



卓航控股集團

Trendzon Holdings Group Limited

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卓航控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1865)

INTERIM REPORT **2021**

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ms. Feng Jiamin (*Chairman*)
Mr. Michael Shi Guan Wah
(*Chief Executive Officer*)
(*resigned as Joint Chairman on 29 October 2021*)
Mr. Lok Ka Ho
Mr. Fong Hang Fai
(*appointed on 30 November 2021*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chiam Soon Chian (Zhan Shunquan)
Mr. Tong Wing Chi
Mr. Shek Jun Chong
Mr. Qiu Yue
Mr. Cher Choong Kiak
(*resigned on 30 November 2021*)
Mr. Choo Chih Chien Benjamin
(*resigned on 30 November 2021*)

AUDIT COMMITTEE

Mr. Chiam Soon Chian (Zhan Shunquan)
(*Chairman*)
Mr. Tong Wing Chi
Mr. Shek Jun Chong
Mr. Qiu Yue
Mr. Cher Choong Kiak
(*resigned on 30 November 2021*)
Mr. Choo Chih Chien Benjamin
(*resigned on 30 November 2021*)

REMUNERATION COMMITTEE

Mr. Shek Jun Chong (*Chairman*)
(*appointed on 30 November 2021*)
Mr. Chiam Soon Chian (Zhan Shunquan)
Mr. Qiu Yue
Mr. Cher Choong Kiak (*Chairman*)
(*resigned on 30 November 2021*)

NOMINATION COMMITTEE

Mr. Tong Wing Chi (*Chairman*)
(*appointed on 30 November 2021*)
Ms. Feng Jiamin
(*appointed on 29 October 2021*)
Mr. Chiam Soon Chian (Zhan Shunquan)
Mr. Shek Jun Chong
Mr. Qiu Yue
Mr. Choo Chih Chien Benjamin (*Chairman*)
(*resigned on 30 November 2021*)
Mr. Michael Shi Guan Wah
(*resigned on 29 October 2021*)

COMPANY SECRETARY

Mr. Tse Fung Chun

REGISTERED OFFICE

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

AUTHORISED REPRESENTATIVES

Ms. Feng Jiamin
Mr. Tse Fung Chun

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

36 Sungei Kadut Avenue
Singapore 729661

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

23/F., Central 88,
88-98 Des Voeux Road Central,
Hong Kong

INDEPENDENT AUDITORS

Linksfeld CPA Limited
Public Accountants and Chartered Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

DBS Bank Ltd

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

Malayan Banking Berhad

2 Battery Road
Maybank Tower
Singapore 049907

United Overseas Bank Limited

80 Raffles Place,
#11-00 UOB Plaza 1,
Singapore 048624

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

(with effect from 5 August 2021)
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

Tricor Investor Services Limited

(effective till 4 August 2021)
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

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

COMPANY WEBSITE

www.pipeline-engineering-holdings.com

STOCK CODE

1865

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

The core business of the Group remains to be pipeline construction in Singapore in the first half of FY2022. The Group has further expanded its operations to Hong Kong with the acquisition of a wholly owned subsidiary in October 2020. The entity in Hong Kong is engaged in local trading of building materials. Hence, starting from FY2021, the Group has 2 revenue streams – pipeline construction works for gas, water, and cable installation and trading of building materials. The customers of the Group consist of gas, water, telecommunications and power utility companies in the private sector in Singapore, Singapore government agencies such as those governing water utility and catchment in the public sector, and construction companies in the private sector in Hong Kong.

For the period ended 30 September 2021, the Group recorded a total revenue of approximately S\$27.5 million, representing an increase of approximately S\$19.9 million from approximately S\$7.6 million for the period ended 30 September 2020. The increase in revenue was mainly due to the increase in revenue from projects relating to the supply and lay of gas mains and renewal services of approximately S\$6.4 million and the new revenue stream of trading of building materials business that contributed revenue of S\$12.7 million for the Group. During the period, the Group has been awarded three new gas projects, one new water project and one cable installation project with an aggregate contract sum of approximately S\$31.7 million, all of them have commenced in the reporting period.

Business strategies of the Group remained unchanged for the period ended 30 September 2021. Since the listing of the Company, the management has continuously consolidated and strengthened the reputation of the Group through submission of tenders to keep its presence in the market. Leveraging its listing status, the Group's core business continued to earn good reputation and provided the Group with sound track record for potential business opportunities.

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

The Board is proactively exploring new business opportunities for identifying 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, striving to deliver satisfactory return to shareholders of the Company.

ONGOING PROJECTS

As at 30 September 2021, the Group had six ongoing gas pipeline projects, six ongoing water pipeline projects and one ongoing cable installation project with an aggregated contract sum of approximately S\$125.9 million, of which approximately S\$52.2 million has been recognised as revenue as at 30 September 2021 (30 September 2020: nine gas pipeline projects, ten water pipeline projects and one cable installation project with an aggregate sum of approximately S\$124.7 million). The remaining balance will be recognised as our revenue in subsequent periods in accordance with IFRS 15.

The management considered that all ongoing projects were on schedule and none of which is expected to cause the Group to indemnify the third parties and incur any contingent liabilities as at 30 September 2021.

FINANCIAL REVIEW

Six months ended 30 September 2021 (“1H2022”) compared to six months ended 30 September 2020 (“1H2021”).

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 1H2022 and 1H2021.

	For the six months ended 30 September					
	2021			2020		
	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)	Number of projects/contracts performed	Revenue (\$'000)	% of revenue (%)
Gas pipeline	7	13,840	50.4	9	7,433	98.0
Water pipeline	8	916	3.3	10	142	1.9
Cable installation	1	41	0.1	1	11	0.1
	16	14,797	53.8	20	7,586	100.0
Trading of building materials		12,690	46.2		-	-
Total		27,487	100.0		7,586	100.0

Management Discussion & Analysis

Revenue of the Group has increased by approximately S\$19.9 million from approximately S\$7.6 million in 1H2021 to approximately S\$27.5 million in 1H2022 due to the following:

- (i) Increase in revenue from gas pipeline projects by approximately S\$6.4 million;
- (ii) Increase in revenue from water pipeline projects by approximately S\$0.8 million;
- (iii) Increase in revenue from cable installation project by approximately S\$30,000; and
- (iv) New stream of revenue derived from trading of building materials of approximately S\$12.7 million.

