30 September 2024 and 31 March 2024, the aging analysis of the trade payables (including amounts due to related parties of trading in nature) based on transaction date is as follows:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Within 3 months	117,813	116,143
Between 3 months and 1 year	147,905	114,223
Between 1 year and 2 years	52,250	50,623
Between 2 years and 3 years	19,801	6,840
Between 3 years and 5 years	2,001	821
Over 5 years	1,014	2,151
	340,784	290,801

The carrying amounts of trade and bills payables approximate their fair values.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

20. COMMITMENTS

(i) Capital commitments

As at 30 September 2024 and 31 March 2024, the Group had the following capital commitments:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Contracted but not provided for		
– Property, plant and equipment	11,052	3,060

(ii) Lease commitments

As at 30 September 2024 and 31 March 2024, the Group had the following lease commitments:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
No later than 1 year	7,961	7,636

21. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The directors of the Company are of the view that the following parties/companies were related parties that had transaction or balances with the Group during the financial periods:

Name of related parties	Relationship with the Company
Chwee Cheng & Sons Pte. Ltd.	Ultimate parent company
THEC	Parent company
Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd. ("Beijing Tat Hong")	Under common control by Tat Hong Holdings Limited ("THH")
Tat Hong Heavyequipment (Hong Kong) Limited	Under common control by THH
Yongmao Holdings Limited ("Yongmao")	Associate of THH
Fushun Yongmao Construction Machinery Co., Ltd. ("Fushun Yongmao")	Controlled by Yongmao
Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd. ("Beijing Yongmao")	Controlled by Yongmao

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

21. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

Except for those related party transactions and balances disclosed elsewhere in notes to the consolidated financial statements, other significant related party transactions of the Group are listed as follows:

(i) Machineries and consumables purchased from related parties

	Unaudited Six months ended 30 September	
	2024	2023
	RMB'000	RMB'000
Controlled by Yongmao	-	6,616

(ii) Rental expenses for short-term leases

	Unaudited Six months ended 30 September	
	2024	2023
	RMB'000	RMB'000
Controlled by Yongmao	1,662	5,002
Under common control by THH	8	15
	1,670	5,017

(iii) Revenue from related parties

	Unaudited Six months ended 30 September	
	2024	2023
	RMB'000	RMB'000
Controlled by Yongmao	946	221

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

(i) Receivables from related parties

	Unaudited As at 30 September 2024 RMB'000	Audited As at 31 March 2024 RMB'000
Trade		
Accounts receivable		
– Controlled by Yongmao	12,307	7,350
Other receivables		
– Controlled by Yongmao	720	720

(ii) Right-of use assets

	Unaudited As at 30 September 2024 RMB'000	Audited As at 31 March 2024 RMB'000
Right-of-use assets		
Controlled by Yongmao	–	1,217

(iii) Payables to related parties

	Unaudited As at 30 September 2024 RMB'000	Audited As at 31 March 2024 RMB'000
Trade		
Accounts payable		
– Controlled by Yongmao	28,676	30,074
– Under common control by THH	175	400
Bills payable		
– Controlled by Yongmao	4,147	1,994

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

(iv) Lease liabilities

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	RMB'000	RMB'000
Lease liabilities		
– Controlled by Yongmao	–	220

(d) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	RMB'000	RMB'000
Salaries, bonus and other welfare	2,064	2,064

22. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 18 to this report, the Company has launched the SDAX Multicurrency CP Facility Programme on 3 April 2024, pursuant to which the Company may issue and list commercial paper in the form of security tokens in multiple series on the SDAX Platform. On 9 October 2024, the Company has launched the third issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.4% per annum and matures approximately three (3) months from the date of issuance (the “**3-month SGD Series 003 Issuance**”). On 23 October 2024, the Company raised SGD21.75 million through the SDAX Platform. Out of which SGD10 million was subscribed by Tat Hong International Pte. Ltd., the controlling shareholder.

Management Discussion and Analysis

BUSINESS REVIEW

The Group mainly engages in the provision of one-stop tower crane solution services covering consultation, technical design, commissioning, construction to after-sales services to Chinese Special-tier and Tier-1 EPC contractors in the industries of infrastructure, clean energy, traditional energy, public and factory building, commercial and residential building etc.. During the six months ended 30 September 2024, global economic recovery had slowed down, and the downward pressure on the domestic economy had been significant. Under the effect of insufficient market demand and the decline in the average monthly service price of tower cranes per tonne metres (TM), the supply and demand mismatch had resulted in high market competition in the entire construction machinery industry.

In view of the slow recovery of the domestic construction market, the Group had adjusted its business strategy. With the national and international calls for green energy and the support to corporations to accelerate transformation, the Group had established a “Clean Energy Division” in 2023 to focus on the expansion and operation of energy-related businesses. The Group had actively steered towards thermal power plant projects and nuclear power projects. Related projects procured by the Group during the period are expected to be reflected in future results.

In order to mitigate the impact of the slow recovery of the domestic economy, the Group had begun to speed up its expansion into overseas markets. As the first foreign-funded tower crane service provider established in the People’s Republic of China, our brand awareness, rich industry experience, proven construction technologies, strong technical strength and strong customer base will facilitate our expansion into overseas markets. The Group had been exploiting the Indonesian market since 2018. After years of prudent strategic deployment, the Group had successfully established a joint venture with a local partner in Indonesia in 2024. The partner had many years of experience in operating business in the Indonesian market which could facilitate our entry into the Indonesian market.

The Group will continue to focus on fleet expansion on medium-to-large sized tower cranes to capture future growth opportunities. During the six months ended 30 September 2024, the Group managed a total of 1,193 tower cranes, making our tower crane fleet the second largest in China’s tower crane service market. Our large-scale tower crane fleet enables us to place our focus on large to medium-sized construction projects, providing them with comprehensive tower crane services with a wide range of lifting capacities (ranging from 80 to 3,055 tonne metres (TM)). We believe that by owning a considerable number of medium-to-large sized tower cranes, we will be able to tender for larger and more complex projects, which in turn, will increase the revenue and profit margins for our future projects.

OPERATING RESULTS

The Group recorded a net loss of approximately RMB36.2 million for the six months ended 30 September 2024, representing an increase of approximately 77.2% as compared with the net loss of approximately RMB20.4 million for the six months ended 30 September 2023. Such increase was mainly due the decrease in the average monthly service price of tower cranes per tonne metres (TM) in use from RMB225 to RMB208, thereby affecting the Group’s revenue.

Management Discussion and Analysis

FUTURE DEVELOPMENT

The present pace of market recovery in China is sluggish, but it is expected to gradually get back on track under the premise of high-quality growth. The Group will make timely adjustments to its operational and geographical strategies in response to the evolving global market environment. The rapid development of clean and green energy in the PRC will present new opportunities to the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased to RMB340.9 million for the six months ended 30 September 2024, representing an approximately 4.9% decrease from that for the six months ended 30 September 2023. Although our total TM in use increased from 1,594,911 for the six months ended 30 September 2023 to 1,637,740 for the six months ended 30 September 2024, the average monthly service price of tower cranes per tonne metres (TM) in use decreased from RMB225 to RMB208, thereby affecting the Group's revenue.

Cost of Sales

Our cost of sales decreased by approximately 0.7% from approximately RMB294.8 million for the six months ended 30 September 2023 to approximately RMB292.9 million for the six months ended 30 September 2024. Such decrease was mainly attributable to decrease in repair cost and labor subcontracting cost.

Gross Profit and Gross Profit Margin

Our overall gross profit decreased by approximately 24.7% from approximately RMB63.8 million for the six months ended 30 September 2023 to approximately RMB48.0 million for the six months ended 30 September 2024. Our overall gross profit margin decreased from approximately 17.8% for the six months ended 30 September 2023 to approximately 14.1% for the corresponding period in 2024. Such decrease was mainly due to the combined effects of the above-mentioned factors.

Other income

The other income for the six months ended 30 September 2024 was approximately RMB0.8 million, representing a decrease of approximately RMB0.7 million or approximately 46.3% as compared to that of approximately RMB1.5 million for the six months ended 30 September 2023. Our other income mainly comprised of value-add tax refund and government grants. The decrease was mainly due to decrease in receipt of government grants.

Research and development expenses

Our research and development expenses decreased from approximately RMB11.7 million for the six months ended 30 September 2023 to approximately RMB10.2 million for the six months ended 30 September 2024. This was mainly due to decrease in development works on patents.