The increase in revenue from the gas pipeline projects by approximately S\$6.4 million was due to (i) the increase in revenue from existing and new projects relating to the supply and lay of gas mains and renewal services; and (ii) the increase in revenue from other contracts relating to a gas transmission pipeline, in-line inspection and conversion of gas pressure networks.

The increase in revenue from the water pipeline projects by approximately S\$0.8 million was due to (i) the substantial completion of water projects during 1H2022; and (ii) the increase in revenue from ongoing projects relating to supply and laying of water mains.

The increase in revenue relating to cable installation project by approximately S\$30,000 was mainly attributable to a new cable installation project which commenced during the reporting period.

During the reporting period, the new stream of the building materials trading business generated revenue of approximately S\$12.7 million (1H2021: Nil) which amounted to approximately 46.2% of the Group's revenue (1H2021: Nil). The building materials for trading in 1H2022 included marble and decoration materials.

The new revenue stream contributed by trading of building materials is carried by a subsidiary of the Group incorporated in Hong Kong.

Cost of Sales

Our cost of sales increased by approximately S\$18.0 million or 202.2% from approximately S\$8.9 million in 1H2021 to approximately S\$26.9 million for 1H2022. The increase in cost of sales was in line with the increase in Group's revenue.

Gross Profits/Loss and Gross Profits/Loss Margins

Gross profit of the Group for 1H2022 amounted to approximately S\$0.6 million, as compared to the gross loss amounted to approximately S\$1.3 million for 1H2021.

The gross profit margin of the Group for 1H2022 was 2.3%, representing an increase of approximately 19.8% from gross loss margin of 17.5% for 1H2021. The increase was mainly due to (i) a project for supply and lay of gas mains and renewal services incurred additional costs towards the completion stage; and (ii) the gross profit margin in building materials trading business is rather stable than in pipeline construction business.

Other Income

Other income decreased by approximately S\$0.7 million from approximately S\$1.5 million in 1H2021 to approximately S\$0.8 million in 1H2022, it was mainly attributable to the decrease in government grants received during 1H2022.

Other Gains/(Losses), net

Increase in other gains/(losses) was mainly attributable to (i) the decrease in the write-off of machinery and equipment; and (ii) the increase in foreign exchange gains.

Administrative Expenses

The Group recorded administrative expenses amounting to approximately S\$4.1 million in 1H2022 (1H2021: approximately S\$2.5 million). The increase was mainly due to (i) the increase in administrative employee benefit costs ; and (ii) the increase in administrative professional fee.

Income Tax Expense

The Group recorded income tax expense amounting to approximately S\$0.2 million for 1H2022 (1H2021: Nil).

Total Comprehensive Loss for the Period

Total comprehensive loss for 1H2022 amounted to approximately S\$3.1 million, representing an increase of approximately S\$0.2 million from total comprehensive loss of the Group of approximately S\$2.9 million for 1H2021.

Interim Dividend

The Board has resolved not to declare any interim dividend for 1H2022 (1H2021: Nil).

Property, Plant and Equipment

Property, plant and equipment decreased by approximately S\$1.6 million was due to additions of approximately S\$0.1 million, offset by depreciation of approximately S\$1.7 million.

Trade and Other Receivables

The Group's trade and other receivables increased by approximately S\$11.9 million from approximately S\$20.6 million as at 31 March 2021 to approximately S\$32.5 million for 1H2022. The increase was mainly attributable to the increase in the trade receivables from building material trading business of approximately S\$6.1 million and the increase in the other receivables of approximately S\$7.2 million.

Contract Assets/(Liabilities)

Contract assets decreased by approximately S\$5.3 million from approximately S\$13.6 million as at 31 March 2021 to approximately S\$8.3 million for 1H2022. It was mainly attributable to higher amount of work orders certified, thus contributing to higher amount of billing raised.

Contract liability was approximately S\$1.1 million as at 30 September 2021 (1H2021: Nil). It was mainly attributable to the greater amount of prepayment received from certain contracts during the reporting period.

Trade and Other Payables

Trade and other payables decreased by approximately S\$1.8 million from approximately S\$8.3 million as at 31 March 2021 to approximately S\$6.5 million for 1H2022. It was mainly due to the decrease in trade payables of approximately S\$1.1 million.

Bank Borrowings-Term Loans

Term loans increased by approximately S\$1.2 million from approximately S\$9.5 million as at 31 March 2021 to approximately S\$10.7 million as at 30 September 2021. The increase was mainly attributable to a new term loan of approximately S\$2.0 million to finance the renovation of the Group's new headquarters.

Hire Purchase Liabilities

Hire purchase creditors decreased by approximately S\$0.3 million from approximately S\$1.4 million as at 31 March 2021 to approximately S\$1.1 million as at 30 September 2021 due to additions of machinery during the period of approximately S\$0.2 million, and mitigated by repayments of approximately S\$0.5 million.

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.

As at 30 September 2021, the Group maintained a healthy liquidity position with net current asset balance and net cash and bank deposits of approximately S\$27.0 million (31 March 2021: S\$25.9 million) and S\$14.7 million (31 March 2021: S\$12.0 million) respectively. The Group's gearing ratio (calculating by total interest-bearing debt over total equity) as at 30 September 2021 was 79.8%, increase of 22.8% from 57.0% as at 31 March 2021. The increase in gearing ratio is mainly due to (i) a new term loan arising to finance the renovation of the Group's new headquarters; and (ii) bonds issued to finance certain new projects and businesses.

CAPITAL STRUCTURE

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

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

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

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group had a total of 306 employees. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries, bonus and allowances.

USE OF LISTING PROCEEDS

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

Set out below are details of the allocation of the Net Proceeds, the utilised and unutilised amounts of Net Proceeds as at 30 September 2021:

Use of net proceeds	Planned use of net proceeds S\$'000	Utilised for the six months ended 30 September 2021 S\$'000	Utilised from Listing up to 31 March 2021 S\$'000	Total remaining net proceeds available as at 30 September 2021 S\$'000	Expected timeline for utilising the remaining proceeds (Note 1)
(a) Relocate to a new property to be acquired to be used as our new office, foreign worker dormitory and warehouse for our machinery (Note 2)	9,368	–	9,368	–	N/A
(b) Purchase two pipe jacking machines (Note 3)	4,896	–	–	4,896	Before 31 December 2021
(c) Working capital	1,428	–	1,428	–	N/A
	<u>15,692</u>	<u>–</u>	<u>10,796</u>	<u>4,896</u>	

The Net Proceeds were used and expected to be used according to the intentions previously disclosed in the Company’s prospectus date 14 March 2019 (the “**Prospectus**”). As at the date of this interim report, there were no changes of business plan from that disclosed in the Prospectus.

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

Note 2: As at 30 September 2021, the Group has completed the purchase of a new property. However, the Group has yet to relocate to the new property due to the current COVID-19 pandemic which had affected (i) the previous owner to be unable to immediately vacate the new property, which resulted in the Group granting an extension of the previous owner’s tenancy at the new property until December 2020; and (ii) the difficulty to source for a contractor to carry out renovation works while complying with the measures implemented by the Singapore Government to curb the transmission of COVID-19. As of the date of this interim report, the Group has commenced the renovation and will relocate when it is ready for use. The Group has managed to obtain a short-term extension from the authorities on the current lease of its property at 36 Sungei Kadut Avenue Singapore 729661 until 31 December 2021.

Note 3: As at 30 September 2021, the Group has yet to acquire the pipe jacking machines as the Group has been tendering but was not awarded with projects that require the use of certain models of pipe jacking machines as mentioned in the Prospectus. Furthermore, based on the current economic development, the available tenders, the ongoing and potential projects and the overall cost versus benefit, the proceeds in relation to purchase of two pipe jacking machines will be postponed and expected to be utilised before 31 December 2021. The Group will continue to actively participate in available tenders that require the use of the pipe jacking machines.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES AND JOINT VENTURES

During the period ended 30 September 2021, a direct wholly-owned subsidiary of the Company, Jumbo Harvest Group Limited (“**Jumbo Harvest**”) entered into an acquisition agreement on 13 September 2021 with VBG International Holdings Limited (“**VBG**”), the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8365), pursuant to which Jumbo Harvest acquired 85% of the entire issued share capital of Wealth Link Securities Limited (“**Wealth Link**”) which is mainly engaged in the provision of (i) corporate finance advisory services; (ii) placing and underwriting services; (iii) securities brokerage and margin financing; (iv) asset management services; and (v) business consulting services in Hong Kong and is licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. Completion shall take place after the fulfillment or waiver of the conditions precedent under the acquisition agreement.

With the view to diversify the Group’s existing business portfolio and to broaden its source of income, the Directors have been reviewing the market conditions of the financial services sector and believe the acquisition will enable the Group to enter into financial services industry and to diversify its revenue stream.

Further details in respect of the above acquisition are set out in the announcement dated 13 September 2021.

Save as disclosed above, the Group had no other material acquisitions or disposals of subsidiaries, associates and joint ventures during the reporting period.

INVESTMENTS HELD

As at 30 September 2021, the Group held listed equity investments amounting to S\$466,000 (31 March 2021: S\$882,000).

CHARGES ON ASSETS

As at 30 September 2021, carrying amount of plant and machinery and motor vehicles held under hire purchase loan were S\$1,865,000 (31 March 2021: S\$2,213,000). The carrying amount of properties mortgaged for bank borrowings was S\$14,214,000 (31 March 2021: S\$14,436,000).

FOREIGN EXCHANGE EXPOSURE

The Group operates in Singapore with majority of the transactions settled in Singapore dollar and proceeds from issuance from issue 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 2021, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

- Reference is made to the announcement of the Company dated 5 October 2021, a wholly-owned subsidiary of the Company, Trendzon (Guangzhou) Industrial Park Investment Development Company Limited (卓航(廣州)產業園投資發展有限公司) (“**Trendzon Guangzhou**”) entered into a subscription agreement with Shanghai Heri Investment Company Limited (上海赫日投資有限公司) (“**Shanghai Heri**”) on 5 October 2021, pursuant to which Shanghai Heri agreed to subscribe for the bonds issued by Trendzon Guangzhou according to the terms of the subscription agreement and the bond instrument with the principal amount of RMB45,000,000.
- Reference is made to the announcement of the Company dated 18 November 2021, Trendzon Guangzhou entered into a capital contribution agreement with the joint venture partner, Diandian Science and Technology Innovation City Project Investment and Development (Zhongshan) Co., Ltd (點點科創城項目投資開發(中山)有限公司) (“**Diandian**”) and the joint venture company, Trendzon Park Project Investment and Development (Zhongshan) Company Limited (卓航科創城項目投資開發(中山)有限公司) (“**Trendzon Zhongshan**”) on 5 October 2021, pursuant to which Trendzon Guangzhou and Diandian agreed to provide capital contribution, in proportion to their equity interest in Trendzon Zhongshan, of up to RMB45,000,000 and RMB44,100,000 respectively as shareholders’ loans to Trendzon Zhongshan for payment of the construction cost of the first phase development of Trendzon Diandian Science and Technology Innovation City.
- Reference is made to the announcement of the Company dated 5 October 2021, Trendzon Zhongshan entered into (i) a construction contract with Zhongshan Leixin Earthwork Company Limited (中山市磊鑫土石方工程有限公司) on 5 October 2021 for the construction of basic infrastructure for the first phase development of Trendzon Diandian Science and Technology Innovation City at the consideration of RMB18,000,000; and (ii) a construction design contract with Zhongshan No.2 Architecture Design Institute Company Limited No.1 branch (中山市第二建築設計院有限公司第一分公司) on 5 October 2021 for the construction design in relation to the first phase development of Trendzon Diandian Science and Technology Innovation City at the consideration of RMB10,500,000.
- Reference is made to the announcement of the Company dated 25 October 2021, Astute Prosper Limited (“**Astute**”), the controlling shareholder of the Company and wholly-owned by Mr. Michael Shi Guan Wah, has disposed of 138,000,000 shares of the Company, representing 15% of the total issued share capital of the Company as at 25 October 2021, to four purchasers through off-market transactions at the consideration of HK\$1.05 per Share.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 September 2021 and up to the date of this interim report.