Selling and distribution expenses

Our selling and distribution expenses increased by approximately 24.4% from approximately RMB6.6 million for the six months ended 30 September 2023 to approximately RMB8.2 million for the six months ended 30 September 2024. Such increase was mainly due to increase in marketing and consulting fee.

Management Discussion and Analysis

General and administrative expenses

Our general and administrative expenses for the six months ended 30 September 2024 amounted to approximately RMB37.5 million, representing a decrease of approximately RMB2.1 million or 5.3% as compared to that of approximately RMB39.6 million for the six months ended 30 September 2023. The general and administrative expenses mainly comprised of professional expenses, salary costs and office expenses. Such decrease was primarily attributable to decrease in travelling expenses.

Finance costs

Our finance costs for the six months ended 30 September 2024 amounted to approximately RMB33.0 million, representing an increase of approximately RMB2.0 million or approximately 6.4% as compared to that of approximately RMB31.0 million for the six months ended 30 September 2023. The increase was mainly due to increase in borrowings during the period.

Income tax credit

Our income tax credit for the six months ended 30 September 2024 amounted to approximately RMB2.1 million, as compared to income tax credit of approximately RMB5.5 million for the six months ended 30 September 2023. Such decrease was due to decrease in tax refund during the period.

Loss for the Period

As a result of the foregoing reasons, the Group recorded a loss of RMB36.2 million during the six months ended 30 September 2024 as compared to a loss of RMB20.4 million in the corresponding period, representing an increase of approximately RMB15.8 million or approximately 77.2% as compared with that for the same period in 2023.

Working capital structure

The Group's net current assets amounted to approximately RMB346.9 million as at 30 September 2024, representing a decrease of approximately RMB48.1 million from that as at 31 March 2024, which was mainly due to increase in current portion borrowings.

Liquidity and financial management

A substantial amount of capital is required to fund our purchase of tower cranes, working capital requirements and general business expansion. Our operations and growth have primarily been financed by cash generated from our operations.

The Group strives to maintain a healthy financial position and liquidity for its normal operation, development needs and ad hoc events. As at 30 September 2024, the cash and cash equivalents were approximately RMB174.8 million, representing an increase of approximately RMB35.9 million when compared with that as at 31 March 2024.

The Group's current ratio (which represents the total sum of current assets, divided by the total sum of current liabilities) was 1.32 times as at 30 September 2024, as compared to that of 1.44 times as at 31 March 2024. The decrease in current ratio was mainly attributable to increase in current-portion borrowings.

The gearing ratio of the Group, (which represents the total liabilities divided by the total assets), was 57.0% as at 30 September 2024, as compared to that of 53.8% as at 31 March 2024. The increase in gearing ratio was mainly attributable to the increase in borrowings.

Management Discussion and Analysis

Pledge of assets

As at 30 September 2024, the Group pledged machineries with carrying amount of approximately RMB911.7 million (31 March 2024: RMB966.7 million) for the bank borrowing and other borrowings of the Group.

As at 30 September 2024, the Group pledged accounts receivable with carrying amount of approximately RMB234.6 million (31 March 2024: RMB233.1 million) for the bank borrowing of the Group.

As at 30 September 2024, the land-use rights with carrying value of approximately RMB11.7 million (31 March 2024: RMB11.9 million) were secured for the bank borrowings of the Group.

As at 30 September 2024, the buildings with carrying value of approximately RMB4.8 million (31 March 2024: 5.0 million) were secured for the bank borrowings of the Group.

Lease Liabilities

The lease liabilities increased by approximately 27.0% from approximately RMB84.4 million as at 31 March 2024 to approximately RMB107.2 million as at 30 September 2024. This was mainly due to the increase of rented tower cranes leading to the increase of lease liabilities.

CAPITAL COMMITMENT

As at 30 September 2024, the contracted but not delivered property, plant and equipment was approximately RMB11.1 million, representing an increase of approximately RMB8.0 million from that as at 31 March 2024.

CONTINGENT LIABILITIES

Save as disclosed in this report, the Group had no contingent liabilities.

FOREIGN EXCHANGE RISK MANAGEMENT

The net exchange gain for the six months ended 30 September 2024 amounted to approximately RMB0.2 million, as compared to the net exchange loss of approximately RMB2.4 million for the six months ended 30 September 2023. The Group mainly operates in the PRC with most of the transactions settled in RMB. The Board is of the view that the Group's foreign exchange rate risks are not the main risks in the subsequent period. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk during the six months ended 30 September 2024.