OTHER INFORMATION

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

As at 30 September 2021, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the listings of Shares on the Stock Exchange (the "Listing Rules"), were as follows:

(i) Long Position in the Ordinary Shares and underlying Shares of the Company

Interests in the Company

Name of director	Personal interests	Family interests	Corporate interests	Interests in Ordinary Shares		Aggregate interests	% of the Company's issued voting Shares
				Total interests in ordinary Shares	Total interests in underlying Shares		
Mr. Michael Shi Guan Wah (<i>Note</i>)	-	-	276,000,000	276,000,000	-	276,000,000	30.00%

Note: The entire issued share capital of Astute Prosper Limited ("Astute Prosper") was legally, beneficially and wholly owned by Mr. Michael Shi Guan Wah ("Mr. Michael Shi"). Accordingly, Mr. Michael Shi was deemed to be interested in 276,000,000 shares held by Astute Prosper by virtue of the SFO. Mr. Michael Shi is an executive Director of the Company.

(ii) Interest in Associated Corporation

Name of director	Name of associated corporation	Capacity/Nature	No. of shares held	% of the issued voting shares of associated corporation
Mr. Michael Shi	Astute Prosper	Beneficial interest in controlled corporation	1	100

Save as disclosed above, as at 30 September 2021, none of the Directors and chief executive of the Company had or was deemed to have any interest and short position in the Shares, underlying Shares and 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 taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. None of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2021, the following persons/entities (not being the Directors or chief executive of the Company) have an interest or a short position in the Shares or the underlying Shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

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

Name of Substantial Shareholders	Capacity/Nature	No. of Shares held	% of the Company's issued Shares
Astute Prosper (<i>Note 1</i>)	Beneficial Owner	276,000,000	30.00%
Ms. Oh Lay Guat (<i>Note 2</i>)	Interest of spouse	276,000,000	30.00%

Notes:

- The entire issued share capital of Astute Prosper was legally, beneficially and wholly owned by Mr. Michael Shi. Accordingly, Mr. Michael Shi was deemed to be interested in 276,000,000 shares held by Astute Prosper by virtue of the SFO.
- Ms. Oh Lay Guat is the spouse of Mr. Michael Shi. Therefore, Ms. Oh Lay Guat was deemed to be interested in all the shares held by Mr. Michael Shi pursuant to the SFO.

Save as disclosed above, as at 30 September 2021, the Directors were not aware of any persons (not being Directors or chief executives of the Company) who had interest or short position in the Shares or underlying Shares which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchase, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2021.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme ("**Share Option Scheme**") which was approved by written resolutions passed by the then sole Shareholder of the Company on 26 February 2019 and became unconditional on 27 March 2019. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The purpose of the Share Option Scheme is to grant options to attract, retain and reward the eligible persons namely any directors, employees, consultants, advisers, any provider of goods and/or service, and any customers of the Group, and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

The Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption to 26 February 2029, after which period no further options will be granted or offered.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme is 92,000,000 shares, representing approximately 10% of the issued share capital of the Company as at the date of this interim report.

The maximum entitlement of option granted to each eligible person option in the 12-month period up to and including such further grant shall not exceed 1% of the total number of shares in issue from time to time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting, unless: (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the shareholders in general meeting, at which the eligible person and his close associates shall abstain from voting; (ii) a circular regarding the grant has been dispatched to the shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the eligible person, the number and terms of the options to be granted and options previously granted to such eligible person); and (iii) the number and terms (including the subscription price) of such option are fixed before our shareholders' approval is sought.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. An option may be exercised under the Scheme at any time during a period not exceeding 10 years after the date when the option is granted and will expire on the last date of such period. The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the nominal value of the Company's share; (ii) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

As at 30 September 2021, there was no option outstanding, granted, cancelled, exercised or lapsed.

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 2021 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 2021 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

Reference is made to the announcement dated 29 October 2021 in relation to the resignation of Joint Chairman and change of board committee member.

Mr. Michael Shi Guan Wah (“**Mr. Shi**”), an executive Director, has resigned as the Joint Chairman and a member of the nomination committee of the Company (“**Nomination Committee**”) with effect from 29 October 2021.

Following Mr. Shi’s resignation, Ms. Feng Jiamin, the Joint Chairman would be the Chairman of the Board and has been appointed as a member of Nomination Committee.

Save as disclosed above, there is no other information 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 as set out in Appendix 10 to the Rules Governing the Listings of Shares on the Stock Exchange (the “**Listing Rules**”) as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries to all Directors, all Directors of the Company confirms that they have fully complied with the relevant requirements set out in its own code of conduct throughout the six months ended 30 September 2021.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

Summary of deviation of the CG Code:

Code Provision A.2.1

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organisation structure of the Company, Mr. Michael Shi Guan Wah is the Joint Chairman of the Board and the Chief Executive Officer. With extensive experience in the infrastructural pipeline engineering industry, the Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises three executive Directors and six independent non-executive Directors and therefore has a fairly strong independence element in its composition. On 29 October 2021, Mr. Michael Shi Guan Wah has resigned as the Joint Chairman but remains as an executive Director and the Chief Executive Officer. Following such resignation, the Company is now in compliance with the code provision A.2.1 of the CG Code.

Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code since the date of the Annual Report 2021 of the Company 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 2021 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 2021 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, 26 November 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2021

		Six months ended	
		30 September	
		2021	2020
		S\$'000	S\$'000
	<i>Notes</i>	(unaudited)	(unaudited)
Revenue from contracts with customers	5	27,487	7,586
Cost of sales	8	(26,862)	(8,916)
Gross profit/(loss)		625	(1,330)
Other income	6	849	1,482
Other gains/(losses), net	7	45	(481)
Administrative expenses	8	(4,059)	(2,518)
Finance costs	10	(548)	(51)
Loss before income tax		(3,088)	(2,898)
Income tax expense	11	(171)	–
Loss for the period		(3,259)	(2,898)
Basic and diluted loss per share for loss attributable to equity holders of the Company for the period (expressed in Singapore cents per share)			
Basic and diluted	12	(0.35)	(0.32)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 31 September 2021

	Notes	Six months ended 30 September	
		2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		133	–
Other comprehensive income for the period		133	–
Total comprehensive loss for the period		(3,126)	(2,898)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 September 2021

	<i>Notes</i>	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	20,455	22,055
Intangible assets	16	53	9
Right-of-use assets		3,197	3,277
Deposits	17	–	1,563
		23,705	26,904
Current assets			
Financial assets at fair value through profit or loss		466	882
Trade and other receivables	17	32,457	20,572
Contract assets	18	8,335	13,564
Fixed deposits	19	102	102
Cash and cash equivalents	19	14,570	11,912
		55,930	47,032
Total assets		79,635	73,936
EQUITY AND LIABILITIES			
Equity			
Share capital	22	1,589	1,589
Share premium		17,138	17,138
Merger reserve		1,500	1,500
Exchange reserve		132	(1)
Retained profits		16,958	20,217
		37,317	40,443
Current liabilities			
Trade and other payables	20	6,480	8,269
Contract liabilities	18	1,101	–
Borrowings	21	20,182	11,284
Lease liabilities		292	243
Current income tax liabilities		891	1,368
		28,946	21,164

Condensed Consolidated Statement of Financial Position

For the six months ended 30 September 2021

	<i>Notes</i>	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Non-current liabilities			
Borrowings	21	9,611	8,455
Lease liabilities		2,948	3,061
Deferred tax liabilities		813	813
		13,372	12,329
Total liabilities		42,318	33,493
Total equity and liabilities		79,635	73,936

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to equity holders of the Company					Total equity S\$'000
	Share capital S\$'000	Share premium S\$'000	Merger reserve S\$'000	Retained profits S\$'000	Exchange reserve S\$'000	
2021						
As at 31 March 2021	1,589	17,138	1,500	20,217	(1)	40,443
Loss and total comprehensive loss for the period	-	-	-	(3,259)	133	(3,126)
As at 30 September 2020 (unaudited)	1,589	17,138	1,500	16,958	132	37,317
2020						
As at 31 March 2020	1,589	17,138	1,500	16,963	-	37,190
Loss and total comprehensive loss for the period	-	-	-	(2,898)	-	(2,898)
As at 30 September 2020 (unaudited)	1,589	17,138	1,500	14,605	-	34,292

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Loss before income tax	(3,088)	(2,898)
Adjustments for:		
– Depreciation of property, plant equipment	1,728	1,096
– Depreciation of rights-of-use assets	161	231
– Amortisation of intangible assets	13	20
– Write-off of property, plant and equipment	6	433
– Unrealised exchange differences	122	–
– Unrealised gains on fair value change on financial assets at fair value through profit or loss	(1)	–
– Realised losses on disposal of financial assets at fair value through profit or loss	30	–
– Finance costs	548	47
	(491)	(1,071)
Change in working capital:		
– Trade and other receivables	(10,322)	2,601
– Contract assets/(liabilities), net	6,330	8,837
– Trade and other payables	(1,562)	(1,022)
Cash (used in)/generated from operations	(6,045)	9,345
Income tax paid	(648)	(26)
Net cash (used in)/generated from operating activities	(6,693)	9,319
Cash flows from investing activities		
Additions to property, plant and equipment	(132)	(421)
Addition to investment property	–	(14,300)
Purchase of intangible assets	(57)	–
Purchase of financial assets at fair value through profit or loss	(2,366)	–
Proceeds from disposal of financial assets at fair value through profit or loss	2,759	–
Proceeds from disposal of property, plant and equipment	–	11
Net cash generated from /(used in) investing activities	204	(14,710)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Six months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flows from financing activities		
Principal element of lease liabilities	(142)	(231)
Movements in borrowings	9,783	9,635
Interest paid	(548)	(47)
Net cash generated from financing activities	9,093	9,357
Net increase in cash and cash equivalents	2,604	3,966
Cash and cash equivalents at the beginning of financial period	11,912	15,719
Effect of foreign exchange rate changes	54	–
Cash and cash equivalents at the end of financial period	14,570	19,685

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 September 2021

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 36 Sungei Kadut Avenue, Singapore 729661. The principal place of business in Hong Kong is 23/F, Central 88, 88-89 Des Voeux Road Central, Hong Kong.

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

The unaudited condensed consolidated financial information was approved by the Board of Directors of the Company on 26 November 2021.

2. Basis of preparation

The condensed consolidated financial information for the six months ended 30 September 2021 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 2021.

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

3. Significant accounting policies

The accounting policies applied and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2021, 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 2021.

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 April 2021:

Amendments to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to IFRS 16	Covid-19-Related Rent Concessions Beyond 1 June 2021

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

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

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 two (1H2021: 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.

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	
	2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)	2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Construction contracts	14,797	7,586	(1,074)	(1,330)
Trading of building materials	12,690	–	1,699	–
Total segment	27,487	7,586	625	(1,330)
Other income			849	1,482
Other gains/(losses), net			45	(481)
Administrative expenses			(4,059)	(2,517)
Finance costs			(548)	(52)
Profit before income tax			(3,088)	(2,898)

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 2021

4. Segment information (Continued)

For the six months ended 30 September 2021, there were three customers (1H2021: one) which individually contributed over 10% of the Group's total revenue. During the six months ended 30 September 2021 and 2020, the revenue contributed from each of these customers was as follows:

	Six months ended 30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Customer A	13,647	4,833
Customer X	5,352	–
Customer Y	4,040	–

As at 30 September 2021, the total assets in the construction contracts segment and trading of building materials segment were S\$49,990,000 and S\$19,197,000 respectively (31 March 2021: S\$54,633,000 in construction contracts segment and S\$17,008,000 in trading of building materials segment).

As at 30 September 2021, the total non-current assets other than deposits in Singapore and Hong Kong were S\$23,234,000 and S\$471,000 respectively (31 March 2021: S\$24,774,000 in Singapore and S\$567,000 in Hong Kong).