SIGNIFICANT INVESTMENT HELD

The Group had no significant investment as at 30 September 2024.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 September 2024 (2023: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the six months ended 30 September 2024, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures. As at 30 September 2024, the Group did not have any immediate plans for material investments and capital assets.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

During the six months ended 30 September 2024, the Group did not have any significant investment or capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 691 employees who include the directors of the Company and its subsidiaries (30 September 2023: 1,069 employees). The total employee benefits expenses for the six months ended 30 September 2024 was RMB40.6 million, a decrease of 13.2% when compared with that for the six months ended 30 September 2023. Such decrease was mainly attributable to the reduction in the staff headcount.

The Group offers its employees competitive remuneration packages based on their performance, qualifications, competence displayed and market comparable to attract, retain and motivate high quality individuals. Remuneration package typically comprises salary, contribution to pension schemes and discretionary bonuses. The Group also provides trainings to its staff. Remuneration packages are reviewed regularly to reflect the market practice and employees' performance.

Employees of the Group in the PRC are entitled to participate in various government supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

EVENTS AFTER THE REPORTING PERIOD

On 9 October 2024, the Company has launched the third issue of commercial papers in the form of digital securities denominated in Singapore Dollars under the SDAX Multicurrency CP Facility Programme at an interest rate of 5.4% per annum and matures approximately three (3) months from the date of issuance. For further details, please refer to the announcement of the Company dated 9 October 2024.

Save as disclosed in this report, there were no other significant events that might affect the Group since 30 September 2024 and up to the date of this report.

Other Information

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions of the Directors or the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to 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 (the “Model Code”) in Appendix C3 to the Listing Rules (the “Listing Rules”) on the Stock Exchange were as follows:

(A) Long position in the Shares

Name of Director	Capacity	Number and class of securities held/interested	Approximate percentage of shareholding in the Company
Mr. Ng San Tiong (“Mr. Ng”) ^(Note 1)	Trustee	853,532,387 ordinary Shares	73.15%
Mr. Yau Kok San	Beneficial owner	4,957,135 ordinary Shares	0.42%
Mr. Lin Han-wei	Beneficial owner	6,344,137 ordinary Shares	0.54%

(B) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Approximate percentage of interest
Mr. Ng ^(Note 1)	Chwee Cheng & Sons Pte. Ltd.	Trustee	38.33%
	(“Chwee Cheng & Sons”)	Beneficial owner	11.02%

Notes:

- Tat Hong Equipment (China) Pte. Ltd. (“Tat Hong China”) directly held approximately 72.30% of the issued capital of the Company and held 0.85% of the issued capital of the Company through its wholly-owned subsidiary, TH Straits 2015 Pte. Ltd. (“TH Straits 2015”). Tat Hong China is owned approximately 88.40% by Tat Hong International Pte. Ltd. (“Tat Hong International”) and 11.60% by Yongmao Holdings Limited. For the shareholding structure of Tat Hong International, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng and Ng Trust (an irrevocable discretionary trust established by Mr. Ng’s father, with Mr. Ng and his family members as beneficiaries and Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee as the joint trustees), owns approximately 39.50% of the shares of Chwee Cheng & Sons, which in turn owns 100% of the shares of TH60 Investments Pte. Ltd. (“TH60 Investments”), which in turn owns approximately 70.79% of the shares of THSC Investments Pte. Ltd. (“THSC Investments”), which in turn owns 100% of the shares of Tat Hong Holdings Ltd. (“Tat Hong Holdings”), which in turn owns 100% of the shares of Tat Hong International. By virtue of the SFO, each of Tat Hong International, Tat Hong Holdings, THSC Investments, TH60 Investments, Chwee Cheng & Sons, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which Tat Hong China is interested.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have 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.