5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Revenue from construction contracts		
Construction contracts relating to:		
– Gas	13,840	7,433
– Water	916	142
– Cable	41	11
	14,797	7,586
Revenue from trading of building materials		
Building materials	12,690	–
Total	27,487	7,586

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

5. Revenue from contracts with customers (Continued)

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

	Six months ended 30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of IFRS 15:		
Recognised overtime		
– Revenue from construction contracts	14,743	7,586
Recognised at a point in time		
– Revenue from trading of building materials	12,744	–
	27,487	7,586

	For the six months ended 30 September 2021		
	Revenue from construction contracts	Revenue from trading of building materials	Total
	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)
Geographical markets:			
– Singapore	14,797	–	14,797
– Hong Kong	–	12,690	12,690
	14,797	12,690	27,487

	For the six months ended 30 September 2020		
	Revenue from construction contracts	Revenue from trading of building materials	Total
	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)
Geographical markets:			
– Singapore	7,586	–	7,586
	7,586	–	7,586

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

5. Revenue from contracts with customers (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 six months ended 30 September 2021 S\$'000 (unaudited)		As at 31 March 2020 S\$'000 (audited)
Total contract assets:			
– Construction contracts	8,335	5,047	13,925
Total contract liabilities:			
– Construction contracts	(1,101)	(406)	(447)

Contract assets are related to fixed price specialised pipeline construction contracts. The contract assets balance decreased as there were less services provided ahead of the agreed payment schedules as at 30 September 2021.

Contract liabilities for specialised pipeline construction contracts increased following the greater amount of prepayment received for the contract activities during the reporting period.

(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 2021		
	Revenue from construction contracts S\$'000 (unaudited)	Revenue from trading of building materials S\$'000 (unaudited)	Total S\$'000 (unaudited)
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied:			
– Within 1 year after financial year	69,384	–	69,384
– Between 1 to 2 years after financial year	2,740	–	2,740
– More than 2 years after financial year	1,609	–	1,609
	73,733	–	73,733

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

5. Revenue from contracts with customers (Continued)

(c) Unsatisfied performance obligation (Continued)

	As at 30 September 2020		
	Revenue from construction contracts <i>S\$'000</i> (unaudited)	Revenue from trading of building materials <i>S\$'000</i> (unaudited)	Total <i>S\$'000</i> (unaudited)
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied:			
- Within 1 year after financial year	62,886	-	62,886
- Between 1 to 2 years after financial year	20,057	-	20,057
- More than 2 years after financial year	3,428	-	3,428
	<u>86,371</u>	<u>-</u>	<u>86,371</u>
	As at 30 September 2021 <i>S\$'000</i> (unaudited)	2020 <i>S\$'000</i> (unaudited)	As at 31 March 2020 <i>S\$'000</i> (audited)
Trade receivables from contracts with customers:			
- Construction contracts	3,435	2,105	2,949
- Trading of building materials	9,838	-	-
	<u>13,273</u>	<u>2,105</u>	<u>2,949</u>

6. Other income

	Six months ended 30 September	
	2021 <i>S\$'000</i> (unaudited)	2020 <i>S\$'000</i> (unaudited)
Rental income	-	126
Interest income	1	4
Government grant	658	1,318
Insurance claims	3	19
Others	187	15
	<u>849</u>	<u>1,482</u>

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

7. Other gains/(losses), net

	Six months ended 30 September	
	2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Unrealised gains on fair value change on financial assets at fair value through profit or loss	1	–
Write off of property, plant and equipment	(6)	(433)
Foreign exchange gains/(losses)	80	(48)
Realised losses on disposal of financial assets at fair value through profit or loss	(30)	–
	45	(481)

8. Expenses by nature

	Six months ended 30 September	
	2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Material costs	16,022	2,498
Subcontractor costs	2,660	1,054
Transportation costs	103	80
Auditor's remuneration	35	68
Entertainment expenses	58	7
Rental expenses	456	121
Depreciation of property, plant and equipment	1,728	1,096
Depreciation of right-of-use	161	231
Amortisation of intangible asset	13	20
Professional fees	919	227
Vehicle-related expenses	651	303
Repair and maintenance expenses	606	118
Employee benefit costs (<i>Note 9</i>)	5,260	4,079
Other expenses	2,249	1,532
Total cost of sales and administrative expenses	30,921	11,434
Represented by:		
Cost of sales	26,862	8,916
Administrative expenses	4,059	2,518
	30,921	11,434

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

9. Employee benefit costs – including directors' emoluments

	Six months ended 30 September	
	2021	2020
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)
Wages and salaries	5,017	3,888
Employer's contribution to defined contribution plans	243	191
	5,260	4,079

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	
	2021	2020
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)
Cost of sales	3,653	2,811
Administrative expenses	1,607	1,268
	5,260	4,079

10. Finance costs

	Six months ended 30 September	
	2021	2020
	<i>S\$'000</i>	<i>S\$'000</i>
	(unaudited)	(unaudited)
Bonds	304	–
Hire purchase liabilities	21	8
Lease liabilities	34	25
Term loan	189	18
	548	51

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

11. Income tax expense

Tax for group company incorporated in Singapore has been provided at the applicable Singapore statutory corporate tax rate of 17% (1H2021: 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. The applicable tax rates for group company incorporated in Hong Kong is 8.25% on the first HK\$2,000,000 of assessable profit and 16.5% on the remaining. The applicable tax rate for group company incorporated in the PRC is 25%. No overseas taxes were provided as no assessable profit were derived in overseas companies.

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

	Six months ended 30 September 2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Tax expense attributable to profit is made up of:		
– Current income tax – Hong Kong	171	–
– Deferred income tax	–	–
	171	–

12. Loss per share

(a) Basic loss per share

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

	Six months ended 30 September 2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Loss attributable to owners of the Company (S\$'000)	(3,259)	(2,898)
Weighted average number of ordinary shares in issue (in thousands)	920,000	920,000
Basic loss per share (Singapore cents)	(0.35)	(0.32)

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

12. Loss per share (Continued)

(b) Diluted loss per share

For the six months ended 30 September 2021 and 2020, the diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares.

13. Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

14. Property, plant and equipment

	Leasehold improvements S\$'000	Leasehold property S\$'000	Plant and machinery S\$'000	Furniture and office equipment S\$'000	Motor vehicle S\$'000	Total S\$'000
30 September 2021						
Cost						
Beginning of financial period	560	19,181	10,692	317	6,505	37,255
Additions	-	-	71	26	35	132
Written off	-	-	(1,414)	-	-	(1,414)
Exchange alignment	-	-	-	2	-	2
End of financial period	560	19,181	9,349	345	6,540	35,975
Accumulated depreciation						
Beginning of financial period	412	4,745	6,445	216	3,382	15,200
Depreciation for the period (Note 8)	28	222	1,201	25	252	1,728
Written off	-	-	(1,408)	-	-	(1,408)
End of financial period	440	4,967	6,238	241	3,634	15,520
Net book value						
End of financial period (unaudited)	120	14,214	3,111	104	2,906	20,455

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

14. Property, plant and equipment (Continued)

	Leasehold improvements <i>S\$'000</i>	Leasehold property <i>S\$'000</i>	Plant and machinery <i>S\$'000</i>	Furniture and office equipment <i>S\$'000</i>	Motor vehicle <i>S\$'000</i>	Total <i>S\$'000</i>
31 March 2021						
Cost						
Beginning of financial year	393	4,631	11,361	236	6,467	23,088
Additions	170	–	2,377	84	253	2,884
Transfer from investment properties	–	14,550	–	–	–	14,550
Written off	–	–	(3,046)	–	(5)	(3,051)
Disposals	–	–	–	(3)	(210)	(213)
Exchange alignment	(3)	–	–	–	–	(3)
End of financial year	560	19,181	10,692	317	6,505	37,255
Accumulated depreciation						
Beginning of financial year	393	4,631	6,335	175	3,025	14,559
Depreciation for the year	19	114	2,634	41	505	3,313
Written off	–	–	(2,524)	–	(5)	(2,529)
Disposals	–	–	–	–	(143)	(143)
End of financial year	412	4,745	6,445	216	3,382	15,200
Net book value						
End of financial year	148	14,436	4,247	101	3,123	22,055

15. Investment properties

	As at 30 September 2021 <i>S\$'000</i> (unaudited)	As at 31 March 2021 <i>S\$'000</i> (audited)
At fair value		
Beginning of the period/year	–	1,020
Additions	–	14,300
Fair value losses recognised in the consolidated profit or loss	–	(770)
Transfer to property, plant and equipment	–	(14,550)
At the end of the period/year	–	–

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

15. Investment properties (Continued)

The following amounts are recognised in condensed consolidated statement of profit or loss and other comprehensive income:

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Rental income	-	133
Direct operating expenses from properties that generated rental income	-	(40)
	-	93

The following table analyses the Group's investment properties that are measured subsequent to initial recognition at fair value, grouped into fair value hierarchy level 3 based on the degree to which the inputs to fair value measurement is observable.

The fair value loss is recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Recurring fair value measurements: Investment properties	-	-

There was no transfer between level 1, 2 and 3 during the financial period/year.

For the six months ended 30 September 2021

16. Intangible asset**Computer software**

	<i>S\$'000</i>
<hr/>	
Cost	
As at 1 April 2020	123
Additions	—
	<hr/>
As at 31 March 2021 and 1 April 2021	123
Additions	57
	<hr/>
As at 30 September 2021	180
	<hr/>
Accumulated amortisation	
As at 1 April 2020	74
Amortisation for the year	40
	<hr/>
As at 31 March 2021 and 1 April 2021	114
Amortisation for the period (<i>Note 8</i>)	13
	<hr/>
As at 30 September 2021	127
	<hr/>
Net book value	
As at 30 September 2021 (unaudited)	53
	<hr/>
As at 31 March 2021 (audited)	9
	<hr/>

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

17. Trade receivables, deposits and other receivables

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Current		
Trade receivables	13,273	7,977
Prepayments, deferred expenses, deposits and other receivables		
Prepayments	794	686
Deposits to suppliers	6,657	8,712
Deposits	1,983	592
Other receivables	9,750	2,605
	32,457	20,572
Non-current		
Deposit for purchase of a subsidiary	–	1,563
	32,457	22,135

The Group normally grants credit terms to its customers ranging from 30 to 45 days. The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Within 30 days	13,219	7,499
31 to 60 days	6	471
61 to 90 days	10	7
Over 90 days	38	–
	13,273	7,977

The carrying amounts of the Group's trade and other receivables are denominated in Singapore Dollars.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

17. Trade receivables, deposits and other receivables (Continued)

The Group's customers comprise mainly (i) gas, water, telecommunications and power utility companies in the private sector, and (ii) Singapore government agencies such as those governing water utility and catchment in the public sector. During FY2021, with the acquisition of a subsidiary in Hong Kong, the customers of the Group further expanded to the construction companies in the private sector in Hong Kong.

The expected credit loss rate for the Group's customers are negligible for the periods ended 30 September 2021 and 2020 respectively. The Group is of the view that no impairment allowance is necessary in respect of these balances, by taking into consideration of the track record of regular repayment from the customers and also the outlook of economic environment for the financial periods ended 30 September 2021 and 2020, respectively.

18. Contract assets/(liabilities)

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Comprising:		
Current		
Contract assets	8,335	13,564
Contract liabilities	(1,101)	–
	7,234	13,564

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

As at 30 September 2021, retention receivables amounted to S\$262,000 (31 March 2021: S\$262,000) are included in contract assets.

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

The Group considered that the ECL for contract assets are negligible as the customers of the Group are reputable organisations.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

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 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Cash at bank	14,570	11,912

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

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
SGD	11,785	10,277
USD	23	15
HKD	584	1,423
RMB	2,178	197
	14,570	11,912

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

19. Cash and cash equivalents and fixed deposits (Continued)

(b) Fixed deposits

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Fixed deposits denominated in SGD	102	102

Fixed deposits at 30 September 2021 bore interest rates ranging from 0.15% to 1.40% (31 March 2021: from 0.15% to 1.40%) per annum and were pledged to the banking facility of the subsidiary of the Group.