Other Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors and chief executive of the Company are aware, as at 30 September 2024, the following Shareholders (other than the interests of the Directors and the chief executives of the Company) had interests in the Shares or underlying Shares of the Company which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, and which were required to be kept under Section 336 of the SFO:

Long position Shares, underlying Shares and debentures

Name	Capacity/ Nature of interest	Number of Shares held/interested	Approximate percentage of shareholding in the Company
Tat Hong China ^(Note 1)	Beneficial owner and interest in controlled corporations	853,532,387	73.15%
Tat Hong International ^(Note 1)	Interest in controlled corporations	853,532,387	73.15%
Tat Hong Holdings ^(Note 1)	Interest in controlled corporations	853,532,387	73.15%
THSC Investments ^(Note 1)	Interest in controlled corporations	853,532,387	73.15%
TH60 Investments ^(Note 1)	Interest in controlled corporations	853,532,387	73.15%
Chwee Cheng & Sons ^(Note 1)	Interest in controlled corporations	853,532,387	73.15%
Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee ^(Note 1)	Trustee	853,532,387	73.15%
PHILLIP CAPITAL (HK) LIMITED ^(Note 2)	Beneficial owner	64,738,000	5.55%
LIM Hua Min ^(Note 2)	Interest in controlled corporations	64,738,000	5.55%

Notes:

1. Tat Hong China directly held approximately 72.30% of the issued capital of the Company and held 0.85% of the issued capital of the Company through its wholly-owned subsidiary, TH Straits 2015. Tat Hong China is owned approximately 88.40% by Tat Hong International and 11.60% by Yongmao Holdings Limited. For the shareholding structure of Tat Hong International, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust (an irrevocable discretionary trust established by Mr. Ng's father, with Mr. Ng and his family members as beneficiaries and Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee as the joint trustees), owns approximately 39.50% of the shares of Chwee Cheng & Sons, which in turn owns 100% of the shares of TH60 Investments, which in turn owns approximately 70.79% of the shares of THSC Investments, which in turn owns 100% of the shares of Tat Hong Holdings, which in turn owns 100% of the shares of Tat Hong International. By virtue of the SFO, each of Tat Hong International, Tat Hong Holdings, THSC Investments, TH60 Investments, Chwee Cheng & Sons, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which Tat Hong China is interested.
2. PHILLIP CAPITAL (HK) LIMITED is owned as to 85% by LIM Hua Min. By virtue of the SFO, LIM Hua Min is deemed to be interested in the same number of Shares in which PHILLIP CAPITAL (HK) LIMITED is interested.

Save as disclosed above, as at 30 September 2024, the Directors are not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

Other Information

SHARE OPTION SCHEME

On 13 January 2021, a share option scheme (the “**Share Option Scheme**”) with terms complying with Chapter 17 of the Listing Rules was conditionally approved and adopted by the then shareholders of the Company. The purpose of the Share Option Scheme is to grant share options to eligible persons as incentives or rewards for their contributions to the Group. Details of the principal terms of the Share Option Scheme are set out in the Prospectus.

As at 1 April 2024 and 30 September 2024, the number of option available for grant under the Share Option Scheme was 116,687,125. During the six months ended 30 September 2024 and up to the date of this report, no share option was granted, exercised, lapsed or cancelled, and there was no outstanding share option under the Share Option Scheme.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors are committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. The Board has reviewed the corporate governance practices of the Company and is of the view that the Company had complied with applicable code provisions of the Corporate Governance Code contained in Appendix C1 of the Listing Rules during the six months ended 30 September 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code in Appendix C3 to the Listing Rules. The Company, having made specific enquiry of all the Directors, confirmed that all Directors had complied with the required standard set out in the Model Code during the six months ended 30 September 2024 and no incident of non-compliance by the Directors has been noted by the Company during the six months ended 30 September 2024.

REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE

The Company has set up an audit committee (the “**Audit Committee**”) for the purposes of reviewing and providing supervision over the financial reporting process and internal audit function of the Group, reviewing the internal controls and risk management systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely Ms. Pan I-Shan, Mr. Wan Kum Tho and Dr. Huang Chao-Jen. Ms. Pan I-Shan is the chairlady of the Audit Committee.

The Audit Committee has reviewed and has no disagreement to the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 September 2024 and the accounting principles and practices adopted by the Group. The Audit Committee considers that the interim financial information of the Company has complied with the applicable accounting standards and the Company has made appropriate disclosure thereof.

Other Information

CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Director subsequent to the publication of the annual report of the Company for the year ended 31 March 2024 is set out below:

Name of Director	Detail of change
<i>Independent Non-executive Director</i> Wan Kum Tho	<ul style="list-style-type: none">Appointed as Adjunct Associate Professor in the Department of Finance, NUS Business School from 1 July 2024 to 30 June 2025

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.