20. Trade and other payables

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Trade payables	3,115	4,163
Other payables		
– Goods and service tax (receivable)/payables	226	478
– Advances received from customers	10	10
– Sundry creditors	278	196
Accrued expenses	731	479
Accrued for trade related costs	113	1,084
Accrual for employee benefit expenses	2,007	1,859
	6,480	8,269

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

20. Trade and other payables (Continued)

The ageing analysis of the trade payables based on invoice date were as follows:

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Within 30 days	2,051	2,449
31 to 60 days	855	1,257
61 to 90 days	159	438
Over 90 days	50	19
	3,115	4,163

The carrying amounts of the Group's trade payables are denominated in Singapore dollars. The carrying amounts of trade payables approximate their fair values.

21. Borrowings

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Bank borrowings-term loans (i)	10,703	9,503
Hire purchase liabilities (ii)	1,092	1,401
Bonds (iii)	15,967	6,848
Other borrowings (iv)	2,031	1,987
Total borrowings	29,793	19,739
Of which		
– Current liabilities	20,182	11,284
– Non-current liabilities	9,611	8,455
	29,793	19,739

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

21. Borrowings (Continued)

(i) Bank borrowings – term loans

The Group's term loan were repayable as follows:

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Bank borrowings		
Non-current, secured		
– Repayable later than 1 year and no later than 2 years	5,774	5,604
– Repayable later than 2 years and no later than 5 years	2,984	2,355
	8,758	7,959
Current, secured		
– Repayable no later than 1 year	1,945	1,544
	10,703	9,503

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

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

For the period ended 30 September 2021, interest was charged at fixed rate of 1.68% and 2.25% (31 March 2021: 1.68% and 2.25%) per annum.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

21. Borrowings (Continued)

(ii) Hire purchase liabilities

The Group's hire purchase liabilities were repayable as follows:

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
- No later than 1 year	938	905
- Later than 1 year and no later than 2 years	154	496
	1,092	1,401

For the period ended 30 September 2021, the effective interest rates on the hire purchase liabilities bore interest rate between 2.82% and 3.04% (31 March 2021: 2.82% and 3.04%) per annum.

(iii) Bonds

The issued bonds of the Group were repayable as follows:

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
- No later than 1 year	15,268	6,848
- Later than 1 year and no later than 2 years	699	-
	15,967	6,848

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

The unsecured bonds amounted to HK\$40 million were issued on 26 January 2021. For the period ended 30 September 2021, the bonds bore a fixed interest rate of 6% per annum and are due in January 2022.

Notes to the Condensed Consolidated Financial Information

For the six months ended 30 September 2021

21. Borrowings (Continued)

(iii) Bonds (Continued)

The unsecured bonds amounted to RMB\$40 million were issued on 13 August 2021. For the period ended 30 September 2021, the bonds bore a fixed interest rate of 14.3% per annum and are due in August 2022.

The unsecured bonds amounted to HK\$4 million were issued on 8 September 2021. For the period ended 30 September 2021, the bonds bore a fixed interest rate of 7% per annum and are due in September 2023.

(iv) Other borrowings

The other borrowings of the Group were repayable as follows:

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
– No later than 1 year	<u>2,031</u>	<u>1,987</u>

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

Other borrowings were unsecured and bore a fixed interest rate of 10% per annum during the period ended 30 September 2021.

22. Share capital

	Number of shares	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2020 (audited), 31 March 2021 (audited) and 30 September 2021 (unaudited)	<u>10,000,000,000</u>	<u>100,000</u>
	Number of shares	Share capital S\$'000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2020 (audited), 31 March 2021 (audited) and 30 September 2021 (unaudited)	<u>920,000,000</u>	<u>1,589</u>

For the six months ended 30 September 2021

23. Subsequent events

1. Reference is made to the announcement of the Company dated 5 October 2021, a wholly-owned subsidiary of the Company, Trendzon (Guangzhou) Industrial Park Investment Development Company Limited (卓航(廣州)產業園投資發展有限公司) (“**Trendzon Guangzhou**”) entered into a subscription agreement with Shanghai Heri Investment Company Limited (上海赫日投資有限公司) (“**Shanghai Heri**”) on 5 October 2021, pursuant to which Shanghai Heri agreed to subscribe for the bonds issued by Trendzon Guangzhou according to the terms of the subscription agreement and the bond instrument with the principal amount of RMB45,000,000.
2. Reference is made to the announcement of the Company dated 18 November 2021, Trendzon Guangzhou entered into a capital contribution agreement with the joint venture partner, Diandian Science and Technology Innovation City Project Investment and Development (Zhongshan) Co., Ltd (點點科創城項目投資開發(中山)有限公司) (“**Diandian**”) and the joint venture company, Trendzon Park Project Investment and Development (Zhongshan) Company Limited (卓航科創城項目投資開發(中山)有限公司) (“**Trendzon Zhongshan**”) on 5 October 2021, pursuant to which Trendzon Guangzhou and Diandian agreed to provide capital contribution, in proportion to their equity interest in Trendzon Zhongshan, of up to RMB45,000,000 and RMB44,100,000 respectively as shareholders’ loans to Trendzon Zhongshan for payment of the construction cost of the first phase development of Trendzon Diandian Science and Technology Innovation City.
3. Reference is made to the announcement of the Company dated 5 October 2021, Trendzon Zhongshan entered into (i) a construction contract with Zhongshan Leixin Earthwork Company Limited (中山市磊鑫土石方工程有限公司) on 5 October 2021 for the construction of basic infrastructure for the first phase development of Trendzon Diandian Science and Technology Innovation City at the consideration of RMB18,000,000; and (ii) a construction design contract with Zhongshan No.2 Architecture Design Institute Company Limited No.1 branch (中山市第二建築設計院有限公司第一分公司) on 5 October 2021 for the construction design in relation to the first phase development of Trendzon Diandian Science and Technology Innovation City at the consideration of RMB10,500,000.
4. Reference is made to the announcement of the Company dated 25 October 2021, Astute Prosper Limited (“**Astute**”), the controlling shareholder of the Company and wholly-owned by Mr. Michael Shi Guan Wah, has disposed of 138,000,000 shares of the Company, representing 15% of the total issued share capital of the Company as at 25 October 2021, to four purchasers through off-market transactions at the consideration of HK\$1.05 per Share.